

GS Misc 1136

**The 43rd Report
of the
Central Stipends Authority**

Published by the
Archbishops' Council
2015

Contents

	<i>Page</i>
<i>Section 1</i> The role and functions of the Central Stipends Authority (CSA)	2
<i>Section 2</i> Funding for stipends and pension in 2015	3
<i>Section 3</i> Stipend recommendations in 2015/16	4
<i>Section 4</i> Diocesan stipends levels in 2015/16	5
<i>Section 5</i> Diocesan Basic Stipends and Regional Stipends Benchmarks 2014/15	6
<i>Section 6</i> Stipend recommendations for 2016/17	7
<i>Section 7</i> Regional Stipends Benchmarks for incumbents and clergy of incumbent status and regionally adjusted stipends for residentiary canons from 1 st April 2016	9
<i>Section 8</i> Method of rounding down the stipends of dignitaries and residentiary canons	10
<i>Section 9</i> Stipend setting process from 1 st December 2015	11

Section 1: The role and functions of the Central Stipends Authority

1. The CSA works in partnership with dioceses and the Church Commissioners to carry out its functions. These are to: ‘keep under review and recommend appropriate levels for the stipends of diocesan and suffragan bishops, deans, residentiary canons and archdeacons; establish and publish recommended forms and levels of pay for clergy, deaconesses and licensed lay workers’.¹
2. The basis for the CSA’s recommendations is that the stipend is appropriate remuneration for the exercise of office. It is set according to the follow principles:
 - (i) **Recognising** the value of clergy in their role of responsibility and supportive of national and diocesan deployment aspirations.
 - (ii) **Affordable** to dioceses and realistic, given that money for stipends comes from the giving of church members.
 - (iii) **Reasonable** when compared with objective measures, in both a national and a local context, without creating undue disparities.
 - (iv) **Flexible** so that dioceses can take into account their strategies and financial situation in the context of local variations in the cost of living and the circumstances of parishioners.
 - (v) **Agreed** following meaningful consultation with dioceses and discussion within a range of representative bodies.
3. Each year the CSA sets the following:
 - a **National Minimum Stipend (NMS)** for all clergy and licensed lay workers. This is the stipend below which no full-time minister should be paid;
 - a **National Stipend Benchmark (NSB)** for incumbents and other clergy of incumbent status;
 - **Regional Stipend Benchmarks (RSBs)** which adjust the NSB for regional variations in the cost of living and provide general indications of the level of stipend required for each diocesan stipend to have the same purchasing power as the NSB;
 - recommended stipend levels for archdeacons, bishops and cathedral clergy.
4. Dioceses, Cathedral Chapters, and the Church Commissioners are free to determine the stipends of individual clergy.
5. Under Regulation 11 of the Ecclesiastical Offices (Terms of Service) Regulations 2009, no full-time stipendiary officeholder on common tenure should be paid at a rate below the National Minimum Stipend. Under common tenure all full-time office-holders must receive stipend, or stipend together with other income related to their office, of at least the National Minimum Stipend. Stipends are set on the basis that accommodation is provided free of rent, water charges, repairs and insurance and the Council Tax, and approved parochial expenses are fully reimbursed. The NMS is also a link to pensions because the rate of new pensions each year is linked to the previous year’s NMS.
6. In addition to its stipend recommendations, the CSA also gives general advice on a range of matters connected with the pay of clergy and licensed lay workers, such as parochial expenses and Council Tax.

¹ Central Stipend Regulation 1998 GS1310

Section 2: Funding for stipends and pensions 2015/16

7. The 2015/16 stipends bill for all clergy and licensed lay workers on the central payroll, as at August 2015, is estimated at £206.9M, (2014/15 figure was £207.9).
8. The stipends bill for the year 2015/16 is expected to be funded from the following sources:

Source	Amount £m
Church Commissioners ²	42.71
Cathedrals	0.51
Dioceses and Parishes (including DBF fees)	163.77
Total	206.99

Level of Support for 2015/16

9. In the year from April 2015 to March 2016 the Archbishops' Council and the Church Commissioners made £35.0m available for parish mission and ministry support to the least resourced dioceses. A further £6.1m was distributed as Mission Development Funding: dioceses may use this money for either specific mission projects or stipend support.
10. In the 2014 – 2016 triennium, a further sum of £15.0m has been earmarked for Strategic Development Funding. Dioceses have been invited to apply for a share of these funds to support projects which have the ability to make a significant difference to their long-term mission and financial health.

