

GENERAL SYNOD

Report of the Clergy Remuneration Review

1. The report of the Clergy Remuneration Review is attached and commended to the Church for discussion.
2. Given the need for a slimmed down agenda for the online Synod, the Business Committee has withdrawn this item from the agenda for this session of Synod, as it was considered to be one of the items better suited to a face-to-face meeting. It is hoped that the report will now be discussed early within the life of the new Synod, at a group of sessions to be determined by the Business Committee.
3. We nevertheless considered that it was still right to issue and publish the report now, and that it would be helpful for the Church to read and discuss it in advance of that future Synod debate. The report is therefore being circulated as a consultation document for the Church and we would welcome reactions.
4. It would be particularly helpful to receive comments on the recommendations made and priorities for implementation. In particular:
 - *Does the report provide the necessary information to enable the Church to have a discussion about the direction of clergy remuneration policy over the next decade?*
 - *What are the key learning points from the survey of clergy and the diocesan consultation to inform the direction of clergy remuneration policy over the next ten years?*
 - *What are the key recommendations to take forward? What would make the most difference?*
 - *Given the existing financial constraints and current context, are there other recommendations that you consider should have been included?*
5. There will be an opportunity for the current House of Clergy to have a briefing session and discussion on the report when they meet on 1 July. However, comments are invited from all three houses of Synod and more widely.
6. Submissions on the report can be made by email (Remuneration.Review@churchofengland.org). Please ensure that they are submitted by **1 October 2021**.

Report of the Review of Clergy Remuneration 2020–21

EVOLVING CLERGY REMUNERATION
TO SUPPORT 21ST-CENTURY MINISTRY



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Foreword

The last eighteen months have been a period of substantial challenges both for the Church and for individual clergy. The pandemic has intensified existing challenges — and opened doors to new forms of ministry, such as enabling worship to take place online and sustaining pastoral contact during lockdown. During this period, clergy have been at the forefront of innovation, sustained pastoral care, and served their communities. We have been reminded how flourishing clergy are key to a flourishing church. Sustaining morale in the face of these challenges is vital. It is important to support those clergy who are facing financial hardship and feeling anxious about their financial wellbeing and retirement income, and to reassure them of the Church's commitment in future to preserving the value of their remuneration. I express thanks for the work of all the Church's ministers during the pandemic — paid and unpaid, ordained and lay.



*The Rt Revd Richard Jackson
Bishop of Hereford*

This report represents the outcome of a significant project to review one aspect of how clergy are encouraged and supported, namely their stipend and remuneration package comprising defined benefit (DB) pension and house provided for the better performance of their duties. The last time this was reviewed was nearly twenty years ago in 2001. Sadly, and possibly for good reasons at each stage, some of the aspirations of that report have been revealed in hindsight to have been overambitious. We acknowledge that the value of the package has declined in real terms in that time. We also recognise that an appropriate and affordable package will be more than adequate for some and a struggle for others. The pandemic has brought additional challenges to affordability.

Balancing the conflicting demands of affordability and appropriateness has been a challenging task in these straitened times. I pay particular tribute to fellow members of the committee, its previous Chair, +Christopher Foster and most of all Patrick Shorrocks and Kevin Norris (members of the Clergy HR Team at the National Church Institutions), who have provided exemplary support to us in our work. We have sought to make recommendations which help to ensure an appropriate and sustainable package for the future, and to develop clergy financial confidence and resilience in the context of significant financial constraints and a period of transition and change. Our targeted proposed recommendations aim to bring improvements to the package and assistance for those clergy who are facing hardship, without increasing the overall cost of the clergy remuneration.

We commend this report to the Church.

*The Rt Revd Richard Jackson, Bishop of Hereford
Chair of the Remuneration and Conditions of Service Committee (RACSC)*

Chapter One

Executive summary



1. Executive summary

- 1.1 RACSC was commissioned by the Archbishops' Council to carry out a review to assess the adequacy, appropriateness, affordability, and sustainability of the clergy remuneration package, following a request by the House of Clergy.
- 1.2 The review considered the various elements of the package; stipend, pension, housing provided for the better performance of duty and additional benefits (including the payment of Council Tax and water charges) with reference to the following strategic aims:
 - Underpinning the attraction and retention of a diverse range of clergy, recognising that the strong emphasis on vocation means that secular notions of reward do not apply in the same way, as clergy are not primarily motivated by financial considerations;
 - Effective clergy deployment;
 - Affordability — underpinning the financial health and sustainability of the Church;
 - Identifying financial hardship, its causes and potential solutions;
 - Supporting clergy in retirement;
 - Supporting clergy wellbeing and morale (mindful of the Clergy Covenant for Care and Wellbeing).
- 1.3 The review took place in the context of the COVID-19 pandemic. We are conscious of the financial challenges for the Church as a result of the pandemic and also of the impact of the pandemic on the well-being and morale of clergy. However, we have also sought to take a longer-term view of clergy remuneration, as the pandemic — as well as bringing issues of its own — has intensified existing pressures which the review needs to address.
- 1.4 It was not within the scope of the review to commission new theological work on clergy remuneration. We took as a starting point the theological work carried out as part of the last major review of clergy remuneration *Generosity and Sacrifice*,¹ whilst updating some of the underlying principles. We suggest that the primary considerations when assessing clergy terms and conditions (including remuneration) should be that:
 - They enable clergy to flourish in their ministry without undue financial anxiety or hardship;

¹ GS 1408A "Generosity and Sacrifice: The report of the Clergy Stipends Review Group", Church House Publishing (2001).

- They support the Church’s mission and strategic aims;
 - They are appropriate for the requirements of the particular role;
 - They are affordable and sustainable in the long term.
- 1.5 We carried out a survey of clergy that was completed by over 3,700 clergy, as well as a consultation with dioceses. These listening exercises were an important part of the process of discerning a way forward. We would like to thank clergy who participated in the clergy survey and focus groups.
- 1.6 The survey found that most clergy (62%) reported “living comfortably” or “doing all right”, but 13% were finding it quite or very difficult to manage and 25% “were just getting by”. Clergy (both female and male) were more likely to report that they were finding it difficult to manage financially where they had two or more children and no additional household income. Also, clergy with disabilities and UKME clergy were somewhat more likely to report that they were experiencing financial hardship (although the finding relating to UKME clergy was based on a small data sample).
- 1.7 Given the diverse range of financial circumstances in which clergy find themselves, a single stipend is unlikely to be adequate for all. Stipends need to be set at a level that is appropriate and adequate for as many clergy as possible, whilst providing additional support where needed. We estimate that the package as a whole (excluding defined benefit pension, but including the provided house and payment of Council Tax and water charges), in terms of overall value, might equate on average to around £50,000 (more in areas where house prices and rental costs are above average). However, for each member of the clergy, this might feel quite different, and of course some elements of the package are by their nature longer term and fixed, and cannot be flexed for immediate financial circumstances.
- 1.8 We consider that this should be adequate for most clergy and is generally an appropriate level of remuneration, even though lower than the levels to which *Generosity and Sacrifice* aspired. We note that some of the aspirations arising from that review proved unaffordable or perhaps unrealistic and that there is a need to avoid overpromising in the recommendations of this review.
- 1.9 In any case, we do not consider a stipend uplift across the board to be the best way of supporting clergy experiencing financial difficulties. Rather, additional targeted support should be provided for those clergy in a diocese who are experiencing particular financial hardship, along with greater availability of financial education, signposting and empowerment.

- 1.10 Neither the survey of clergy nor the diocesan consultation revealed support for radical change to the package. Generally, there was support for clergy remuneration to be consistent across dioceses and there was limited support for stipend differentials for parish roles, based on an assessment of the level of responsibility involved with the post.² There was broad support for maintaining the provided housing element of the package, but with scope for some additional flexibility within and beyond the existing framework. We concluded that the current elements of the package and the balance between them is appropriate.
- 1.11 Responses to the clergy survey suggested that there was limited capacity to increase funding for clergy remuneration through giving and increases in parish share payments to dioceses. Further, any increase in the cost of clergy remuneration would create undue financial pressure for dioceses. The Church Commissioners have indicated that they do not consider that they are in a position to fund improvements across the board in the package, and, in any case, this would represent a significant reversal of current policy.
- 1.12 There are many facets to providing a package that is supportive of clergy wellbeing and enables them to flourish in their calling, including:
- Provision of a stipend and pension that is adequate for the majority of clergy to live without undue financial anxiety;
 - Support with housing in retirement for those who need it;
 - Additional financial and other support when a standard stipend is not sufficient for individual needs;
 - Equipping clergy to be financially empowered by giving them access to appropriate sources of advice and enabling them to understand the financial implications of different choices, and save and plan in advance for their retirement;
 - Understanding of additional role-related costs such as parishes with social deprivation where it may be more difficult to claim full expenses or remote rural areas with limited employment opportunities for clergy spouses;
 - Signposting to other sources of support, such as Employee Assistance Programmes (EAPs), clergy charities, Churches Mutual Credit Union and other providers of financial services and support.
- 1.13 The review recommends (please see [Chapter 9](#) for a full summary of the recommendations):

² Differentials for senior clergy were not within the scope of this review.

To clarify recommendations relating to stipends and additional payments

- Given that the existing package is still adequate and appropriate for the majority of clergy, and that it has not kept up with inflation, there needs to be a commitment on the part of the Church to maintain the overall value of the package against inflation in future. **[Recommendation 8]**
- The expectation should be that dioceses should continue to pay the usual stipend for that diocese to the majority of parochial clergy of incumbent status. **[Recommendation 9]**
- The Archbishops' Council, as Central Stipends Authority, should produce additional guidance to dioceses on when it might be appropriate for them to exercise their existing discretion to make additional payments within their diocese to particular clergy on the basis of individual needs. **[Recommendation 11]**
- The Archbishops' Council, as Central Stipends Authority, should discontinue the existing policy of uprating the National Minimum Stipend by the Retail Price Index (RPI). This has not been followed in recent years and RPI is no longer the measure of inflation endorsed by the Government. Instead, a general policy should be adopted of increasing the NMS each year by the Consumer Prices Index including owner occupiers' housing costs (CPIH, which has been the Government's preferred measure of inflation since 2017) on average each year, as this is most likely to be realistic and affordable, provide some reassurance to clergy that stipends will keep up with inflation, and help to stabilise pension costs. **[Recommendation 10]**

To provide targeted support to clergy facing financial hardship

- RACSC should further explore the possibility of a national fund to provide an additional source of support for clergy with disabilities and make an application as part of the forthcoming Triennium Funding discussions. **[Recommendation 4]**
- Every diocese should have a discussion about working expenses to ensure fairer and consistent treatment in this area. **[Recommendation 5]**
- The NCIs and dioceses should develop a closer working relationship with the Clergy Support Trust (CST) and other clergy charities, to ensure clergy can access support and are aware of options open to them, when needed. **[Recommendations 12 and 13]**
- RACSC would recommend changing the clergy pension scheme (CEFPS) Rules so that the CEFPS definition follows that for the pre-1998 scheme for ill-health retirement. **[Recommendation 16]**

To develop clergy financial resilience and to help them to save and prepare for retirement

- The Church should develop, with CST and others, a comprehensive communication and engagement strategy on short, medium and long-term financial planning designed with and for clergy. **[Recommendation 6]**
- A regular online financial wellbeing check for clergy should be explored. **[Recommendation 7]**
- RACSC would recommend that the NCIs carry out further work over the next two years, in collaboration with external experts and church-based organisations, on exploring possible options to help clergy get on the housing ladder. **[Recommendation 3]**

To better support clergy in retirement

- RACSC would recommend the removal of the current maximum accrual within the clergy pension scheme, supporting simplification. **[Recommendation 14]**

To enhance affordability

- RACSC would recommend that the rules of the Clergy scheme be changed such that pensions in payment grow in line with the increase in CPIH (subject to a suitable cap). Increases for service earned to date would remain unchanged. **[Recommendation 15]**

Relating to the package as a whole

- There should be better communication of the value of the package, including publishing an annual statement of the value of the elements of the clergy package. Work would be led by the NCIs, working closely with dioceses. **[Recommendation 1]**
- In the light of draft legislation coming to Synod to enable salary sacrifice arrangements, RACSC to carry out further work on the potential of such arrangements to help with specific challenges for individuals (such as saving for retirement) **[Recommendation 2]**
- The potential for a Group Income Protection scheme for clergy should be explored. **[Recommendation 19]**
- RACSC to provide guidance that gives clarity on how to exercise flexibility over housing provision where clergy do not wish to live in the provided house. **[Recommendation 18]**
- RACSC to request further exploration of Collective Money Purchase pension schemes over the next few years, to consider whether in the longer term such schemes might be appropriate for clergy. **[Recommendation 17]**

Chapter Two

Broad introduction and work done



2. Broad introduction and work done

ORIGINS OF THE REVIEW AND GOVERNANCE

- 2.1 The Archbishops' Council asked the Remuneration and Conditions of Service Committee (RACSC) to carry out a review of clergy remuneration, in response to a request from the House of Clergy at General Synod in July 2018 to assess the adequacy of clergy remuneration.
- 2.2 Particular concerns relating to clergy remuneration raised by the House of Clergy included the following:
- The stipend had not kept pace with inflation;
 - The value of the pension had been reduced by changes made since 2010;
 - Some were anxious about whether they would be able to make provision for housing in retirement;
 - Some clergy were experiencing financial hardship.
- 2.3 We were informed by these concerns in drawing up our terms of reference. As well as considering the experience and views of the full and diverse range of clergy, we were aware of the need to take account of:
- the perspectives of the laity, recognising that clergy remuneration is a matter for the whole people of God and largely funded by the generous giving of the laity;
 - the views, resources and financial constraints of dioceses — which have to manage the financial challenges of maintaining the existing remuneration package (holding the liability for paying stipends whilst being heavily reliant on voluntary parish share income), absorb the impact of any changes made and make decisions about the number of stipendiary clergy posts and parishes.
- 2.4 Our terms of reference therefore set out six wider strategic aims:

i. Attraction and retention of a diverse range of clergy

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.

ii. 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.

iii. 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.

iv. Financial hardship

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

v. 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.

vi. 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.

- 2.5 We were aware that many clergy minister without remuneration and that others serve in a range of roles under different terms and conditions (such as employed roles in chaplaincy or diocesan offices or pioneer roles). But our primary focus has been the remuneration package for stipendiary clergy officeholders engaged in parochial ministry. The review did not cover remuneration of lay posts within the Church, but we noted issues relating to employed clergy (such as Diocesan Directors of Ordinands and Chaplains), around movement and transferability and comparability with the pay of lay employees of DBFs.

OVERVIEW OF METHODOLOGY AND WORK UNDERTAKEN

2.6 The work for the review was undertaken within the following broad stages:

- Gathering and consideration of existing research/evidence relating to clergy remuneration including *Generosity and Sacrifice* and the *Living Ministry* research programme;³
- Undertaking and analysing the results of a survey that sought to include all stipendiary clergy,⁴ along with a sample of self-supporting and retired clergy;
- Running focus groups of UKME clergy and clergy with disabilities to ensure that their voices were heard;
- Inviting all dioceses to respond to a consultation document seeking views on the package and the extent to which it underpins the Church's strategic aims;
- Consideration of the theological framework for the review taking *Generosity and Sacrifice* as a starting point (see [Ch. 5](#));
- Work to value the package and to assess its adequacy;
- Reviewing the adequacy, appropriateness and affordability of the clergy pension scheme, with the expert support of Barnett Waddingham, including evaluating options related to supporting clergy in retirement;
- Bringing the diverse range of financial and family circumstances of clergy ministering in the Church of England to life through creating a number of example stories to consider the different impact of issues relating to the current package and potential recommendations;
- Wider consultation and obtaining a range of external expertise to inform findings, including,
 - » consultation with organisations that support clergy, including clergy charities
 - » other sectors to consider learning in terms of supporting financial wellbeing, considering in particular the approach of the Ministry of Defence in supporting serving military personnel and veterans
 - » remuneration offered by other Churches;
- In the light of the evidence gathered, considering different models of clergy remuneration and potential policy responses;
- Analysing the cost and potential benefits of recommendations.

³ This research project is being conducted between 2016 and 2026 and is following groups of clergy ordained in 2006, 2011 and 2015 and ordinands who entered training in 2016. The overarching research question is "What enables ordained ministers to flourish in ministry?" The research included an exploration of the factors related to the financial wellbeing of clergy. This research was particularly helpful in informing the financial hardship, wellbeing and morale strands of the review.

⁴ The survey sought to include all stipendiary clergy for whom an email address was available in *Crockford's Clerical Directory* and who had not opted out of being invited to take part in research.



Chapter Three

Clergy remuneration in context

2021

3. Clergy remuneration in context

THE COVID-19 PANDEMIC

- 3.1 This report is being written at a time of great uncertainty and change for the nation and the Church, which brings both challenges and opportunities. Much of this is attributable to the pandemic, which has intensified existing pressures, and in particular:
- challenges in sustaining the parish share and paying for the full costs of clergy (to different degrees in different churches);
 - increasing pressure on diocesan finances;
 - variations in diocesan resources and historic assets, which can impact on clergy wellbeing, resulting in differences not so much in stipend levels, but in other things such as the amount of discretionary help available, the quality of MDR and CMD, and the standard of housing and how it is maintained;
 - anxiety about the future and speculation about cuts to parish posts.
- 3.2 This context has implications for clergy remuneration, as money for clergy stipends and pensions largely comes from giving. Although other sources — such as the Church Commissioners, clergy charities, and bishops’ discretionary funds (where dioceses have them) — do play a part in supporting clergy, they are not able to make up for short-falls in giving.
- 3.3 Covid has brought further pressures on clergy. Some clergy have found social isolation and the effect this has had on their ministry and worship particularly difficult, and this has undermined morale. However, many have been resourceful, adaptable and resilient, and have risen well to the challenge of providing ministry in new ways at a time of social isolation. It is important to acknowledge with thanks the contribution that so many clergy — stipendiary, self-supporting, and on pension — have continued to make to the Church’s mission and ministry in these exceptionally challenging times. This has sometimes come at considerable personal cost.

WORK ON VISION AND STRATEGY AND THE EMERGING CHURCH OF ENGLAND⁵

- 3.4 In early 2020, prior to the pandemic, the Archbishops and House of Bishops commissioned work to discern a Vision and Strategy for the Church of England for the 2020s. The coronavirus pandemic has intensified the need for this work, and so it has been adapted and accelerated accordingly. Whilst a further work stream has been added to focus on the Church of England's short-term recovery as it emerges from the pandemic, the work also looks to the future.
- 3.5 The emerging vision for the Church of England in the 2020s is of a Church that is "Christ Centred and Shaped. **Simpler, humbler, bolder**". In undertaking the review, we were mindful that the strategic priorities for the next ten years emerging from this work — and the way in which the Church might be shaped as a result — are likely to affect models of mission and ministry in the future. The review considered the extent that the remuneration package and other forms of non-remunerated ministry underpin attraction and deployment and are affordable, sustainable and appropriate to support existing patterns of ministry and mission and also newer forms emerging as part of the "mixed ecology". Recognising that the emerging church work has not yet been completed and that discernment is ongoing, the review has sought to "future proof" recommendations as much as possible and to offer options that could be considered in the medium to longer term.
- 3.6 Two of the strategic priorities highlighted in the vision were considered particularly relevant for this review of clergy remuneration:
- "A church where mixed ecology is the norm";
 - "A younger and more diverse church".

⁵ The Emerging Church of England is the name for four strands of work which together will help leaders in every diocese to discern the shape, life and activity of the Church of England in the 2020s. The main aim of the Emerging Church of England is to follow a shared vision—to share what God has done for us in Jesus Christ and continues to do through the Holy Spirit—with simpler national governance structures. This work began before the coronavirus pandemic but has been intensified and adapted in light of the changing circumstances. The work is to:

- Review our strategic context—the Church and the impact of the social, political and economic world around us;
- Determine key strategic priorities for the next ten years through a shared vision and strategy;
- Deliver simpler governance structures;
- Transform our national operating model for the future i.e., the practical ways the Church is organised and functions.

Four groups—Recovery, Vision & Strategy, Governance, and Transforming Effectiveness—have been tasked with consulting the wider Church, providing recommendations and guidance, and transparently communicating their progress and findings. For further information, see GS Misc 1250, available at: <https://www.churchofengland.org/sites/default/files/2020-06/GS%20Misc%201250%20Emerging%20Church%20.pdf>.

- 3.7 The strategic aims for the review around deployment (particularly supporting new models of mission and ministry) and underpinning efforts to attract and retain an increased diversity of new vocations and supporting clergy to be fruitful in ministry have crossovers with the aims above and informed the work of the review.

THE COVENANT FOR CLERGY CARE AND WELLBEING AND OTHER CONTEXTUAL FACTORS

- 3.8 The Covenant for Clergy Care and Wellbeing was made an Act of Synod in February 2020. This is an important development in asserting what is needed to enable clergy to flourish in ministry.
- 3.9 That work did not explicitly include remuneration, but financial wellbeing is part of clergy wellbeing. This means that the Church as a whole has an obligation to ensure that that clergy are equipped with the necessary financial skills and that stipends and pensions support clergy wellbeing and enable them to flourish in ministry — as clergy who are anxious about the future or suffering financial hardship or dealing with heavy debt are likely to be less effective in ministry — and, in particular that:
- **Clergy** should take responsibility for preparing for their retirement and learning to save when possible and be financially responsible and be given opportunities to develop their skills in financial management;
 - **Parishioners** should be generous and regular in giving, in accordance with their means, to raise the money for stipends, pensions, and parochial expenses;
 - **Bishops** should have awareness of the financial needs of their clergy and be proactive in offering assistance and support and training where this is needed.
- 3.10 There are many facets to providing a package that is supportive of financial wellbeing, including:
- provision of a stipend and pension that is adequate for the majority of clergy;
 - support with housing in retirement for those who need it;
 - additional financial and other support when a standard stipend is not sufficient for individual needs;
 - equipping clergy to be financially empowered and have access to appropriate sources of advice, and enabling them to understand the financial implications of their own life choices and to save and plan in advance for their retirement;
 - understanding of additional role-related costs such as parishes with social deprivation where it may be difficult to claim

expenses or remote rural areas with limited employment opportunities for clergy spouses;

- signposting to other sources of support (such as so-called Employee Assistance Programmes run by many dioceses, and clergy charities). See also [Annex 7](#), which sets out some sources of clergy support.

