

**GS Misc 1269**

**The 48<sup>th</sup> Report  
of the  
Central Stipends Authority**

Published by the  
Archbishops' Council  
**2021**

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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. At the request of the House of Clergy, the CSA are carrying out a review of clergy remuneration. The review commenced in January 2020 and is expected to report in July 2021. The review is considering the adequacy, appropriateness, affordability and sustainability of the clergy remuneration package (including the stipend, pension, housing provided for the better performance of duties, and additional payments, such as Council Tax and Water Rates). As part of the review a consultation has been undertaken with dioceses and a survey has been sent to stipendiary clergy as well as a sample of retired and self-supporting clergy, in order to inform the work of the review. The terms of reference for the review have been included as **annex 1** of this report.
4. Each year the CSA sets the following:
  - a **National Minimum Stipend (NMS)** for all clergy and licensed lay workers.
  - a **National Stipend Benchmark (NSB)** for incumbents and other clergy of incumbent status;
  - recommended stipend levels for archdeacons, bishops and cathedral clergy.
5. Dioceses, Cathedral Chapters, and the Church Commissioners determine the stipends of individual clergy in the light of these recommendations.
6. 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.
7. 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.
8. The National Minimum Stipend is also used to set the pension (see paragraph 15) and the pension contribution rate (see paragraph 19).

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

9. The CSA provides a tool to account for variations in the 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.
10. 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.

## **Section 2: Funding for stipends and pensions 2020/21**

11. The 2019/20 stipends bill for all clergy and licensed lay workers on the central payroll, as at 31 August 2020, is estimated at £218.9m<sup>2</sup> (2019/20 figure was £216.7m)
12. This is mostly funded by dioceses and parishes through giving / parish share, investment income and DBF parochial fees. The Church Commissioners are responsible for funding the stipend costs of bishops, deans and two residentiary canons at most cathedrals which in 2020/21 is estimated to be £8.9m. Stipends for additional cathedral clergy (estimated to be £0.7m) are funded directly by the relevant cathedral Chapter.
13. In 2020 the Archbishops' Council paid Lowest Income Communities grants (LInC) of £26.3m from funds made available by the Church Commissioners. LInC was introduced in 2017 as part of the Resourcing the Future reforms alongside the Strategic Development Funding. The funding is distributed for mission in communities with the lowest incomes. It goes to those dioceses which have the greatest number of people living in these communities. It does not go directly to parishes. The Archbishops' Council also paid £8.3m in Transition Funding. Dioceses with reduced formula-based funding, compared to the amount received under the previous formula, receive transitional funding up to 2026. Dioceses can but do not have to spend them on stipends.”
14. In April, as part of the £75m package of liquidity support for dioceses and cathedrals provided by the Archbishops' Council and Church Commissioners in the light of the Covid-19 situation, all Lowest Income Communities Funding (LInC) and Transition Funding grants due for the remainder of 2020 were paid in one lump sum to dioceses in April 2020. This was to provide an initial liquidity boost of approximately £25m in total to the 26 dioceses which receive Lowest Income Communities Funding and the 20 dioceses which receive Transition Funding, to give time for consideration of how further support (subsequently made available as Sustainability Funding) could be targeted most effectively

### **Pensions**

15. The Church of England Funded Pension Scheme (‘CEFPS’ or ‘Clergy Scheme’<sup>3</sup>) is a defined benefit pension scheme giving a guaranteed income in retirement and lump sum at retirement. The size of the pension depends on the number of years of stipendiary service, the office held, and the National Minimum Stipend in the year before retirement (we refer to this as “pensionable stipend”). Once in payment the pension increases in line with RPI, capped at 3.5% for service from 1 January 2008 and 5% for service before that date.
16. The rules of the scheme have changed over time and many serving clergy will have earned benefits which are determined by reference to the rules that applied at the time. The Pensions

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<sup>2</sup> All payroll figures quoted include National Insurance contributions, taking into account the impact of HLC. Pension contributions are not reflected in these payroll figures.

<sup>3</sup> NB Certain lay roles, notably stipendiary Licensed Lay Workers on Common Tenure are also eligible to participate in the CEFPS.

Board calculates a pro-rata benefit for each period where the member has less than the maximum possible service.