Pensions

11. The maximum benefits for Clergy with full service on retirement at age 68 and who join the Church of England Funded Pension Scheme (CEFPS) on or after 1st January 2011 is half of the previous year's National Minimum Stipend (NMS), plus, a lump sum. Members of CEFPS also started to earn State Second Pension (S2P) from 1st January 2011. The Government will replace S2P and the Basic State Pension by a new single tier State Pension from April 2016. The new State Pension will be payable at an increased level in comparison to the existing Basic State Pension.
12. The maximum pension that members could earn for full service completed before 1st January 2011 was two-thirds of the previous year's NMS plus a lump sum. This includes the pension earned in the Church Commissioners scheme before 1998 and service since 1st January 1998 in CEFPS. From 1 January 1998, the cost of pension contributions for parochial clergy has been progressively met from local sources, and collected by the Pensions Board via dioceses.
13. The Pensions Board set the joint pension contribution rate in respect of past and future pensionable service as 39.9% of the previous year's NMS from 1 January 2015. This comprises 25.8% for future service, and 14.1% for deficit recovery. The Pensions Board also extended the deficit recovery period to 12 years from 1st January 2014.

² Excludes 6.1m distributed as Mission Development Funding

Section 3: Stipend recommendations for 2015/16

14. The key recommendations of the CSA, made in 2014, effective from 1st April 2015
 - National Minimum Stipend (NMS) of £23,250, an increase of 2% on the previous year.
 - National Stipend Benchmark (NSB) of £24,690, an increase of 2% on the previous year.
 - Estimated value of the provided housing, as July 2014 of £9,910.
 - Stipend for archdeacons appointed on or after 1 April 2004 of £33,670 and £34,970 for archdeacons appointed before 1 April 2004.
 - Regional Stipend Benchmarks (RSBs) for each diocese for 2015/16 are shown at Annex 2. Each diocese is asked to use this figure as a guide in reaching its own stipend decisions.

Further recommendations

15. Dioceses were encouraged to pay assistant staff between the NMS and the level for incumbents in the diocese, as appropriate.
16. A minimum Resettlement Grant payable in addition to the removal grant for all moves, should be £2,280.
17. First Appointment Grants: The CSA recommended that all stipendiary ministers should receive a First Appointment Grant of at least £2,280, in addition to the Resettlement Grant on the following two occasions: 1) when taking up a full-time stipendiary post as assistant curate, deacon, deaconess or licensed lay worker for the first time, and 2) when taking up an appointment as an incumbent or minister of incumbent status for the first time.
18. Stipends for bishops and cathedral clergy who were appointed on or after 1 April 2004 should be paid levels of stipend in accordance with the arrangements agreed by the Archbishops' Council for implementing the decision of the General Synod in November 2004. The CSA and the Church Commissioners have agreed that, in future, the stipends of dignitaries and cathedral clergy will be increased in line with the increase in the NSB.

Stipends paid by the Church Commissioners for 2014/15

19. Stipends for 2014/15 are shown below, including those for clergy appointed before 1 April 2004:

	Senior Clergy starting on or after 1 April 2004	Senior Clergy in equivalent or higher paid post before April '04
Archbishop of Canterbury	£77,810	-
Archbishop of York	£66,680	-
Bishop of London	£61,120	£64,550
Diocesan Bishops	£42,240	£42,880
Suffragan Bishops	£34,460	£35,200
Assistant Bishops (full-time)	£33,350	£33,790
Deans	£34,460	£35,200
Residentiary Canons	£26,660 Regionally adjusted see below	£28,670

