

Connexional Allowances Committee

Contact name and details	John A Bell, Chair of the Committee johnabell@supanet.com
Resolutions	10/1. The Council receives the report and recommends it to the Conference.

Proposed Report to the Conference Connexional Allowances Committee

Contact name and details	John A Bell, Chair of the Connexional Allowances Committee johnabell@supanet.com
Status of paper	Final report to the Conference
Action required	The Conference's approval of the resolutions and recommendations therein.
Resolutions	<p>N/1. The Conference receives the Report.</p> <p>N/2. The Conference adopts the report and recommendations in sections 1, 2 and 3.</p> <p>N/3. The Conference adopts the report in section 4 and the recommendations in paragraphs 4.28 to 4.35.</p> <p>N/4. The Conference adopts the report in section 5 and the recommendations in paragraphs 5.n to 5.n.</p> <p>N/5. The Conference adopts the report in section 6 and the recommendations in paragraphs 6.29 to 6.36.</p>

Summary of Content

Subject and aims	<p>The report covers the Committee's customary portfolio of topics related to stipends, allowances and other financial provisions, grants made and its other activities.</p> <p>It also reports on and makes recommendations in respect of special projects recently undertaken, as detailed, per section, below.</p>
Main points	<p>Section 1 covers stipends, allowances above stipend and other allowances, fees, rates and expenses for 2018-19.</p> <p>Section 2 reports on the funds and trusts managed by the Committee.</p> <p>Section 3 summarises other work and activities in which the Committee has been and will be involved.</p>

	<p>Section 4 is the report and recommendations of the working group to review the university funding for children of ministers stationed in the Channel Islands, the Isle of Man, Gibraltar and Malta.</p> <p>Section 5 is the report and recommendations of the working group to review provisions for retired ministers and their dependants.</p> <p>Section 6 contains the recommendations on allowances above stipend, fees for occasional services and other payments.</p>
Background context and relevant documents	The Committee's reports to the Conference of 2015 (Agenda pp 446-474) and 2016 (Agenda pp 115-127) on allowances above stipend and other ministerial payments relate to section 6.

Summary of Impact

Standing Orders	None
Financial	<p>Paragraphs 1.3 and 1.4, on stipends and allowances above stipend, impact circuits and other employing bodies, though the figures have been published in advance for budget purposes.</p> <p>Paragraph 1.18, on the sabbatical levy: there will be a small cost increase for circuits and other employing bodies of £40 per minister from September 2019.</p> <p>Paragraph 1.21, on computing provision for student ministers: if the Computers in Ministry Fund is unable to meet this cost in total, the Methodist Church Fund will be required to contribute the balance.</p> <p>Paragraph 1.29, on the Living Wage, may impact the finances in some churches, circuits and districts.</p> <p>Paragraph 4.30, on ministers' children's university maintenance funding, the costs will be met from the FSPD.</p> <p>Paragraph 4.31, on minister's children's travel to university, based on knowledge of their ages, the cost to the MCF will be not greater than £2000 per year from 2018-19 to 2021-22.</p> <p>Paragraph 6.29, on the superintendents' allowance above stipend, there will be an increase of 2.5% of stipend in every circuit from 2019.</p> <p>Paragraph 6.30, on senior posts in the Connexional Team, there will be a saving of 5% of stipend per post as and when the reduction applies as from 2019.</p> <p>Paragraph 6.31, on the President's allowance above stipend, there will be a 5% stipend increase as from 2019.</p> <p>Paragraph 6.32, on the allowances above stipend for other Connexional Team posts and Council-employed posts, there will be a 10% saving of stipend per post as and when the reduction applies as from 2019.</p> <p>Paragraph 6.35, on the Chair of Synod Cymru, there will be a 7.5% reduction as and when the reduction applies as from 2019.</p> <p>Paragraphs 6.34 and 6.36, on non-separated District Chairs and deputy and assistant Chair and Warden posts, any agreed allowances above stipend will be funded by the appropriate proposing body.</p>

The Connexional Allowances Committee's report to the 2018 Conference covers the customary update on stipends and allowances, includes progress reports on other work and activities in which the Committee has engaged, and is presented with the approval of the Methodist Council.

The report is divided into 6 sections, as follows.

1. Recommendations for stipends and allowances 2018-19.
2. Report on Funds and Trusts within the Committee's remit.
3. Other matters of report from the Committee.
4. Report and recommendations relating to university funding for the children of ministers stationed in the Channel Islands, the Isle of Man, Gibraltar and Malta.
5. Report and recommendations, in response to Memorial 2016/M9 and Notice of Motion 2017/207, relating to the financial support, housing and care for retired ministers and their dependants.
6. Report and recommendations on allowances above stipend, fees for occasional services and other payments to ministers.

The Committee's new recommendations this year are **highlighted** in the text.

1. RECOMMENDATIONS FOR STIPENDS AND ALLOWANCES 2018-19

- 1.1 The Committee makes the following recommendations, taking into account past resolutions of the Conference on Stipends and Allowances and data available from HM Government.

Standard Stipend

- 1.2 The resolutions of the 2012 Conference fixed the stipend increase formula for the period until 31 August 2015 and the Conference of 2015 affirmed that this formula should continue to be used for a further three years until 31 August 2018. **There being no reason to change, it is recommended that the formula be retained for a further three years from 1 September 2018.**
- 1.3 Using the index numbers published in October 2017, the CPI movement for the period September 2016 to September 2017 was +3.0% and the AWEI movement for the period July 2016 to July 2017 was +2.1%: the average of these is 2.55%. **In accordance with the recommendation on the stipend review formula affirmed by the 2015 Conference and recommended in paragraph 1.2, the annual standard stipend for the year beginning September 1st 2018 is therefore increased by 2.55% to £24,168 (rounding up to the next highest figure divisible by 12, to give a monthly stipend of exactly £2014).**

Additional Allowances

- 1.4 The following allowances are applied for ministers:

The President of the Conference	Any existing allowance, or 25% of standard stipend, whichever is the greater
Secretary of the Conference	30% of standard stipend
Separated District Chair	25% of standard stipend
Warden of the Methodist Diaconal Order	25% of standard stipend
Synod Secretary (where applicable)	5% of standard stipend

Superintendent	7 ½ % of standard stipend
Principal of a Training Institution	25% of standard stipend
Staff member of a Training Institution	20% of standard stipend
Connexional Team Secretary ¹	30% of standard stipend
Other ministers serving in the Connexional Team or stationed to appointments within the control of the Methodist Council	20% of standard stipend

The above result in the following allowances for 2018-2019:

	£
The President of the Conference	6,042
The Secretary of the Conference	7,251
Separated District Chair	6,042
Warden of the Methodist Diaconal Order	6,042
Synod Secretary (where applicable)	1,209
Superintendent	1,813
Principal of a Training Institution	6,042
Staff member of a Training Institution	4,834
Connexional Team Secretary	7,251
Other ministers serving the Connexional Team or stationed to appointments within the control of the Methodist Council	4,834

- 1.5 The Conference of 2016 agreed that the Synod Secretary's allowance be gradually withdrawn. It is retained by existing incumbents until their appointment ceases but does not apply to new appointments.
- 1.6 In addition to the above allowances related to roles, the Committee affirms that the allowances and other financial provisions agreed by the Conference of 2016 based on location continue to apply. These include an additional allowance of 16% of stipend for all ministers stationed in the Shetland Islands, the Scilly Isles, the Isle of Man and the Channel Islands.
- 1.7 The Committee advises that the provision made in its report to the Conference of 2016 (page 50, paragraph 20) in respect of the Malta appointment which was invoked during the year 2016-17, following the Brexit referendum and consequent fall in the £ sterling against the euro, remains in place. The minister's stipend, paid in £ sterling, was adjusted accordingly and will continue to be kept under review.

Relocation Allowance

- 1.8 The Committee recommends that the maximum allowance payable by the receiving circuit (or other responsible body) to ministers upon moving manse remains at £600 and, in the case of two ministers

¹ This category currently comprises the Assistant Secretary of the Conference and the Connexional Secretary (when the post is held by a minister).

sharing the same manse, it is one payment of £800. It is clarified that this payment is in addition to the full cost of travel and removals, as defined in SO 528.

- 1.9 The Committee affirms the decision of the Conference of 2015, through Notice of Motion 103, to the effect that this relocation allowance shall also apply to ministers (in appointments in the control of the Church) upon becoming supernumeraries. The costs shall be met from the Fund for the Support of Presbyters and Deacons (FSPD), as are their removal costs already. It is affirmed that this provision may be invoked once only, in situations (increasingly) where supernumerary ministers move and continue in active work before final retirement.
- 1.10 The Committee affirms that this provision applies to the widows or widowers of ministers who die in service upon their removal to their new home, in addition to the payment of their removal costs.