3.11 Some of this may require a change of culture, including:

- greater knowledge and understanding by bishops and archdeacons of the issues and pressures individual clergy face;
- an awareness that a small amount of targeted financial assistance or an offer of help at the right time can make a big difference both practically and to morale;
- not assuming that clergy will take the initiative and ask for help if they need it, but taking a more proactive approach and offering it when it might be needed;
- a move away from a rather paternalistic culture where clergy were seen as objects of charitable assistance to one where clergy were supported and encouraged to take responsibility for their own finances, present and future;
- equipping clergy to budget, save and plan for retirement and feel financially empowered;
- an appropriate understanding of the role of charities in supporting clergy financial wellbeing.

THE CHANGING ROLE OF CLERGY

3.12 As well as Covid, there are other ways in which the role of clergy has continued to change in ways that may offer challenges, but also be potentially fruitful as the Church moves into a period of opportunity and transition:

- The legal and other demands made of parochial clergy office holders as part of their role (including financial responsibilities as a charity trustee, chairing meetings, exercising oversight ministry) are increasing and do not always seem fully aligned with the ordained ministry for which ordinands were called, selected and trained.
- There is an increasing emphasis on the way that priesthood can be exercised in many different ways, not all of which involve full-time stipendiary parochial office (for example, clergy ministering with PTO or employed chaplains or Pioneer Ministers);
- New developments in oversight ministry, and the mixed ecology along with the emphasis on lay leadership mean renewed questions about what is distinctive about the

ministry of clergy along with the emergence of a range of ministerial paths;

- Clergy who are DBF employees generally need significantly higher salaries than the typical stipend in order to avoid a drop in living standards if they are not provided with a house. This increasingly prompts the question of why the remuneration of clergy should be different from that of others working for the Church.

Chapter Four

What is the clergy remuneration package and how has its value been estimated?



4. What is the clergy remuneration package and how has its value been estimated?

WHAT IS THE CLERGY REMUNERATION PACKAGE?

- 4.1 We recognise that clergy remuneration is distinctive in that its focus is on supporting and enabling clergy to carry out their ministry without undue financial worries rather than on “reward”.
- 4.2 In order to assess the appropriateness of clergy remuneration, it is necessary to look at the package as a whole — including not only stipend, housing provided for the better performance of duties, and a non-contributory defined benefit pension — but other wider and non-monetary aspects of clergy remuneration which we have mapped but not attempted to put a financial value on.
- 4.3 The core elements of the package are summarised below (figures quoted apply to the 2020/21 stipends year).

STIPEND

- 4.4 The **National Minimum Stipend (NMS)** from 1 April 2020 was £25,265. This is the figure — set by the Archbishops’ Council as Central Stipends Authority — that no-one in full time stipendiary ministry may be paid below. It is also the figure used to calculate pensions — both the cost of the contribution and the starting level of the benefit on retirement. It is designed to be a safety net to ensure that stipends are adequate and enable the majority of clergy to carry out their ministry without financial anxiety.
- 4.5 The **National Stipend Benchmark (NSB)** from 1 April 2020 was **£27,000**. This is a recommended figure set by the Archbishops’ Council each year after consultation with Diocesan Boards of Finance (DBFs) and the Church Commissioners. DBFs set their own figure for stipends in the light of this national figure, variations in the regional cost of living, factors that are specific for the particular post (e.g., where there are additional costs) and what the DBF can afford, given the number of

posts which it is responsible for paying. Most DBFs pay the same figure to most of the incumbents and priests in charge in their diocese (the diocesan basic stipend) and slightly less to assistant curates.

- 4.6 The **National Average Stipend (NAS)** from April 2020 was **£26,700**. This is a weighted mean of all the diocesan basic stipends and the NSB should not be too far from this figure.

PENSION AND OTHER SUPPORT IN RETIREMENT

- 4.7 The clergy pension scheme is a non-contributory defined benefit (DB) pension scheme (now increasingly unusual for an open pension scheme outside the public sector) giving a guaranteed income in retirement and lump sum at retirement. With such a DB scheme, clergy have a high level of predictability about their income in retirement and the Responsible Body (usually the Diocesan Board of Finance) bears any risk relating to market conditions and longevity.
- 4.8 Clergy have access to other support in retirement. In order to help clergy who need to house themselves in retirement (and have not made other provision), the Pensions Board set up the **CHARM scheme**, which enables clergy (those who have completed at least 15 years of stipendiary service) to live in a house owned by the Pensions Board (and designed to be suitable for the needs of clergy in retirement) at a subsidised rent. The Board also offers a shared ownership option and runs seven Supported Housing schemes, offering independent living within a supportive Christian community.
- 4.9 Further, the Pensions Board provides assistance to those clergy experiencing financial hardship by helping them make welfare and other benefits claims and grant applications, assisting with rehousing, sign-posting clergy to specialist advice and charities, offering grants from the Board's charitable funds for pensioners on low incomes.

HOUSING

- 4.10 Full-time stipendiary clergy are legally entitled to have a house provided. They are legally required to live in the provided house unless the bishop gives them permission to live elsewhere, and do not pay rent. As the house is provided for the better performance of their duties, HMRC does not regard the provided house as a taxable benefit.
- 4.11 Instead of being provided with a house for the better performance of their duties, a few clergy receive additional payment in the form of a taxable discretionary housing allowance (the value of which varies considerably, as do rental values).

ADDITIONAL AND WIDER FINANCIAL BENEFITS

4.12 Stipendiary clergy also receive the following additional benefits:

- **Water charges**, and the **Council Tax** are paid by the DBF or the parish;
- **Housing maintenance costs** and **building insurance** are met by the diocese;
- Under arrangements agreed with HMRC, full-time stipendiary clergy office holders receive part of their stipend paid free of tax and National Insurance as contribution towards **heating, lighting, cleaning and garden upkeep costs (HLC scheme)**.

4.13 The following wider financial benefits are also available:

- Stipendiary clergy moving post receive a **Minimum Resettlement Grant** payable in addition to the removal grant. The minimum grant is 10% of the NMS (£2,527 in 2020/21);
- **First Appointment Grant** of at least 10% of the NMS in addition to the Resettlement Grant on the following occasions:
 - » When taking up a full-time stipendiary post as assistant curate or licensed lay worker for the first time;
 - » When taking up an appointment as an incumbent or minister of incumbent status for the first time.

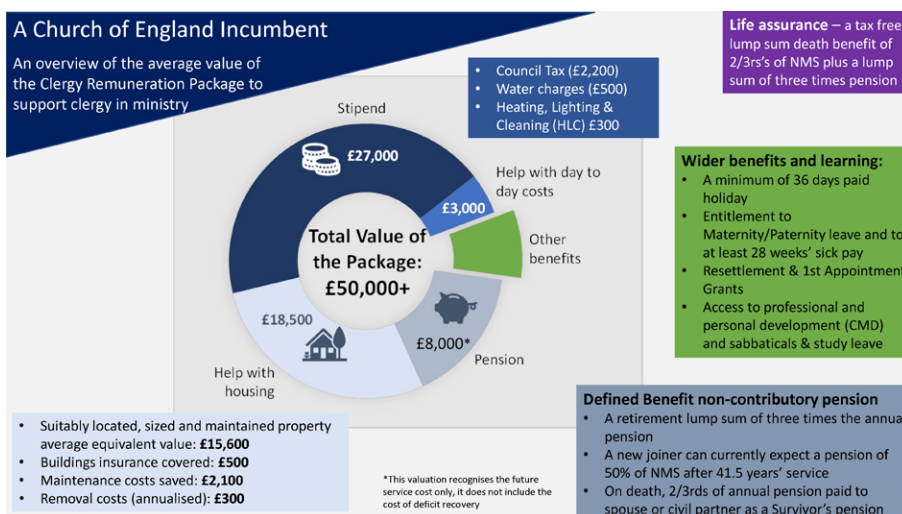
OTHER BENEFITS

4.14 Other benefits received by clergy include:

- paid sabbatical by application or in some cases the costs of training courses and retreats are met;
- access to professional and personal development (CMD);
- a considerable amount of autonomy and flexibility to organise their work patterns and priorities — although this comes with a need to be available sometimes outside normal working hours and expectations about clergy availability are not always reasonable.

ESTIMATING THE VALUE OF THE CLERGY REMUNERATION PACKAGE

4.15 The review has sought to assess the value of the package as summarised in the **benefits statement/overview** below.



GENERAL ISSUES

- 4.16 Valuing the package is challenging for several reasons. Firstly, it is necessary to distinguish between the financial cost of providing a particular benefit and the value of the benefit received, particularly when not all aspects of “value” can be adequately expressed in financial terms.
- 4.17 Secondly the value of something to a person is particularly tricky to assess, when it comes in the form of not being charged for something, and the person concerned may not be aware of the actual cost. This is particularly significant with the clergy package, as nearly half of the estimated value comprises costs that clergy do not have to meet. As a result, the full value of the package is not always acknowledged (especially elements such as provided housing, water charges and Council Tax).
- 4.18 Thirdly, we also recognise that the “value of the package” will be perceived differently by different people with different family and financial circumstances. The survey identified that the clergy responding had a wide range of household incomes ranging from under £30,000 to over £100,000. What is adequate for one clergy household may not be adequate for another.
- 4.19 Factors such as the earnings of a spouse or partner or the number of dependants have a considerable impact on the standard of living of a clergy household. There will come a point when the number of dependants may mean that an individual stipend, whilst being adequate for the majority of households, will not be sufficient for such households, who may therefore need additional help and support.

- 4.20 Although the overall finding in the survey was that clergy with a higher household income reported managing better,⁶ a perception of adequacy was not always directly related to actual household income: 45% of those with a household income of £30,000 or less saw themselves as doing all right or living comfortably, while 22% of those with income of £50–£60,000 saw themselves as just getting by or finding it quite difficult, as did 15% of those with an income of £60–£100,000.
- 4.21 Some of the differences in how clergy value the package may be about perceptions, expectations, and other factors rather than the level of the stipend; for example, the standard of living before ordination, and how their standard of living compares with that of their parishioners. Not feeling valued, or perceived unfairness (such as when the provided housing is considered to be poorly maintained) can also have an adverse effect on how the value of the package is perceived by clergy.
- 4.22 The perceived value of the package also needs to be seen against an erosion in the value of the package after some improvements in stipend in the first few years following the publication of *Generosity and Sacrifice*, in particular:
- the failure of stipend levels to keep pace with inflation, even though the Synod agreed that the Archbishops’ Council should have a policy of increases in the National Minimum Stipend keeping pace with RPI, other than in periods of heavy inflation (when *Generosity and Sacrifice* was published, RPI was considered the standard measure of inflation — CPI replaced RPI as the Government’s standard level of inflation in 2003⁷);
 - the 2011 changes in pension (See **Annex 1**, which provides a summary of changes to pensions and stipends over the last 20 years).
- 4.23 The value of the package also needs to be seen, however, in the context of a decline in real income for many people, resulting from a prolonged period when UK average earnings have not kept pace with inflation.
- 4.24 These general considerations all show that a figure can only ever be an approximate indication of the value of the package to an individual, which always needs to be seen in context.

6 In the **£20–£29.9k** category—the level of income provided by a full stipend alone, and the category reported by the highest proportion of clergy—**20.2%** of clergy report finding it quite or very difficult to manage. For those in household income category £30–£39.9k, **60.8%** report living comfortably or doing all right, compared with **45.2%** of those in the £20–£29.9k income category.

7 See BBC News article “Reality Check: What’s this new measure of inflation?” (21 March 2017) available at: <https://www.bbc.co.uk/news/business-39328173>.

HOUSING

- 4.25 A further element of complexity in putting a value on the provided house is that rental values and house prices vary considerably across the country.
- 4.26 The provided house helps clergy to perform their duties in a number of ways:
- It makes them accessible to their parishioners;
 - It enables them to live among the people whom they are called to serve;
 - Clergy work from their home and use the study (although some clergy also work from their parish office if they have one);
 - The house is often used for parish meetings;
 - Clergy do not incur travel costs to get to work, and so any travel costs on official duties (such as funeral visits) should be reimbursed in full;
 - It assists clergy mobility as clergy do not have to provide their own housing when they move;
 - It makes it possible to pay broadly the same stipend across the country regardless of variations in house prices and rental values.
- 4.27 That said, the provided house is not always entirely beneficial:
- In a large multi-parish benefice, the vicarage will be some distance away from some of the churches;
 - The vicarage may be larger than a particular clergyperson might choose and be expensive to heat and not always be suitable for needs of individual clergy (e.g., too large for a single person, or needing adaptation for a member of the family with a disability);
 - It can inhibit mobility, as clergy may be reluctant to take an employed post that does not come with a house, unless there is a considerable uplift in salary;
 - The clergyperson living in provided accommodation may be inhibited from accessing the risks and rewards of the housing market.
- 4.28 The benefit of housing comes with constraints for individual clergy: the location and size of the house, the fact that it may not always be well maintained and can be difficult to heat, and the lack of any gain in capital value from which someone paying a mortgage would benefit. Clergy couples serving in different parishes may only have one house, which means that one of them has to travel to the parish. However, despite these constraints, it is notable that several dioceses responding

to the diocesan consultation pointed out that it was necessary to offer a salary of at least £40,000 (and often closer to £50,000) in order to be able to recruit clergy into employed DBF roles which did not come with provided housing.

- 4.29 The value of the provided house is particularly likely to be seen differently by different clergy according to their circumstances. A clergy household relying on a single stipend for income in a high-value but poorly maintained property may ascribe a lower value to the provided housing than another clergy household that derives significant additional income from letting some rooms to lodgers, or from a clergy household able to spend more on decorating the house. As everyone is faced with housing costs, it would be difficult to argue that the housing provision was of no or very little value, but we recognise that a range is likely to be more meaningful than a single average value and we have not sought to draw on the highest end of that possible range.
- 4.30 We looked at different approaches for valuing the housing element of the package and adopted two alternative approaches — one based on average rental values and the other a calculation relating to the cost of home ownership (with an adjustment to allow for the reality that clergy do not benefit from any increase in the capital value of the property that they live in and that they do not derive the same value from provided housing as one does from gradually paying off a repayment mortgage).

PENSION

- 4.31 Even the benefit of pension (deferred pay) is difficult to value precisely, as the sum paid will not be known for certain until retirement and people sometimes apply a discount factor to the value of future income, although a defined benefit pension provides a significant advantage to clergy in terms of giving them a much more predictable income in retirement. A cost figure offers something of a proxy for value, but is imperfect, as the cost will vary according to a number of outside factors such as returns on investments, market conditions, and the amount of any deficit (risks which the responsible bodies bear rather than the individuals in the case of the clergy pension scheme).
- 4.32 The value of the pension may be coloured by fears about how clergy might manage in retirement. Some of these fears might be at least partially relieved by an early conversation with the Pensions Board about available options and better communication about the value of package, along with signposting to vehicles for saving for retirement, and support in household financial management.

- 4.33 For all these reasons, it is easy to underestimate the distinctive nature of the defined benefit non-contributory pension scheme. Clergy need to make arrangements for retirement housing either privately or via CHARM. A guaranteed income in retirement may help with this.

OTHER BENEFITS

- 4.34 Some of the other benefits — lack of set hours, autonomy, ability for clergy to set their own priorities — can be liberating and empowering for many and seen as advantageous, although sometimes with hidden strings, such as an expectation from parishioners that clergy will be available outside “normal” working hours. But where relationships go wrong — whether within a parish or between diocese and clergy, or where expectations are unreasonable, or there is a mismatch between parish and clergy expectations — this very autonomy can result in disabling uncertainty about the role and how to deal with the problem, and lead to a cycle of isolation and mistrust that is hard to break.
- 4.35 For this reason, we came to the view that it would not be appropriate to put a figure on the value of these elements.
- 4.36 Our approach to estimating the value of the package is set out in more detail in [Annex 2](#). Using that methodology, we estimate the total value of the package to be within the range of £45,000 to £60,000.
- 4.37 We estimate that the clergy remuneration package is worth at least £50,000 per annum. The estimate of this figure will vary somewhat due to variations in regional house prices and rental values. There is scope for better communicating the total value of the clergy package.

RECOMMENDATION 1

Better communications about the value of the package

We recommend that the value of the package is better communicated and that RACSC should publish an annual statement of the value of the constituent elements of the clergy package — stipend, provided housing, non-contributory defined benefit pension, no water charges, no Council Tax — on the Church of England website and provide details in the annual report of the Central Stipends Authority, in order to enable clergy to understand the high value of the elements of the package that are not provided in the form of stipend.

Chapter Five

Principles behind clergy remuneration



5. Principles behind clergy remuneration

5.1 The theology of *Generosity and Sacrifice* is a helpful analysis of the theology around clergy remuneration, and we used it as a starting point.

5.2 *Generosity and Sacrifice* recommended the following definition of the stipend:

The stipend is part of the remuneration package that is paid for the exercise of office. It reflects the level of responsibility held. This package acknowledges the dual demands in Scripture of generosity and sacrifice on both those who receive the stipend and those who raise the necessary funds.

5.3 It went on to recommend two further principles:

Firstly, the principle adopted is that of “remuneration for the exercise of office” rather than a “maintenance allowance”. This has a number of implications:

- » *The principle of differentials for responsibility is allowed for;*
- » *Subsistence levels of pay are not allowed for;*
- » *Pay should be related to posts, not households or personal circumstances;*
- » *Circumstantial maintenance payments (e.g., child allowances) are not allowed for.*

The second guiding principle is that of “generosity and sacrifice”. This would suggest the following implications:

- » *Clergy remuneration should represent a primary call on the budgets of the church, national, diocesan and parochial;*
- » *The reasonable expectation of the clergy that any comparisons made are with professional secular groups does not in itself imply that comparable remuneration should be paid;*
- » *Differentials, where paid, should be modest.*

5.4 However, we noted a number of issues that needed further reflection. In particular, we wondered whether the concentration in *Generosity and Sacrifice* on particular biblical passages with potential to be linked to questions of ministerial remuneration was at the expense of a

broader examination of what it means for the Church to show fairness and justice in how, as an institution, it deals with people and resources in furtherance of its mission.

5.5 There were also a number of issues that *Generosity and Sacrifice* left uncovered, such as:

- How self-supporting ministry fits into the framework of *Generosity and Sacrifice*;
- When it might be appropriate not to pay a stipend and when a stipend should be paid;
- The extent to which the remuneration package should support the Church's mission and strategic aims;
- The extent to which the stipend can reasonably be expected to take account of life choices such as non-working spouses and the number of children;
- The extent to which clergy have a responsibility to manage their household budget properly and plan for their retirement and the extent to which the Church can help them — directly and indirectly — in this task;
- Given the emphasis of the Clergy Covenant on mutuality and reciprocal care, the need for a theology of the whole people of God in which the role, work and remuneration of clergy is placed, so that it includes the perspective of those giving towards parish share to pay stipends and the need for interdependence and bearing one another's burdens.

5.6 Nor did *Generosity and Sacrifice* fully articulate the reasons why the remuneration of clergy office holders should be seen as different from that of paid employees (lay and ordained) working for the Church. Ordained ministry is distinctive, but this does not in itself necessarily imply a distinctive form of remuneration. Clergy minister in a variety of ways, with a variety of terms and conditions, whether as stipendiary office holders with housing provided for the better performance of their duties, as paid employees (for example Diocesan Directors of Ordinands employed by the Diocesan Board of Finance or hospital chaplains employed by an NHS trust) or with no payment at all, for example as self-supporting office holders or clergy with PTO.

5.7 As ordained ministry in itself does not seem to require a distinctive form of remuneration, this suggests that the primary considerations when assessing clergy terms and conditions (including remuneration) should be that:

- they enable clergy to flourish in their ministry without undue financial anxiety or hardship;
- are appropriate for the requirements of the particular role;
- support the Church's mission and strategic aims;
- are affordable and sustainable in the long term.

- 5.8 In many ways, the current remuneration package of stipend, pension and housing is particularly appropriate for what parochial clergy office holders are called to do. Part of what is distinctive about parish clergy office holders is that they are members of their communities and generally live among those to whom they minister. This suggests that clergy should be paid at a level that gives them a standard of living that is between poverty and affluence, and that does not get in the way of them being “all things to all people” (1 Cor. 9: 19–23).
- 5.9 A further consequence of clergy living among their parishioners is that they usually need to have a house provided for the better performance of their duties to enable them to live in the parish, as there is sometimes no other suitable housing available, and even there was, they would be unable to purchase or rent it in many areas of the country, even on a stipend of £50,000–£60,000 p.a.
- 5.10 Provision of housing in turn requires a sufficiently good pension that will enable clergy to meet their housing costs in retirement, when their income will be less. Although some will own their own home by the time of retirement, others will not. It is easy to see why clergy, anxious about how they will manage in retirement, place a high value on the security of a defined benefit pension scheme, even though this kind of pension is now very unusual and the high cost of retaining a defined benefit pension for responsible bodies has had the effect of depressing stipend levels.

REWARD OR LIVING ALLOWANCE?

- 5.11 *Generosity and Sacrifice* took the view that the level of stipend payment should reflect the level of responsibility, accommodate modest differentials (which were rounded down as a result of General Synod’s debate on the report), and take some account of secular concepts of reward, although its reasoning for getting to this point was not always clear.
- 5.12 *Generosity and Sacrifice* concluded that a primary school deputy head-teacher was an appropriate comparator for the level of stipend. We reflected on this and came to the view that there was not a single comparable profession against which the appropriateness of clergy remuneration could be measured. All other professions suggested were likely to prove contestable, with significant differences as well as similarities.
- 5.13 Responses to the clergy survey indicated that there was little enthusiasm for secular models of reward, with their emphasis on additional payments for responsibility, and still a considerable degree of

support among clergy for the idea of the stipend as a payment to enable ministry.

5.14 There are a number of good reasons for continuing to see the stipend as a payment to enable ministry (which was a widely held view prior to the publication of *Generosity and Sacrifice* and was confirmed by responses to the clergy survey):

- The strong emphasis on vocation means that secular notions of reward do not apply in the same way, as clergy are not primarily motivated by financial considerations, and being able to exercise their ministry is — or should be largely — its own reward.
- Office holding, as distinct from employment, implies that the requirements of the role of incumbent or priest in charge, as set out in the Canons and the Ordinal, are basically the same for all clergy in that role, and that one parish should not be seen as more important than another.
- Determining relative responsibility is far more complex than it might initially appear. It is hard to compare the responsibilities borne by multi-parish benefice clergy in rural areas — dealing with open churchyards, Grade 1 listed buildings in small communities where goodwill towards the church is high but people resources may be low, and where responsibility is often borne by the clergy person alone — with those ministering in large churches, who may have significant and complex leadership responsibilities, but often have specialist teams working with them and more resources.
- This broad equality of stipend is one of the ways in which clergy remuneration challenges current secular culture.
- The willingness to consider additional payments related to family need is not something that a secular employer would normally consider (although some employees may have access to a benevolent fund) and is counter-cultural. However, we see that, in some circumstances, there may be a case for making such additional payments to clergy to ensure that they are enabled to carry out their ministry without undue financial worry and in recognition of the Church's share of responsibility for the wellbeing of clergy families. The clergy charities also play a role in offering additional payments, in some cases in relation to family needs, that help to enable clergy to carry out ministry and that support their wellbeing.