Section 4: Diocesan Stipend Levels in 2015/16

20. The National Average Stipend (NAS) was £24,990, £300 (1.2%) higher than the NSB. The gap between the NAS and the NSB dropped from £310 in 2014/15 to £300 in 2015. The level has been broadly flat since 2011 when it was £190. No dioceses pay a stipend below the level of the NMS to any clergy in full time posts. On average, dioceses pay 3.5% above the level of the NMS.
21. In every diocese the Diocesan Basic Stipend (DBS) is defined as the stipend paid to the greatest number of clergy of incumbent status within the diocese and is also the minimum stipend paid to incumbents in the diocese. Of the 5764 incumbent status clergy paid through clergy pay at the time of reporting, 85.2% were paid at the level of the DBS.
22. There continues to be a degree of variance, marked in some dioceses, between the DBS and the RSB for a diocese. The CSA has undertaken a review of its approach to supporting dioceses in considering cost of living in their stipend setting decisions. Agreed changes will take effect in the 2016 round of stipend setting in respect of stipends from 1 April 2017.
23. Apart from the stipend, the main elements of the clergy remuneration package are the provision of housing (including the cost of rent, Council Tax, water charges, maintenance, and building insurance) and a non-contributory Church Pension. The CSA's stipends levels are set on the basis that housing is provided, and that costs relating to the provided housing (including rent, Council Tax, water charges, maintenance, and building insurance) are paid on behalf of clergy.
24. So as to assess how clergy stipends compare with prices and wages, the CSA monitors increases in clergy stipends against inflation and average earnings. The table below shows how stipends since 2006 compare to inflation as measured by the Retail Price Index (RPI) and other indices. RPI in the 12 months to September 2015 was 0.8%.

NMS, NSB and inflation

25. NMS, NSB and inflation:

Year beginning 1 April	NMS	Increase in NMS	NSB	Increase in NSB	RPI increase	CPI increase	Core CPI increase
2006	18,600	3.0%	£20,460	5.4%	2.70%	2.50%	1.70%
2007	19,070	2.5%	£20,980	2.5%	3.60%	2.40%	1.40%
2008	19,640	3.0%	£21,600	3.0%	3.90%	1.80%	1.50%
2009	20,230	3.0%	£22,250	3.0%	5.00%	5.20%	2.20%
2010	20,430	1.0%	£22,470	1.0%	-1.40%	1.10%	1.70%
2011	21,370	4.6%	£22,810	1.5%	4.60%	3.10%	2.70%
2012	21,900	2.5%	£23,270	2.0%	5.60%	5.20%	3.30%
2013	22,340	2.0%	£23,740	2.0%	2.60%	2.20%	2.10%
2014	22,790	2.0%	£24,210	2.0%	3.20%	2.70%	2.20%
2015	23,250	2.0%	£24,690	2.0%	2.30%	1.20%	1.50%
2006-15		25.6%		24.4%	32.1%	27.4%	20.3%

Section 5: Diocesan Basic Stipends and Regional Stipends Benchmarks 2015/16

26.

Diocese	Diocesan Basic Stipend (DBS) 2015	Regional Stipend Benchmark (RSB) 2015/16	Difference between DBS and RSB	
			£	%
Bath & Wells	25,274	25,040	234.00	0.93%
Birmingham	24,624	24,590	34.00	0.14%
Blackburn	24,264	23,650	614.00	2.60%
Bristol	24,910	24,910	0.00	0.00%
Canterbury	24,240	25,180	-940.00	-3.73%
Carlisle	24,630	23,650	980.00	4.14%
Chelmsford	25,060	24,840	220.00	0.89%
Chester	24,290	23,650	640.00	2.71%
Chichester	25,210	25,180	30.00	0.12%
Coventry	24,920	24,590	330.00	1.34%
Deby	25,800	25,110	690.00	2.75%
Durham	24,165	24,690	-525.00	-2.13%
Ely	24,663	24,620	43.00	0.17%
Exeter	25,040	25,040	0.00	0.00%
Gloucester	24,870	25,040	-170.00	-0.68%
Guildford	26,866	25,180	1,686.00	6.70%
Hereford	24,120	24,470	-350.00	-1.43%
Leicester	25,240	25,110	130.00	0.52%
Lichfield	24,540	24,590	-50.00	-0.20%
Lincoln	25,010	25,010	0.00	0.00%
Liverpool	24,081	23,650	431.00	1.82%
London	25,012	25,040	-28.00	-0.11%
Manchester	24,204	23,650	554.00	2.34%
Newcastle	24,159	24,690	-531.00	-2.15%
Norwich	24,620	24,620	0.00	0.00%
Oxford	25,327	25,180	147.00	0.58%
Peterborough	25,040	25,040	0.00	0.00%
Portsmouth	25,386	25,180	206.00	0.82%
Rochester	25,675	25,130	545.00	2.17%
St Albans	25,599	25,180	419.00	1.66%
St Eds. & Ipswich	24,425	24,620	-195.00	-0.79%
Salisbury	25,280	25,040	240.00	0.96%
Sheffield	24,815	24,810	5.00	0.02%
Southwark	25,000	25,040	-40.00	-0.16%
Southwell & Nottingham	24,912	25,110	-198.00	-0.79%
Truro	25,535	25,040	495.00	1.98%
Winchester	25,180	25,180	0.00	0.00%
Worcester	24,720	24,590	130.00	0.53%
York	24,900	24,810	90.00	0.36%
West Yorks. & the Dales	25,615	24,810	805.00	3.24%