- The maximum pension that members could earn for full service (37 years) completed before 1 January 2008 was two-thirds of pensionable stipend plus a lump sum of three times that amount. (This includes both service since 1 January 1998 in CEFPS and pension earned in the predecessor Church Commissioners' scheme). The Normal Pension Age for these benefits is 65.
  - Between 1 January 2008 and 1 January 2011, the number of years needed to qualify for maximum service was increased from 37 to 40 but the scheme still provided a maximum pension of 2/3rds of pensionable stipend. The Normal Pension Age for these benefits remained 65.
  - The maximum benefit that can be earned for those who joined CEFPS from 1 January 2011 is half of pensionable stipend, plus, a lump sum of three times that amount, after 41.5 years' service. Normal Pension Age increased to 68 for benefits earned at 2010.<sup>4</sup>
17. Therefore, a member in stipendiary service both before and after 1 January 2011 will have a blend of benefits based on the service earned under each set of rules.
18. The cost of pension contributions is met from local sources and collected by the Pensions Board from the diocesan boards of finance.
19. 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 31 December 2018. This comprises 33.0% for future service and 6.9% for past service deficit recovery. The deficit recovery period is set to run until 31 December 2023. The next triennial valuation is due at 31 December 2021, with provisional results due in Q2/3 2022.
20. Please note that the past service deficit is expressed and levied on a per capita basis because it is in practice very difficult to distinguish the past service liabilities and assets of each participating diocese. When comparing with other employment/pension arrangements it is important to remember that the CEFPS contribution rate a) includes past service as well as future contribution and b) is expressed in terms of the previous year's NMS, which is lower than actual stipend received.

### **Section 3: Stipend recommendations for 2020/21**

21. The key recommendations of the CSA, made in 2019, effective from 1st April 2020.
- National Minimum Stipend (NMS) of £25,265, an increase of 2% on the previous year.
  - National Stipend Benchmark (NSB) of £27,000 an increase of 2% on the previous year.
  - Stipend for archdeacons appointed on or after 1 April 2004 of £36,830 and £38,250 for archdeacons appointed before 1 April 2004.

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<sup>4</sup> As part of the 2011 changes the CEFPS was contracted back into the State Second Pension. The Basic State Pension and S2P were later replaced for members reaching State Pension Age from April 2016 by the new Single Tier State Pension, requiring 35 qualifying years to get the full amount. Analysis for the Pensions Task Group at the time suggested that, broadly, those over 40 at the time would be better off under the new State Pension provided they had sufficient qualifying service.

## Further recommendations

22. Dioceses were encouraged to pay assistant staff between the NMS and the level for incumbents in the diocese, as appropriate.
23. A minimum Resettlement Grant payable in addition to the removal grant for all moves, should be £2,527 (10% of NMS).
24. First Appointment Grants: The CSA recommended that all stipendiary ministers should receive a First Appointment Grant of at least £2,527, 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.
25. 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.
26. The CSA has ceased to provide a notional cost of housing figure, which estimated 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. Further, work is being undertaken to explore the possible ways of expressing the value of the package to clergy as part of the review of clergy remuneration.

## Stipends paid by the Church Commissioners for 2020/21

27. Stipends for 2019/20 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	£85,070	-
Archbishop of York	£72,900	-
Bishop of London	£66,820	-
Diocesan Bishops	£46,180	£46,560
Suffragan Bishops	£37,670	£38,210
Deans	£37,670	£38,210
Residentiary Canons	Same % increase as relevant Diocesan Basic Stipend	£31,130

## Section 4: Diocesan Stipend Levels in 2020/21

28. 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. Of the 5,425 (5,541 in 2019/20) incumbent status clergy paid through the Church Commissioners' central payroll at the time of reporting, 96% (96% in 2019/20) were paid at the level of the DBS.
29. 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 £380 to **£27,110** (£26,730 in 2019/20).

30. The gap between the NAS and the NSB decreased somewhat to £110 (£260 in 2019/20). Dioceses are responsible for ensuring that no clergy are paid below the National Minimum Stipend.
31. The Diocesan Basic Stipends are shown at section five. A range of stipends were paid. The lowest was £25,937 (£1,063 below the NSB) and the highest was £28,444 (£1,444 above the NSB). The level paid to Archdeacons ranged from £36,070 to £37,500 compared with a national recommended figure of £36,830 for archdeacons appointed on or after 1 April 2004 and £38,250 for archdeacons appointed before 1 April 2004.
32. Apart from the stipend, the main elements of the clergy remuneration package are the provision of rent-free housing for the better performance of the duties of office (including the payment of Council Tax, water charges, housing 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.
33. Under arrangements agreed with HM Revenue & Customs (HMRC) parochial clergy may receive part of their stipend paid free of tax and National Insurance as a contribution towards heating, lighting, cleaning and garden upkeep (HLC) costs.
34. 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 2010 compare to inflation as measured by the Retail Price Index (RPI), Consumer Price Index (CPI) and other indices. RPI in the 12 months to August 2019 was 2.6% and CPI was 1.7%.