5.15 These considerations led us to the view that the current practice of most parochial clergy being paid the same level of stipend in a diocese, regardless of the size of an individual parish and the scale of its operation, is basically correct, although there may be some flexibility around particular needs (such as households with more than two children).

- 5.16 We do not consider, however, that the level of stipend should be based entirely on individual need, as this would involve means testing, which would be bureaucratic, intrusive, difficult and costly to administer.
- 5.17 This approach of paying the same stipend to clergy across the diocese may be thought to imply the need to abolish differentials altogether. We considered that this question was outside the scope of this review and would be a distraction from more pressing issues about clergy remuneration. (This was also the view taken during the House of Clergy debate at which the review was originally requested). We also note that the cost of differentials is largely met by the Church Commissioners, who would need to be involved in any possible review of differentials, and that this substantial task would require considerable additional time and resources.

SACRIFICE

- 5.18 We wondered whether the focus in *Generosity and Sacrifice* on the single image of sacrifice to describe the life, death and resurrection of Jesus was entirely conducive to the flourishing of clergy in ministry, particularly when other images talk about God's healing of the world, the work of reconciliation, life in all its fullness, the vine and the branches.
- 5.19 Nevertheless, it is part of the nature of ministry that it is not offered without personal cost.
- 5.20 The costly elements of a priestly vocation do need to be acknowledged, and include:
- the Vicarage sometimes feeling like it is something of "a goldfish bowl";
 - the impact on clergy families, especially relating to the sort of sacrifices that clergy family make when clergy "sign up" to a lifestyle involving sacrifice;
 - the lack of "career progression" with a flat structure;
 - difficulty in maintaining boundaries when working from home with no defined hours and an expectation from others that you will be available outside normal working hours;
 - isolation and the need to take more responsibility than a line-managed employee for self-care and arranging personal support networks.
- 5.21 Overall, there seems to be a widespread view that the call to which clergy respond and the self-offering they wish to make in God's service might result in a lower remuneration for some than if they had remained in secular employment. However, sacrifice should only be

one aspect of the clergy vocation and it must not be stressed to the extent of becoming exploitative or abusive. Sacrifice can be used unthinkingly as a stick to beat others with, especially so when it is used to question the commitment to faith of others by asking people to do more and more. Nevertheless, ministry is costly to those who offer it (and sometimes to their families too). We note that the new Shared Discernment framework tries to use the phrase “count the cost” to overcome some of the potential difficulties with sacrifice.

Chapter Six

Listening to clergy perspectives on the package and their financial wellbeing



6. Listening to clergy perspectives on the package and their financial wellbeing

FINDINGS FROM THE CLERGY REMUNERATION REVIEW SURVEY AND FOCUS GROUPS

- 6.1 A crucial part of our work was obtaining the views of clergy on the package, hearing their concerns, and understanding their priorities. To do this, we carried out a survey of clergy, which attracted over 3,700 responses (which included around 700 responses from retired clergy). **Annex 4** contains a detailed summary of the findings from the clergy survey.
- 6.2 We held focus groups both with UKME clergy and clergy with disabilities to ensure the views of both groups were heard. The focus groups provided a valuable opportunity to explore in more depth the general issues relating to clergy remuneration that arose from the survey, as well as to focus on the findings above relating to UKME clergy and clergy with disabilities.
- 6.3 The survey and focus groups gave us particularly important information on:
- variations in clergy household income;
 - how clergy are managing financially;
 - factors relating to clergy who are struggling financially;
 - experiences of provided housing;
 - concern about pensions and ability to save for retirement;
 - clergy financial confidence;
 - clergy with particular needs;
 - claiming and payment of expenses;
 - the need to signpost clergy to sources of additional help;
 - clergy preferences and priorities.

VARIATIONS IN CLERGY HOUSEHOLD INCOME

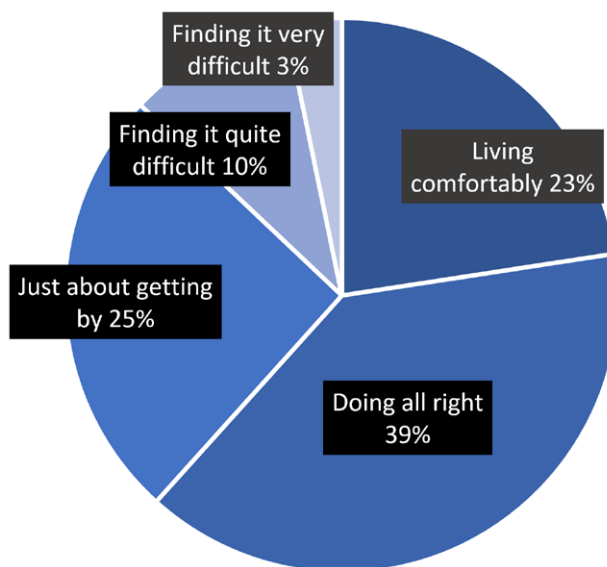
- 6.4 The survey showed that clergy household income varies considerably, but in a way that is very similar to that for the population at large. Over 60% of clergy reported having a household income that is greater than

the median for the UK households, and nearly 27% have a household income of £50,000 or more. However, a third of clergy reported having household income of between £20,000 to £30,000 — the income group that most clergy who were reliant on the stipend alone for household income would fall into. Of clergy in that household income category, 20% reported that they were finding it quite or very difficult to manage financially.

- 6.5 The survey revealed that clergy also have disparities in their financial resources (for example, whether they own property or the level — if any — of student and other debt) social background, household income (whether they have a spouse or partner who earns) and family responsibilities (such as caring for children or dependents with particular needs).
- 6.6 They also serve parishes where there are disparities in the income of parishioners and their ability to reimburse full expenses. Some roles may make greater financial demands than others (for example a post in a remote area, or where employment opportunities for a spouse or partner might be more limited). All of this means that there is a need for flexibility and understanding about their individual circumstances — and an awareness of and ability to respond to particular needs.

HOW CLERGY ARE MANAGING FINANCIALLY

- 6.7 Clergy were asked to indicate how well they were managing financially.⁸ The response from non-retired clergy is summarised in the chart below.

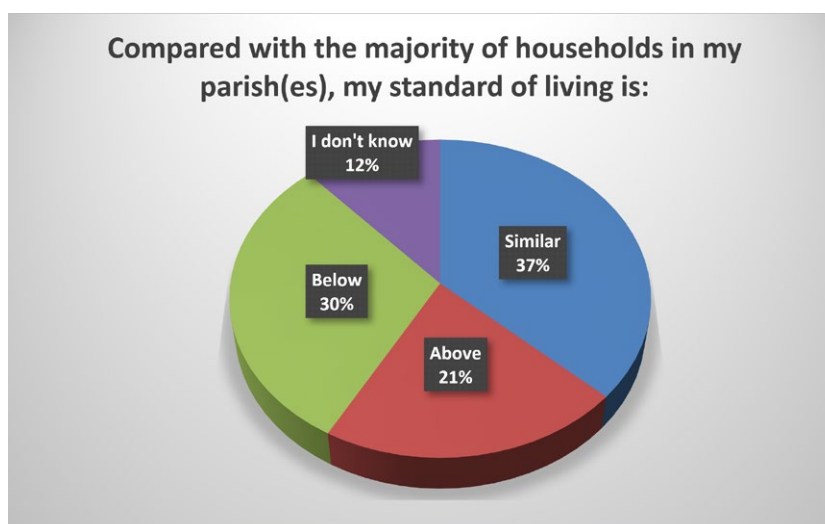


⁸ This replicated a question in the *Living Ministry* research programme (available at <https://www.churchofengland.org/resources/diocesan-resources/ministry/ministry-development/living-ministry/living-ministry-research>), a ten-year research project overseen by the National Ministry Team exploring what enables ordained ministers to flourish in ministry. Participants include clergy ordained in 2006, 2011 and 2015, and those who started training in 2016. The research included an exploration of factors relating to clergy financial wellbeing and a report exploring clergy debt. A key headline finding from the Wave 1 (2017) *Living Ministry* research was that amongst ordained ministers, **79.8%** reported that financially they were **doing all right** or **living comfortably**, while **6.7%** reported finding it **very or quite difficult** and **16.4%** were **just getting by**.

- 6.8 Whilst the majority of clergy (62%) reported that they were living comfortably or doing all right, the review was concerned to explore in more depth the factors relating to clergy reporting that they were struggling financially (13%) or were just getting by (25%).
- 6.9 Of the retired clergy who responded to the survey, 78.1% reported that they were living comfortably or doing all right (compared with 61.9% of non-retired respondents) and 5.5% (compared with 13.2% for those who were not retired) reported that they were finding it very or quite difficult to manage financially.⁹

COMPARISON WITH THE LIVING STANDARDS OF PARISHIONERS

- 6.10 The survey findings on how clergy perceive their standard of living compared with the majority of households in their parish are informative and are shown in the chart below:



- 6.11 Over a third of clergy reported that their living standards were similar in comparison with the majority of households in their parish. As might be expected, the higher the clergyperson's household income, the higher the proportion reporting that their living standard was above that of the majority of their parishioners. It is noteworthy that of those clergy whose household income is between £20 and £29k p.a. (likely to be reliant on the stipend alone), a third still report that their living standard is similar to that of the majority of their parishioners. However, 68% of clergy who reported that they were finding it "very

⁹ Whilst the proportion responding that they were "doing all right" or "living comfortably" was lower for the clergy survey than for that reported by the *Living Ministry* research, it should be noted that the *Living Ministry* sample included higher proportions of SSMs and women than the clergy survey.

difficult” to manage financially reported that their living standards were below those of the majority of their parishioners.

FACTORS RELATING TO CLERGY WHO ARE STRUGGLING FINANCIALLY

- 6.12 Further, it appears that in general a higher proportion of clergy serving in dioceses with higher levels of deprivation report that their living standards are above those of the majority of their parishioners, and vice versa. The survey found that the following factors were related to clergy reporting that they were struggling financially:

Having no additional household income, particularly from a spouse/partner	Nearly 22% of those with no additional household income reported finding it quite or very difficult to manage financially, compared with c. 11% of those with additional household income.
Having two or more dependent children	This, combined with the factor above, is particularly associated with reporting finding it difficult to manage financially (21% of those with dependent children were finding it quite or very difficult to manage (rising to 32.1% for those with three children), compared with 7.7% of those without).
Men were more likely than women to report that they were finding it difficult to manage	14.2% of men reported finding it difficult to manage financially, compared with 9.9% of women clergy. There are possible interactions between factors at play here e.g. men might struggle more because female partners are likely to earn less reflecting societal gender pay inequalities.
Clergy with a disability	17% of clergy reporting a disability were struggling financially, compared with 12% of those who did not.
UKME clergy	<i>Based on a small number of respondents, 29.5%</i> of UKME clergy reported that they were struggling financially, compared with 12.6% of non-UKME clergy.
Age/year of ordination	Clergy aged 40–49 (and those ordained Deacon between 2000 and 2009) were most likely to report finding it difficult to manage financially (those 60+ were least likely).

In many cases more than one of these factors may be in play at the same time.

CLERGY PERSPECTIVES ON THE PROVIDED HOUSE

- 6.13 Analysis of the qualitative responses to the survey highlighted concern amongst some clergy that their provided housing was poorly maintained. This diminished the perceived value of the housing provision and in some cases led to additional costs (such as higher heating bills).

Variations in the standard of parsonage house maintenance may be at least partly caused by other pressures on diocesan budgets and differences in diocesan resources and income. However, as clergy move between dioceses, they notice these inconsistencies which lead to an understandable perception of unfairness in how the Church treats them.

- 6.14 Significant issues were raised by the focus groups with clergy with disabilities relating to provided housing. Some participants would have preferred the opportunity to live in smaller, better adapted housing that was cheaper to run. The view was also expressed that some dioceses were better than others at readily supporting and paying for adaptations to properties. Examples were cited of cases where dioceses had been reluctant to make adaptations to properties due to a view that such changes “would not be wanted by a successor”.
- 6.15 Housing was also an issue that was raised by the UKME focus groups and that may also have resonance with other groups, in particular:
- the issue of having to give up long-held *social housing* when entering ordained stipendiary ministry and the loss of a sense of security involved with doing that;
 - a desire for more flexibility around housing options, in particular not wishing to live in and run a large parsonage and a preference for something smaller and more economical to run.

ANXIETIES ABOUT PENSIONS AND SAVING FOR RETIREMENT

- 6.16 As the *Living Ministry* report put it, “For stipendiary clergy, the main cause for concern as they look towards retirement is housing, given that most live in tied accommodation throughout their ordained ministry.” This is unsurprising, as clergy will have less to live on in retirement (clergy pension plus state pension instead of stipend) and will face greater costs as they will be paying for their own housing and, even if they own a house, will be paying Council Tax and water charges which they do not have to pay on provided accommodation.
- 6.17 The clergy survey indicates that 40% of respondents were on track to having adequate provision in place for retirement and nearly 55% were on track to having sufficient resources to house themselves in retirement. But we were concerned that a third of clergy did not agree that they were on track to having adequate provision in place for retirement and 27% did not agree that they were on track to have sufficient resources to house themselves in retirement. Around 22% expected

to need assistance from the Church for their housing in retirement, although 42.5% were not fully aware of the CHARM scheme.¹⁰

- 6.18 The proportion of clergy reporting that they are on track to have adequate provision in place for retirement increased by age band — however, around a quarter of respondents aged over 60 disagreed that they were on track. Just over a third of respondents to the survey agreed that housing in retirement was a significant source of anxiety.
- 6.19 Clergy who are able to buy their own property (or who already own a house) will face reduced housing costs in retirement which means that they will feel less anxious. We noted that roughly two-thirds of respondents to the clergy survey indicated that they were property owners, which seemed to confirm research undertaken for the Pensions Board in 2018 which suggested that roughly 60% of stipendiary clergy were property owners.
- 6.20 There is a mixed picture here, with some clergy already having housing for retirement or able to save and/or buy a property to live in for retirement, while others are unable to save for retirement at all, whether because they are experiencing financial hardship or because they are only just getting by. Clergy with disabilities indicated in their focus groups that housing (and in some cases care) costs in retirement were a significant source of anxiety.
- 6.21 The responses from retired clergy revealed that, although some clergy experience difficulty in retirement, many have their own house and the scores on how well clergy consider themselves to be managing financially are higher than for those in stipendiary ministry.
- 6.22 Where clergy are experiencing financial anxiety about how they will manage in retirement, it is important to address it through the provision of appropriate training and signposting. As well as improving their wellbeing, this will benefit the Church's mission by relieving anxiety, releasing energy, instilling confidence, and improving effectiveness.
- 6.23 It is desirable to help clergy take advantage of saving vehicles, Additional Voluntary Contributions, etc, including salary sacrifice arrangements. This requires a change to legislation about the National Minimum Stipend. Draft legislation to make this change is being brought forward in the July 2021 group of sessions.

¹⁰ In each case, the remainder of clergy either responded that they were "neutral" or did not know.

RECOMMENDATION 2

In the light of draft legislation coming to Synod to enable salary sacrifice arrangements, we recommend further work should be done on the potential of such arrangements to help with specific challenges for individuals, for example saving for retirement.

6.24 We note that there can be challenges to clergy being able to get onto the property ladder. Not only can it be challenging for some clergy to save for a deposit, but mortgage providers will not always be geared up to having a product that works well for the particular circumstances of clergy, as:

- shared ownership schemes are not usually open to those not living in the property;
- it can be harder to obtain a mortgage for a “buy to let” property and the proportion of the value of the property required for a deposit will be greater.

6.25 As part of the review we began exploring potential options for helping clergy who wished to get onto the property ladder, and note that there are no easy answers. In order to enable them to do this, they will need to build up savings for a deposit, and we hope that our recommendations on saving for retirement and financial planning will contribute to this. Further collaboration with external experts is recommended, to continue to explore possible options.

RECOMMENDATION 3

Further work should be carried out, in collaboration with external experts and church-based organisations, on exploring possible options to help clergy get on the housing ladder.

6.26 One of the strategic aims of the review was to consider the extent to which the clergy remuneration package underpinned the attraction and flourishing in ministry of a diverse range of clergy. The research has highlighted that there are particular issues faced by some UKME clergy and clergy with disabilities who experience greater than average costs, and that more needs to be done to support UKME and clergy with disabilities who are facing financial hardship.

6.27 The focus groups with **clergy with disabilities** raised a number of specific issues. It was noted that misunderstandings by some within the Church about disability could often act as a barrier to clergy with disabilities flourishing in ministry. There were also concerns that the

package alone was not adequate for clergy with additional needs. A report by SCOPE was highlighted¹¹ which suggested that some disabled people on average face extra costs of £583 per month.

- 6.28 Whilst access to Government funding sources such as “Access to Work Funding” personal independence payments and Universal Credit was an important source of additional income, there was concern that some dioceses lacked knowledge about such sources of support and failed to signpost to them or did so incorrectly.
- 6.29 There was a sense of feeling embarrassed or of “being a nuisance” when asking for financial assistance or adaptations to property. Participants noted that they would welcome being proactively approached to ask if adaptations or other assistance was required.
- 6.30 It was suggested that a central and easily accessible fund to support clergy with disabilities would be a very helpful way of providing the necessary additional support for clergy with disabilities and supporting the strategic priority of becoming a more diverse church.

RECOMMENDATION 4

We recommend that an application should be made to the Triennium Funding Working Group (which will consider spending plans for 2023–25) to set up a diversity fund that could be used to help clergy with disabilities who face additional costs.

- 6.31 The focus groups with UKME clergy raised issues relating to *family*. Some of the participants noted a strong sense of commitment to support wider family, some of whom sent money to family abroad, which was a significant financial commitment. Others noted a feeling of a lack of a support network or safety net if things went wrong.
- 6.32 We suggest that some of the particular issues relating to clergy remuneration raised by UKME clergy, especially the point raised about asymmetries in terms of access to information and networks, are considered as part of the wider response to “From Lament to Action”, the Report of the Archbishops’ Anti-Racism Task Force. Other points raised about expenses or more general issues around financial hardship are covered by other recommendations of this report.

¹¹ Scope, “Disability Price Tag policy report 2019”, available at: <https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag/>.

EXPENSES

- 6.33 Whilst most clergy were always (54%) or usually (26%) able to claim reimbursement for their working expenses in full, 9.5% reported that they were rarely or never able to do so and a further 9.8% reported that they were sometimes not able to do so.
- 6.34 The issue of disparities in what could be claimed as expenses or in ability to claim expenses in full between parishes was particularly highlighted by the UKME focus groups who suggested that UKME clergy may be more likely to serve in poorer parishes that were less well placed to reimburse expenses. Examples were given of colleagues with whom they had trained serving in well-resourced parishes who were able to claim larger and more wide-ranging expenses, for example for IT equipment.

RECOMMENDATION 5

We recommend that every diocese should have a discussion about expenses and how to ensure fairer treatment in this area, as some clergy do not have all their legitimate expenses fully reimbursed and this is a matter of justice.

FINANCIAL EDUCATION AND EMPOWERMENT

- 6.35 The survey found that there was demand for offering more personal financial management training, with nearly 50% of clergy responding that they would like more training. Only 8.3% of respondents to the survey stated that they had received training in personal financial management provided by the Church (23.3% had received training from another provider). Further, nearly 40% of retired clergy responding to the survey had not attended a preparation for retirement course provided by the Church.
- 6.36 Clergy will have different needs for financial support and training. Some may need basic financial education, which will also enable and support them to carry out their financial duties as trustees more effectively. Others may find signposting to sources of financial advice and savings vehicles helpful. Others may not need any advice or additional support at all. However, for many clergy, financial issues may not be their natural area of experience, expertise or passion, and in these cases extra support or encouragement could prove helpful, as it would be desirable to enable all clergy to be financially aware, have the confidence to grapple with financial choices and opportunities at their key life stages, and be encouraged to save and plan for retirement at

regular intervals, as circumstances change that enable them to start saving or planning for retirement.

- 6.37 We note that times of transition, such as just after ordination or before and immediately after finding a first incumbency, may not always be the most suitable moments for clergy to be encouraged to undertake personal financial long-term planning. However, this underlines the importance of encouraging clergy to do so at other times on a regular basis, by providing tools, support and guidance relating to personal financial management (including appropriate sources of help with debt such as the Churches Mutual Credit Union) so that clergy receive help promptly, can plan for their future and avoid building up substantial debts.
- 6.38 Discussions with the Ministry of Defence (MoD) about their approach to support for members of the Armed Forces raised the point about the importance of providing financial support and training as early as possible. The MoD places emphasis on encouraging and supporting new recruits to prepare for life post military service from the moment that they join. Further, the MoD highlighted several Credit Unions that were accessible by members of the Armed Forces, which played a role in supporting financial wellbeing.

RECOMMENDATION 6

There is an evident need to improve financial education for clergy, in which multiple church-related bodies have a stake. RACSC should explore further, with CST and others, the possibility of working together around this common purpose, with the ultimate aim of a comprehensive communication and engagement strategy with clergy on financial planning. This might include specific information on housing (reflecting options already open to clergy, for example, buy-to-let mortgages, residential mortgages and savings vehicles) and advice or toolkits relating to other personal financial matters (for example, inheritance tax, Power of Attorney). Any such strategy should aim to run from discernment, through training, curacy and professional transitions, and include elements of training, advice, signposting and proactive promotion around key actions, including planning for retirement.

RECOMMENDATION 7

RACSC should work with dioceses on exploring an arrangement for enabling all clergy to carry out a regular financial wellbeing check online that will reduce anxiety about the future by equipping them

with information to help them to understand their financial position and to take appropriate action, and:

- when they are not managing their finances, to access appropriate sources of assistance, debt management and financial education including the Church's Mutual Credit Union, Employee Assistant Programmes (EAPs) and clergy charities;
- when they are not currently saving for their retirement, to access appropriate advice on saving and investment vehicles to provide additional income in retirement; and
- to understand their options for housing in retirement and make appropriate plans well in advance for retirement.

