

GS Misc 1148

**The 44th Report
of the
Central Stipends Authority**

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

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;
 - 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, insurance and Council Tax, and approved parochial expenses are fully reimbursed. The rate of new pensions each year is linked to the previous year’s NMS.
6. The CSA provides a tool to account for differentials in regional cost of living to assist dioceses in assessing the level of diocesan stipend required for it to have a purchasing power that is reasonable in comparison to those in other dioceses.
7. In addition to its stipend recommendations, the CSA also provides guidance 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 2016/17

8. The 2016/17 stipends bill for all clergy and licensed lay workers on the central payroll, as at August 2016, is estimated at £209.2M², (2015/16 figure was £206.9M).
9. The stipends bill for the year 2015/16 is expected to be funded from the following sources:

Source	Amount £M
Church Commissioners ³	43.66
Cathedrals	0.48
Dioceses and Parishes (including DBF fees)	165.08
Total	209.22

Level of Support for 2016/17

10. In 2016 the Archbishops' Council distributed ministry support grants of £35.3million to 27 dioceses.
11. From 2017 these grants will be discontinued and be replaced with lowest income communities funding, supplemented by transitional grants on a reducing basis until 2024. In 2017 it is planned to distribute £24 million as Lowest Income Communities Funding to 26 dioceses and £12.2 million as transitional grants to the 21 dioceses which will receive lower grants determined by formula under the new system. A further £24 million of Strategic Development Funding will be available for projects aimed at improving the mission and financial strength of dioceses. Dioceses can use these monies to fund stipends, but do not have to.

Pensions

12. The maximum benefits for Clergy who joined the Church of England Funded Pension Scheme (CEFPS) from 1st January 2011 is half of pensionable stipend, plus, a lump sum of three times that amount. Pensionable stipend is the previous year's National Minimum Stipend (NMS) and Normal Pension Age is 68.
13. The maximum pension that members could earn for full service completed before 1st January 2011 was two-thirds of pensionable stipend plus a lump sum. This includes the pension earned in the Church Commissioners scheme before 1998 and service since 1st January 1998 in CEFPS. The Normal Pension Age for these benefits is 65.
14. The cost of pension contributions for parochial clergy is met from local sources and collected by the Pensions Board from the dioceses.
15. Members started to participate fully in the State pension schemes from 1st January 2011. Before that, members earned Basic State Pension but were contracted-out of the State Second Pension Scheme and its predecessor SERPS. Members are now included in the Single Tier State Pension that replaced the previous state pension schemes from 6th April 2016.
16. 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 was made up of 25.8% for future service, and 14.1% for deficit recovery. The deficit recovery period was 12 years from 1st January 2014. The Pensions Board has announced the results of the valuation at 31st December 2015 and intends to keep the joint contribution rate at 39.9% of pensionable stipend. This comprises 28% for future service and 11.9% for deficit recovery. The deficit recovery period is unchanged with 9 years remaining at 1st January 2017.

² The HLC estimate figure this is not an additional amount paid. It is an amount paid outside of tax and national insurance so it has the effect of lowering the amount of stipend subject to tax and national insurance (both 'employee' and 'employer'). Subsequently the stipend bill taken from a snapshot of data is an estimate.

³ Excludes Mission Development Funding.

Section 3: Stipend recommendations for 2016/17

17. The key recommendations of the CSA, made in 2015, effective from 1st April 2016.
 - National Minimum Stipend (NMS) of £23,440, an increase of 0.8% on the previous year.
 - National Stipend Benchmark (NSB) of £25,060, an increase of 1.5% on the previous year.
 - Stipend for archdeacons appointed on or after 1 April 2004 of £34,180 and £35,500 for archdeacons appointed before 1 April 2004.