Section 6: Stipend recommendations for 2016/17

27. The National Minimum Stipend (NMS) has been set at £23,440 with effect from 1 April 2016. Under common tenure all full-time office-holders must receive stipend, or stipend together with other income related to their office, of at least this amount.
28. The National Stipend Benchmark (NSB) from 1 April 2016 has been increased by 1.5% to £25,060.
29. Recommendations for dignitaries and residentiary canons are based on the stipend levels they received in 2015/16 increased by the same increase as applied to the NSB.
30. Stipends are set on the basis that accommodation is provided free of rent, water charges, repairs and insurance and the Council Tax, and approved parochial expenses are fully reimbursed.³

Further recommendations to dioceses

31. Dioceses are encouraged to pay assistant staff (including those who are not office-holders) between the National Minimum Stipend and the level for incumbents in the diocese, as seems appropriate. Assistant Curates, Deacons, and Licensed Lay Workers (including Church Army Evangelists engaged in the parochial ministry) are all regarded as assistant staff for the purposes of stipends.
32. A stipend for archdeacons appointed on or after 1 April 2004 of £34,180 or £35,500 for archdeacons appointed before 1 April 2004. In cases where the archdeacon was receiving more than £34,180 in his or her previous appointment, a receiving diocese has discretion to pay an enhanced stipend initially. However, it should reduce in a maximum period of three years until it reaches £34,180.
33. This means that an archdeacon in this position would receive the first reduction in stipend on appointment and subsequent reductions in the second and third years dated from the time of appointment. If an archdeacon appointed before 1 April 2004 moves to another archdeacon's post, he/she should continue to receive the stipend for an appointment before 1 April 2004.
34. The CSA has historically provided an estimate of the additional amount clergy would have to earn, if they were to have to provide and maintain domestic accommodation (excluding office space) for themselves and their families, using national average figures. Dioceses will be consulted on a new approach and provided alternative data sources.

Grants from 1 April 2016

35. Removal and Resettlement Grants: The CSA recommends that when moving to a new appointment, every minister should be fully reimbursed for the cost of the removal and that the minimum Resettlement Grant payable in addition to the removal grant, for all moves, should be £2,344.

³ Stipends are to be calculated in accordance with the method set out in The Remuneration of the Clergy GS 243 as updated by the CSA and last shown as Annex 1 in the 2005 CSA Report (GS Misc 811). The calculation of stipend should include Guaranteed Annuities and Personal Grants (where still payable); parochial giving direct for stipend (including contributions towards the cost of heating, lighting and cleaning the parsonage house); Easter Offering (or Whitsun Offering where appropriate); fees (both parochial, if the clergy person has opted to continue to retain fees, and non-parochial); income net of expenses from chaplaincies; income net of expenses from public and education appointments; income from local trusts. It should not include spare-time earnings; spouse's earnings; private income; income from the informal letting of parsonage house rooms. (It will, however, be open to dioceses to make arrangements as regards the commercial letting of rooms on a significant scale (for example, in holiday areas).