CLERGY PREFERENCES AND VIEWS IN RELATION TO THE PACKAGE

6.39 We note that the clergy survey revealed strong support amongst clergy for the concept of the stipend as a living allowance rather than a reward, and for clergy to receive broadly the same stipend. 75% agreed that variations in stipends between dioceses should be minimised. Further, a majority of clergy **disagreed** that:

- higher stipends should be paid in parishes where responsibilities are particularly demanding (53% disagreed, 25% agreed).
- higher stipends should be paid for "hard to fill" roles (54% disagreed, 25% agreed).

The results were very similar when responses were analysed by age of clergy — suggesting that younger clergy are not more likely than older clergy to hold a "reward" based view of clergy remuneration.

6.40 Views of clergy were split fairly evenly on whether or not there should be variations in stipends on a needs basis.

6.41 It is important to recognise that a clear majority of clergy agreed that their parish was struggling to pay its parish share (nearly 60%) and disagreed that there is capacity for their parish to increase giving to fund a more generous remuneration package (just over 60%). Clergy were fairly evenly split in terms of views on whether maintaining clergy numbers was more important than maintaining/enhancing the value of the package.

6.42 The survey revealed support for clergy having more flexibility to live in smaller provided housing in or near their benefice, rather than the parsonage house for that benefice, should they wish to do so, but that only just over a quarter of clergy supported receiving more stipend

and paying for their own housing, whilst over half of clergy responding did not support that.

- 6.43 A survey question asked clergy to indicate on a scale their preference in terms of the trade-off between income now and future income. When asked to choose on a scale of 1 to 10 between the priorities of maximising income now (even if that means a lower income in the future), which was number 1 on the scale or sacrificing stipend income now in order to maximise income in retirement, the average score was 5.8. This suggested that there was no strong support amongst clergy for significantly changing the balance of the package away from pension benefits in favour of more stipend now.
- 6.44 The survey asked clergy to rank some relative priorities relating to the package, and the priority of **stipends keeping pace with inflation and being as generous as possible** was scored the highest by a clear margin (followed by pension provision being as generous as possible).

Chapter Seven

Diocesan perspectives on the clergy renumeration package



7. Diocesan perspectives on the clergy remuneration package

- 7.1 Dioceses were invited to respond to a consultation to express their views about the adequacy, appropriateness, affordability and sustainability of the clergy remuneration package. Twenty-eight dioceses (around two-thirds) responded to the consultation.¹² A more detailed summary of the responses received is included as [Annex 5](#).
- 7.2 Diocesan Secretaries were asked to co-ordinate diocesan responses. Dioceses approached the consultation exercise somewhat differently, but most responses demonstrated broad consultation of diocesan stakeholders including bishops and their senior teams, DBF Chairs, Chairs of the Houses of clergy and laity, DDOs/vocations teams and, in some cases, more widely amongst clergy and laity of the diocese.

PERSPECTIVES ON THE ADEQUACY AND APPROPRIATENESS OF THE PACKAGE

- 7.3 Dioceses were asked whether they considered the overall package to be a) adequate and b) appropriate. As illustrated by the table below, most respondents considered the overall package to be adequate and appropriate.

	Yes	No	Partially
Adequacy	22	1	5
Appropriateness	18	4	3

- 7.4 Responses included:

“Current arrangements of a tied house and index-linked pension provide a level of financial and emotional security that effectively frees up clergy to focus on ministry.”

“There is a need to ensure adequacy whilst challenging dependency.”

¹² Others indicated that they wished to respond but found it impossible to do so as a result of pressures during the pandemic including the furloughing of diocesan staff.

- 7.5 Whilst most dioceses viewed the package to be adequate, those responding that the package was “partially adequate” noted that adequacy depended on individual circumstances (citing single-income households with multiple children in particular). Other factors identified which affected adequacy were:
- caring responsibilities;
 - dependents with additional needs;
 - illness;
 - energy-inefficient housing
 - additional costs associated with rural living;
 - marital breakdown;
 - childcare costs.
- 7.6 Whilst viewing the overall package as adequate, four dioceses raised housing and other additional costs faced by clergy in retirement as a concern.
- 7.7 Some dioceses noted that the relative financial position of clergy before ordination affected their view of the adequacy of the package, and that the wealth of the area in which the clergyperson was serving also affected perceptions of adequacy.
- 7.8 The majority of dioceses viewed the current package as being appropriate. Some noted that the package, particularly the provision of housing element, enables most clergy in the diocese to receive the same level of stipend and helps clergy mobility, as clergy do not face housing costs which vary considerably from area to area. In particular, clergy are generally able to live in the parish where they minister, even in areas where housing costs are high. Others noted that the current combination of the stipend and housing elements (worth around £50,000 p.a. — see [Chapter 4](#)) compared favourably with the national average household income. Six of the dioceses who responded to the consultation estimated that the annual value of the package was between £48,000 and £54,000 and that this compared favourably with lay roles. It was suggested that the full value of the package was not always appreciated.
- 7.9 We found that there were some concerns about whether the current package provided sufficient flexibility in relation to:
- Housing provision — such as where the house was too big or too small or it would be advantageous to offer some posts without housing;
 - New models of ministry (such as oversight, focal or pioneer ministries);
 - Part-time and dual-role ministries and being able to vary stipend according to need or nature of the role.

PERSPECTIVES ON THE AFFORDABILITY AND SUSTAINABILITY OF THE CURRENT PACKAGE

- 7.10 Dioceses were asked to comment on a) the current affordability and b) the future financial sustainability of the various elements of the package. Overall responses relating to affordability are summarised in the table below:

Affordability:	Yes	No	Partially
Stipend	16	2	8
Pension	8	9	5
Housing	15	0	8
Additional benefits	13	0	4

STIPEND

- 7.11 A majority expressed the view that the stipend was affordable at the current level, but that a higher level of stipend would not be affordable. The need to fund stipends largely from current giving was stressed, and a situation where percentage increases in parish share did not keep pace with increases in stipend was not considered sustainable.

HOUSING

- 7.12 Given the existing stock of housing that the Church has retained, the general view was that continuing to provide housing was affordable and that provided housing for the better performance of duties was probably more cost effective than paying additional stipend and leaving clergy to meet their own housing costs, particularly as there would be some areas where any housing would be unaffordable. However, **it was suggested that a full cost-benefit analysis of provided housing would be informative**. Further, the **housing** stock represented assets that could appreciate in value over time. That said, some dioceses noted the opportunity cost of capital tied up in parsonages and questioned the sustainability of the current model. The high cost of maintenance and of upgrading old and energy inefficient housing stock was also raised.
- 7.13 Further, the complexity of housing arrangements meant that it was not always easy to ensure that housing arrangements fully enabled the better performance of clergy duties by providing accommodation suitable for the particular needs of some clergy, especially clergy couples and clergy with disabilities.

- 7.14 Dioceses reported an average capital value for parsonages of £464,000 (the range was £250,000 to £749,000). The average annual maintenance cost was reported to be £6,700 (with a range of £2,000 to £10,000). The average annual maintenance cost amounts to 1.44% of the average capital value for parsonages.

PENSION

- 7.15 We found there was a range of views on the affordability and sustainability of the current pension element of the package. Some felt that it was expensive but affordable and others that pension provision should be considered in the context of the whole package and the need that clergy have to make provision for housing in retirement, having lived in tied housing if in stipendiary ministry — arguing that it would be unreasonable to fund a lower level of pension benefit.
- 7.16 In terms of affordability, many of the respondents expressed concern about the high level of the current contribution rate (currently almost 40% of the National Minimum Stipend including deficit recovery contributions). In particular, some dioceses noted that it was difficult to plan as future movements in the contribution rate were at risk of volatility and difficult to predict. Some questioned whether a defined benefit scheme was still justifiable and sustainable in the longer term for new entrants, especially as such schemes were becoming increasingly rare in the wider world.

ADDITIONAL FINANCIAL BENEFITS

- 7.17 Most considered these to be affordable, if expensive (especially in the case of Council Tax and water charges).

VIEWS ON THE OVERALL PACKAGE

- 7.18 The majority of dioceses responding to the consultation broadly supported the continuation of the current package and the balance between the elements of the package. It was suggested that the current system for stipend setting works well, with consultation and information to promote consistency but with each diocese retaining the final decision and ability to flex a little in line with the responsibility for meeting the cost.
- 7.19 Whilst there was broad support for retaining the current defined benefit clergy pension scheme at this time, there was also support for considering other potential options for the longer term.

- 7.20 In particular, there was support for avoiding large variations in stipends *between* dioceses (whilst recognising some difference in regional costs of living). Most respondents valued a significant degree of national consistency for reasons such as not giving dioceses with more resources an advantage in attracting clergy to “better paid” roles, and in ensuring fairness and underpinning national deployability. Most dioceses also stated that it was desirable to pay the same stipend to the majority of clergy *within* their diocese.

THE COVID-19 PANDEMIC AND AFFORDABILITY

- 7.21 The review took place within the context of the COVID-19 pandemic. Whilst most dioceses did not argue for radical change to the current package, several made the point that the pandemic had accelerated the need to address the overall affordability of clergy remuneration arrangements for the medium to long term. The financial challenges posed by the pandemic reinforced the need to avoid any changes that led to an increase in the overall cost of the package.

CLERGY IN EMPLOYED ROLES

- 7.22 Some dioceses noted that it was difficult to attract clergy to employed, salaried roles. There was an expectation from clergy considering such roles of a package equivalent to that offered for parochial ministry, which created difficulties in terms of equity in comparison with lay diocesan roles. Where a role has to be, or often is, occupied by someone who is ordained, it can place additional pressure on carrying out the job evaluation process fairly due to an awareness that the salary band will need to be attractive compared with the typical incumbent’s remuneration package in order to recruit.

THE REMUNERATION PACKAGE AND UNDERPINNING VOCATIONAL ATTRACTION

- 7.23 Most dioceses reported that remuneration was rarely raised by potential candidates for ordination in vocational discussions with DDOs. Responses were clear that the nature of vocation meant that remuneration was not a factor that encouraged candidates to consider ordained ministry in the way that the level of the “reward” did with candidates to many secular jobs. However, it was necessary to consider whether or not the package was a barrier to entering ministry, particularly for candidates from a diverse range of backgrounds. Another noted that enabling candidates from a diverse range of backgrounds to pursue exploration of their vocation was not straightforward. It was not simply (or even mainly) a finance issue, though that may be part of the

picture. Whilst financial support is available, there is a question over whether possible candidates even get far enough into exploring the possibility of ordination to be aware of this.

COMPARING FINDINGS FROM THE DIOCESAN CONSULTATION WITH THOSE FROM THE SURVEY OF CLERGY

- 7.24 Both the diocesan consultation and clergy survey suggest support for a common basic package without additional payments for additional responsibility. However, there is a need for further guidance on how greater flexibility can be achieved within, and where necessary beyond, that framework.

Chapter Eight

Assessment of the elements of the package

against adequacy; appropriateness
and how each element supports
the Church's strategic aims;
affordability; and sustainability



8. Assessment of the elements of the package

- 8.1 After valuing the elements of the package (stipend, pension, housing, and other benefits), reviewing the theological approach in *Generosity and Sacrifice*, and considering the findings in the clergy survey and diocesan consultation, we now come to a final assessment of the elements of the package against adequacy, appropriateness and supporting the Church's strategic aims, affordability and sustainability.

PERSPECTIVES FROM THE CLERGY SURVEY AND DIOCESAN CONSULTATION

- 8.2 There was a remarkable degree of similarity of responses from clergy and dioceses, and a general sense that:
- the financial position of individual clergy is very different;
 - whilst the overall package was adequate for most clergy, there were individual circumstances which meant that for some the package alone was not fully adequate (particularly for single income households with more than two children);
 - variations in stipend levels for clergy between and within dioceses should be minimised;
 - now is not the time to make radical change to the clergy remuneration package — significant improvements to the package are unlikely to be affordable;
 - some clergy are anxious about managing in retirement, but many already have a house where they can live in retirement;
 - there was a need to provide clergy with the tools to manage their finances more effectively and help them plan for retirement.

- 8.3 We have drawn on these responses in carrying out our assessment.

STIPEND

Is the stipend adequate?

- 8.4 There are various different ways of assessing the adequacy of the stipend. We have obtained the views of those who receive the stipend (**Chapter 6**) and those who raise the money to pay for stipends

([Chapter 7](#)). We have also attempted to put a value on the stipend and other elements of the package ([Chapter 4](#)) and looked at how they compare against other economic data (such as national average household income and remuneration in other churches).

- 8.5 It is important not to look at the stipend in isolation from the other elements of the package, while recognising that the stipend is the most significant part of the package and is more easily used as a basis for comparison, provided that the other elements are also considered.

Comparisons with economic data

- 8.6 The National Stipend Benchmark (NSB) for 2020/21 was £27,000. If even a modest estimate of the value of housing provision (plus Council Tax and water rates) is added to the stipend, clergy income is likely to exceed the median annual earnings figure for full-time employees for 2020 (which was £31,460).¹³
- 8.7 Further, data from the clergy survey shows that 60% of clergy have a household income that is greater than the median of the UK distribution (even if no adjustment is made for the fact that they do not have to meet current housing costs, as their housing is provided).

Comparisons with remuneration offered by other churches

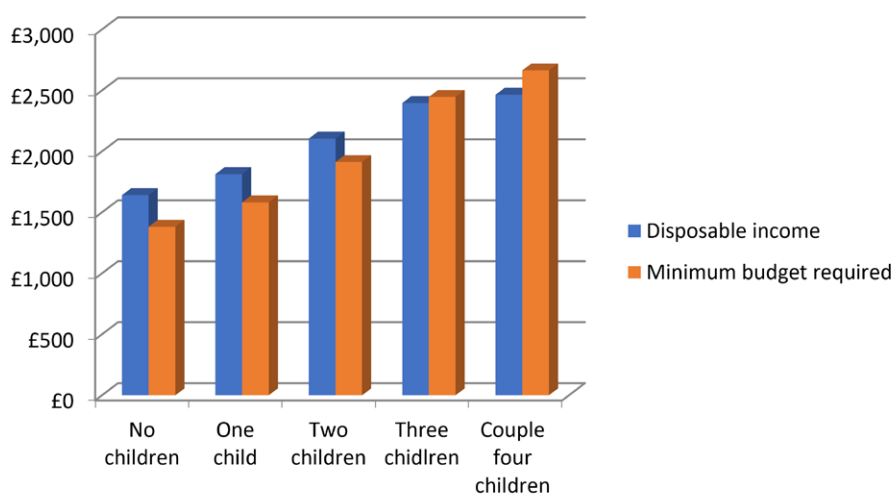
- 8.8 The review mapped remuneration offered by other churches and this is set out in more detail in [Annex 6](#). Care needs to be taken in making direct comparisons between churches (especially where the models of ministry and remuneration are very different) and where other churches offer a different balance between the elements of the package. However, we noted that the package offered to Church of England clergy generally compares favourably with that offered by other denominations.

Minimum Income Standards (MIS)

- 8.9 Another approach for assessing the adequacy of the clergy remuneration package involves using Minimum Income Standards (MIS). This is “an annually updated income benchmark that seeks to specify what households require for a decent (socially acceptable) standard of living, considered the minimum by the general public”. It includes — but is more than just — food, clothes and shelter. It is about what income is needed in order to have the opportunities and choices necessary to participate in society.

¹³ The amount of money that households have available for spending and saving after direct taxes (such as income tax, National Insurance and Council Tax) have been accounted for, but not including housing costs.

- 8.10 Professor Donald Hirsch from the University of Loughborough has produced a minimum income standard for the UK, as part of an ongoing research programme funded by the Joseph Rowntree Association. Professor Hirsch has applied the Minimum Income Standard to consider the living standards that the stipend affords different kinds of clergy households.
- 8.11 Hirsch finds that the stipend is sufficient for most clergy to be above the minimum income standard (taking account of free housing). However, for some larger families, the stipend alone does not produce sufficient income, in combination with tax credit entitlements, to afford a minimum budget.



Monthly disposable income compared to the Minimum Income Standard:
couple with two children, with single earner on minimum stipend

- 8.12 Hirsch makes the point that the adequacy of the stipend, as for any remuneration given to an individual, will differ according to one's size of family and whether one's partner works. However, unlike pay in most occupations, the clergy stipend is, in principle, set in relation to a concept influenced by household circumstances, rather than to the market value of the worker's labour. This concept — that clergy should be able to minister "without undue financial anxiety" — is a condition likely to be achieved by providing different income levels for clergy with different-sized families and for those facing particular circumstances such as having to make student loan repayments or to care for elderly dependents.
- 8.13 Taken to an extreme, this would imply means testing, which we do not support, as clergy would find this intrusive and it would require additional administration that is arguably unnecessary. It is significant that the clergy survey generally supported a position where variations in stipend were kept to a minimum.

- 8.14 Hirsch concludes that a stipend provides much more than a single person needs in order to reach a minimum living standard, but typically only somewhat more than a single earner would need in order to support a couple, with or without children (in combination with state benefits). However, neither the National Minimum Stipend nor the average Diocesan Basic Stipend would on its own support a partner and three or more children at this level.
- 8.15 Households that are dependent on welfare benefits payments and/or tax credits are vulnerable to changes in government welfare policy.

MIS and recent welfare changes

- 8.16 Hirsch argues that an important factor to take into account when considering the role of the stipend in providing adequate family incomes is the changing role of tax credits and Universal Credit in topping up the income of families whose wages may not be sufficient to meet their needs (those with a third or subsequent child born after April 2017 no longer get tax credits or Universal Credit with respect of this child). This consideration is especially important to those clergy families where the stipend does least on its own to meet minimum needs: those with three or more children.
- 8.17 The assessment of adequacy using Hirsch's Minimum Income Standards leads to the same conclusion of the data from the clergy survey that the package alone is adequate for a single-income household with up to two children.
- 8.18 All of this leads us to the view that the current stipend is adequate and appropriate for the majority of clergy, for the following reasons:
- The stipend is sufficient for most clergy to earn enough to get above the Minimum Income Standard (taking account of provided housing);
 - Whilst it is recognised that 25% of clergy report that they are "just getting by" and 13% that they are finding it quite or very difficult to manage, the stipend is adequate for the majority;
 - The stipend alone places clergy household income close to the national median (and above it when the fact that clergy do not have to pay housing costs is taken into account) and it needs to be remembered that many households will be struggling to get by on considerably less;
 - The stipend compares well with the remuneration packages of other Churches.

RECOMMENDATION 8

Given that the existing package is still adequate and appropriate for the majority of clergy, and that it has not kept up with the inflation since *Generosity and Sacrifice*, it is recommended that there needs to be a commitment on the part of the Church to maintain the overall value of the package against inflation in future.

Is the stipend appropriate and does it support the Church's strategic aims?

- 8.19 There seems to be strong support for overall broad equality in stipend levels, with a majority of clergy **disagreeing** that higher stipends should be paid in parishes where responsibilities are particularly demanding (**53%** disagree, **25%** agree) or that higher stipends should be paid for "hard to fill roles" (**54%** disagree, **24%** agree). **75% agreed** that variations in stipends between dioceses should be minimised.
- 8.20 This is supported by the view of the stipend as not based on secular notions of reward. Paying a similar level of stipend across the Church is better for clergy mobility, as it ensures that clergy are not faced with significant changes in their stipend levels if they move to another diocese and that better off dioceses do not obtain an unfair advantage.
- 8.21 We therefore consider that the approach (already generally followed) of a basic stipend paid to the majority of clergy in dioceses should be continued.

Clergy for whom the stipend is not adequate

- 8.22 We are conscious that, whilst the stipend is adequate for most, it is not so for all, as some clergy are experiencing hardship and need more financial help in the form of additional payments than others (whether because of additional costs arising from disability or their personal circumstances, such as a large number of dependents and/or a non-working spouse, or because a role comes with additional costs).
- 8.23 The extent of clergy hardship is a matter for concern, but it is important to realise that raising the stipend for all may not always be the best way of addressing clergy hardship, as some may not be in particular need, and capacity for increasing stipends is particularly limited during this time of uncertainty. A better solution may be therefore to tackle hardship by targeting help and support to those clergy who really need it, and providing more training in financial management will also help to reduce clergy financial hardship. This was backed up by the clergy survey, where nearly 50% indicated that they would like more training in personal financial management.

- 8.24 Clergy can also be at a disadvantage that can impact on the adequacy of their stipend because of asymmetries in access to information or because they minister in a parish with limited resources where there are problems about meeting expenses, which are not claimed.
- 8.25 Some clergy with disabilities are faced with additional costs, as these are not all met through the Government's Access to Work scheme which assumes that over time the "employer" will take on responsibility for these costs (for example replacing IT equipment when it needs to be renewed).
- 8.26 Self-supporting clergy have not been the focus of this review; nevertheless we acknowledge that some SSMs may encounter financial difficulty at various points in their life, it is also important to consider the long-term welfare of clergy in self-supporting ministry. Although most will have income from other sources, this should not be assumed, particularly when their ministry is full time and leaves them no opportunity to earn other income and accrue a pension. Self-supporting clergy who are provided with a house for the better performance of their duties will still need to house themselves once they reach retirement age, and could suffer hardship if they do not own a house of their own and have not accrued sufficient pension to be eligible for assistance with retirement housing via the Pensions Board's CHARM scheme.
- 8.27 We also note that there are significant variations in the amounts within bishops' discretionary funds. In some dioceses, they run into more than £1m p.a., while in other dioceses there may be no fund at all. This will limit a diocese's capacity for helping clergy in particular need.
- 8.28 Variations in parish and diocesan financial resources make it hard to ensure that clergy are treated fairly and consistently. This is not something that can be addressed directly as part of a review of the remuneration package, but we note that avoiding a situation where clergy in some dioceses and parishes lose out requires conscious effort at a diocesan and at a national level. We are encouraged to hear that work is going on in the Mutuality in Finance Group chaired by the Bishop of Sheffield, which will help to highlight these challenges, and are happy to explore the issues further.
- 8.29 Although clergy expressed opinions equally for and against about the payment of additional stipend on a needs basis, even a small adjustment for these clergy could make a significant impact, without requiring major changes to the package for everyone.
- 8.30 We therefore support the principle of additional payments to reflect particular circumstances (such as where clergy have more than two children and no additional household income), as an approach which dioceses may choose to adopt, while acknowledging that these are

counter-cultural, and would be highly unusual for most employees in secular employment. We consider that this is the right approach given the nature of the stipend as a payment to enable ministry and the Church's responsibility to clergy families. Some national guidance in this area may assist in achieving a consistency of approach.

