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**The 45<sup>th</sup> 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’.<sup>1</sup>
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 following 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. 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;
  - 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.

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<sup>1</sup> Central Stipend Regulation 1998 (GS1310)

## Section 2: Funding for stipends and pensions 2017/18

8. The 2017/18 stipends bill for all clergy and licensed lay workers on the central payroll, as at August 2017, is estimated at £211.6M<sup>2</sup>, (2016/17 figure was £209.2M).
9. The stipends bill for the year 2017/18 is expected to be funded from the following sources:

Source	Amount £M
Church Commissioners <sup>3</sup>	£187,964,705
Cathedrals	£258,523
Dioceses and Parishes (including DBF fees)	£23,370,069
<b>Total</b>	<b>211.59</b>

## Pensions

10. 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.
11. 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.
12. The cost of pension contributions for parochial clergy is met from local sources and collected by the Pensions Board from the dioceses.
13. 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.
14. 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 following the last triennial valuation at 31st December 2015. This comprises 28% for future service and 11.9% for deficit recovery. The deficit recovery period is set to run until 31 December 2025.

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<sup>2</sup> 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.

<sup>3</sup> Excludes Mission Development Funding.

### Section 3: Stipend recommendations for 2017/18

15. The key recommendations of the CSA, made in 2016, effective from 1st April 2017.
  - National Minimum Stipend (NMS) of £23,800, an increase of 1.5% on the previous year.
  - National Stipend Benchmark (NSB) of £25,440, an increase of 1.5% on the previous year.
  - Stipend for archdeacons appointed on or after 1 April 2004 of £34,700 and £36,040 for archdeacons appointed before 1 April 2004.

#### Further recommendations

16. Dioceses were encouraged to pay assistant staff between the NMS and the level for incumbents in the diocese, as appropriate.
17. A minimum Resettlement Grant payable in addition to the removal grant for all moves, should be £2,380.
18. First Appointment Grants: The CSA recommended 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.
19. 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.
20. 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 2017/18

21. Stipends for 2017/18 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	£80,160	-
Archbishop of York	£68,700	-
Bishop of London	£62,970	-
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	2016/17 rate + DBS % increase	29,330

#### Section 4: Diocesan Stipend Levels in 2017/18

22. 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 5659 (5709 in 2016/17) incumbent status clergy paid through the Church Commissioners' central payroll at the time of reporting, 93% (85.3% in 2016/17) were paid at the level of the DBS. No dioceses pay a stipend below the level of the NMS to any clergy in full time posts.
23. The National Average Stipend (NAS) is an average of all the clergy receiving the Diocesan Basic Stipend weighted by the number of clergy receiving it in each diocese. At the time of reporting the **National Average Stipend** increased by £377 to **£25,750** (£25,373 in 2016/17).
24. The gap between the NAS and the NSB remained broadly unchanged at £310 (£313 in 2016/17). No dioceses pay a stipend below the level of the NMS to any clergy in full time posts
25. The CSA has ceased production of Regional Stipends Benchmarks (RSBs).
26. 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.
27. 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.
28. In order to assess how clergy stipend compares 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 2017 was 3.9%.

#### NMS, NSB and inflation

29. NMS, NSB and inflation:

Year beginning 1 April	NMS	Increase in NMS	NSB	Increase in NSB	RPI increase	CPI increase
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%
2018	£24,280	2.0%	£25,950	2.0%	3.9%	3.0%
<b>2008-18</b>	<b>£4,640.00</b>	<b>24.4%</b>	<b>£4,350</b>	<b>21.5%</b>	<b>32.5%</b>	<b>26.4%</b>