Travel Allowances

- 1.11 The Committee continues to recommend that the maximum rates as prescribed by HMRC's 'approved mileage allowance payment scheme' (AMAP) be observed. If alternative mileage rates exceeding those allowed by the appropriate tax authority are paid locally then it is necessary for this income to be declared to the tax authority and it will give rise to a tax liability on the individual concerned. It is emphasised that this should be regarded as a personal liability – involving the individual and HMRC – and not require handling by the Church's officers, centrally or locally. Any changes to HMRC approved rates will be considered by the Committee and presented to the Conference for approval before implementation, so as to avoid unexpected cost increases mid-year.
- 1.12 The Committee continues to remind the Methodist Church of our commitment to reducing our carbon footprint, and wishes to encourage people to use public transport and share cars wherever possible.
- 1.13 The following travel expense rates will apply to ministers, supernumeraries, lay employees in churches, circuits and districts and lay volunteers:

Car: up to 10,000 miles	45p per mile
over 10,000 miles	25p per mile
Motor-cycle	24p per mile
Bicycle	20p per mile
Additional passenger rate	5p per mile

- 1.14 The Committee recommends that the travel allowance (taxable) for ministers during a time of sickness remains at £315 for each complete period of three months. It is further clarified that this grant applies during periods of recuperation from ill-health for up to one year.

Sabbatical Expenses and Levy

- 1.15 In the light of the Ministries Committee's review of the sabbaticals system and consequent report (presented elsewhere in the Agenda), the Committee was grateful to be consulted and kept in touch with its progress and proposals so that any financial impact could be assessed. The Committee accordingly brought forward its own review of sabbatical finances (promised to the Conference to be in 2018-19) rather than conduct two reviews in successive years and brings recommendations this year.

- 1.16 Since its inception, the financial model for the sabbaticals system has comprised an annual levy on the circuit or employing body, per minister, in order to pay reasonable expenses incurred by ministers on sabbaticals up to a certain maximum level. In 2000, the maximum expense level was set at £600 and remained so until 2011. The levy had become £60 by 2008. Over the years, because not all ministers took sabbaticals at the specified intervals and not all required the full £600, the balance in the Sabbatical Fund built up, reaching a maximum at the end of August 2011 of £653,325. The average annual amount paid out in expenses between 2009 and 2012 was £84,000 – at the time enough to cover 7 years' expenses.
- 1.17 Since 2011, the Conference has approved recommendations to waive the levy for a period and to increase the maximum expense level to meet inflationary costs (to £700 in 2011-12, £800 in 2013-14 and £1000 in 2015-16) until the balance in the Fund was at the level of about one year's expenses. Circuits and employing bodies enjoyed a period of 5 years from September 2011 until August 2016 without paying the levy: it was reinstated at £50 in 2016-17 and at £60 in 2017-18, though the £50 level was mistakenly retained, resulting in a shortfall of £13,000 to the Fund. The Fund balance as at August 2017 has decreased to the level of one year's expenses and the levy needs to be increased to meet the expense levels on an annual basis.
- 1.18 **The Committee therefore recommends that the annual levy is retained at £60 per minister for 2018-19 and increased to £100 as from September 2019**, and the maximum expense level retained at £1000. This ratio is exactly the same as the £60/£600 in place until 2011, and the increase in both amounts reflects very closely the RPI increase over the period from 2000 to 2017. It is envisaged that both levy and expense levels will be sustained until 2021-22, though the Committee will continue to monitor the balance in the Fund.
- 1.19 [Report to the Council only. The Committee understands that the Ministries Committee's review will be presented for approval at its meeting in January 2018, with the intention of progressing it at the April meeting of the Methodist Council. The Committee has given its best indications of the likely financial consequences of the proposals outlined in the above paragraph and will bring any further recommendations regarding the Sabbatical Fund to the April meeting of the Methodist Council.]

Computers in Ministry scheme

- 1.20 Following the adoption by the Conference of 2017² of a revised Computers in Ministry scheme offering financial support to ministers, **the Committee recommends that the allowance of £156 per year then agreed be increased to £161 for the year 2018-19. Fulfilling the Conference resolution that the Committee publish the figure annually (and by implication review it), it is recommended that this allowance is increased by the same CPI figure as is used in the stipend adjustment formula, and rounded up to the nearest £, each year.**
- 1.21 In brief, the revised scheme comprises an annual allowance to all ministers eligible to receive it (ie excluding supernumeraries and those whose computing facilities are provided at their place of work) paid with their October stipend, but not pensionable. Further, each year, ministers stationed as probationers will receive a grant of four times the annual amount payable (at the same time) in addition to the annual amount, to enable them to be equipped with computing facilities at the beginning of their active ministry. **Subsequent to the Conference decisions in 2017, in consultation with the Discipleship and Ministries Learning Network, the Committee now recommends that, from September 2018, this initial financial provision be brought forward to the point when the student minister begins training and that it be offered to those already in training commencing**

² See 2017 Conference Agenda section 14, pages 106-107, paragraphs 1.17 to 1.21 and Notice of Motion 2017/101 which amended the resolutions.

their 2nd or 3rd year (though they may elect to wait until the year of probationer stationing). There will be provision for reclaiming this allowance in whole or part in the event that ministerial training is not completed. The Ministries Committee agreed that the Computers in Ministry Fund may be used as far as possible to meet this need with the back-up of the Methodist Church Fund if necessary.

Initial grants and loans to ministers

- 1.22 In accordance with SO 804(2) in respect of loans and grants to ministers appointed 'for the first time to a station in the home work' the Committee recommends that the maximum loan available amount continues to be set at £6000, interest-free, repayable over a maximum of 5 years (ie £100 per month).
- 1.23 The Conference of 2015 agreed to the Committee's recommendation that, as from September 2016, a maximum flat-rate means-tested initial grant be set at the level of £3000. It is further clarified that this is instead of, and not additional to, the relocation allowance which applies to subsequent moves (as per section 1.7). Therefore, receiving circuits do not pay the relocation allowance to ministers in their initial appointment (though they do pay the travel and removal costs as per SO 528(2)).
- 1.24 During their active ministry, loans may be made to ministers but only in the most extreme and exceptional personal and financial circumstances. It is recommended that the same policy is used, ie a maximum of £6000 repayable interest-free over a maximum of 5 years, unless there are specific reasons to offer a greater amount for a short period of time.
- 1.25 All loans and grants under this heading are means-tested and made from the Methodist Church Fund and loan repayments are deducted from monthly stipend at source.

Preaching Fees and Expenses for Supernumeraries

- 1.26 In accordance with the decisions of the Conference, supernumerary presbyters should be offered a minimum preaching fee and travel expenses. **The Committee recommends that the fee remain at £25 until 31 August 2019** and that the standard travel expenses, summarised above, apply. Circuits are reminded that it is their responsibility to pay these fees and expenses, even if and when churches assist with the preaching plan preparation: the church is only responsible for payment when the supernumerary presbyter preaches at the church by specific invitation, typically for a special occasion.
- 1.27 The Committee is aware of the wider project to review the role and ministry of supernumerary ministers, including its enquiry about the presbyters' preaching fee. We undertake to review the principle and amount of the preaching fee when that report is published and adopted, noting that the Conference of 2017 declined a Notice of Motion (2017/102) to increase it to £30 in the meantime.

Marriage Registration Fees

- 1.28 The Committee reported to the Conference in 2011 that there are moves in Marriage Registration Districts to reduce the administrative costs of paying fees to ministers conducting marriages³. Currently all ministers who do so receive a fee of £2 per marriage and thousands of cheques for very small amounts of money (all for £2 or multiples thereof) are prepared and posted. In the event that Registration Districts request the Churches to nominate a central point for collection of payments, the Committee continues to recommend that (1) all local marriage fees be increased by a modest

³ It is understood that this arrangement does not apply in Scotland, but the substance of the proposal is not thereby invalidated.

amount to cover the £2 payment to the minister and (2) that the Fund for the Support of Presbyters and Deacons (FSPD) be the nominated recipient of the aggregated fee payments from the Registration Districts.