- 8.31 An attentive and proactive culture from area deans, bishops and archdeacons is key to helping clergy to feel valued (an issue particularly raised by the UKME focus groups). Financial elements of the package had a role in that, but there was recognition that there may not always be resource available to increase those. Tangible (but not tokenistic) and potentially non-financial ways of demonstrating to clergy that they are valued (such as acknowledgment/support by senior clergy) were considered important.

Signposting clergy to sources of additional help

- 8.32 There should not be an assumption that the initiative in asking for financial help or additional support should be with individual clergy alone, as this can sap energy, reduce motivation and confidence and make them feel undervalued.
- 8.33 It is important to ensure that clergy who are in particular need receive the information and signposting to help them know where to go for help.
- 8.34 A culture where regular conversations about financial wellbeing take place within dioceses should be encouraged, and there should be clear signposting to sources of assistance in cases of particular need, including sources of charitable support, which would need to be kept up to date. Further work is required to address information asymmetries around available sources of support and to ensure that clergy who require additional assistance receive it.

Clergy charities

- 8.35 Various clergy charities already play a valuable role in supporting clergy in ministry, supporting their families, and enhancing financial wellbeing. The survey revealed that 13.5% of clergy responding to the survey had received support from the Clergy Support Trust,¹⁴ the largest independent clergy charity, within the past three years. Further, 23.7% had received support from diocesan funds (including discretionary funds) and 8.1% from other charities. The Clergy Support Trust (CST) provides, through its confidential offer to clergy and their families, a range of grant funding and other wellbeing support. Whilst CST does not exist to compensate for deficiencies in overall stipend levels, and functions

¹⁴ See <https://www.clergysupport.org.uk/>.

as a benevolent charity independent of the national Churches whose clergy it serves, the Trust does provide help to address specific financial and other needs.

- 8.36 It is therefore beneficial for dioceses to work closely with CST and other charities to ensure that clergy who are in particular need receive appropriate help, and to help make clergy aware of the options open to them.
- 8.37 Further work is required to address information asymmetries around available sources of support, and to ensure that clergy who require additional assistance receive it.

Is the stipend affordable and sustainable?

- 8.38 Stipends are not just a matter for clergy but the whole people of God. Clergy remuneration comes from the generous and sacrificial giving of the faithful. Attempts to increase the value of the current package, even in less challenging and uncertain times, need to be aware of giving levels and the ability of parishes to maintain, let alone increase, parish share. Clergy themselves are often aware that their training, stipends and pension costs are potentially the greatest financial burden on hard-pressed parishioners and the finances of the local church.
- 8.39 The clergy survey suggests that only 16% of clergy agreed that there was capacity for their parish to increase giving to fund a more generous remuneration package.
- 8.40 It has been suggested that the Church Commissioners might be able to fund an improvement in the clergy remuneration package. Under the current funding model this would not be possible unless they made equivalent savings in their core expenditure, which includes the support of bishops' and cathedrals' mission and ministry, and grants to the Archbishops' Council to support mission and ministry in parishes.
- 8.41 The sums payable by the Commissioners for clergy pensions are expected to decline over the coming years, but will do so quite gradually, with just over £1 billion payable in the 2020s reducing to £0.8 billion in the 2030s. Some pension payments will continue for many decades. The forecast pensions payment profile estimated by their actuaries is already fully taken into account in determining what sums the Commissioners can distribute now to support the mission and ministry of the Church on a sustainable basis. So, as pension payments decline, there will not be additional sums available for distribution for other purposes.
- 8.42 In recent years, grants from the national Church have become increasingly targeted. For example, the Stipends (Cessation of Special

Payments) Measure 2005 provided for the cessation of guaranteed annuities payable by the Church Commissioners to incumbents and certain other payments made to dioceses so the Commissioners could increase the level of targeted grant support for parish mission and ministry through dioceses. So it would be a significant change of policy for the national Church to make a direct contribution to all clergy stipends, particularly if this took no account of dioceses' very different financial situations.

- 8.43 The Commissioners do not keep significant funds earmarked for distribution in reserve. However, for the first time a contingency sum was included within the spending plans for 2020–22 (which were developed through joint working by the House of Bishops, Archbishops' Council and Church Commissioners through the Triennium Funding Working Group¹⁵). This contingency was initially set at £15m, but last year £10m of that was allocated for additional cathedral sustainability funding (the Commissioners also made available £35m for sustainability funding grants to dioceses) and there are already many competing demands for how the remainder of the three-year contingency might be spent.

Future stipend increases

- 8.44 As the stipend is adequate for most, we consider that future increases should keep pace with inflation. We are aware, however, that increases in stipend have not kept pace with increases in RPI, which was the stated policy of Synod following *Generosity and Sacrifice*, over the past 20 years. In reality, keeping pace with RPI has not been affordable for a number of reasons, and the benchmark that we have often looked to meet has been more akin to CPI.
- 8.45 DBFs usually uprate their stipends in line with increases in the National Minimum Stipend. We therefore consider that setting future increases in the NMS with reference to CPIH rather than RPI would help to maintain the adequacy of the stipend over the medium term, whilst giving due concern to issues of affordability.
- 8.46 Furthermore, it should also be noted that RPI is no longer a national statistic that is considered to be a suitable measure of inflation, and that the core measure is now CPIH. The implications of this for pensions are considered in the section on pensions.

¹⁵ See GS 2140 "Triennium Funding Working Group: National Church Spending Plans for 2020–22", available at: <https://www.churchofengland.org/sites/default/files/2019-06/GS%202140%20TFWG%20v2.pdf>.

Recommendations on stipend

RECOMMENDATION 9

The Archbishops' Council as Central Stipends Authority should recommend to dioceses that it would be usual to pay a standard stipend to all parochial clergy of incumbent status within the diocese, regardless of the size of the parish.

RECOMMENDATION 10

We recommend that the Archbishops' Council as the Central Stipends Agency should adopt a general policy of increasing the NMS¹⁶ each year with reference to the CPIH, over the medium term, as this is more likely to be realistic and affordable, provide some reassurance to clergy that stipends will keep up with inflation, and help to stabilise pension costs.

RECOMMENDATION 11

We recommend that RACSC should provide further guidance to dioceses on when it might be appropriate to exercise their existing discretion to make additional payments within their dioceses in particular cases, for example because of hardship resulting from particular family circumstances, or because a role comes with additional costs in order to enable a particular ministry.

RECOMMENDATION 12

We welcome the work of Clergy Support Trust (CST), an independent charity providing financial and wellbeing support to Anglican clergy and their families. RACSC should develop a closer working relationship with CST, including potential joint engagement efforts, to enable greater understanding amongst clergy (and diocesan leadership) regarding the options available for financial support.

¹⁶ The pensions implications of this are considered in the section on pensions. See **paragraph 8.54ff.**

RECOMMENDATION 13

As part of a closer working relationship, and as CST continues to provide its confidential, independent service for clergy and their families, RACSC and CST should consider the best ways to share, and learn from, issues and trends in clergy wellbeing. This learning should inform future policy around remuneration and other terms and conditions of service.

PENSION

Is the pension adequate?

- 8.47 The review commissioned Barnett Waddingham to carry out analytical work in support of the retirement strand of the review, drawing on their pension expertise.
- 8.48 The work considered the question of *what is an adequate retirement income* and drew on the Pension and Lifetime's Savings Association's work on Retirement Living Standards (RLSs), based on independent research carried out by Loughborough University. The RLSs help savers understand how much money they will need in retirement for three levels of expenditure (Minimum, Moderate and Comfortable), based on a basket of goods and services. For a single individual living outside of London, the RSLs are as follows:

RLS	Income	What standard of living could you have?
Minimum	£10,200 per annum	"Covers all your needs, with some left over for fun"
Moderate	£20,200 per annum	"More financial security and flexibility"
Comfortable	£33,000 per annum	"More financial freedom and some luxuries"

- 8.49 It then assessed the adequacy of current pension provision. The state pension will go some way towards meeting these RSLs. The full state pension is currently £9,110.40, so, combined with the pension provision provided by the Church of England Funded Pension Scheme, clergy completing a full 41.5 years of service can expect a total income of £21,742.90. This is above the standard needed for a moderate standard of living in retirement, based on the research underlying the RSLs. There is also the additional lump sum benefit that is paid at retirement.
- 8.50 Based on analysis carried out for the Institute of Actuaries, Barnett Waddingham noted that individuals would usually need to save

around £800 per month throughout their working lifetime to be on track to achieve the moderate standard of living from the age of 68. For someone on average earnings in the UK, this would mean around a quarter of their income (26%).

8.51 Barnet Waddingham’s report concluded that:

- The pensions currently provided to clergy are likely to be more than sufficient for a “moderate” standard of living in retirement, based on research carried out by the Pensions and Lifetime Savings Association.
- Very few individuals in the general population are expected to achieve this standard of living without significant additional savings from their earnings.
- These standards assume individuals are mortgage and rent free in retirement. This may not be the case for some clergy, so mortgage or rent costs in retirement might need to be factored in when considering adequacy.

8.52 We therefore consider that the current level of pension (when combined with the state pension) is adequate, although we recognise that there might be unique pressures for clergy based on their individual circumstances. For instance, the costs associated with providing retirement housing, after many years of living in tied accommodation. The Church has sought to help with this through the CHARM scheme.¹⁷

Is the pension appropriate and does it support the Church’s strategic aims?

8.53 Having a good pension is a necessary consequence of providing a house for the better performance of duties, as many clergy will face additional housing costs in retirement at a time when their income is reduced. A pension that is adequate is going to be one that will reduce clergy anxieties and enable them to minister effectively, not only in stipendiary ministry but also in retirement, when many clergy continue to provide much needed and valued ministry on a permission to officiate basis. Responses to the clergy survey gave a high priority to maintaining pension levels, second only to stipend levels being as generous as possible.

Recommendation 10 has recommended a policy of determining increases in NMS by reference to CPIH as opposed to RPI for the purposes of stipends. The NMS is also used to calculate the starting level of pension. Bringing the policy into line with de facto practice is likely to improve clergy pension scheme affordability, as forecast changes

¹⁷ The largest part of CHARM is the rental offering, which operates at a subsidised rent.

in NMS is one of the key assumptions used for pension valuation purposes.

- 8.54 There are, however, some areas where pension provision could be improved.

i. Maximum accrual

- 8.55 The current rules on accrual are complex. For example, the upper limit on pension accrual can be 37 or 40 or 41.5 depending on when someone joined the scheme, and with different rules applying to different bits of service. The rules on accrual were introduced when members earned higher levels of pensions and the Church was anxious that members should not earn more pension than 2/3rds of pensionable stipend in total at retirement. Benefits relating to service from 2011, though, are based on ½ NMS and it is increasingly rare that the original limit is breached. A change here might benefit those clergy who accrue long service, who are unlikely to have pensions from prior employment, contributing to increased income in retirement.
- 8.56 The current rules also serve to make the scheme particularly difficult to understand. Many members have been subject to different accrual rates and retirement ages during their working life. It requires a specific and complex calculation to determine what maximum service is for each member, and very few members are able to calculate this for themselves with certainty.

ii. Ill-health retirement definitions

- 8.57 If an individual needs to apply for early retirement on the grounds of ill health they must satisfy one of two tests for the application to be granted, depending on whether they have any service under the pre-1998 scheme or only the post-1998 scheme (CEFPS):

Clergy — who have any pensionable service before 1998

“You have a medical condition that prevents you from performing the duties of your Office and this is likely to be permanent.”

Clergy — who only have pensionable service after 1998

*“You have a medical condition that prevents you from performing the duties of your Office, **or any other work or service**, and this is likely to be permanent.”*

- 8.58 We recommend moving to a definition that improves the current terms for clergy who only have service under CEFPS and adopts the pre-1998 definition. This would make administering ill-health retirement simpler, and also alleviate the confusion that currently exists in

the Church around the two definitions. It would also crucially improve the support offered by the Church to those in very difficult situations.

- 8.59 It is important to note that retiring early under circumstances of ill health can be a really difficult moment for clergy and their household, and this recommendation on moving to one definition is about being fairer to all and honouring the service they have given.

Is the pension affordable and sustainable?

- 8.60 The element of the package over which most concern about longer-term affordability was expressed by respondents to the diocesan consultation was the pensions scheme. Most viewed the existing scheme as being affordable (if expensive) for now and appropriate for clergy, though expressed some concern about its long-term cost and the uncertainty over that cost faced by Responsible Bodies.
- 8.61 The review recommends considering changing the rules of the Church of England Funded Pension scheme so that in *future* pensions in payment would be guaranteed to *increase* in line with CPIH rather than RPI as at present. This change would apply to future service only and would have no effect on pension accrued up to the effective date of the change.
- 8.62 This would be consistent with the proposed change to seeking to uprate the National Minimum Stipend with reference to CPIH in the medium term. The move in effect brings forward the impact of the recently announced reform to RPI, which would see this converge with CPIH by 2030 in any case.
- 8.63 This change would also recognise concerns raised in the diocesan consultation around the affordability and sustainability of the scheme. It would provide a modest saving in the medium term whilst retaining a commitment to increase pensions in payment in line with inflation, using the current most credible measure. The reason that this saving would be modest is because the Government is committed to changing the method of calculating RPI to bring it in line with CPIH from 2030. The change will happen automatically even without direct intervention now.
- 8.64 There may also be practical and administrative challenges with implementing this recommendation. Clergy may be concerned that it will reduce the value of their pensions and this will require further exploration and consideration. Any change will require Trustee review and a statutory consultation with members.
- 8.65 As with today's arrangements, any planned increase to pensions in payment might need to be subject to a "maximum" limit, even whilst

following inflation. Today, any pension accrued for service post 2008 increases each year by RPI subject to a cap of 3.5% p.a.

- 8.66 Whilst recognising the concerns expressed by dioceses about the current high level of the contribution rate (39.9% of the previous year's NMS including deficit recovery contributions), the Asset Led Funding (ALF) methodology, adopted by the Pensions Board, along with the diversified nature of the scheme's investments, helps reduce funding volatility. The CEFPS 2018 valuation noted *"Based on assumptions, there is a 50/50 chance that the future service rate will reduce to 26% in the long term"*. Therefore, continuing with the current DB scheme is a real possibility.
- 8.67 The review re-considered the possibility of a Defined Contribution (DC) pension scheme as a potential option for improving the long-term financial sustainability and affordability of clergy pensions. It noted that the Pensions Task Group in 2017 explored DC thoroughly and concluded that it was not necessarily right for the Church, given the desire for clergy in different roles to have access to similar benefits (in line with the clergy covenant). Adopting a DC scheme would also be more expensive in the short term as the existing DB scheme would have to be serviced too.
- 8.68 Whilst a good DC option could allow individuals who want to take more risk to do so, conversely some members may be risk averse and unnecessarily harm their future financial prospects. Further, a straight DC scheme could have a negative or at least uncertain effect on clergy financial hardship. Ethical compliance with Church of England investment policies is also likely to be harder with a DC scheme. Adopting a DC scheme would have to be serviced too.
- 8.69 The review does not recommend that further work is undertaken on exploring DC schemes at this time.
- 8.70 However, a recent development in the pensions sector is the emergence of Collective Money Purchase (CMP) schemes. CMP schemes are designed to target a certain income for members in retirement, providing more certainty than a traditional DC scheme.
- 8.71 Key features include:
- A common target income for all members — which could be set at a similar level to today's DB arrangement;
 - Investments could be managed in line with the Church of England's Ethical Investment policies — an important benefit of running a collective model;

- Post-retirement pension increases are not guaranteed, but the scheme can be designed to target a certain level of increase each year (such as CPIH or a fixed percentage);
- Stability of funding costs because, in extremis, pension increases could be limited or even reduced in truly exceptional circumstances.

8.72 A CMP scheme therefore potentially offers an ability to offer a similar benefit to the current scheme potentially at a reduced cost.

8.73 CMP schemes are very new and the legislative framework for them still has to be finalised. Putting in place this type of scheme would require significant work — to model potential options on scheme design, consider investment implications (including ethical alignment), and to ensure the scheme is efficient to run. Any change would only apply for future service — the existing clergy scheme would need to remain for past service. It would also need discussions with and approval from the Pensions Regulator.

8.74 Whilst not recommending any change to the pension element of the package at this stage, we concluded that there are interesting features of a CMP scheme which are well worth exploring further, particularly if they make the scheme more sustainable and the contribution rate less volatile.

Pension Recommendations

RECOMMENDATION 14

We recommend removal of the maximum accrual rule within CEFPS to permit higher pensions for those with very long service who are unlikely to have the benefit of a previous occupational pension scheme.

RECOMMENDATION 15

We recommend that CEFPS pensions in payment grow in line with the increase in CPIH (subject to a suitable cap). Increases for service earned to the effective date of the change would continue in line with RPI.

RECOMMENDATION 16

We recommend changing the CEFPS rules so that there is a single definition for ill-health retirement based on the pre-1998 scheme

definition: “You have a medical condition that prevents you from performing the duties of your Office and this is likely to be permanent.”

RECOMMENDATION 17

We recommend further exploration of CMP to assess whether it may, in time, provide an alternative option for clergy pensions. Such exploration should include setting out potential benefit design options, further corroborating the appropriateness for members of such a scheme (and any impact), and further defining the financial implications of such an approach for members and funders.

HOUSING AND HOUSING ALLOWANCES

Is the provided house adequate?

- 8.75 We have heard about variations in the standard of parsonage house maintenance, which may be, at least partly, caused by other pressures on diocesan budgets and differences in diocesan resources and income. However, as clergy move between dioceses, they notice these inconsistencies which lead to an understandable perception of unfairness in how the Church treats its clergy.
- 8.76 Where housing is poorly maintained, this diminishes the perceived value of that element of the package to clergy and can lead to additional costs that clergy need to bear personally which reduce adequacy and undermine morale.
- 8.77 As we have noted elsewhere, the provided house may be suitable for most clergy but not all, where they have particular needs or where the house is too large.

Is the provided house appropriate and does it support the Church’s strategic aims?

- 8.78 The review considered radical options in relation to the provided housing element of the package and concluded that provided housing was an important element of the package that supported clergy mobility and, in most cases, enabled clergy to live amongst the people with whom they ministered.
- 8.79 We also notice that one advantage of a provided house is that it enables all clergy to receive broadly the same level of stipend. If clergy were expected to provide their own housing, it would be necessary to

pay widely differing levels of stipend if clergy were still to live amongst the people for whom they provided a ministry.

- 8.80 Further guidance on existing flexibility in relation to provided housing and housing allowances would be helpful — both to enable dioceses to better respond to particular circumstances such as clergy couples or clergy with disabilities and in some cases to better support flexible deployment (including new models of mission and ministry as part of the mixed ecology of Church) and efficient use of resources.

RECOMMENDATION 18

RACSC to carry out further work to reduce the complexity of the current legislation around housing arrangements and to provide guidance that:

- gives clarity on how to exercise flexibility over housing provision in a way that enables the better performance of clergy duties by providing alternative accommodation more suitable for individual needs, particularly for clergy in part-time appointments, clergy couples and clergy with disabilities; and
- supports innovative ways of using the provided house for generating income when another house is used for the better performance of duties.

Is the provided house affordable and sustainable?

- 8.81 We have already noted the general view of the diocesan consultation that, given the existing stock of housing that the Church has retained, continuing to provide housing was affordable. Further, that provided housing for the better performance of duties was probably more cost effective than paying additional stipend and leaving clergy to meet their own housing costs, particularly as there would be some areas where any housing would be unaffordable and there were likely to be tax implications.

ADDITIONAL BENEFITS

Are the additional benefits adequate?

- 8.82 Some of these benefits are relatively unusual, such as the clergy not having to pay water charges or Council Tax. There was no suggestion in either the clergy survey or the diocesan consultation that these benefits should be extended.

- 8.83 We reviewed the package more generally and noted an issue about clergy long-term sickness, which is discussed below.

Are the additional benefits appropriate and do they support the Church's strategic aims?

- 8.84 Most of these are items such as water charges and Council Tax that stipendiary clergy have paid on their behalf. These charges are, however, faced by their parishioners, and it may be easy for some clergy to undervalue this part of their package, when they only face these costs in retirement.
- 8.85 However, most dioceses responding to the consultation thought that the current additional benefits remain appropriate. These benefits also make a significant difference in terms of enabling clergy to get by financially where they are reliant on the stipend alone for their household income.

Support for clergy with long-term sickness

- 8.86 One area where there may be potential to provide more support for clergy is where clergy are experiencing long-term sickness.
- 8.87 Although clergy have a statutory minimum entitlement to sick pay on full pay for 28 weeks, there are, inevitably, some cases where clergy are sick for a much longer period than this. These cases can be very hard to manage well, particularly where the sickness is stress-related. Solutions are not easy, particularly as there will be a reluctance to invoke the capability procedure, which could produce further stress by indicating that the cleric will be removed from office if there is no recovery within a specified time period. Where the condition is long-term but not necessarily permanent, ill-health retirement may not be an option either, even with the proposed change to the ill-health retirement definition.
- 8.88 However, not addressing the issues and leaving the cleric in limbo is potentially damaging not only to the wellbeing of the cleric but to the pastoral care of the parish, which may be wanting a successor to be appointed. Although, in these circumstances, temporary cover can be provided, this is expensive and not a suitable long-term solution.
- 8.89 These issues have led some employers to use Group Income Protection insurance schemes, which typically provide a replacement income to someone who is unable to work due to long-term illness or injury. Depending on the scheme, the benefit is paid until the person returns to work, or to a fixed-term point or to retirement. The benefit is payable in the event of a wide range of illnesses and injuries, the most

common of which in other schemes are musculoskeletal and mental health issues.