## Section 5: Diocesan Basic Stipends and Residentiary Canon Rates 2017/18

### 30. Diocesan Basic Stipends and Residentiary Canon Rates 2017/18

Diocese	Diocesan Basic Stipend (DBS) 2017	Residentiary canon rate (post 2004) 2017/18
Bath & Wells	25,650	27,510
Birmingham	25,365	27,380
Blackburn	24,997	26,280
Bristol*	25,517	27,650
Canterbury	25,225	28,210
Carlisle	25,620	26,410
Chelmsford	25,830	27,640
Chester	25,025	26,280
Chichester	25,970	28,060
Coventry	25,440	27,180
Derby	26,320	27,780
Durham	24,990	27,160
Ely	25,348	27,320
Exeter	25,608	27,650
Gloucester	25,624	27,650
Guildford	27,542	28,060
Leeds	26,585	27,640
Hereford*	24,850	27,390
Leicester	26,056	27,980
Lichfield	25,220	27,450
Lincoln	25,720	27,770
Liverpool	24,895	26,410
London	26,150	28,080
Manchester	24,936	26,280
Newcastle	24,990	27,060
Norwich	25,440	27,470
Oxford	26,350	28,200
Peterborough	25,390	27,410
Portsmouth	26,154	28,070
Rochester	26,060	27,600
St Albans	26,373	28,070
St Eds. & Ipswich	25,430	27,460
Salisbury	25,920	27,520
Sheffield	25,628	27,570
Southwark*	26,020	28,050
Southwell & Notts.	25,540	27,920
Truro	26,307	27,650
Winchester	25,941	28,060
Worcester	25,467	27,380
York	25,400	27,370

\* Diocesan stipends change on 1 January each year, but residentiary canon stipends will change from 1 April.

## Section 6: Stipend recommendations for 2018/19

31. **The National Minimum Stipend (NMS) from 1 April 2018 has been set at £24,280.**
32. **The National Stipend Benchmark (NSB) from 1 April 2018 has been increased by 2% to £25,950.**
33. Recommendations for dignitaries and residentiary canons are based on the stipend levels they received in 2017/18 increased by the same increase as applied to the NSB.
34. 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.<sup>4</sup>

### Further recommendations to dioceses

35. 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.
36. A stipend of **£35,400 for archdeacons appointed on or after 1 April 2004** or, a stipend of **£36,760 for archdeacons appointed before 1 April 2004**. In cases where the archdeacon was receiving more than the post 2004 figure 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 the post 2004 figure.
37. 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 2018

38. **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 **£2,428**.
39. **First Appointment Grants:** The CSA recommends that all stipendiary ministers should receive a First Appointment Grant of at least **£2,428**, 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.

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<sup>4</sup> 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. (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 2018

### 40. Stipends for bishops and cathedral clergy for the year from April 2018

	Senior Clergy starting on or after 1 April 2004	Senior Clergy in equivalent or higher paid post before April '04
Archbishop of Canterbury	£81,760	-
Archbishop of York	£70,070	-
Bishop of London	£64,230	-
Diocesan Bishops	£44,380	£44,750
Suffragan Bishops	£36,210	£36,730
Assistant Bishops (full-time)	£35,050	£35,260
Deans	£36,210	£36,730
Residentiary Canons	Same % increase as relevant Diocesan Basic Stipend	£ 29,920
Increase from previous year	2%	2%

41. 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 2017*, which is available on the Church of England website.

### Stipends in the diocese of Europe

42. In the Diocese in Europe chaplaincies (parishes) engage and pay their clergy directly. Archdeacons and chaplaincies are advised of the range of the stipends being paid by dioceses in England, and this forms the starting point for the establishment of a suitable salary in the chaplaincy concerned, taking account of the cost of living in the country concerned, and the number of hours which it is proposed are worked

## **Section 7: Stipends of dignitaries and residentiary canons**

### **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) Following the withdrawal of Regional Stipends Benchmarks, the Board agreed that stipends for residentiary canons appointed after 1 April 2004 should be increased in line with each diocese's Diocesan Basic Stipend (DBS), subject to a maximum level. Owing to the time table for obtaining information from dioceses, rates from April this year cannot be included in this Report and will be shared with dioceses and published subsequently on the Church of England website.
  - 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

### 46. Stipend setting process and timetable

Month	CSA	Dioceses
<b>Oct</b>	September RPI figure released. Engagement with key stakeholders about possible level of NMS	Feed into NMS deliberations.
<b>Nov- Dec</b>	NMS decision. 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. Stipend Consultation launched	
<b>Jan</b>	CSA Report finalised for February General Synod. Stipend survey/ consultation re: DBS increases from this year. NSB in following year.	Consider economic evidence in Consultation document and complete stipend survey, including confirming DBS increase for Church Commissioners to consider re: Residentiary canon rates
<b>Feb - Apr</b>	NSB recommendation. RACSC considers initial results of survey Engagement with key stakeholders about NSB: Finance Committee; IDFF, DSLG. CSA Report to Synod Residentiary canon rates published.	Complete Consultation survey. Confirm intention to pay from the following April; what the increase in the NSB should be.
<b>May</b>	NSB recommendation published.	