36. First Appointment Grants: The CSA recommends that all stipendiary ministers should receive a First Appointment Grant of at least £2,344, in addition to the Resettlement Grant on the following two occasions: 1) when taking up a full-time stipendiary post as assistant curate, deacon, deaconess or licensed lay worker for the first time, and 2) when taking up an appointment as an incumbent or minister of incumbent status for the first time. An archdeacon should receive the grant only if he or she had not previously received a First Appointment Grant as an incumbent or minister of incumbent status.

Stipends for bishops and cathedral clergy for the year from April 2016

37.

	Senior Clergy starting on or after 1 April 2004	Senior Clergy in equivalent or higher paid post before April '04
Archbishop of Canterbury	£78,980	-
Archbishop of York	£67,680	-
Bishop of London	£62,040	£65,070
Diocesan Bishops	£42,870	£43,220
Suffragan Bishops	£34,980	£35,480
Assistant Bishops (full-time)	£33,850	£34,060
Deans	£34,980	£35,480
Residentiary Canons	£27,060 (regionally adjusted)	£28,900
NSB	£25,060	
RSB range	£24,000 – 25,560	
Increase from previous year	1.5%	0.8%

38. The CSA, from time to time, issues guidance in relation to expenses. For current information please refer to the booklet *The Parochial Expenses of the Clergy – a Guide to their Reimbursement*, which is available on the Church of England website at: www.churchofengland.org/clergy-office-holders/remuneration-and-conditions-of-service-committee/the-parochial-expenses-of-the-clergy

Section 7: Regional Stipends Benchmarks for incumbents and clergy of incumbent status and regionally adjusted stipends for residentiary canons from 1st April 2016 (Table 2)

Diocese	2016/17 Regional Stipend Benchmark	2016/17 Residentiary Canons starting on or after 1 April 2004	
1. Bath & Wells	25,230	27,240	
2. Birmingham	24,990	26,980	
3. Blackburn	23,970	25,890	
5. Bristol	25,140	27,240	From January
6. Canterbury	25,600	27,650	
7. Carlisle	23,970	25,890	
8. Chelmsford	25,210	27,220	
9. Chester	23,970	25,890	
10. Chichester	25,600	27,650	
11. Coventry+	24,990	26,890	Rate for new clergy. Transitional rates apply to some clergy in post
12. Derby	25,470	27,510	
13. Durham	24,620	26,660	
14. Ely	24,930	26,920	
15. Exeter	25,410	27,240	
16. Gloucester	25,230	27,240	
17. Guildford	25,600	27,650	
18. Hereford*	24,890	26,980	From January
19. Leicester	25,470	27,510	
20. Lichfield	24,990	26,980	
21. Lincoln	25,340	27,360	
22. Liverpool	23,970	25,890	
23. London	25,500	27,530	
24. Manchester	23,970	25,890	
25. Newcastle	24,620	26,660	
26. Norwich	24,930	26,920	
27. Oxford	25,600	27,650	
28. Peterborough	25,390	27,410	
29. Portsmouth	25,600	27,650	
31. Rochester	25,560	27,600	
32. St Albans	25,600	27,650	
33. St Edm & Ips	24,930	26,920	
34. Salisbury	25,230	27,240	
35. Sheffield	25,100	27,100	
37. Southwark \$	25,510	27,500	
38. Southwell and Nottingham	25,470	27,510	
39. Truro	25,230	27,240	
41. Winchester	25,600	27,650	
42. Worcester	24,990	26,980	
43. York	25,100	27,100	
46. West Yorks and the Dales	25,100	27,100	
National Stipend Benchmark	25,060		

Section 8: The method of rounding down the stipends of dignitaries and residentiary canons from 1 April 2004, agreed by the Archbishops' Council