- 8.90 Typically, payment starts after a waiting period of 6 months' ill health absence when statutory sick pay would be paid. As well as offering financial support, such a policy would include rehabilitation to support someone back into their role. Partial benefits may be paid when an individual is able to return on a part-time basis or on a phased return.
- 8.91 We have been exploring the possibility with Barnett Waddingham of including individuals in the clergy pension scheme within a Group Income Protection scheme. This would provide benefits during an extended period of ill health, including a regular income (equivalent to a percentage of the National Minimum Stipend), until someone returns to ministry or reaches 68, as well as covering pension contributions. The costs to dioceses and other responsible bodies of clergy on long-term sick leave would be defrayed in return for paying an insurance premium.
- 8.92 In some cases, there may be a pressing need to appoint a successor to provide pastoral care to the parish. In others, remaining in the parish would in itself contribute to the office holder's stress and be an obstacle to their recovery. It may therefore be necessary for the office holder to vacate office in order to be eligible to receive the regular income. How to provide for this in the terms of service regulations will need further exploration in order to ensure that an appropriate level of discretion is allowed for and unintended consequences are avoided.
- 8.93 Alternative arrangements would need to be made by the responsible body for the provision of housing in some cases (but not necessarily all, if the office holder owned their own home), recognising that each situation will be different.
- 8.94 These issues will all require considerable further investigation. However, initial analysis suggests that this may bring benefits and is worthy of further work, but design of a scheme would be complex and careful analysis would need to be undertaken in order to confirm that it was cost effective.

Are the additional benefits affordable and sustainable?

- 8.95 Further investigation is required to see whether a General Income Protection Policy might be a more affordable and more financially sustainable way of supporting clergy who are suffering from long-term sickness. Such a proposal will only be adopted if that was the case. The scheme would provide a regular income (equivalent to a percentage of the NMS), in addition to covering pension contributions. The benefit could be paid until a person returns to ministry or reaches 68

(assuming that the insurance had picked up the pensions contributions). This benefit would replace the need for an ill-health retirement provision.

RECOMMENDATION 19

We recommend that further exploration should be undertaken into an income protection insurance policy against long-term sickness under which individuals within the Clergy pension scheme would be included within a Group Income Protection scheme, the benefits of which would operate during an extended period of ill health.

Chapter Nine

Recommendations



9. Recommendations

This chapter summarises the recommendations made in the report.

CHAPTER 4

RECOMMENDATION 1

Better communications about the value of the package

We recommend that the value of the package is better communicated and that RACSC should publish an annual statement of the value of the constituent elements of the clergy package — stipend, provided housing, non-contributory defined benefit pension, no water charges, no Council Tax — on the Church of England website and provide details in the annual report of the Central Stipends Authority, in order to enable clergy to understand the high value of the elements of the package that are not provided in the form of stipend.

CHAPTER 6

RECOMMENDATION 2

In the light of draft legislation coming to Synod to enable salary sacrifice arrangements, we recommend further work should be done on the potential of such arrangements to help with specific challenges for individuals, for example saving for retirement.

RECOMMENDATION 3

Further work should be carried out, in collaboration with external experts and church-based organisations, on exploring possible options to help clergy get on the housing ladder.

RECOMMENDATION 4

We recommend that an application should be made to the Triennium Funding Working Group (which will consider spending plans for 2023–25) to set up a diversity fund that could be used to help clergy with disabilities who face additional costs.

RECOMMENDATION 5

We recommend that every diocese should have a discussion about expenses and how to ensure fairer treatment in this area, as some clergy do not have all their legitimate expenses fully reimbursed and this is a matter of justice.

RECOMMENDATION 6

There is an evident need to improve financial education for clergy, in which multiple church-related bodies have a stake. RACSC should explore further, with CST and others, the possibility of working together around this common purpose, with the ultimate aim of a comprehensive communication and engagement strategy with clergy on financial planning. This might include specific information on housing (reflecting options already open to clergy, for example, buy-to-let mortgages, residential mortgages and savings vehicles) and advice or toolkits relating to other personal financial matters (for example, inheritance tax, Power of Attorney). Any such strategy should aim to run from discernment, through training, curacy and professional transitions, and include elements of training, advice, signposting and proactive promotion around key actions, including planning for retirement.

RECOMMENDATION 7

RACSC should work with dioceses on exploring an arrangement for enabling all clergy to carry out a regular financial wellbeing check online that will reduce anxiety about the future by equipping them with information to help them to understand their financial position and to take appropriate action, and:

- when they are not managing their finances, to access appropriate sources of assistance, debt management and financial education including the Church's Mutual Credit Union, Employee Assistant Programmes (EAPs) and clergy charities;
- when they are not currently saving for their retirement, to access appropriate advice on saving and investment vehicles to provide additional income in retirement; and
- to understand their options for housing in retirement and make appropriate plans well in advance for retirement.

CHAPTER 8

RECOMMENDATION 8

Given that the existing package is still adequate and appropriate for the majority of clergy, and that it has not kept up with the inflation since *Generosity and Sacrifice*, it is

recommended that there needs to be a commitment on the part of the Church to maintain the overall value of the package against inflation in future.

RECOMMENDATION 9

The Archbishops' Council as Central Stipends Authority should recommend to dioceses that it would be usual to pay a standard stipend to all parochial clergy of incumbent status within the diocese, regardless of the size of the parish.

RECOMMENDATION 10

We recommend that the Archbishops' Council as the Central Stipends Agency should adopt a general policy of increasing the NMS¹⁸ each year with reference to the CPIH, over the medium term, as this is more likely to be realistic and affordable, provide some reassurance to clergy that stipends will keep up with inflation, and help to stabilise pension costs.

RECOMMENDATION 11

We recommend that RACSC should provide further guidance to dioceses on when it might be appropriate to exercise their existing discretion to make additional payments within their dioceses in particular cases, for example because of hardship resulting from particular family circumstances, or because a role comes with additional costs in order to enable a particular ministry.

RECOMMENDATION 12

We welcome the work of Clergy Support Trust (CST), an independent charity providing financial and wellbeing support to Anglican clergy and their families. RACSC should develop a closer working relationship with CST, including potential joint engagement efforts, to enable greater understanding amongst clergy (and diocesan leadership) regarding the options available for financial support.

RECOMMENDATION 13

As part of a closer working relationship, and as CST continues to provide its confidential, independent service for clergy and their families, RACSC and CST should consider the best

¹⁸ The pensions implications of this are considered in the section on pensions. See **paragraph 8.54ff.**

ways to share, and learn from, issues and trends in clergy wellbeing. This learning should inform future policy around remuneration and other terms and conditions of service.

RECOMMENDATION 14

We recommend removal of the maximum accrual rule within CEFPS to permit higher pensions for those with very long service who are unlikely to have the benefit of a previous occupational pension scheme.

RECOMMENDATION 15

We recommend that CEFPS pensions in payment grow in line with the increase in CPIH (subject to a suitable cap). Increases for service earned to the effective date of the change would continue in line with RPI.

RECOMMENDATION 16

We recommend changing the CEFPS rules so that there is a single definition for ill-health retirement based on the pre-1998 scheme definition: “You have a medical condition that prevents you from performing the duties of your Office and this is likely to be permanent.”

RECOMMENDATION 17

We recommend further exploration of CMP to assess whether it may, in time, provide an alternative option for clergy pensions. Such exploration should include setting out potential benefit design options, further corroborating the appropriateness for members of such a scheme (and any impact), and further defining the financial implications of such an approach for members and funders.

RECOMMENDATION 18

RACSC to carry out further work to reduce the complexity of the current legislation around housing arrangements and to provide guidance that:

- gives clarity on how to exercise flexibility over housing provision in a way that enables the better performance of clergy duties by providing alternative accommodation more suitable for individual needs, particularly for clergy in part-time appointments, clergy couples and clergy with disabilities; and

- supports innovative ways of using the provided house for generating income when another house is used for the better performance of duties.

RECOMMENDATION 19

We recommend that further exploration should be undertaken into an income protection insurance policy against long-term sickness under which individuals within the Clergy pension scheme would be included within a Group Income Protection scheme, the benefits of which would operate during an extended period of ill health.

Annex 1: Changes in stipends and pensions over the last 20 years

THE FUNDED PENSION SCHEME FROM 1998

1. Previously, clergy pensions had been funded by the Church Commissioners, but the Funded Pension Scheme, for service after 1 January 1998, placed future funding on the dioceses and other “responsible bodies” who paid the stipend. Members of the scheme were not obliged to contribute. The Commissioners retained their responsibility for pre-1998 liabilities. A series of Measures were passed to permit the Commissioners to expend capital in meeting these liabilities.
2. The Funded Scheme largely carried forward the generous benefit structure with contribution rates set in favourable conditions. It commenced operation just before the stock market recorded a high that would not be matched for another five years.

GENEROSITY AND SACRIFICE 2001

3. The Financial Issues Working Group, in its report *Clergy Stipends, Pensions and Other Financial Issues* GS 1467 considered how the findings of the 2001 *Generosity and Sacrifice* report should be taken forward and set a timetable for the implementation of *Generosity and Sacrifice*’s first and second aspiration:
 - an increase for assistant staff to the level of the national minimum stipend; and
 - the level of the NSB being increased to 1.1 times the level of the National Minimum Stipend (NMS) which required two years’ stipend increases in excess of 5% (and additional increases of 2.1% in 2005 and 2.4% in 2006 in the National Stipend Benchmark for priests in charge and incumbents).
4. Aspiration 3 was a complex recommendation that addressed more than just stipends:
 - the incumbent’s stipend should be set at £20,000 at 2001/2 levels, with the actual speed of implementation from 2007 being determined each year;
 - this should be pensionable, which would mean a comparable increase in the national minimum stipend.
5. Since 2001, other wider external economic changes, especially in pensions, and more recently various global financial crises and their effects significantly altered the remuneration landscape in which these aspirations were set. As a result, aspiration 3 was considered unaffordable, so therefore has not been adopted.

CHANGES TO PENSIONS IN 2007

6. The Funded Scheme recorded a deficit on its actuarial valuation within a decade, as has every valuation since. In response to the emergence of a deficit, the Archbishops created a “Pensions Task Group” comprising the First Estates Commissioner, Chair of the Archbishops’ Council Finance Committee and the Chair of the Pensions Board. The Task Group recommended modest changes to the pension scheme design.

CHANGES TO PENSION FROM 1 JANUARY 2008

- Accrual period for a full pension increased from 37 to 40 years for service after 1st January 2008.
- Pension entitlements earned after 1st January 2008 to attract annual increases in line with RPI up to 3.5% p.a. (instead of RPI up to 5% p.a. for earlier service).

CHANGES TO THE PENSION SCHEME IN 2008

7. These changes, while surely beneficial to the funding position in normal times, were not sufficient in the face of the global financial crisis of 2008. In 2009, Synod was advised against taking any irrecoverable steps because the period of global financial uncertainty was likely to be prolonged. In view of the projections suggesting the 2009 valuation would deliver contribution rates in excess of 50%, in November 2008 the Task Group was re-established. In April 2009, the Pensions Board announced an emergency increase in contributions to a combined rate of 45% from 1 January 2010.
8. The Task Group launched a consultation with Responsible Bodies in June 2009, setting out the context and presenting options for an “affordable” pension scheme.¹⁹ These covered further changes to the benefit structure, or replacement with either a defined contribution scheme or a hybrid scheme. The option of the Commissioners providing additional funding for pensions costs was dismissed.
9. The results of the consultation were reported at the February 2010 Synod, which agreed that a proposal for a modified Defined Benefit scheme should be put to members.
10. This further consultation reported to the July 2010 Synod,²⁰ where a package of changes and consequential amendments to the Trust Deed and Rules were agreed in order to prevent the cost of pensions increasing to unsustainable levels. The effect of these further changes enabled the Pensions Board to reduce the overall contribution rate back below 40%.

¹⁹ GS 1746 “Clergy Pensions: Consultation paper from the Archbishops’ Task Group”, available at: <https://www.churchofengland.org/sites/default/files/2018-10/gs1746-clergy%20pensions%3A%20report%20from%20the%20ac.pdf>.

²⁰ GS 1780 “Clergy Pensions: Report from the Archbishops’ Council”, available at: <https://www.churchofengland.org/sites/default/files/2018-10/gs1780-clergy%20pensions%3A%20report%20from%20the%20ac.pdf>.

CHANGES TO PENSION FROM 1 JANUARY 2011

- The annual increase in the pensionable stipend (NMS) to be limited to the increase in RPI over the long term.
 - The pension age for future service increased from 65 to 68.
 - The accrual period for a full pension for future service increased from 40 to 41.5 years.
11. Synod also decided in July 2010 to opt back into the second state pension (previously known as the State Earnings Related Pension Scheme or “SERPS”), with the payment of higher national insurance contributions to allow for this and the full Church pension reduced from 2/3 to 1/2 of the national minimum stipend for future service.
 12. This was a more technical decision and was broadly neutral in terms of the total benefits being provided by Church and State at that time.
 - a. The pension scheme contribution rate reduced, but the Responsible Bodies’ and members’ National Insurance contributions increased.
 - b. Members started to earn the additional state pension as well as the Basic State Pension .
 13. In reaching judgements about clergy incomes in retirement, it has always been considered appropriate to take into account the fact that clergy receive state pension in addition to their occupational pension from the clergy scheme. It is these two sources of income taken together that have meant that clergy retirement incomes continued to compare well with those for the population as a whole — although, unless clergy already own a property, the pressure of having to house themselves for the first time in retirement can be very great.
 14. The Government subsequently decided to increase significantly the value of the Basic State Pension and to phase out the second state pension (though honouring the benefits earned by S2P contributions already made). The details and timing remained unclear for some time and it was therefore decided to delay further significant decisions in relation to the clergy pension scheme until the Government’s intentions in relation to the state pension became clearer.
 15. The Government subsequently changed the state pension from 1st April 2016. The Basic State Pension and Additional State Pension were replaced by the flat-rate Single-Tier Pension. The Single Tier Pension is paid at a significantly higher rate than the Basic State Pension. The effect of this on members of the scheme was as follows:
 - Anyone over 40 at the time of the change (which was the vast majority of stipendiary clergy) was better off.
 - The provisions for those starting after the change are not as generous as those who were in the scheme prior to this point. In effect this means younger generations may be less well off in retirement than older clergy, but this also largely mirrors a trend in the external world.

- The inherent complications in the system meant that it was not possible to even out the effect of the changes by making changes to the Church pension scheme.
16. Synod also agreed that the Council, in its role as Central Stipends Authority, should adopt a policy that the NMS should, in future, increase, on average, in line with annual changes in the Retail Prices Index (RPI), subject to the need to review the position if high levels of inflation establish themselves, and also once the deficit on the pensions fund had been cleared.
17. **In agreeing these two changes, the Synod asked for two further pieces of work to be done:**
- First, it endorsed a recommendation from the Archbishops' Council that the Clergy Pensions Task Group should do some wider thinking about the future of the pension scheme, in good time before the next valuation at the end of 2012, and explore the arguments and options around introducing a hybrid pension scheme for the clergy in place of the present defined benefit system. (In a consultation exercise in 2009, around half of the dioceses had been inclined to favour moving to a hybrid scheme, though in the event this was not the solution adopted.)
 - Secondly, the Synod invited the Archbishops' Council's Remuneration and Conditions of Service Committee to convene a small working group to consider the effect of recent changes to the pension scheme on the "performance deployment and morale of the clergy and on the wider mission of the church and, in the light of the group's findings, to offer guidance on these matters to the bishops and archdeacons within two years".
18. In February 2012 the Synod was informed²¹ that the Task Group did not recommend any change to the pension scheme arrangements at this stage. The Archbishops' Council accepted that recommendation, and took the view that the clergy defined benefits scheme remained the best option, provided it is sustainable, and that there was no reason at this stage to believe that the scheme would be unsustainable in the long term, though significant risks lay ahead over the next few years given difficult market conditions.
19. RACSC in 2012 informed the Synod that, due to the recession, stipends had been held at lower levels whilst inflation had increased, with the result that:
- The 2011/12 National Stipend Benchmark (NSB) was now worth slightly less in real terms against Retail Prices Index (RPI) than it was before the Stipends Review Group first published its proposals in *Generosity and Sacrifice*.
 - Against Consumer Prices Index (CPI), the NSB was still worth more in real terms than 2000, but it was still at the lowest level against CPI since 2004, before the *Generosity and Sacrifice* proposals for the NSB began to be put into effect.
 - A comparison of the national average stipend against costs and earnings since 1998 indicated that the stipend had been declining steadily against average earnings, and that the considerable gains made against RPI until 2009 had been heavily eroded by recent rises in the cost of living. The "real value" of the average stipend was now

21 GS Misc 1010 "Pensions and Remuneration", available at: https://www.churchofengland.org/sites/default/files/2018-01/gsmisc%201010%20-%20pensions%20and%20remuneration_Feb12.pdf.

lower in terms of RPI than any year since 2000, and in terms of average earnings since 1984.

- This recent lowering of the real value of stipends had been reflected in pay levels outside the Church generally, as wage settlements have also been below inflation in recent years. The CIPD's 2011 Employee Outlook Survey found that only 28% of employees had received a pay rise in 2011, and 6% of employees had had their pay cut since January.

20. RACSC's other conclusions at that point can be summarised as follows:

- The provision of housing has been maintained and often enhanced, thanks to the generosity and commitment of parishes and dioceses. This enables the nationwide coverage of the Church's ministry and a commitment to clergy wherever possible living amongst those they serve, but also means that **retirement housing remains a significant issue** with an option such as the CHARM scheme necessary for the foreseeable future.
- **It is in the area of retirement where the impact on clergy morale requires most attention.** The commitment to the maintaining of the defined benefit pension scheme has been acknowledged as a welcome and positive step. However, the recent changes to the scheme had created anxieties among those with many years of service still ahead of them.
- **The maintenance of adequate retirement income is crucial for clergy morale,** and any discussion regarding the pension scheme needs to be considered in the context of an understanding of the entire remuneration package.
- The realities of the clergy remuneration package can and should be borne in mind, so that decisions on stipend levels, pension changes and workforce planning are not taken in isolation, but rather with a view to the long-term mission of the Church.
- Changing patterns of mission and ministry call **for increased flexibility of the remuneration package,** and work should be done in dioceses to explore possibilities for flexible retirement and deployment patterns, especially toward the end of stipendiary ministry.
- Given changes to retirement provision, **clergy will need to take greater ownership of their financial planning and to do this they will need clearer information and support** as they make important personal financial choices.

Annex 2: The approach taken to estimate the value of the package

1. An estimate was made of the total value of the clergy remuneration of the package. A financial value was included for the following elements, as set out in the table below:

Stipend	The National Stipend Benchmark for 2020/21	£27,000
Pension	The cost of pension contributions for future service was used as a proxy value (32.8% of the National Minimum stipend)	£8,000*
Additional financial benefits	Council Tax (average Band E figure for England (2020-21)	£2,200
	Water charges (Ofwat figure for average water & sewerage charge)	£500
	Heating, Lighting and Cleaning (HLC) (tax saving on average HLC spend)	£300
	Subtotal	£3,000
Housing	Average equivalent value for provided housing (See paragraphs 2 to 6 below more detail about the calculation)	£15,600**
	Buildings insurance (average diocesan spend per parsonage)	£500
	Maintenance costs saved (based on household survey data for average annual expenditure)	£2,100
	(Annualised) removal costs (assume average cost of £3,000 and that clergy move every 10 years on average)	£300
	Subtotal	£18,500

* Actual contributions also pick up any required deficit recovery. The contribution rate for deficit recovery is currently 7.1% therefore the total contribution rate is 39.9%

** NB: there is a wide range around that average

2. The review considered several potential approaches for estimating the value of the housing element of the package.
3. The first approach used data on private rental values taken from Valuation Office data compiled by ONS. The average value of a four-bedroom house in England is £18,300 as at February 2021 (with a range from c. £9,000 to c. £24,000).

4. The second approach adopted is based on the cost of owning a property (mortgage capital and interest payments), with a discount applied to take account of the fact that the clergy person would not be benefitting from a capital gain in the value of the house, as they do not own it. The base case takes the average value of a detached property in England as at April 2020, which was £385,000 (UK government land registration data). From this, the annual capital repayment is calculated to be c. £16,000 and the interest payment c. £7,600 (assuming an interest rate of 1.99%), totalling £23,600. The capital gain figure has been estimated as roughly equalling the cost of interest over the past ten years. This figure is deducted (£7,600), giving a valuation of the average cost of purchasing such a property as £15,600.
5. Recognising that property values differ significantly regionally, the calculation was also run using the average value for a detached property in Sunderland (£200,000) and Guildford (£764,000). In the case of a property in Sunderland, the cost of ownership value would be c. £8,000 and in Guildford c. £31,000.
6. The lower of the average figures produced by the two approaches (£15,600) was adopted.
7. Applying this methodology to valuing the housing element, and adding this to the valuation of the other elements, the package was estimated to be valued at around **£50,000+** and within the range of £45,000 to £60,000. Given the range of values for the estimated value of the housing element, the review has concluded an estimated value of £50,000+ rather than attempting to state a precise figure.

Annex 3: Options considered and rejected

1. Although in some ways our recommendations are not particularly radical, we were aware that this review was a valuable opportunity to review the package more fundamentally. We considered possible changes to the package that would enable greater affordability, address clergy hardship, and provide greater flexibility. We did this as part of our work and this annex lists some of the options that we considered and discussed and ultimately rejected.