Lay Employees Recommended Hourly Rates

- 1.29 The Committee advises that the latest Living Wage rates, published in November 2017 by the Living Wage Foundation (LWF), are **£10.20 per hour for London and £8.75 for all other regions**. The LWF figures will always be adopted as the Methodist Church's recommendations. Methodist employing bodies are reminded of the resolutions of the 2010 Conference (Agenda pp 153-154) regarding the mandatory implementation of these rates.
- 1.30 The Committee reminds the whole Church of the resolution of the Conference of 2015 that the implementation of the Living Wage is now mandatory in all but the most extreme and exceptional circumstances, and that all outstanding exceptions be reviewed by the appropriate District Policy Committee. It is noted that, in July 2017, the Methodist Council announced that it had been accredited by the Living Wage Foundation as a living wage employer of the 220 staff for which it is directly responsible.
- 1.31 Further updated figures, expected to be announced by LWF in November 2018, will be published on the Methodist Church website, and can also be accessed on the LWF website: guidance on implementation timing was given in the Committee's Report to Conference 2012 (Agenda p 130).

2. REPORT ON FUNDS AND TRUSTS WITHIN THE COMMITTEE'S REMIT

- 2.1 The Committee acts as the Trustees for six funds or trusts which are available to ministers, and may, in some cases, be used to give financial assistance to dependent close family members as well as themselves. During the year 2017-18, the Methodist Council agreed that the Committee also act as the Trustees for the Auxiliary (Special Purposes) Fund which offers financial support to the spouses of ministers in the event of marriage breakdown. The seven funds and trusts are:
- The Fund for the Support of Presbyters and Deacons (FSPD), previously known as the Auxiliary Fund (of the Minister's Retirement Fund)
 - The Methodist Ministers' Children's Relief Association (MM CRA)
 - The Methodist Ministers' Children's Fund (MMCF, otherwise known as the Trinity Hall Trust – THT)
 - The Methodist Medical Benevolent Fund (MMBF)
 - The Benevolent Fund – Deaconesses (BFD)
 - The Aspinall Robinson Trust (ART)
 - The Auxiliary (Special Purposes) Fund (ASPF)

The Fund for the Support of Presbyters and Deacons

- 2.2 The objects of the FSPD, ie the purposes for which its resources may be used, were widened by the decision of the Conference in 2011 to amend SO 364(1). This has continued to prove a helpful move in enabling the Committee to offer financial support to those in need in a variety of circumstances.
- 2.3 While the Church continues to be immensely grateful for the generosity of donations to the FSPD, for some years there has been less emphasis on advocacy as its resources were regarded as more than adequate for its purposes. However, in the light of demands and the widening of its objects, the Committee continues the active advocacy of the fund within the Church and is always grateful to receive donations.

Methodist Ministers' Children's Fund (Trinity Hall Trust)

2.4 Agreed as from September 2016, the maximum annual grant is £300 per child per year.

Analysis of Grants from Funds and Trusts

2.5 The Committee promised, in response to a question at the Conference in 2010, to give summary information on the pattern of grant-making in its report to the Conference each year. We are pleased to do this, as below, for 2016-17⁴.

2.6 Fund for the Support of Presbyters and Deacons (FSPD)

The FSPD is by far the largest of the funds and receives substantial income from donations and legacies as well as investments. It is used in a wide variety of ways in pursuit of its objects and in 2016-17 made grants amounting to £. In summary, these were distributed as follows, giving the number of grants in each category in brackets:

Nature of grants	Total amount (£)
<i>Grants to active ministers and following death in service</i>	
Grants to ministers with impairment and manse adaptations (12)	43,892
Grants to ministers for acute financial emergencies (19)	21,687
Grants to widows and widowers following a minister's death in service ()	nil
<i>Grants to retired ministers, widows and widowers</i>	
Grants for nursing and residential care (15)	67,295
Removal costs and relocation grants on retirement	96,338
Christmas gifts to widows and widowers (725) and other small grants	37,592
Grants for own property costs and general financial support (44)	56,043
Grants to MMHS for property acquisitions ⁵ and special adaptations	115,673
Total	438,520

It should be noted that the amounts related to ministers with impairment (which can involve major alterations to manses), emergency requests and property can vary significantly from year to year. The increase in the amount of grants to active ministers reflects the widened scope of the FSPD's remit, as in SO 364(1), and mentioned above.

Trinity Hall Trust

2.7 In 2016-17, £14,074 was paid in grants to 28 ministers to help fund costs of educational activities for their children, an average of £503 per grant. The table below shows the pattern of grant amounts, noting that most were for £600 or less, but remembering that the maximum was £300 per child.

Grant amount in £s	Number of ministers
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⁴ Any differences between the grant expenditure totals given in this Report and the audited accounts of the funds arise from exceptional cases when grants are refunded when they are no longer needed or payments are incorrectly allocated between accounts or retrospective transfers are made between funds when grants are incorrectly allocated.

⁵ This amount includes £102,000 contributed towards the purchase of retirement properties by MMHS where the minister's household had special and specific location needs. The Committee and MMHS express their gratitude to TMCP for arranging to make trust funds available to participate in such purchases, thereby giving MMHS, a TMCP trust and the FSPD a shared equity arrangement.

Less than 300	10
301-600	12
601-900	5
901+	1
Total	28

Methodist Ministers Children's Relief Association

2.8 In 2016-17 the MMCRA made grants amounting to £10,168 to 20 ministers and dependants to give financial help mainly to support the care of adult dependent children. However, it must be noted that, as the bulk of the grants made from the fund which applied to 2015-16 were not paid until September 2016, these are recorded in the 2016-17 accounts. This fund provides limited support from its income which relies wholly on the collections made at District Synods and the Committee continues to encourage Synods to remember the fund's need and to be generous. The Committee advises that the income from 23 District Synods of £8,024 in 2016-17 was slightly less than the £8,135 in 2015-16.

Methodist Medical Benevolent Fund

2.9 The MMBF made 21 grants of varying amounts totalling £16,556, an average of £788, and paid a further £30,126 to the Churches Ministerial Counselling Service and other service providers to offer N ministers support through various forms of counselling, an average of £N per minister. Again, this fund provides support from within its income, derived mainly from investment, and it is used wherever the need is related to physical and mental health conditions. The Committee wishes the Conference to note again the sustained level of expenditure on counselling and related support for an increasing number of ministers, including while they are students and probationers.

Benevolent Fund – Deaconesses

2.10 In 2016-17, several small grants were made for benevolent purposes, amounting to £2,012 in total.

Aspinall Robinson Trust

2.11 In 2016-17, 5 grants were made, for various purposes, amounting to £12,400 in total. The Committee asks the Conference to note that the Benevolent Fund – Deaconesses and the Aspinall Robinson Trust are always used when the beneficiary is a deacon or the dependant of a deacon, as their objects and purposes mirror those of the FSPD.

Auxiliary (Special Purposes) Fund

2.12 In 2016-17, 2 grants were made amounting to £34,776 in total. This fund provides for proportions of an annual stipend to be paid to the spouse when a minister's marriage breaks down (or for specific expenditure to be reimbursed if the stipend is not requested) and therefore the amounts incurred depend on the time in the year. The fund is well endowed to cater for all probable needs.

3. OTHER MATTERS OF REPORT FROM THE COMMITTEE

3.1 The Committee continues to engage in reviews of several topics for which it has responsibility, and is grateful for the support of the Connexional Team staff, especially in the Finance, Development and Personnel, Discipleship and Ministries and Conference offices, in all that they do.