Further recommendations

18. Dioceses were encouraged to pay assistant staff between the NMS and the level for incumbents in the diocese, as appropriate.
19. A minimum Resettlement Grant payable in addition to the removal grant for all moves, should be £2,344.
20. First Appointment Grants: The CSA recommended 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.
21. 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.
22. The CSA has ceased provision of a notional cost of housing, which estimated of the additional amount clergy would have to earn, if they were to provide and maintain domestic accommodation (excluding office space) for themselves and their families, using national average figures. An excel tool, indicated in Section 1, brings together housing related data sourced from the Office of National Statistics (ONS). It is updated annually by the CSA and provided to dioceses.

Stipends paid by the Church Commissioners for 2016/17

23. Stipends for 2016/17 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	£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

Section 4: Diocesan Stipend Levels in 2016/17

24. The **National Average Stipend (NAS)** was **£25,373, £313 (1.2%) higher than the NSB**. The gap between the NAS and the NSB increased marginally from that of £300 in 2015/16. No dioceses pay a stipend below the level of the NMS to any clergy in full time posts.
25. 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 5709 (5764 in 2015/16) incumbent status clergy paid through clergy pay at the time of reporting, 85.3% (85.2% in 2015/16) were paid at the level of the DBS.
26. A table at Section 5 provides the DBS and Regional Stipends Benchmarks (RSBs) for 2016/17. The CSA has ceased production of RSBs has now ceased and will not be included in the 2017 CSA Report. As in previous years there is a degree of variance, marked in some dioceses, between the DBS and the RSB.
27. 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.
28. Under arrangements agreed with HM Revenue & Customs (HMRC) parochial clergy may receive part of their stipend paid free of tax and National Insurance in reimbursement of heating, lighting, cleaning and garden upkeep (HLC) costs.
29. 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 2007 compare to inflation as measured by the Retail Price Index (RPI) and other indices. RPI in the 12 months to September 2016 was 2%.

NMS, NSB and inflation

30. NMS, NSB and inflation:

Year beginning 1 April	NMS	Increase in NMS	NSB	Increase in NSB	RPI increase	CPI increase
2007	19,070	2.5%	£20,980	2.5%	3.60%	2.40%
2008	19,640	3.0%	£21,600	3.0%	3.90%	1.80%
2009	20,230	3.0%	£22,250	3.0%	5.00%	5.20%
2010	20,430	1.0%	£22,470	1.0%	-1.40%	1.10%
2011	21,370	4.6%	£22,810	1.5%	4.60%	3.10%
2012	21,900	2.5%	£23,270	2.0%	5.60%	5.20%
2013	22,340	2.0%	£23,740	2.0%	2.60%	2.20%
2014	22,790	2.0%	£24,210	2.0%	3.20%	2.70%
2015	23,250	2.0%	£24,690	2.0%	2.30%	1.20%
2016	23,440	0.8%	£25,060	1.5%	0.8%	-0.1%
2017	23,800	1.5%	£25,440	1.5%	2.0%	1.0%
2007-17	£4730	24.9%	£4,460	22.0%	32.2%	25.8%

Section 5: Diocesan Basic Stipends and Regional Stipends Benchmarks 2016/17

31.