Proposal	Reason for rejection
Stipends	
Recommend a “stipend lite package” as an alternative option to completely self-supporting ministry (for example token stipend, Nest pension, no house) where a role can’t justify a full package	Potential for inconsistency and exploitation
Cease to set a national stipend benchmark and recommend that the national minimum stipend should be the national flat rate stipend with all other additional payments (set by dioceses) being for hardship/related to personal circumstances	<p>Bad for clergy morale and might lead to a further erosion in the value of the stipend</p> <p>Most clergy seem prefer receiving broadly the same stipend</p> <p>Additional work for dioceses in assessing individual stipend levels</p>
Provide stipend uplift once pension deficit is paid and the cost of pension contributions falls	Unlikely to be affordable and sustainable — in this time of great financial uncertainty, dioceses need a degree of flexibility and it would not be wise to commit to spending this money in advance, particularly when the current cost of pensions is at the limit of what is affordable

Housing	
A complete overhaul of the automatic link between clergy housing and stipendiary posts so that clergy would receive additional stipend and pay for their own housing instead	<p>Living in the parish would no longer be possible in many parishes where housing costs were particularly high and there was a housing shortage</p> <p>Adverse effect on clergy mobility</p> <p>Would lead to great disparities in stipends between and within dioceses</p> <p>Additional stipend would attract tax whereas housing provided for the better performances of duties is not regarded by HMRC as a taxable benefit and does not incur a tax liability</p>
Pension	
Make pensions contributory	This would not result in a saving, as clergy would have to receive additional stipend to pay for pension contributions
Move from defined benefit pension to defined contribution	This would be seen as a further erosion in the pension, would be bad for morale and would not in the immediate term even produce any savings
Improve pension	This would not be affordable, and the analysis from Barnett Waddingham suggests that the pension is generally adequate for the majority of clergy
Other	
Incentivise saving into pensions for clergy, e.g., matched Additional Voluntary pension contributions or some other form of top up, and start this at first curacy so that they would get in the habit of saving for retirement, possibly also making use of salary sacrifice	This would benefit clergy who already had some resources whilst not helping those who could not afford to save and is not affordable
Appoint a national retirement planning officer who would be able to help clergy plan for their retirement and signpost them to appropriate saving vehicles	Employing additional people centrally is not affordable at a time when diocesan finances are under pressure

<p>Appoint a national clergy financial wellbeing officer who would be able to talk to clergy in confidence without dioceses knowing, and signpost on help with household budgeting, appropriate giving levels, debt management, and work with the clergy charities</p>	<p>Employing additional people centrally is not affordable at a time when diocesan finances are under pressure; there are other possible ways of addressing this</p>
<p>Avoid disparities in the reimbursement of parochial expenses by transferring responsibility for payment to the DBF, which would meet them from an increase in parish share</p>	<p>There is a strong risk of a greater shortfall in parish share, as not all parishes would meet it</p> <p>The system would potentially result in abuse and perverse incentives</p> <p>Processing claims would make more work for dioceses</p>
<p>Buy to let scheme</p> <p>The Church offers to partner with an individual to buy a property, with a member of the clergy contributing Y% by way of deposit, with the Church contributing the rest. This could operate as a mortgage type arrangement or a shared ownership arrangement. In both cases, the expectation would be that the individual starts to pay off some of the capital over time (inc. interest), so they gain more ownership of the property. The property would be let during ministry and at retirement could be sold to fund a retirement property.</p>	<p>Significant upfront capital required for the Church and probably unaffordable</p> <p>A risk of only helping people who could already take out a mortgage via a market provider</p> <p>Managing the letting process for the property could fall to the individual or to the Church — both come with their own pressures; also being a landlord comes with its own challenges (e.g. cost of compliance with legislation)</p> <p>It is also unclear where the administration of such a scheme could sit</p>

<p>Right to buy scheme (akin to the right to buy option for local Council properties)</p> <p>A member of the clergy would be able to ask to buy their vicarage/residence if owned by a Church body. They would only be able to do this if they had been living in that accommodation for more than three years.</p> <p>The relevant body would consider the market value of the property, and apply a discount to that value (c. 35% if akin to the Govt. right to buy scheme). An individual then has X period to accept/reject this price. In most cases, an individual would also need to secure the relevant mortgage.</p>	<p>Likely to significantly reduce movement across the Church, as individuals would be tied to a particular location</p> <p>If a vicarage is sold to a priest, and then they move on, how does the parish/diocese house an incoming priest?</p> <p>Unclear how this would work for incumbents who already hold legal title to the house</p> <p>Vicarages may be unaffordable even with the discount</p> <p>Significant effect on diocesan balance sheets and asset values</p>
<p>A property bond to allow clergy in tied accommodation to access some of the gain from increasing property prices.</p> <p>A bond would be issued by part of the Church, secured against a number of properties. Individuals can buy a stake in this bond (for a relatively small amount), with the Church able to use the money in the meantime towards property running costs, or increasing the portfolio. At a set period of time, the Bond matures, the properties are sold and the gains shared according to the stake.</p> <p>One option may be to target this at individuals with 10–15 years to go until retirement, to explicitly help with retirement housing costs.</p>	<p>Subject to regulation</p> <p>There is only a gain to share if the properties are sold — care would have to be taken to ensure that properties put into the portfolio are not needed by the Church long term; unless the money is used to secure new property that can be sold</p> <p>The property market can be quite volatile; there is a risk that at exactly the point the bond is redeemed, the market dips, and someone's stake is devalued</p> <p>To make this financially viable, a lot of people would take part</p> <p>Would the money put forward here do better in another vehicle, e.g. AVCs?</p>

<p>Grants to help towards a deposit made to clergy who could get a mortgage and live in the house</p>	<p>Upfront cost to the Church of providing a grant</p> <p>If the grant is given in lieu of tied housing, this could tie individuals to specific regional locations</p> <p>Regional variation in property prices could still place housing out of reach for some</p> <p>A member of the clergy would still need the ability to save and meet ongoing running costs</p> <p>Incumbent roles typically come with legal provision of a certain house</p> <p>May lead to housing being purchased outside of a parish — or with limitations on size</p>
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Annex 4: Findings from the clergy survey, focus groups and Living Ministry research

RESEARCH FINDINGS ON CLERGY PERSPECTIVES ARE SUMMARISED IN THE FOLLOWING PAGES, COMPRISING 34 SLIDES.

Annex 4: Research findings on clergy perspectives – evidence from Living Ministry and the Remuneration Review survey of clergy

Slides 2-5: Overview of some key findings from the Living Ministry Research

Slides 5-31: Findings from the survey of clergy carried out as part of the 2020 review of clergy remuneration

Slides 32-34: Summary of findings from the focus groups undertaken with clergy with disabilities and UKME clergy

Living Ministry Research

Findings on clergy financial wellbeing

1. The Living Ministry research programme is a ten-year research project overseen by the Ministry Team exploring what enables ordained ministers to flourish in ministry. The research included an exploration of factors relating to clergy financial wellbeing (wave 1 – 2017) and a report exploring clergy debt (wave 2 – 2019).
2. A key headline finding from the Living Ministry research is that amongst ordained ministers, **79.8%** reported that financially they were **doing all right or living comfortably**, while **6.7%** reported finding it **very or quite difficult** and **16.4%** were **just getting by**.
3. The research noted that multiple factors influence financial wellbeing, including age, previous financial situation, present post and remuneration, marital/family status and household income. Clergy are affected not only by national and diocesan church policies regarding remuneration, retirement and accommodation, but also, along with the rest of the population, by government policies in areas such as pensions, savings and tax credits. For ordained ministers, the main characteristics found to be linked to struggling financially (finding it very or quite difficult, or just getting by) were:
 - **not having additional personal and/or household income** (statistical analysis suggests that this is the central factor associated with financial wellbeing: 17% of those with additional income and 33% of those without struggle financially. While some without additional income report managing well, overall, they are four times more likely to struggle financially);
 - **being in the middle age-band** (24% of those age 32-54, 17% of those 55 and older, and none of the 26 respondents aged under 32 reported that they struggle financially);
 - **having children under the age of 16 in their household** (30% of those with children and 17% of those without report struggling financially);
 - **being an incumbent** (26% of incumbents, 11% of assistants/associates and 18% of curates struggle financially).

4. Certain combinations of factors were also associated with lower levels of financial wellbeing. Those that particularly increase the likelihood of financial need include the following:

- having children under the age of 16 in one's household **and** being in full time ministry
- having no additional income **and** having children under the age of 16 in one's household;
- being aged 32-54 **and** in a part-time ministerial role;
- being **single** and self-supporting;
- being self-supporting **and** in full-time ministry.

5. It is important to note that the analyses in this report are based on probabilities. The presence of any of the identified risk factors indicates a higher likelihood of financial difficulty, rather than its definite existence.

6. Some concern was expressed about an inability to save and retirement provision. About half of respondents with no additional personal or household income disagreed that they were able to save regularly, and this was even more pronounced regarding retirement provision, at 60.6% for those with no other personal income and 51.1% for those with no other household income.

7. The Living Ministry report on clergy debt (2019) reported that, while levels of debt among clergy appear to be lower than for the wider UK population, 40% of clergy surveyed owed money and 15% had credit or store card debt and were not paying off the balance in full each month.

8. The Living Ministry research also raises the point that financial and material wellbeing does not simply consist in achieving a certain absolute level of income or living standard, but is subjectively experienced relative to previous circumstances, friends and family, other clergy and local standards of living (where clergy may be either relatively wealthy or relatively poor). Expectations are crucial. Levels of reported financial and material wellbeing are partly determined not only by the extent to which finances change on entering ordained ministry, but also by the extent to which clergy expect them to change and are reconciled to this. Those who maintain continuity with previous living standards experience the least impact on this aspect of wellbeing, while unforeseen events and circumstances can have serious financial implications.

9. Qualitative work as part of the Living Ministry research also revealed the following findings relating to financial and material wellbeing:

- The experience of ordained ministers varies enormously: some have no financial or material concerns while others struggle to make ends meet.
- While self-supporting ministers generally report higher levels of wellbeing, financial reward is also understood to some extent as symbolic of value attributed by the Church, leading to tensions especially for those not intending to be self-supporting.
- Among stipendiary ministers, paradoxically, women may be better off financially at the cost of wider gendered societal workplace inequalities.
- The end of curacy is a time of particular financial and material vulnerability and anxiety because of pressure to vacate housing and uncertain future income.
- Clergy draw on a wide range of resources to manage current and future finances, including additional private income, diocesan assistance, government benefits, commercial services and charitable grants. Strategies for future retirement include property ownership, CHARM and house-for-duty roles, and the need to plan is held in tension with trust in God's provision.
- Participants report a range of experiences of tied housing, with size, value and potential to rent out privately owned property set against high utility bills, lack of control or a sense of home, and blurred public/private boundaries.
- Role and ministry context both affect clergy financial wellbeing, with incumbents in particular feeling responsible for parish finances and therefore perhaps less likely to claim expenses.

<https://www.churchofengland.org/resources/diocesan-resources/ministry/ministry-development/living-ministry/living-ministry-research>

Clergy Survey: 2020 Clergy Remuneration Review

Contents:

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Pensions and retirement [22]	Sampling and profile of respondents [24]

How well are clergy managing financially?

How well would you say you are managing financially these days?

	Responses – Main Survey		% from Living Ministry Research	Responses – Retired Clergy Survey	
Finding it very difficult	3.3%	93	1.8%	1.4%	9
Finding it quite difficult	9.9%	278	4.9%	4.1%	27
Just about getting by	24.9%	727	13.5%	16.4%	108
Doing all right	39.1%	1120	34.6%	43.0%	283
Living comfortably	22.8%	647	45.2%	35.1%	231
	N =	2,663	<700		658

- **61.9%** of clergy responding to the main survey reported that they were either living comfortably or doing all right
- This compares less favourably with **79.8%** from the Living Ministry Research and
- **13.2%** of non-retired clergy reported finding it very or quite difficult to manage financially, compared with **6.7%** in Living Ministry
- This suggests that a higher proportion of clergy may be struggling than previously assumed, though still in minority
- (11.1% reported that they were struggling pre-Covid and 63.6% were doing alright or living comfortably – post Covid figures only show a slight deterioration)
- **78.1%** of respondents to the retired clergy survey reported that they were living comfortably or doing all right, **5.5%** were finding it very or quite difficult to manage financially.

- **13.2%** report finding it very or quite difficult to manage financially – nearly double the figure suggested by Living Ministry

- Further, **25%** of clergy reported that they were 'Just getting by'

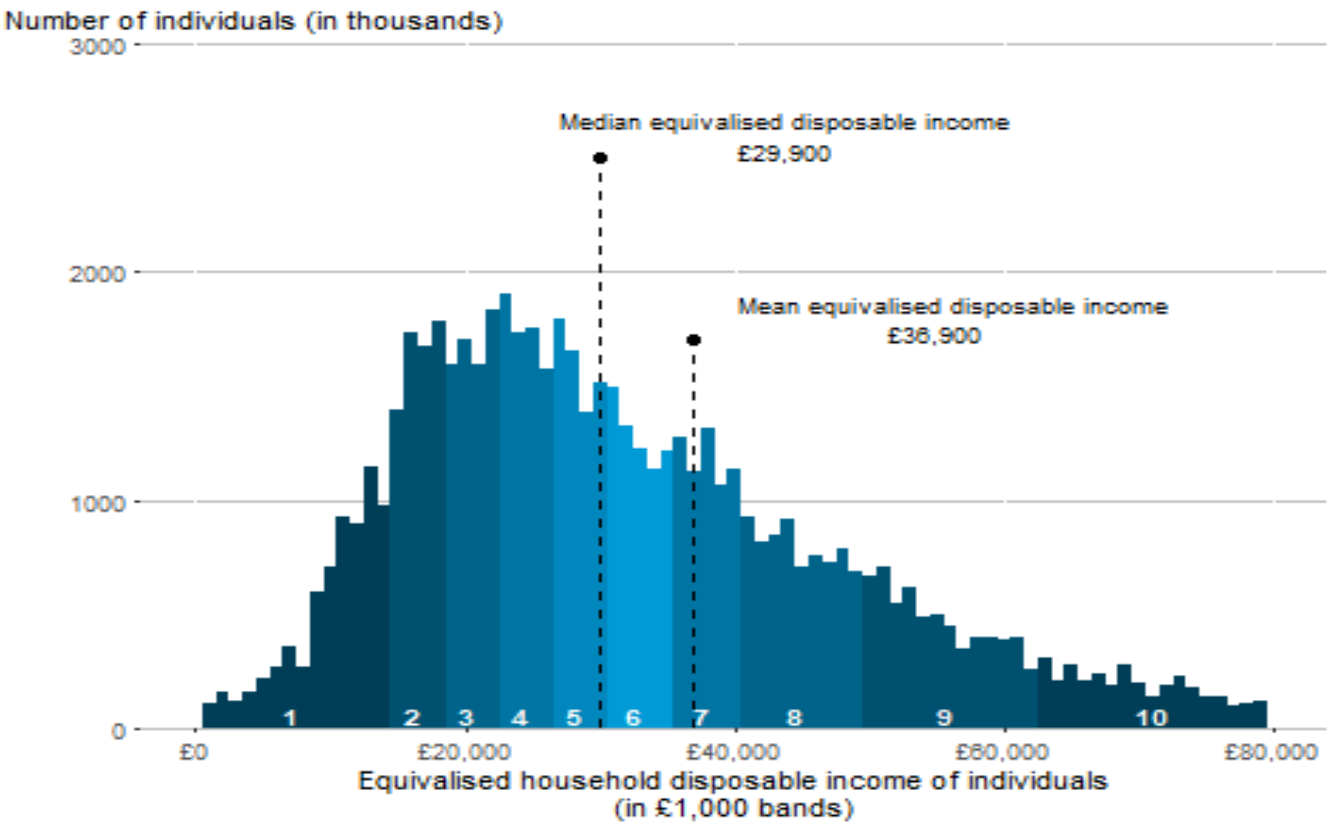
- **The majority of clergy were 'living comfortably or doing all right'**

Exploring further:

- A 2017 study by the Financial Conduct Authority (FCA)* found a national average of **8%** of people experiencing financial difficulty (recognising that the measure used was not the same as for this survey)
- To note: Living Ministry was based on a much smaller sample size and focused particularly on clergy who had been ordained relatively recently

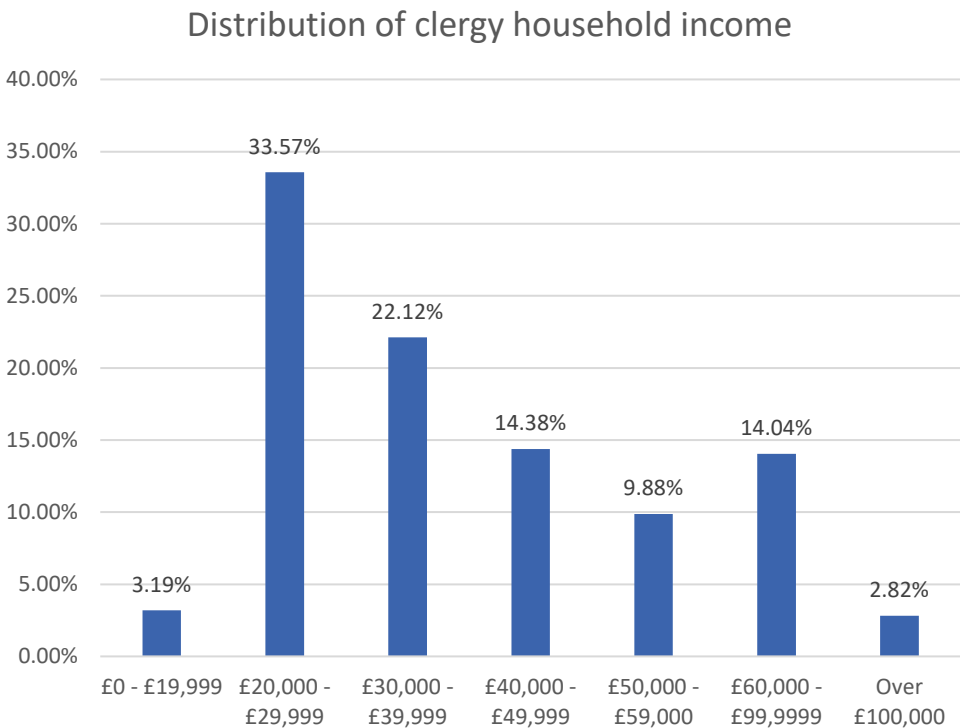
Clergy Household income compared with the UK profile

Distribution of UK household disposable income* [-tax, not including housing costs), financial year ending 2020



***Disposable income** is the amount of money that **households** have available for spending and saving after direct taxes (such as **Income** Tax, National Insurance and Council Tax) have been accounted for. **Any housing costs must be met from disposable income.**

Clergy household income distribution

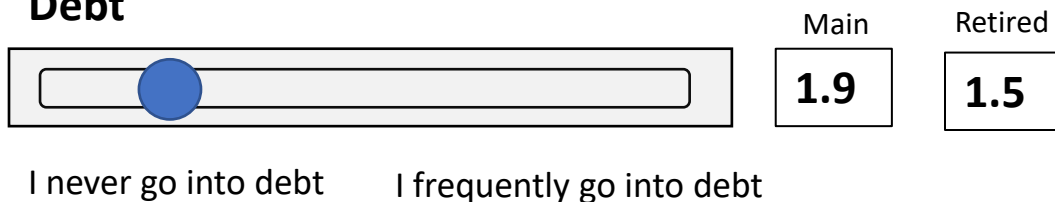


Over 60% of clergy have household income that is greater than the median for the UK distribution.

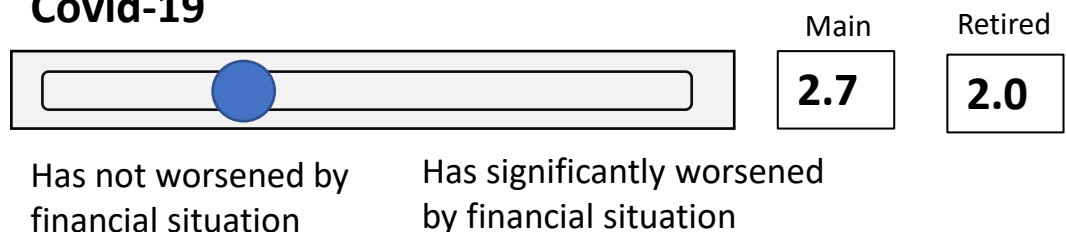
Sliders on how well clergy are managing financially?

1 —————> 5

Debt

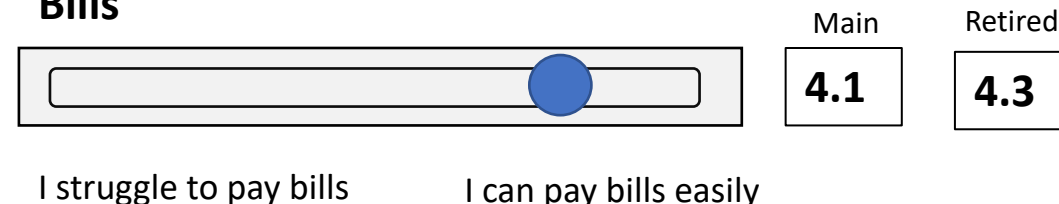


Covid-19

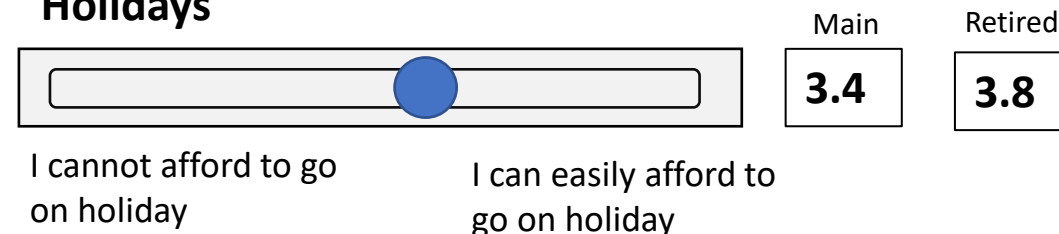


1 —————> 5

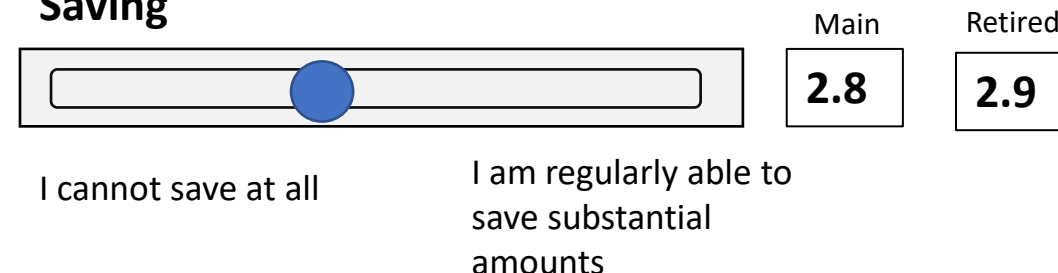
Bills



Holidays



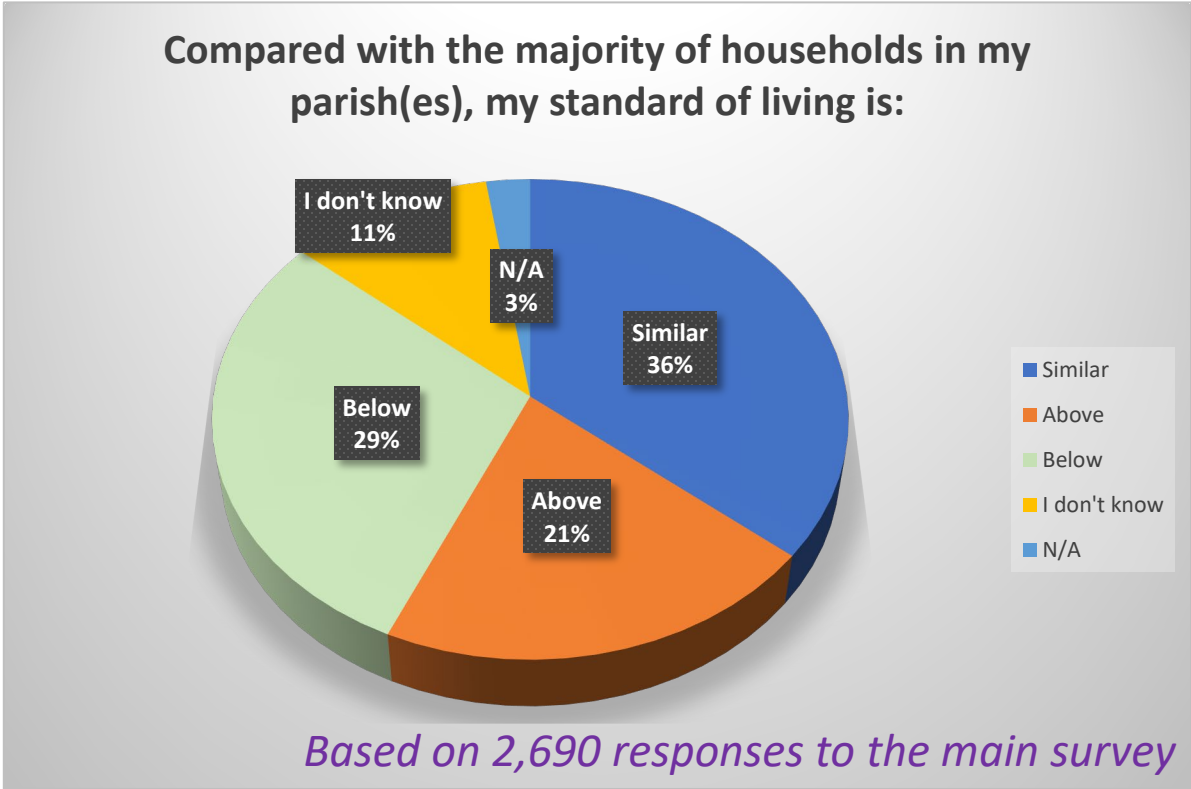
Saving



Commentary:

- On an aggregate level clergy seem to managing to pay bills, just about afford to go on holiday and generally to avoid debt – the aggregate picture provides some reassurance about the adequacy of the clergy package.
 - The score is lower for ability to save
- However – what are the characteristics of those who are managing less well?