- 3.2 During the year 2016-17, discussions were held with HMRC and the Church's advisors on taxation to ensure that policies and procedures related to allowances and grants are properly aligned with current HMRC regulations and guidelines. It is imperative that the Church is fully compliant in these matters and that their implementation is consistently achieved throughout the Connexion. The changes and clarifications required were communicated through the Quarterly Letter to ministers and circuit stewards and the standard grant application forms were amended as necessary. It is noted that this does not affect decisions to offer allowances or grants, but applies only to their treatment for tax purposes.
- 3.3 The Committee keeps a record, for its own guidance and purposes, setting out the policies and precedents for dealing with the wide variety of these special requests for financial assistance. This enables the Committee always to be consistent and fair in the application of criteria for assessing need. The Committee is also called upon from time to time to advise on the interpretation of Standing Orders related to circuits' financial obligations and provisions for ministers in a rich variety of circumstances.
- 3.4 During the year, the Committee has reviewed the Reserves positions on the funds for which it is responsible and confirmed that they comply with the guidance and policy set out by the Connexion.
- 3.5 The Committee gratefully acknowledges a grant of £30,000 from a trust managed by TMCP to cover the Christmas gifts to ministers' widows and widowers.
- 3.6 The Conference of 2016 agreed (1) in resolution 6/7, to review the matter of university funding for children of ministers stationed in the Channel Islands, the Isle of Man, Gibraltar and Malta, (2) in resolution 6/8, to direct the Methodist Council to report on the reciprocal state contribution and benefit arrangements between the UK and the same jurisdictions and (3) in resolution 6/9, to direct the Methodist Council to review the matter of public sector employment arrangements, as they affect ministers' spouses, in the same jurisdictions. The recommendations deriving from (1) are given in section 4 of the Committee's Report. One of those recommendations relates to the wider issues raised by (2) and (3) on which, at the time of writing, work had still to begin, awaiting the allocation of resources by the Methodist Council.
- 3.7 The Committee was grateful for and has responded to Memorial 2016/M9 (Conference 2016, from the York and Hull District Synod) in respect of discussions with other bodies about the long-term challenges facing the whole Church in making financial (ie pensions and grants), housing and care provisions for ministers and their dependants into increasingly older age. This is a prominent and nationwide issue from which the Church is not immune. The Committee's Chair met with representatives from the Methodist Ministers' Pension Scheme (MMPS), the Methodist Ministers Housing Society (MMHS) and the Conference Office during the year 2016-17 and as a result of the adoption of Notice of Motion 2017/207 at the Conference of 2017 is including Methodist Homes (MHA) in ongoing discussions. The outcome of the review, with recommendations, is given in section 5 of this Report.
- 3.8 The Conference of 2017 referred recommendation 10 within paragraph 16 of the Methodist Council Report (2017 Agenda section 27 relating to the Ministries Committee) contained in its amended resolution 27/12 (2017 Agenda page 290) to the Committee. The subject was the financial arrangements applying to ministers of other Conferences and Churches (MOCCs) who transfer to the Methodist Church in Britain. The Committee prepared its response and submitted it to the Conference Office in November 2017.
- 3.9 The Committee expressed its gratitude to Ms Maureen Sebanakitta, former Director of Financial Operations in the Connexional Team, whose service to the Committee was hugely appreciated over

many years. Several successful projects, not least the transfer to a monthly payroll for all ministers and the Church's compliance with HMRC regulations (mentioned above), were largely achieved as a result of Maureen's commitment, diligence and attention to detail. The Committee wished her well as she moved on in her career.

4 UNIVERSITY COSTS AND FUNDING FOR CHILDREN OF MINISTERS STATIONED WITHIN THE METHODIST CHURCH OF BRITAIN BUT OUTSIDE THE UNITED KINGDOM

- 4.1 In this section, the Committee submits the report of the working group as presented to it. As the report reveals, the situation in Wales is different from that in England – there are advantages and disadvantages – but the working group judged that consideration of Wales was outside its immediate remit and that the numbers of ministers affected (58 in The Wales Synod and Synod Cymru), and therefore the financial consequences, are significantly greater. The Committee brings this observation to the attention of the Conference for further direction as it wishes.

Origin and purpose of review and definitions

- 4.2 The Connexional Allowances Committee's Report to the Conference of 2016 agenda section 6, relating to allowances above stipend, recommended that 'The Conference directs the Council to establish a working group to review the matter of university funding for the children of ministers stationed in the Channel Islands, the Isle of Man, Gibraltar and Malta and make appropriate recommendations'. Resolution 6/7, on page 57, was adopted.
- 4.3 The Report contained the following paragraph (number 26 on page 51), by way of explanation. 'The Committee raises three other issues which have become apparent within the last year or so and which require further investigation. First, university students in the Channel Islands are not eligible for UK government student loans, and some universities are seeking to charge international fees to CI residents. This puts ministers' children who happen to become 18 years old whilst their minister parent is stationed in the CI at a huge disadvantage. Indeed, it may profoundly impact the willingness of some ministers to be stationed in the islands. The Committee itself does not believe that the funds at its disposal (such as the FSPD) may be used for this purpose.'
- 4.4 The Council duly established a working group (see paper MC/16/99) comprising Mr John A Bell, Chair of the Connexional Allowances Committee, the Revd Christopher R D Foxon, a supernumerary minister in the Strathclyde Circuit (in Scotland) and the Revd Anthony J D Morling, a minister stationed in the Jersey Circuit, with direction to undertake wide consultation and research to ensure that all the elements referred to in the Conference resolution are covered in any recommendations.
- 4.5 The working group first met in March 2017, and again in October 2017, preparing its report and recommendations for the Conference of 2018. We are grateful to several people who provided the group with information relating to the various jurisdictions within and outside the UK.
- 4.6 This review is primarily focused on the Channel Islands, the Isle of Man, Gibraltar and Malta (where the appointment alternates between a minister from the Methodist Church and the Church of Scotland). It is noted that the other islands, including Shetland, are within the UK, but it is also recognised that university funding arrangements differ between England, Scotland and Wales.
- 4.7 The Committee's Report to the Conference of 2016 addressed several other dimensions of the financial challenges faced by ministers (and their families) stationed in the more remote locations, both within and outside the UK. In adopting all the related resolutions in agenda section 6, the Conference implicitly agreed to their underlying premise stated in paragraph 15 (page 49), as follows: 'It is imperative that the Church ensures that ministers willing to be stationed in these places are not

disadvantaged, financially or otherwise, by their commitment to itinerancy: moreover, there is an impact on their families too.'

Important qualifications

- 4.8 The working group emphasises that the information used in this report derives from official published sources and applies in normal circumstances for standard 3-year (4-year in Scotland) undergraduate courses⁶ for dependant students, ie 18-21 year-olds who live with parents. It is used as a basis to determine a recommended policy for the Church and must not be taken as an authoritative answer to any individual case or course. To quote the relevant website about residency qualifications, fees and maintenance grants: 'decisions are taken on a case-by-case basis'.
- 4.9 Whether the Conference adopts the working group's resolutions or not, it is imperative that any minister stationed to these five circuits⁷ who has children who may reach university entrance age during the likely period of their appointment (including any extensions beyond the initial five years) ascertains as much information as possible beforehand, in the light of the policies prevailing at the time. This may apply when a child is as young as 8 years, and if that child is the eldest, it may affect younger ones too. A difficulty arises if a minister who has not expressed a preference for an appointment in these circuits is stationed in one of them during the intense and short period of matching: there is little time for thorough research of the implications. If a minister does express such a preference, then at least there is more time to do this.

Numbers of ministers

- 4.10 Using the numbers in the Minutes of the Conference 2016, and counting ministers in Full Connexion and those Recognised and Regarded in appointments within the control of the Church⁸, there are 11 in the Channel Islands⁹ (5 in Guernsey, 1 in Sark in the Guernsey Circuit and 5 in Jersey), 5 in the Isle of Man and 1 each in Gibraltar and Malta. There are 18 in mainland Scotland, 3 in Shetland, 58 in Wales (in Synod Cymru and The Wales Synod) and approximately 1450 in England.
- 4.11 The working party has specifically focused on ministers in Full Connexion and those Recognised and Regarded who are stationed by the Conference to appointments within its control. Those in the other categories as summarised in the footnote either have chosen to live and sometimes work where they do, or already live in these circuits and continue to be the responsibility of another Church or have chosen to retire to these locations.

Summary of university costs and funding in the UK

- 4.12 First, the working party makes no judgement or comments on the merits and demerits, rights and wrongs, differences between nations or politics of university funding in these Isles. We accept the policies and regulations as they are at the time of writing, mindful that the matter is currently subject to much debate and difference of view between the mainstream British political parties, not least whether charging fees should be retained, capped or scrapped.

⁶ The working group acknowledges that some courses, such as medicine, dentistry, veterinary science and architecture normally last longer.

⁷ There are two circuits in the Channel Islands and one each in the Isle of Man, Gibraltar and Malta.

⁸ Therefore excluding ministers in appointments outside the control of the Church, those Without Appointment (WA), those of other Churches who are authorised to serve as presbyters or deacons (AP and AD) and supernumeraries.

⁹ It is noted that there are two supernumerary ministers who live in Alderney, in the Guernsey Circuit, and there has been a deacon stationed in Alderney in recent years.