39. The General Synod decided in November 2002 that the differentials paid to dignitaries and residentiary canons, expressed as multiples of the National Minimum Stipend (NMS), should be rounded down from their then levels. The extent of the rounding down and the way in which the new differentials should be introduced were discussed by the Deployment, Remuneration and Conditions of Service Committee and by the Board of Governors of the Church Commissioners and the Council agreed to recommend to the Church Commissioners, cathedral chapters and dioceses arrangements for dignitaries and residentiary canons from April 2004.
40. In 2010 the Archbishops' Council and the Commissioners decided to adopt a new approach, by linking increases in the stipends for dignitaries and residentiary canons to increases in the National Stipends Benchmark. There would be two levels for each post, one for clergy appointed on or after 1 April 2004, and one for those appointed before 1 April 2004.
- a) Newly appointed clergy would be paid at the level for clergy appointed on or after 1 April 2004 unless immediately before their appointment they were in receipt of a stipend at a higher level. In this case, the Council recommended that a receiving diocese or cathedral should have discretion to enhance a person's stipend initially but then reduce it in equal steps during a maximum period of three years until it reached equivalence with the lower stipend attached to the new post. This means that a person in this position would receive the first reduction in stipend on appointment and two subsequent reductions in the second and third years dated from the time of appointment. Members of the senior clergy who move to posts with lower stipends should have as their target stipends the levels of stipend that have applied to those posts since 1 April 2004 except for those clergy moving within the same 'pay band' (diocesan bishops, deans, suffragan bishops, archdeacons and residentiary canons) who should retain their pre-1 April 2004 stipend level.
 - b) Stipends for bishops, deans, and archdeacons who were in post before 1 April 2004 should, from 2010, be increased by the lower of the Retail Price Index (RPI) or the increase in the NSB, until they reach the stipend of clergy who were appointed on or after 1 April 2004.
 - c) Residentiary canons appointed on or after 1 April 2004 should receive stipends based on a basic level (which will be increased each year in line with increases in the NSB), which is then adjusted for each cathedral for those regional variations in the cost of living that already apply to the stipends for clergy of incumbent status in the dioceses in which the canons will hold office.
 - d) Stipends for residentiary canons who were in post before 1 April 2004 should be increased by Retail Price Index (RPI), or the increase in the NSB (whichever is lower) only, until they reach the stipend of clergy who were appointed on or after 1 April 2004.
41. The measure of RPI to be used in calculating annual increases in stipends for existing post-holders should be the actual RPI for the twelve months to the previous September. Advice on how this would be applied in a particular case can be obtained from the Clergy Human Resources Department of the NCIs.

Section 9: Stipend setting process and timetable

42. Stipend setting timetable:

Month	RACSC	Dioceses
July - August	<p>Analysis of stipends statistics report produced by clergy payroll services for production of Clergy Pay Data Report and CSA Report, to include.</p> <p>Input sought from interested parties: (Church Commissioners on the calculations of the CCs contribution to cost of stipends bill; Finance Committee and Pensions Board.</p>	
September	<p>Clergy Data Report approved and circulated to dioceses. CSA Report approved and prepared for Archbishops' Council. National Minimum Stipend process begins (data collection stage)</p>	<p>Consider Clergy Data Report as part of stipend setting strategy. Provide comment before publication of summary data in CSA Report.</p>
October	<p>September RPI figure noted. Engagement with key stakeholders about NMS: Finance Committee; IDFF, DSLG</p>	<p>Feed into NMS deliberations as part of IDFF and DSLG.</p>
November - December	<p>NMS recommendation agreed for presentation to Council. Stipend Consultation document approved. On-line survey created. Latest HM Treasury data noted.</p>	<p>Note decision re: NMS effective the following year.</p>
	<p>NMS decision communicated to diocesan secretaries and DBF chairs, diocesan financial secretaries, other diocesan contacts, other external and within NCIs.</p>	
January	<p>CSA Report finalised for General Synod NSB setting process begins Stipend consultation process begins</p>	<p>Consider economic evidence within Consultation document</p>
February - April	<p>NSB recommendation - initial RACSC considers initial results of survey Engagement with key stakeholders about NSB: Finance Committee; IDFF, DSLG</p>	<p>Complete on-line Consultation survey, to include Confirm what intends to pay from the following April; what the increase in the NSB should be; Any other points.</p>
May - June	<p>NSB decision – final Communicated as per NMS and published on-line.</p>	