### NMS, NSB and inflation

35. The table below compares increases in NMS, NSB with those in inflation and the Office of National Statistics' Annual Survey of Hours and Earnings (ASHE)

Year	NMS from 1 April	Increase in NMS	NSB from 1 April	Increase in NSB	NAS from 1 April	NAS Increase	ASHE Increase – All	ASHE Increase – Public	RPI Increase	CPI Increase
2010	£20,430		£22,470		£22,570					
2011	£21,370	4.6%	£22,810	1.5%	£23,100	2.3%	-0.2%	0.0%	4.6%	3.1%
2012	£21,900	2.5%	£23,270	2.0%	£23,580	2.1%	1.5%	1.6%	5.6%	5.2%
2013	£22,340	2.0%	£23,740	2.0%	£24,020	1.9%	2.2%	1.6%	2.6%	2.2%
2014	£22,790	2.0%	£24,210	2.0%	£24,520	2.1%	0.1%	1.0%	3.2%	2.7%
2015	£23,250	2.0%	£24,690	2.0%	£24,990	1.9%	1.8%	1.8%	2.3%	1.2%
2016	£23,440	0.8%	£25,060	1.5%	£25,373	1.5%	2.2%	0.7%	0.8%	-0.1%
2017	£23,800	1.5%	£25,440	1.5%	£25,750	1.5%	2.2%	0.9%	2.0%	1.0%
2018	£24,280	2.0%	£25,950	2.0%	£26,230	1.9%	3.5%	2.3%	3.9%	3.0%
2019	£24,770	2.0%	£26,470	2.0%	£26,700	3.0%	2.9%	3.8%	3.3%	2.4%
2020	£25,265	2.0%	£27,000	2.0%	£27,110	2.0%	0.1%	2.4%	2.4%	1.7%
2021	£25,265	0.0%	£27,000	2.0%					1.1%	0.5%
<b>2010-20</b>	<b>£4,835</b>	<b>23.7%</b>	<b>£4,530</b>	<b>20.2%</b>						
<b>2011-21</b>	<b>£3,895</b>	<b>18.2%</b>	<b>£4,190</b>	<b>18.4%</b>						

## Section 5: Diocesan Basic Stipends and Residentiary Canon Rates 2020/21

### 36. Diocesan Basic Stipends and Residentiary Canon Rates 2020/21

Diocese	Diocesan Basic Stipend (DBS) 2020/21	Residentiary canon rate (post 2004) 2020/21
Bath & Wells	26,900	29,194
Birmingham	27,175	28,206
Blackburn	27,191	27,889
Bristol	28,444	29,343
Canterbury	26,610	30,196
Carlisle	27,388	27,781
Chelmsford	27,651	29,330
Chester	26,230	27,890
Chichester	27,428	29,637
Coventry	26,471	28,847
Derby	27,206	29,183
Durham	26,463	28,822
Ely	25,937	28,992
Exeter	27,000	29,342
Gloucester	27,963	29,340
Guildford	27,000	28,978
Hereford	27,210	29,330
Leeds	27,260	28,475
Leicester	27,987	29,692
Lichfield	26,589	28,550
Lincoln	27,000	29,614
Liverpool	26,600	28,082
London	27,342	29,214
Manchester	26,979	27,890
Newcastle	27,370	28,085
Norwich	26,857	29,154
Oxford	27,159	29,925
Peterborough	26,892	29,148
Portsmouth	26,900	29,204
Rochester	27,175	28,871
St Albans	27,191	29,788
St Edmundsbury & Ipswich	28,444	28,712
Salisbury	26,610	28,667
Sheffield	27,388	28,616
Southwark*	27,651	29,475
Southwell & Nottingham	26,230	29,484
Truro	27,428	28,767
Winchester	26,471	29,051
Worcester	27,206	29,199
York	26,463	28,978

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



## Section 6: Stipend recommendations for 2021/22

37. **The National Minimum Stipend (NMS) from 1 April 2021 has been increased by 0% and set at £25,265.**
38. **The National Stipend Benchmark (NSB) from 1 April 2021 has been increased by 0% and remains at £27,000.**
39. Recommendations for dignitaries and residentiary canons are based on the stipend levels they received in 2020/21 increased by the same increase as applied to the NSB, which was 0%.
40. 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>5</sup>
41. In setting the levels of the NSB and NMS for 2021, the Archbishops' Council took note of the significant financial challenges that many dioceses are facing in the light of the Covid-19 pandemic, while acknowledging the effect on clergy morale.