- 4.13 The two elements of cost in attending university are the tuition fees and the living, or maintenance, costs. Funding to meet these is variously a combination of grants and loans in addition to personal contributions by the student and/or family. In assessing eligibility for grants and/or loans there is usually a prior residence qualification period and the working party's survey of the published regulations indicates that, where families may have moved between nations and territories in the years prior to the child seeking access to university, cases are judged on an individual basis. The working group did not regard the associated system of loan repayment after graduation, based on subsequent earnings, to be relevant to its remit but acknowledges that, after three years, a graduate in England who has been wholly dependent on loans to cover fees and maintenance costs is highly likely to have debts of over £50,000.
- 4.14 In 2017-18, virtually all English and Scottish universities have adopted the maximum annual tuition fee of £9250¹⁰ and those in Wales of £9000¹¹. It is hard to find any which do not charge this maximum, it is surmised for fear of being regarded as second-rate. As is outlined below, not all students are required to pay the full fee amount in Scotland and Wales.
- 4.15 As it is the current substantial amount of the fee, in addition to the maintenance costs, which causes the major challenge for ministers with children in the five circuits, it is helpful to sketch out how they have evolved. Tuition fees of a maximum of £1000 per year were introduced throughout the UK in 1998, then, in England the maximum increased to £3000 in 2006, to £3225 in 2009, to £9000 in 2012 and to £9250 in 2017. In 1999, maintenance grants were replaced by a system of loans. However, following the devolution of certain powers to Scotland and Wales in 1999, those nations adopted policies different from England and more favourable to students fulfilling residence qualifications.

Summary of policies and regulations in different nations and jurisdictions

- 4.16 This section summarises policies and regulations, as published and understood, in the different places, noting that it matters where the student lives and where the university is located. The first table below deals with students who live in England, Wales and Scotland, and the second with those who live in Jersey, Guernsey and Alderney and the Isle of Man. Separate comments are given relating to Sark, Gibraltar and Malta.

Living in	England	Wales	Scotland
Residence period before start of course: minimum qualification	3 years in the UK, Channel Islands or Isle of Man, but resident in England by ¹² August 31 st	3 years in the UK, Channel Islands or Isle of Man, but resident in Wales by ¹³ August 31 st	3 years in the UK, Channel Islands or Isle of Man, but resident in Scotland ¹⁴ by August 31 st
Tuition fees and funding	Maximum of £9250 for English and Scottish universities, £9000 for Welsh. No grants available.	Maximum of £9000 for Welsh, of which £4954 can be a grant and £4046 a loan; £9250 for English and	Maximum fee of £1820 (the rest is grant), but mostly a 100% grant. Maximum of £9250

¹⁰ The working party has not included attendance at universities in Northern Ireland separately: the policies for those living in England, Scotland and Wales are the same as for English universities.

¹¹ The working party used the 'Good University Guide 2018', published as a supplement to The Sunday Times newspaper edition of September 24th 2017, as a general source of information about university fees.

¹² This is one of the factors which seems subject to interpretation. It is possible that the residency in the nation must be before the course begins, rather than 31 August. However, it is noted that, as ministers would normally move in August, the requirement would be satisfied in any event.

¹³ As footnote 11.

¹⁴ It is understood that 31 August is the deadline in Scotland.

	Loans are available.	Scottish, of which £4954 can be a grant and £4296 a loan.	and £9000 for English and Welsh: loans are available.
Maintenance costs and funding	Means-tested loan according to whether university is in London or nor and whether student lives at home or not. Maxima are: Live at home £7097 Uni not London, live away £8430 Uni in London, live away £11002	Policy is as England, but amounts differ. Live at home £5358 Uni not in London, live away £6922 Uni in London, live away £9697	Means-tested loan of maximum £5750, minimum £4750, and bursaries available of up to £1875. No difference for London or living at home,
Are fees and loans honoured if residence changes to a different jurisdiction during course?	It is thought so.	It is thought so.	Yes

4.17 The policies in Jersey and Guernsey are different, but Alderney adopts the same policies as Guernsey. A separate paragraph covers the island of Sark. It must be noted that a few universities treat students from the Channel Islands and the Isle of Man as international and impose a higher level of fees. Jersey will offer a higher grant, as shown, for a fee of £10,750, but the other jurisdictions do not. Moreover, international fees are largely much higher than that – most in the £14,000 to £18,000 region – and can exceed £30,000 per year.

Living in	Jersey	Guernsey/Alderney	Isle of Man
Access to UK student loans from national bodies ¹⁵	No	No	No
Residence before start of course: minimum qualification	5 years in Jersey before August 31 st of the year when course starts.	3 years in the UK, the Channel Islands or the Isle of Man.	4 years in the Isle of Man.
Tuition fees and funding	Means-tested grant of up to £7750 for a £9250 course, and £9250 for a £10750 course. Student must pay £1500 towards fees.	Means-tested grant of up to £9250.	Means-tested grant of up to £6750 for a £9250 course. Student must pay £2500 towards fees.
Top-up loan towards fees shortfall	Means-tested of up to £1500, from Natwest Jersey. Repayment begins 12 months after end of course and must be fully repaid within 5 years,	Not required, as the grant can be for the total fee amount.	Means-tested loan of up to £2500 from the Isle of Man Education department. Repayment begins 12 months after end of course and the rules

¹⁵ There are separate bodies in England, Wales and Scotland which administer the student grant loan schemes.

	irrespective of earnings.		are similar to the English scheme.
Maintenance costs and funding	Means-tested grant of up to £6000.	Means-tested grant of up to £6508 for non-London university and £7923 for London.	Means-tested grant of up to £5200 for non-London university and £5700 for London.
Top-up loans for maintenance costs	No	No	No
Are fees and loans honoured if residence changes to a different jurisdiction during the course?	Yes	Yes	No: the student must continue to be a permanent resident of the Isle of Man.
Other financial support	No	Travel costs to UK: £462 to London and southern universities and £576 to others.	No

- 4.18 The island of Sark provides free schooling up to the age of 15 years, and therefore the education of children undertaking GCSEs and beyond must be funded privately. There is no funding whatsoever, either through grants or loans, for higher education.
- 4.19 Gibraltar is a British Overseas Territory. Its government will offer scholarships to students studying at British universities. No further general information was readily available.
- 4.20 Malta is an independent country within the EU. Tuition fees in English and Welsh universities apply though a Maltese student (or any from an EU country other than England and Wales) studying at a Scottish university is eligible for free tuition as are Scottish residents. There is a University of Malta which offers free tuition to Maltese students. No further general information was readily available.

Key principles and issues in considering any recommendations

- 4.21 Taking England as the norm – where 93% of ministers are stationed – and accepting that Scotland and Wales are more generous than England, it is important that, in considering any assistance to ministers and children in the Channel Islands, the Isle of Man, Gibraltar and Malta, it does not bestow an unfair advantage over those in England. Even if financial support can be afforded, the Church must uphold principles of fairness and justice within the whole connexional context.
- 4.22 The funding schemes in England, Wales and Scotland, albeit with elements of means-testing, are predicated on a financial relationship between the respective funding bodies and the student, not the parents. Graduating with a debt in excess of £50,000 may not be a happy outcome, but it is between the funders and the student and any risk of non-repayment rests with the UK government. In the Channel Islands and the Isle of Man, taking the available loan into account, tuition fees are covered more generously than in England and Wales, but there is a significant shortfall in funding maintenance costs and, as there are no top-up loans available (as the second table illustrates), the student has no recourse to any other funding and the burden falls on the family.
- 4.23 Whilst there is a facility to offer loans to ministers from the Methodist Church Fund, with monthly repayments deducted from stipend at source over an agreed period not longer than 5 years, the working party does not believe that loans could be made to ministers' children, not least as there would be no guarantee of repayment. Moreover, it seems to be unfair to offer loans to support the children of ministers stationed outside the UK and not to those within.

- 4.24 The working party believes that the current system, if ministers acquaint themselves with the information, must have an adverse impact on their willingness to be stationed in the Channel Islands and the Isle of Man. As paragraph 4.8 highlighted, this constraint may last for several years and affects, for obvious reasons, ministers in the middle age band. In the particular case of Sark, the working party suggests that it would be inadvisable to station a minister with children in that appointment, in view of the financial disadvantages of doing so.
- 4.25 In the cases of Gibraltar and Malta, in view of the working party's limited knowledge, we would suggest that, when the next time comes to fill those appointments, the prevailing system of UK university funding for students from those places is researched if it is likely that a minister with children is stationed in either.
- 4.26 The working party has been mindful throughout its deliberations that the Methodist Church is a Connexion and upholds the principle of an itinerant ministry. However, in making the suggestions in the above paragraphs with regard to Sark, Gibraltar and Malta, we suggest that in certain extreme circumstances it is not always 100% achievable.
- 4.27 The major challenges relate to the fulfilling of itinerancy in the larger Channel Islands and the Isle of Man and recommendations are given below.