Diocese	Diocesan Basic Stipend (DBS) 2016	Regional Stipend Benchmark (RSB) 2016/17	Difference between DBS and RSB	
			£	%
Bath & Wells	25,396	25,230	166.00	0.66
Birmingham	24,990	24,990	0.00	0.00
Blackburn	24,628	23,970	658.00	2.75
Bristol	25,140	25,140	0.00	0.00
Canterbury	24,725	25,600	-875.00	-3.42
Carlisle	25,120	23,970	1,150.00	4.80
Chelmsford	25,440	25,210	230.00	0.91
Chester	24,655	23,970	685.00	2.86
Chichester	25,590	25,600	-10.00	-0.04
Coventry	25,170	24,990	180.00	0.72
Debry	26,060	25,470	590.00	2.32
Durham	24,530	24,620	-90.00	-0.37
Ely	24,974	24,930	44.00	0.18
Exeter	25,230	25,410	-180.00	-0.71
Gloucester	25,245	25,230	15.00	0.06
Guildford	27,135	25,600	1,535.00	6.00
Hereford	24,480	24,890	-410.00	-1.65
Leicester	25,619	25,470	149.00	0.59
Lichfield	24,785	24,990	-205.00	-0.82
Lincoln	25,340	25,340	0.00	0.00
Liverpool	24,407	23,970	437.00	1.82
London	25,637	25,500	137.00	0.54
Manchester	24,568	23,970	598.00	2.49
Newcastle	24,620	24,620	0.00	0.00
Norwich	24,930	24,930	0.00	0.00
Oxford	25,834	25,600	234.00	0.91
Peterborough	25,390	25,390	0.00	0.00
Portsmouth	25,767	25,600	167.00	0.65
Rochester	26,060	25,560	500.00	1.96
St Albans	25,983	25,600	383.00	1.50
St Eds. & Ipswich	24,930	24,930	0.00	0.00
Salisbury	25,660	25,230	430.00	1.70
Sheffield	25,187	25,100	87.00	0.35
Southwark	25,510	25,510	0.00	0.00
Southwell & Nottingham	25,161	25,470	-309.00	-1.21
Truro	25,918	25,230	688.00	2.73
Winchester	25,558	25,600	-42.00	-0.16
Worcester	25,091	24,990	101.00	0.40
York	25,150	25,100	50.00	0.20
West Yorks. & the Dales	26,063	25,100	963.00	3.84

Section 6: Stipend recommendations for 2017/18

32. **The National Minimum Stipend (NMS) has been set at £23,800 with effect from 1 April 2017.** 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.
33. **The National Stipend Benchmark (NSB) from 1 April 2017 has been increased by 1.5% to £25,440.**
34. Recommendations for dignitaries and residentiary canons are based on the stipend levels they received in 2016/17 increased by the same increase as applied to the NSB.
35. 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.⁴

Further recommendations to dioceses

36. 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.
37. A stipend of **£34,700 for archdeacons appointed on or after 1 April 2004** or, a stipend of **£36,040 for archdeacons appointed before 1 April 2004**. In cases where the archdeacon was receiving more than £34,700 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 £34,700.
38. 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.

Grants from 1 April 2017

39. **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 **£2,380**.
40. **First Appointment Grants:** The CSA recommends that all stipendiary ministers should receive a First Appointment Grant of at least **£2,380** 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.

⁴ 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).

Stipends for bishops and cathedral clergy for the year from April 2017

41.

	Senior Clergy starting on or after 1 April 2004	Senior Clergy in equivalent or higher paid post before April '04
Archbishop of Canterbury	£80,160	-
Archbishop of York	£68,700	-
Bishop of London	£62,970	[66,050]
Diocesan Bishops	£43,510	43,870
Suffragan Bishops	£35,500	36,010
Assistant Bishops (full-time)	£34,360	34,570
Deans	£35,500	36,010
Residentiary Canons	£27,060 + DBS increase	29,330
NSB	£25,440	
RSB range	No longer applicable	
Increase from previous year	1.5%	1,5%

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

43. 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.
44. 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.
45. 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.

Section 8: Stipend setting process and timetable 2016

46.

Month	CSA	Dioceses
October	September RPI figure released Engagement with key stakeholders about NMS: Finance Committee; IDFF, DSLG if necessary.	Feed into NMS deliberations as part of IDFF and DSLG.
November - December	NMS recommendation agreed for presentation to Council. Stipend Consultation document approved. Survey created. Latest HM Treasury data noted.	Note decision re: NMS effective the following year.
	NMS decision communicated to diocesan secretaries and DBF chairs, diocesan financial secretaries, other diocesan contacts, other external and within NCIs.	
January	CSA Report finalised for General Synod NSB setting process begins Stipend consultation process begins.	Consider economic evidence within Consultation document
February - April	NSB recommendation - initial RACSC considers initial results of survey Engagement with key stakeholders about NSB: Finance Committee; IDFF, DSLG.	Complete Consultation survey, to include Confirm what intends to pay from the following April; what the increase in the NSB should be; Any other points.
May	NSB recommendation published.	