### Further recommendations to dioceses

42. Dioceses are encouraged to pay assistant curates between the National Minimum Stipend and the level for incumbents in the diocese, as seems appropriate. These rates should also apply to Deacons and Licensed Lay Workers (including Church Army Evangelists engaged in the parochial ministry) who are officeholders.
43. The recommended stipend for archdeacons has also been increased by 0% and set at **£36,830 for archdeacons appointed on or after 1 April 2004** or **£38,250 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.
44. 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 2021

45. **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 **£2,527**.

**First Appointment Grants:** The CSA recommends that all stipendiary ministers should receive a First Appointment Grant of at least **£2,527**. 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>5</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 2021

### 46. Stipends for bishops and cathedral clergy for the year from April 2021

	Senior Clergy starting on or after 1 April 2004	Senior Clergy in equivalent or higher paid post before April '04
Archbishop of Canterbury	£85,070	-
Archbishop of York	£72,900	-
Bishop of London	£66,820	-
Diocesan Bishops	£46,180	£46,560
Suffragan Bishops	£37,670	£38,210
Deans	£37,670	£38,210
Residentiary Canons	Same % increase as relevant Diocesan Basic Stipend	£31,130
Increase from previous year	0%	0%

47. 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

48. 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**

49. 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.
50. 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 the increase in the NSB or the increase in the Retail Price Index (RPI), (if that is lower) only, until they reach the stipend of clergy who were appointed on or after 1 April 2004.
51. 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

52. The usual stipend setting process and timetable is outlined in the table below.

Month	CSA	Dioceses
<b>Oct</b>	September RPI/CPI figures 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.	

53. Due to the Covid-19 pandemic, the usual consultation with dioceses to inform the setting of the NSB was paused in March 2020. The consultation resumed in July 2020, and covered both the NMS and NSB, which were both set at a September meeting of the Archbishops' Council following a recommendation from RACSC.

54. The timetable and process set out in the table in paragraph 53 is currently under review and may change in future years.

# **Annex 1 - Review of Clergy Remuneration**

## **Summary of the Terms of Reference**

The Archbishops' Council has asked the Remuneration and Conditions of Service Committee (RACSC) to carry out an assessment of the adequacy of clergy remuneration, in response to a request from the House of Clergy in July 2018. The review will

- cover the **stipend, housing** (provided for the better performance of duties), **pension, support with retirement housing and additional benefits/payments, plus** relevant cross cutting issues.
- seek to assess the **affordability, value, adequacy, and appropriateness** of current clergy remuneration.

The strategic aims are:

### **1. Attraction and retention**

While recognising that the primary motivation of the clergy is not financial,

- to consider perceptions of the value of the total package
- to assess how clergy remuneration meets the needs of current and future cohorts of clergy
- to ensure that it underpins efforts to attract an increasing diversity and number of ordinands and does not act as a barrier to entering stipendiary ministry

### **2. Deployment**

To assess whether the existing remuneration provision encourages and enables clergy to minister across England where they are needed and supports new models of mission and ministry.

### **3. Assessing affordability**

To consider the current and predicted future context within which stipends and pensions are provided and assess whether the current financial package and any potential changes are affordable and sustainable and whether they underpin the financial health of the Church.

### **4. Financial Hardship**

To investigate the evidence and extent of financial hardship among clergy and pensioners and seek to uncover its causes.

### **5. Retirement**

To review the adequacy of the current pensions provision and support in retirement, and to suggest potential solutions within the constraints of affordability where they may be scope for changes.

### **6. Wellbeing and morale**

To consider any existing evidence on issues that may be causing difficulties and undermining wellbeing and morale for some clergy thereby underpinning wider work on clergy well-being and clergy morale and supporting clergy in their ministry.

For each of these strands the review will seek to present options for possible solutions for addressing any issues identified.

In undertaking this review **RACSC will consult with and draw on advice from various bodies** including the Finance Committee, the Pensions Task Group, the Church of England Pensions Board, and the Church Commissioners. RACSC will also consult with dioceses and clergy charities.

The scope of this review is primarily focused on the remuneration of clergy office holders, and the review will not cover remuneration of lay posts within the Church (other than those on Common Tenure or where it is illuminating to make comparisons). The review will however consider issues relating to employed clergy and in particular issues around movement and transferability. It will also reflect on clergy posts that do not provide a stipend.

The review will be carried out during 2020 and will make recommendations to the Archbishops' Council, with the aim of reporting to Synod in **July 2021**.