Recommendations

- 4.28 In framing recommendations, the working party distinguished between (1) the financial needs of ministers already stationed, or who will be stationed up to and including September 2019, in Jersey, Guernsey and the Isle of Man who have children of or approaching university age within the period of their invitation or possible extension and (2) those to be stationed in 2020 and afterwards. We have suggested 2019 as the cut-off for the first group because any new appointments in 2018 will be matched long before this report reaches the Conference of 2018 and preparatory work will also have started on the 2019 stationing cycle. Any minister in the second group who has children can still make informed decisions about whether to accept stationing in these places from 2020 onwards.
- 4.29 It is evident that the main financial barrier, as summarised in the second table and highlighted in paragraph 4.22, is topping-up maintenance costs to enable university education to be accessible. Taking the figure of £8430 as the standard maximum loan for a student not at a London university and living away from home, the shortfall for Jersey is £2430, for Guernsey £1922 and for the Isle of Man £3230. The comparable figures for a London university are £5002, £3079 and £5302.
- 4.30 **The working party recommends that an annual grant, subject to the same means-testing as the grant from the funding body, is made from the FSPD to enable the shortfall in maintenance costs at a university outside London to be met. That does not preclude attendance at a university in London but it must be the student's or family's decision to fund the cost difference. The grounds for using the FSPD are that the burden of finding the shortfall currently falls on the minister's household which can place them in acute financial need and a loan offered to the minister does not seem fair.**
- 4.31 **Further, the working party recommends that the Methodist Church Fund offers a grant to ministers' student children from Jersey and the Isle of Man, comparable to that offered in Guernsey (as per the second table), to cover travel costs to and from the UK. It is recommended that this be £500 per year to include any students entering university until 2019, for a maximum of three years.**

- 4.32 It is underlined the recommendations in paragraphs 4.30 and 4.31 are brought as interim measures to assist ministers already stationed or to be stationed up to 2019 in Jersey, Guernsey and the Isle of Man and are not regarded as a longer-term or permanent solution.
- 4.33 Based on UK university funding arrangements at the time of writing – and accepting that these may change – the working party expresses concerns about the long-term viability of stationing ministers with children in any of the five circuits in the Channel Islands, the Isle of Man, Gibraltar and Malta, and recommends that the Stationing Committee reviews how the principle of ministerial itinerancy can be realistically sustained in the long term in the light of the practical and financial constraints the working party has exposed.
- 4.34 The Connexional Allowances Committee has already commissioned a broader review of the total practical and financial consequences for ministers stationed in these circuits and their families – spouses and children – as indicated in its report to and adopted by the Conference of 2016 (resolutions 6/8 and 6/9 on Agenda page 57). This review awaits the allocation of resources by the Methodist Council. It is recommended that, to pursue the recommendation in paragraph 4.33, the Stationing Committee engages with this review as the matter of university funding for ministers' children is but one element in a bigger and complex picture.
- 4.35 In order to meet the deadline of 2020 as set out in paragraph 4.28, it is imperative that the project outlined in paragraphs 4.33 and 4.34 reports to the Conference of 2019 so that ministers stationed in the future in the five circuits are under no illusions as to the consequences, both positive and negative, for them and their families.

5. PROVISIONS FOR RETIRED MINISTERS AND THEIR DEPENDANTS (MEMORIAL 2016/M9)

[The project is well underway and this section will be presented to the Methodist Council in April]

6. ALLOWANCES ABOVE STIPEND, FEES FOR OCCASIONAL SERVICES AND OTHER PAYMENTS TO MINISTERS

History

- 6.1 The last major review of ministerial remuneration was reported to the Conference of 2002¹⁶ and although certain important adjustments have been made since then, the framework of allowances above stipend and fees for occasional services which that Conference affirmed and agreed has remained in place. Indeed, the only significant change to the former was to increase the superintendent's allowance from 5% to 7.5% reasoning that it was 'to reflect the increased responsibility carried by Circuit superintendents arising from issues such as safeguarding policies'.
- 6.2 During the mid-2000s, there were significant structural changes to the connexional leadership and Team¹⁷ which demanded a rather too hurried response from the Connexional Allowances Committee resulting in the universal adoption of a 20% allowance above stipend for all 'other ministers serving in the Connexional Team or stationed to appointments within the control of the Methodist Council': this wording was introduced in 2008 and remains today. Prior to that, the 20% allowance was reserved for those in posts known as 'Connexional Secretary' which was not the same as its current namesake which is closer to but not the same as what were then Co-ordinating Secretaries (paid a 30% allowance).

¹⁶ Conference 2002 Agenda section 48 pp 515-540.

¹⁷ People with colourful memories will recall reference to the new posts as 'reds', 'greens', and 'others', in order of seniority.

- 6.3 In 2010-11, the Shadow Ministries Committee, as it then was, set up an Allowances Review Group (ARG) to begin a review of various aspects of ministerial remuneration, including allowances above stipend and fees for occasional services, with a view to reporting to the Conference of 2012. The ARG brought recommendations to the Methodist Council in March 2012 which were received but referred back to the Connexional Allowances Committee by the Conference of 2012¹⁸ for 'further work to provide a substantial justification and rationale for allowances above stipend and for the treatment of fees, informed from theological and economic perspectives', consulting as necessary and bring proposals at a future date.
- 6.4 Meanwhile, two Memorials (M11 and M12) were received by the Conference of 2012¹⁹. The first, M11, 'requests that a policy be established across the Connexion whereby any monies received by ministers as a resulting of conducting occasional services, such as those of marriage and funerals, be remitted to the Circuit' and the second, M12, stated 'that, [as] there is no theological justification for responsibility allowances for some ministers, asks for their abolition across the Connexion'. Both Memorials noted the Connexional Allowances Committee's report to the Council in March 2012. The Conference resolved that the replies were contained in the Committee's report (as mentioned in paragraph 6.3) and that the Committee would bring a further report on both topics in 2013.
- 6.5 The Committee continued its work, gaining the Council's approval to delay its report from 2013 to 2014, not least as the Supreme Court judgement was awaited in the legal case regarding the employment status of Methodist ministers which was received in May 2013. The Committee's report, presented to the April 2014 meeting of the Council, considered (1) the concept of a stipend and noted the references to it in the legal judgement, (2) detailed arguments for and against allowances above stipend (including why they were introduced) and how fees might be treated and (3) drew up a list of alternative resolutions for decision. The Committee also became aware that its proposals has precipitated widespread discussion and certain concerns across the Connexion, which highlighted the extreme variation of views, some expressed with some vehemence, on issues of ministerial remuneration.
- 6.6 The Council agreed that the whole matter be referred back to the Committee, with the request to bring a proposal to its October 2014 meeting to conduct a consultation of ministers and lay people. An electronic survey was duly undertaken in November-December 2014 and the results were reported to the Council in its meetings in January and April 2015 and presented to the Conference of 2015 in the Committee's report²⁰. Whilst the survey revealed differences of opinion, there were strong preferences to retain policies for (1) a framework of allowances above stipend and (2) ministers retaining fees from occasional services and other payments. However, despite some input from the Faith and Order Committee, there was still some anxiety that the theological underpinning of stipends, allowances above stipend and fees had not been thoroughly justified and understood.
- 6.7 The Conference of 2015 adopted resolutions (1) to enable the Committee to bring some amendments to allowances above stipend in certain circumstances in 2016, (2) to commission a thorough-going review by the Faith and Order Committee of the theological underpinning of stipends etc to report to the Conference of 2017 and (3) to state a policy on fees and other payments. The details of (1), summarised in paragraph 6.8, and (3), in paragraphs 6.13 and 6.14, are the first step in consolidating agreed Conference policies on ministerial remuneration. The Committee took the sensible view that the complete review of allowances above stipend first required the outcome of the Faith and Order Committee's review due to be received at the Conference of 2017.

¹⁸ Conference 2012 Agenda section 13 pp 130-132.

¹⁹ Conference 2012 Agenda section 59 pp 776-777. Both were submitted by the Scotland Synod.

²⁰ Conference 2015 Agenda section 46 pp 446-475. The survey results are given in detail.

- 6.8 The Conference of 2016 adopted the Committee's recommendations²¹ related to (1) allowances above stipend for Synod Secretaries, (2) approval by the Committee for all local allowances above stipend, not just those >10%, (3) allowances above stipend in the islands and remote locations, (4) allowances above stipend in and around London and (5) allowances above stipend in Scotland. Those agreed by the Conference of 2016 are summarised in paragraphs 6.15 to 6.17.
- 6.9 The Committee received the report of the Faith and Order Committee and incorporated it into its own report to the Conference of 2017²². It was never doubted that the Faith and Order Committee's task was challenging, as witnessed by the recent history of the Connexional Allowances Committee's wrestling with the contentious issues and extremes of opinion in the Church. However, the Committee reluctantly expressed its disappointment that the Faith and Order Committee's commentary and guidance fell short of what it had hoped for, and indeed, though thoughtful and theologically informed, was not significantly more enlightening than the Committee's own reflections in previous reports.
- 6.10 The Committee's interpretation of the Faith and Order Committee's guidance is that, on balance, the justification for allowances above stipend is not proven²³, but that custom and practice has bequeathed a legacy that some ministerial posts carrying extra accountabilities – as understood in the secular world of work – warrant such an allowance. The implication is that the Conference, in the name of the whole Church, must decide how that balance falls.
- 6.11 The Faith and Order Committee report did not explore any underpinning theological principles specifically relating to fees for occasional services and other payments and made no comment on the justification for ministers retaining, returning or sharing them.
- 6.12 It has been a long, time-consuming and tortuous journey to reach this point and the Conference is therefore urged to take the final decisions as recommended as a basis for ministerial remuneration for the foreseeable future.

Policy decisions agreed by the Conferences of 2015 and 2016

- 6.13 The Conference of 2015 adopted the following resolutions:
- That ministers continue to retain any funeral and wedding fees which they are given or claim and that they may return or disburse them as they wish²⁴.
 - That, taking into account local custom and practice, ministers continue to determine whether to claim or waive funeral and wedding fees²⁵.
 - That ministers continue to retain fees and payments for teaching, chaplaincy and other activities²⁶.
 - That the attention of Circuits is drawn to SO 802(3) and SO 802(5) and that they be positively enforced²⁷.
- 6.14 Whilst acknowledging that the case can be made for pooling funeral and wedding fees (as is the Church of England practice) and that there is a wide spectrum of opinion in the Church on the matter, the Committee brings no amendment to these resolutions at this point in time, but

²¹ Conference 2016 Agenda section 6 pp 44-58.

²² Conference 2017 Agenda section 14 pp 115-128.

²³ The Faith and Order Committee intimated that financial need should be a stronger determinant of an allowance above stipend rather than greater accountability.

²⁴ Conference 2015 Agenda section 46 p 468.

²⁵ Conference 2015 Agenda section 46 p 470.

²⁶ Conference 2015 Agenda section 46 p 471.

²⁷ Conference 2015 Agenda section 46 p 473.

emphasises the importance of observing the above SOs as a means of monitoring and managing time spent and income generated from such activities within reasonable limits.

6.15 The Conference of 2016 adopted the following resolutions:

- That the 5% allowance above stipend for Synod Secretaries be discontinued²⁸.
- That the Connexional Allowances Committee considers all requests for local discretionary allowances above stipend, not just those above 10%²⁹.
- That the arrangement whereby ministers stationed in the Inverness and North of Scotland Mission Circuits may claim the costs of the twice-yearly visit to 'the mainland' be discontinued³⁰.

6.16 The Conference of 2016 also adopted six resolutions relating to ministerial remuneration and other provisions in the Channel Islands, the Isle of Man, the Shetland Islands, the Isles of Scilly, Gibraltar and Malta, including the funding of additional allowances and expenses from the Methodist Church Fund³¹.

6.17 The Conference of 2016 also accepted the Committee's reasoning, as set out in its report to the Conference of 2015³² and summarised in 2016, with respect to any allowance above stipend for appointments in and around London, but as the policy was not amended, there was no need for a formal resolution. The policy remains that there is no 'London allowance' as such.

Working towards recommendations on allowances above stipend

6.18 The Conference of 2017 (1) received the report of the Faith and Order Committee, (2) directed that any responses to the report and its consequences for ministerial remuneration be forwarded to the Chair of the Connexional Allowances Committee by 30 November 2017 and (3) directed the Committee to bring any revised policy recommendations on ministerial remuneration to the Conference of 2018³³.

6.19 The Committee reports that a single response was received in relation to (2) in the above paragraph, perhaps indicating that there is no more to be said or added!

6.20 The Committee reminds the Conference of its earlier work on seeking to understand the justification for allowances above stipend, which drew mainly on statements made in the 2002 report to the Conference (see footnote 1). There were four elements, as follows:

- 1) *To reflect additional or extra responsibilities.* The implication is that these are above what may be termed normal circuit ministerial responsibilities and refer to those posts listed in the Committee's annual report to the Conference.
- 2) *To acknowledge the special circumstances pertaining to the post.* This is not very different from the first but is administered as a local discretionary allowance rather than one defined in the list of posts in the Committee's annual report to the Conference.
- 3) *To compensate for loss of wedding and funeral fees.* This is discussed in paragraphs 6.21 to 6.23 below.

²⁸ Conference 2016 Agenda section 6 pp 48 and 57. This was effective for new post-holders from September 2016, but ministers already in post would retain the allowance until their term of office ceased.

²⁹ Conference 2016 Agenda section 6 pp 48-49 and 55-57. This was effective from September 2017 for new and renewed (ie re-invited) appointments.

³⁰ Conference 2016 Agenda section 6 pp 53-54 and 57. This was effective from September 2017 for new and renewed (ie re-invited) appointments.

³¹ Conference 2016 Agenda section 6 pp 49-52 and 57 for full details.

³² Conference 2015 Agenda section 46 p 473 and Conference 2016 Agenda section 6 pp 52-53.

³³ Conference 2017 Agenda section 14 pp 127-128.

- 4) *To help with entertaining costs.* This is to blur and confuse allowances and expenses: it is clear that any such legitimate costs be reimbursed as expenses by the appropriate body or fund and not be taxable.
- 6.21 The 2002 review observed that income from funeral and wedding fees in the year of the survey, 1998-1999, was less than had been imagined, and there has been a general reduction since, especially in wedding fees. The results of the survey conducted by the Committee in 2014 were published in its report to the Conference of 2015³⁴, in addition to its reflections on the principles and practices evidenced from comments received.
- 6.22 In round numbers, the survey revealed that 80% of ministers received funeral fees totalling less than 5% of the annual stipend at the time and 23% received none. As for wedding fees, 57% of ministers received none and 90% less than 1.5% of annual stipend. The Committee therefore suggests that allowances above stipend cannot be justified on grounds of compensation for fees, such is the general level of and variation in them. Moreover, if this was the case in times past, it does not justify variable % allowances above stipend – there is no correlation between the income from such payments and the appointment to which a minister was subsequently appointed.
- 6.23 The Committee concludes that the only bases for an allowance above stipend are the first and second reasons in paragraph 6.20, ie extra responsibilities or special circumstances. The latter group are overseen by the Committee's role highlighted in the second point in paragraph 15 and will be considered in the light of the special circumstances which prevail.

Retain or abolish allowances above stipend?

- 6.24 Before making recommendations on the future structure of allowances above stipend, and bearing in mind the observations made in paragraph 6.10 above, the Committee rehearses the case for their abolition but does not recommend it. We suggest that the balance falls in favour of retaining a structure similar to the current one.
- 6.25 The Committee's report to the Methodist Council in April 2014 explored the nature of stipend especially in the light of the judgement of the Supreme Court. We made the following statement: 'It is commonly understood that a stipend is a regular allowance paid to those in occupations such as the clergy to give them a reasonable standard of living, free them from basic financial concerns and pre-empt any need to seek other paid employment. In the Methodist Church, it is set connexionally and accompanied by the provision of a manse in an appropriate location so as to support the principle and freedom of connexional stationing and ensure consistency throughout the Church'. We added that the judgement of the Supreme Court included the statement 'Neither the stipend nor the manse are regarded by the Methodist Church as the consideration for the services of its ministers. They regard them as a method of providing material support to the minister without which he or she could not serve God'.
- 6.26 The report of the Faith and Order Committee in 2017 explored theological considerations, the critical importance of the covenant relationship and historic practices and underlined these principles, noting that the stipend applies equally to presbyters and deacons, that it is given irrespective of the particular tasks ministers undertake and that it is counter-cultural. It concluded³⁵ 'In the Church's work, we cannot hold that value rests in relation to the level of remuneration one receives, but we must instead seek to understand what it is to be freed in grace for mission, and to engage in appropriate support in order that those receiving stipends feel they have that freedom to live and

³⁴ Conference 2015 Agenda section 46 pp 464-472, including data about income from other payments.

³⁵ Conference 2017 Agenda section 14 p 126 paragraph 4.8.2.

work for God's kingdom'. But it also made the observation³⁶ 'When making decisions about stipends, allowances and fees we begin from a place where there is already a structure of allowances in place and where there have been previous decisions and debates on all of these issues'.

- 6.27 The Faith and Order Committee also touched on the principle of need being a determinant of allowances above stipend, to reflect variation in costs of living in different places, rather than greater accountability in the role³⁷. Indeed, the Connexional Allowances Committee had explored this as an alternative in its report to the Council in March 2014. Its conclusion then was that it would be a monumental administrative task to design, implement and maintain a needs-based stipend structure and dismissed it: it is still of that view.

Recommendations on allowances above stipend

- 6.28 The Committee therefore makes the following recommendations in respect of allowances above stipend for the posts listed in its annual report to the Conference. We sustain the thrust of the arguments of our predecessors in respect of the general structure and the percentage amounts, but recommend some adjustments and additions in the light of the evolution of roles and accountabilities within the whole Church.
- 6.29 It was observed in paragraph 6.1 that the superintendent's allowance was increased in 2002 from 5% to 7.5% of standard stipend. Noting the Committee's observation in its 2016 report to the Conference³⁸, in the light of the widespread increase in the size of circuits arising from mergers and the greater demands upon superintendents, not least as a result of the Complaints and Discipline system and the devolution of property matters, **it is recommended that the superintendent's allowance above stipend be increased from 7.5% to 10% as from September 1st 2019.**
- 6.30 The present allowance above stipend for the most accountable posts in the Connexional Team, the Secretary of the Conference, the Assistant Secretary of the Conference, the Connexional Secretary (if a minister) and the Officer for Legal and Constitutional Practice (if a minister) is a legacy derived from the days of a Conference Office/Secretariat and separately accountable Co-ordinating Secretaries. Pending the review of all allowances above stipend, these allowances were retained when the present structure was introduced. **The Committee recommends that, as the Secretary of the Conference carries the ultimate accountability, that post retains the 30% allowance, but the three posts which report in receive a 25% allowance.** It is recommended that the existing allowance will be retained until the term of appointment ends and that the 25% applies to any new appointments from September 1st 2019.
- 6.31 **It is recommended that the allowance above stipend for the President of the Conference be increased from 25% to 30% from September 2019,** thereby acknowledging that this role shares equally in the leadership of the Church alongside the Secretary of the Conference.
- 6.32 **As was acknowledged in paragraph 6.2, the Committee is of the view that not all of the posts held by 'other ministers serving the Connexional Team or stationed to appointments within the control of the Methodist Council' can justify the 20% allowance above stipend, and therefore it is recommended that the allowance for those with lesser accountabilities be reduced to 10%.** It is recommended that those in post will retain their allowance until their term of appointment ends, that the 10% allowance will apply to all new appointments in that category as from 1 September 2019, and that decisions as to which posts will fall in the 20% and 10% categories be made by the Secretary of the Conference, Assistant Secretary of the Conference and Connexional Secretary, as

³⁶ Conference 2017 Agenda section 14 p 126 paragraph 4.8.1.

³⁷ Conference 2017 Agenda section 14 pp 125-126 paragraph 4.7.9.

³⁸ Conference 2016 Agenda section 6 p 48 paragraph 7.

appropriate, and Chair of the Connexional Allowances Committee, consulting and seeking advice as necessary.

- 6.33 In response to recent enquiries from circuits and districts with respect to remuneration for shared roles, the Committee has hitherto advised that local arrangements should prevail until this review is completed. There are two sets of circumstances, viz (1) the role is shared between two or more full-time ministers, with some division of responsibilities, and (2) the role is shared between two or more part-time ministers who carry the full range of responsibilities but each only part of the time. The Committee recommends in (1) that any allowance above stipend (each minister receiving a full standard stipend) is shared proportionately between the two or more ministers and in (2) that each minister receives the full % allowance above stipend, but based on the actual stipend received for the number of hours worked³⁹.
- 6.34 There has never been a defined allowance above stipend for ministers stationed as the non-separated District Chairs in the Channel Islands, the Isle of Man and the Shetland Islands⁴⁰, though those in post have, at times, been in receipt of a local allowance in addition to the superintendent's allowance (when it applied). The Committee recommends that, as the situations in the three locations are each unique, this arrangement continues and that these posts are regarded as within group 2) in paragraph 6.20, viz. special circumstances pertaining to the post.
- 6.35 The oversight arrangements in Synod Cymru are unique, unusual but practical, there being a separated Chair who also acts as the overall superintendent of a single circuit covering the whole of Wales. However, there are also de facto posts equivalent to superintendents held by both ministers (some of other Churches) and lay people. **The Committee recommends that the Chair's allowance above stipend is 25%, as usual, but that the additional superintendent's allowance is not appropriate for the post-holder. It is recommended that this arrangement is implemented when the current post-holder's invitation is next reviewed.** Further, it is recommended that, under the terms of group 2) in paragraph 6.20, the Committee determines the allowances payable to the de facto superintendent roles.
- 6.36 The Committee has considered the question of allowances above stipend for ministers stationed or appointed to the posts of Deputy or Assistant District Chairs or Deputy Wardens of the MDO and concluded, from current available evidence, that policies, practices and arrangements are so variable that it is impractical and unhelpful to define a structure for all circumstances. Moreover, none of these posts have formally defined common roles and responsibilities in Standing Orders. Districts may have one or more Deputy or Assistant Chairs; many are already superintendent ministers; the roles they fulfil may be very different between districts; in at least one district there are three, specifically stationed as such, who are deliberately not superintendents. The Committee therefore recommends that any application to offer an allowance above stipend for any of these roles also be regarded as within group 2) in paragraph 6.20, viz special circumstances pertaining to the post.
- 6.37 The Committee recommends that all the listed allowances not mentioned remain the same, viz. the Secretary of the Conference, separated District Chairs, the Warden of the MDO and Principals⁴¹ and staff at training institutions. In presenting all these recommendations, the Committee believes that a

³⁹ This principle applies in any situation where a minister works part-time in a role: any allowance above stipend is applied as a % to the actual stipend received, not the full-time equivalent figure.

⁴⁰ The Channel Islands comprises two circuits which have churches on four islands (Jersey, Guernsey, Alderney and Sark); the Isle of Man is a single circuit on one island; the Chair of the Scotland District is also the Chair of the Shetland District which is a single circuit covering the main cluster of isles (Mainland, Yell and Unst) and Fair Isle, with governance set out in SO 427.

⁴¹ This category comprises the Senior Methodist Tutor (or Principal if a Methodist) at the Queens Foundation Birmingham and the Principal of Cliff College.

fairer and more equitable distribution of allowances above stipend is achieved to reflect the evolving burdens of accountability within the whole Church.

Fees for occasional services in Scotland

- 6.38 In its report to the Conference of 2016⁴², the Committee agreed to review the situation in Scotland with respect to fees for occasional services in the light of submissions made to both the Council and the Conference on behalf of the whole of Scotland highlighting that the practice of the Church of Scotland in observing its legal obligation⁴³ not to take fees for funerals and weddings effectively denies (or at best, limits) the Methodist Church's freedom to do so.
- 6.39 Scotland District representatives to the Council and the Conference had indicated that this situation might constitute a case for a general 'Scotland allowance' to compensate for lack of fees for occasional services. The Chair of the Committee, on occasions, has reminded those bodies of the financial advantages of living in Scotland, such as free NHS prescriptions and, for ministers' children, free university tuition⁴⁴.
- 6.40 In the light of the evidence on income derived from such fees – that 23% of ministers gained none from funerals and 57% none from weddings across the Connexion – in the 2014 survey, the Committee does not believe that there is a case to offer a general compensatory allowance in Scotland. The 25 active ministers in Scotland may be located in one geography but the survey suggested that there are perhaps 300 others in England and Wales who gain no such income. If the Committee were to admit a Scotland allowance, it would be besieged by many other ministers elsewhere requesting a comparable allowance.

RESOLUTIONS FOR THE CONFERENCE

N/1. The Conference receives the report.

N/2. The Conference adopts the report and the recommendations contained in sections 1, 2 and 3.

N/3. The Conference adopts the report in section 4 and the recommendations in paragraphs 4.28 to 4.35.

N/4. The Conference adopts the report in section 5 and the recommendations in paragraphs 5.n to 5.n.

N/5. The Conference adopts the report in section 6 and the recommendations in paragraphs 6.29 to 6.36.

*****RESOLUTION**

10/1 The Council receives the report and recommends it to the Conference.

⁴² Conference 2016 Agenda section 6 p 54 paragraph 40.

⁴³ The Committee is grateful to the Revd Grant Barclay, a Church of Scotland representative to the Methodist Conference of 2016, for pointing this out. It is not simply a custom.

⁴⁴ In addition, in response to a question at the Conference of 2017, the Chair of the Committee indicated that any additional income tax burden arising from the decisions of the Scottish Parliament would be taken into account in determining ministerial stipends in Scotland, including Shetland.