How clergy perceive their standard of living compared with the majority of households in their parish (1):



Profiles by household income categories:

	£0 - £19,999	£20,000 - £29,000	£30,000 - £39,999	£40,000 - £49,999	£50,000 - £59,999	£60,000 - £69,000	£70,000 +	All income categories
Above	9.4%	17.1%	18.6%	16.5%	26.8%	27.5%	37.4%	20.9%
Below	30.6%	35.1%	33.6%	29.6%	26.1%	16.8%	15.0%	29.7%
Similar	40.0%	33.8%	34.6%	40.0%	33.9%	41.9%	35.5%	35.8%
I don't know	14.1%	13.2%	10.7%	10.7%	10.5%	10.2%	7.7%	11.3%
N/A	5.9%	0.8%	2.6%	3.2%	2.7%	3.6%	4.4%	2.5%

- Over a third of clergy reported that their living standards were similar in comparison with the majority of households in their parish
 - As might be expected, the higher the clergyperson’s household income group, the higher the proportion reporting that their standard of living is above that of the majority of their parishioners and vice-versa for reporting that their living standard was below that of the majority of their parishioners
- Those with a household income of £20-£29k (likely to be relying entirely on the stipend for household income) in many cases a third report that their living standard is similar to that of the majority of their parishioners, and just over a third report that it is below

How clergy perceive their standard of living compared with the majority of households in their parish (2):

- Only **10%** of those who report that they are ‘**living comfortably**’ report that their standard of living is **below** that of the majority of their parishioners, compared with **68%** of those who are finding it ‘**very difficult**’ to manage financially and **54%** of those who are ‘**just getting by**’
- It appears that in general, a higher proportion of clergy serving in what might be considered to be dioceses within which there are higher levels of deprivation (such as Sheffield and Manchester) report that their living standards are above those of the majority of their parishioners, and vice versa (e.g. in Guildford 47% view their living standards as below those of the majority of their parish)

Profiles by how clergy report they are managing financially

How are clergy managing financially?	Standard of living compared with parish				
	Above	Below	Similar	I don't know	N/A
Living comfortably	38.9%	9.9%	39.7%	8.4%	3.1%
Doing all right	20.5%	23.8%	39.4%	13.4%	2.8%
Just about getting by	11.0%	41.9%	32.8%	12.3%	2.0%
Finding it quite difficult	10.0%	54.1%	24.7%	9.7%	1.5%
Finding it very difficult	4.5%	68.2%	21.6%	5.7%	0.0%
Grand Total	20.9%	29.5%	35.8%	11.4%	2.5%

Diocese	Above	Below	Net +
Top 6 dioceses where clergy tend to view their standard of living as being above that of the majority of their parish			
Sheffield	38.3%	13.3%	25.0%
Manchester	35.8%	11.1%	24.7%
Birmingham	38.0%	14.0%	24.0%
Leeds	24.6%	15.3%	9.3%
Exeter	21.2%	12.1%	9.1%
Truro	28.1%	21.9%	6.3%
Bottom 6 dioceses where clergy tend to view their standard of living as being below that of the majority of their parish			
Winchester	9.1%	29.1%	-20.0%
Salisbury	12.1%	32.3%	-20.2%
Rochester	14.1%	34.4%	-20.3%
Oxford	13.1%	33.8%	-20.7%
York	8.2%	32.9%	-24.7%
Guildford	2.7%	46.7%	-44.0%

Debt and borrowing – insights from the main survey (1)

Do you have any of the following types of debt?	Responses	
TABLE 1		
A loan secured on your home (excluding mortgages other than second mortgages)	2.10%	53
Car loan/car hire purchase	24.74%	625
Overdraft	12.55%	317
Credit card, not paying balance in full each month	17.85%	451
Store card, not paying balance in full each month	1.74%	44
Loan from money lender, debt collector or pawn broker	0.20%	5
Loan from family/friends	4.35%	110
Personal loan	10.06%	254
Payment to creditors through debt management plan	0.48%	12
I do not have any of these types of debt	54.35%	1373
Don't know	0.12%	3
Prefer not to say	1.43%	36
Other (please specify)	3.21%	81
	Answered	2526

What (if any) is the total amount of debt that you owe from the categories listed in the table opposite?

Answer Choices	Responses	
£0	53.25%	1197
£1-£1999	9.30%	209
£2000-£3999	6.58%	148
£4000-£5999	5.87%	132
£6000-£7999	4.72%	106
£8000-£9999	3.25%	73
£10000-£11999	3.91%	88
£12000-13999	2.54%	57
£14000-£15999	2.67%	60
£16000-£17999	1.11%	25
£18000-£19999	1.47%	33
>£20000	5.34%	120
	Answered	2248

Living Ministry and other research* comparisons:

- 54% clergy reported owing nothing, which was the same figure as reported in Living Ministry
- This question was asked in 2004 of a random, representative sample of 1,770 Adults, aged 16 or over, living in private households in Britain in the ONS omnibus survey. The results were similar with **57%** selecting “none of these”
- 11% of those with debt reported debt of over £10k in Living Ministry, compared with 17% here.
- The most common forms of debt reported here were; **Car loan** (25%), **Credit card** not paid in full at the end of the month (18%), **Overdraft** (12.5%) for Living Ministry they were; Car loan (24%), credit card (14%) and student loan (14%) [10.5% reported outstanding student loan debt in this survey, 8% reported overdraft in Living Ministry]

Debt and borrowing – insights from the main survey (2)

Monthly debt repayments by household income

Household income	Monthly debt repayments							Grand Total
	£0	£1-£99	£100-£249	£250-£499	£500-£749	£750-£999	£1000+	
£0-£9,999	5		1					6
£10,000-£19,999	31	7	11	10	2			61
£20,000-£29,999	365	65	145	106	34	7	9	731
£30,000-£39,999	253	39	86	68	16	2	5	469
£40,000-£49,999	178	16	45	60	11	3	10	323
£50,000-£59,999	115	12	26	38	6	6	4	207
£60,000-£69,999	73	8	10	22	14	3	5	135
£70,000-£79,999	52	1	7	15	7	1		83
£80,000-£89,999	22		2	7	2	1	2	36
£90,000-£99,999	16	2	1	3		4	3	29
£100,000	38	2	2	9	1	2	2	56
Grand Total	1148	152	336	338	93	29	40	2136

- 168 or c5.5% of the sample report having a household income of under £30,000 p.a. **and** making monthly repayments on debt of over £250 per month (259 or 8.6% of the sample report household income of under £40k p.a. and repayments of over £250 p.m)
- Of clergy reporting debt, **30.5%** agree or strongly agree that their current levels of debt are causing them anxiety

What (if any) is the total amount that you have to pay monthly to cover monthly repayments and interest on your debts from the categories listed above?		
Answer Choices	Responses	
£0	53.85%	1174
£1-£99	7.25%	158
£100-£249	15.64%	341
£250-£499	15.73%	343
£500-£749	4.27%	93
£750-£999	1.38%	30
>£1000	1.88%	41
	Answered	2180

Do you have any outstanding student loans?		
Answer Choices	Responses	
Yes	10.45%	285
No	78.77%	2148
N/A	10.78%	294
	Answered	2727

What (if any) is the total amount that you have to pay monthly to cover monthly repayments and interest on your student loan(s)?		
Answer Choices	Responses	
£0	16.67%	46
£1-£99	66.30%	183
£100-£249	13.04%	36
£250-£499	2.54%	7
£500-£749	0.00%	0
£750-£999	0.00%	0
>£1000	1.45%	4
	Answered	276

Please tell us how far you agree with the following statement: My current levels of debt cause me anxiety			
	Responses		% of clergy reporting debt
N/A I do not have any debt	49.3%	1333	n/a
Strongly agree	3.2%	87	6.3%
Agree	12.3%	332	24.2%
Neither agree nor disagree	12.9%	350	25.5%
Disagree	12.8%	346	25.2%
Strongly disagree	9.5%	256	18.7%
	Answered	2704	12

Exploring factors relating to how well clergy are managing? (1 – household income)

How well are clergy managing by household income? [MAIN SURVEY]

	£0 - £19,999	£20,000 - £29,999	£30,000 - £39,999	£40,000 - £49,999	£50,000 - £59,000	£60,000 - £99,999	Over £100,000	Overall profile
Living Comfortably	10.6%	9.5%	16.1%	24.3%	34.6%	47.3%	76.0%	22.8%
Doing all right	27.1%	35.7%	44.7%	44.6%	42.6%	37.2%	18.7%	39.1%
Just about getting by	35.3%	34.6%	25.3%	22.5%	17.9%	11.0%	1.3%	24.9%
Finding it quite difficult	18.8%	14.1%	10.7%	7.3%	4.6%	4.3%	4.0%	9.9%
Finding it very difficult	8.2%	6.2%	3.2%	1.3%	0.4%	0.3%	0.0%	3.3%
Grand total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Proportion of clergy in income category</i>	3.2%	33.6%	22.1%	14.4%	9.9%	14.0%	2.8%	100.0%

Summary level

Comfortable or all right	37.6%	45.2%	60.8%	68.9%	77.2%	84.5%	94.7%	61.9%
Just about getting by	35.3%	34.6%	25.3%	22.5%	17.9%	11.0%	1.3%	24.9%
Finding it Quite or Very difficult	27.1%	20.2%	13.9%	8.6%	4.9%	4.5%	4.0%	13.2%

- As expected, clergy with a higher household income report managing better.
- In the **£20-£29.9k** category, the level of income provided by a full stipend alone, and the category reported by the highest proportion of clergy, **20.2%** of clergy report finding it quite or very difficult to manage.
- For those in household income category £30-£39.9k, **60.8%** report living comfortably or doing all right, compared with **45.2%** of those in the £20-£29.9k income category.

Exploring factors relating to how well clergy are manging (Main Survey)? (2)

Clergy with dependent children report manging less well than those clergy without

	Has dependent children	No dependent children
Comfortable or all right	49.5%	69.5%
Just about getting by	29.5%	22.7%
Finding it Q or V difficult	21.0%	7.7%
Proportion of respondents	39%	61%

A higher proportion of women report manging well than men.

	Female	Male	Overall
Comfortable or all right	69.9%	59.2%	61.7%
Just about getting by	20.3%	26.6%	25.4%
Finding it Q or V difficult	9.9%	14.2%	12.9%
	34%	66%	

Clergy without income from a spouse or partner are manging less well.

How well are clergy manging?	Spouse/partner income?		All
	No	Yes	
Living comfortably	14.45%	25.05%	23.06%
Doing all right	31.83%	40.40%	38.79%
Just about getting by	31.83%	23.54%	25.10%
Finding it quite difficult	14.67%	8.56%	9.71%
Finding it very difficult	7.22%	2.45%	3.35%
Grand Total	100.00%	100.00%	100.00%

- 67% of clergy reported having household income from a spouse/partner

Clergy with more dependent children report manging less well than those with fewer...

How managing	No. of dependent Children								Grand Total
	0	1	2	3	4	5	6	7	
Living comfortably	26.9%	16.7%	15.5%	16.7%	11.3%	12.5%	0.0%	0.0%	22.6%
Doing all right	42.6%	34.6%	33.9%	38.5%	11.3%	25.0%	0.0%	0.0%	39.1%
Just about getting by	22.7%	30.7%	29.5%	23.4%	45.3%	25.0%	0.0%	0.0%	25.4%
Finding it quite difficult	6.2%	13.5%	14.7%	16.7%	20.8%	37.5%	50.0%	100.0%	9.7%
Finding it very difficult	1.7%	4.4%	6.4%	4.7%	11.3%	0.0%	50.0%	0.0%	3.2%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Count	1,739	384	484	192	53	8	2	1	2,863
Prop. of clergy	60.74%	13.41%	16.91%	6.71%	1.85%	0.28%	0.07%	0.03%	

• Nearly **22%** of those with no spousal income reported finding it quite or very difficult to manage financially, compared with **c11%** of those with spousal income

• The findings relating to spousal income and dependent children are consistent with what is already known from Living Ministry and Prof. Donald Hirsch’s Minimum Income Standards work

Exploring factors relating to how well clergy are manging (Main Survey)? (3)

The cohort of respondents ordained to the diaconate between 2000-9 contained the highest proportion reporting difficulty

Ordination - Diaconate	Pre-1979	1980-1989	1990-1999	2000-2009	2010-2014	2015-2020	All
Comfortable or all right	72.1%	66.6%	63.8%	59.7%	64.7%	60.7%	62.8%
Just about getting by	20.9%	23.2%	23.6%	26.8%	23.5%	24.3%	24.5%
Finding it Q or V difficult	7.0%	10.2%	12.7%	13.5%	11.8%	15.0%	12.8%
Number of respondents	43	362	505	687	459	514	2570

UKME clergy report manging less well financially than non-UKME clergy.

	UKME	Non-UKME
Comfortable or all right	18.0%	63.4%
Just about getting by	52.5%	24.0%
Finding it Q or V difficult	29.5%	12.6%
	61	2498

However, this is based on a small number of responses

The 40-49 age group contained the highest proportion of clergy reporting that they were finding it difficult to manage and the over 60 age groups contained the highest proportions reporting living comfortable or doing alright

	20-29	30-39	40-49	50-59	60-69	70+	Overall
Comfortable or all right	50.0%	60.5%	55.4%	59.4%	68.7%	88.1%	62.6%
Just about getting by	27.3%	26.0%	25.7%	25.6%	23.6%	9.0%	24.5%
Finding it Q or V difficult	22.7%	13.5%	18.9%	15.1%	7.7%	3.0%	12.8%
Number of respondents	22	215	435	950	870	67	2559

17% of clergy reporting a disability were struggling, compared with 12.2% of those who did not

How managing	Disability			
	Yes	No	Prefer not to say	Grand Total
Living comfortably	16.2%	25.3%	8.3%	22.9%
Doing all right	36.8%	40.6%	35.7%	39.6%
Just about getting by	30.1%	23.0%	31.0%	24.8%
Finding it quite difficult	10.3%	8.8%	21.4%	9.5%
Finding it very difficult	6.7%	2.4%	3.6%	3.3%
Grand Total	100.0%	100.0%	100.0%	100.0%

Factors that may help clergy to manage financially:

Main Survey:

My ability to manage financially is helped by:	Yes to a large extent	Yes to some extent	It makes no difference	I don't know	N/A
Savings as a result of earnings from a career before ordination (including other pensions)	12.9%	25.1%	18.0%	0.3%	43.8%
Savings from another source (e.g. inheritance)	9.6%	24.5%	13.5%	0.2%	52.2%
Earnings from employment that is not directly related to my ordained ministry	4.1%	4.3%	8.3%	0.1%	83.2%
Earnings from a spouse/partner (including other pensions)	39.3%	28.1%	4.6%	0.1%	27.9%
Income from renting out a property that I/we owned prior to ordination	13.3%	17.7%	6.3%	0.1%	62.5%
Income from renting out a property that I/we bought since ordination	6.1%	16.0%	8.2%	0.1%	69.8%
Grants – such as those from a diocesan discretionary fund or the Clergy Support Trust	5.6%	21.2%	6.7%	0.4%	66.1%
			Answered	2871	

Retired Clergy Survey:

My ability to manage financially is helped by:	Yes to a large extent	Yes to some extent	It makes no difference	I don't know	N/A
Savings as a result of earnings from a career before ordination (including other pensions)	22.64%	20.94%	8.11%	0.19%	48.11%
Savings from another source (e.g. inheritance)	12.79%	40.70%	6.98%	0.00%	39.53%
Earnings from employment that is not directly related to my ordained ministry	3.50%	8.75%	4.81%	0.00%	82.93%
Earnings from a spouse/partner (including other pensions)	24.87%	41.09%	4.76%	0.18%	29.10%
Income from renting out a property that I/we owned prior to ordination	2.02%	4.04%	2.25%	0.00%	91.69%
Income from renting out a property that I/we bought since ordination	2.38%	9.94%	2.38%	0.22%	85.10%
Grants – such as those from a diocesan discretionary fund or the Clergy Support Trust	1.11%	4.01%	2.00%	0.89%	91.98%
Income/ payment received from covering services	2.76%	24.41%	16.93%	1.57%	54.33%
Income/ payment received from conducting funerals/weddings	2.27%	26.47%	17.20%	1.89%	52.17%
			Answered	650	

- This reinforces the points about the role of additional household income/wealth in helping clergy to manage financially

Support from welfare benefits and grants

MAIN SURVEY

Are you receiving/in the process of receiving government benefits?		
MAIN SURVEY	Responses	
Yes	11.8%	361
No	77.8%	2374
Skipped	10.4%	316
Answered		2745

I/we while ordained have received or will claim one or more of the following welfare benefits:

	Yes	
Universal Credit	0.8%	25
Working Credit	6.0%	183
Child Tax Credit	24.3%	741
Carer's Allowance	1.9%	57
Personal Independence Payment	2.0%	60
Pensions Credit	0.5%	15
Other? (please specify - excluding child benefit)	4.26%	130

I have received grants support from one or more of the following sources in the past 3 years:

	Yes	
The Clergy Support Trust	13.5%	413
Diocesan funds (Including those held by bishops and archdeacons)	23.7%	723
Other charities and amount (please specify)	8.1%	247

- A relatively high proportion of respondents have received support from a charitable trust or diocesan welfare funds

RETIRED CLERGY SURVEY

Are you receiving/in the process of receiving government benefits?		
	Responses	
Yes	9.6%	65
No	81.0%	550
Skipped	9.4%	64
Answered		679

I/we while ordained have received or will claim one or more of the following welfare benefits:

	Yes	
Universal Credit	0.6%	4
Working Credit	0.9%	6
Child Tax Credit	6.0%	41
Carer's Allowance	2.9%	20
Personal Independence Payment	1.5%	10
Pensions Credit	1.5%	10
Other? (please specify - excluding child benefit)	9.3%	63

I have received grants support from one or more of the following sources in the past 3 years:

	Yes	
The Clergy Support Trust	2.7%	18
Diocesan funds (Including those held by bishops and archdeacons)	3.4%	23
Other charities and amount (please specify)	11.9%	81

Claiming expenses

MAIN SURVEY

I am able to claim my working expenses from my parish/diocese/employer in full.

	Responses	
Always	54.5%	1473
Usually	26.1%	706
Sometimes	9.4%	254
Rarely	4.5%	121
Never	4.0%	109
N/A	1.6%	42
Answered		2705

I choose to not always claim my full allowable working expenses due to concerns about my Parish's finances.

	Responses	
Always	13.14%	354
Usually	14.14%	381
Sometimes	32.17%	867
Rarely	13.91%	375
Never	18.48%	498
N/A	8.16%	220
Answered		2695

The table below presents the profile of those who **choose to not always claim full working expenses due to concerns about their parishes finances** by the response to the question about whether their parish was struggling to pay its parish share.

Not claim expenses	Parish can't pay share							
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	I don't know	N/A	Overall profile
Always	22.3%	13.2%	6.8%	7.0%	10.5%	15.0%	2.0%	13.2%
Usually	18.8%	16.3%	9.9%	9.5%	8.9%	15.0%	5.3%	14.1%
Sometimes	34.2%	34.8%	34.3%	28.8%	27.4%	45.0%	13.2%	32.2%
Rarely	8.6%	15.2%	21.5%	18.2%	7.3%	0.0%	7.9%	13.8%
Never	12.9%	14.9%	21.0%	29.3%	36.3%	10.0%	19.9%	18.5%
N/A	3.2%	5.6%	6.5%	7.3%	9.7%	15.0%	51.7%	8.1%
Overall profile	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	% 100.0%	100.0%

- Over a quarter of clergy reported regularly choosing not to claim their full working expenses due to concern about their parish's finances (although 80% were able to claim their expenses)
- Reluctance to claim was more pronounced amongst clergy who also reported that their parish was struggling to pay its parish share

• To what extent does this raise a concern that some clergy might be subsidising struggling parishes by not claiming expenses?

RETIRED CLERGY SURVEY

If I incur expenses relating to ministry then I able to claim expenses from my parish/diocese/employer in full

	Responses	
Always	18.0%	111
Usually	19.6%	121
Sometimes	11.7%	72
Rarely	9.1%	56
Never	11.4%	70
N/A	30.2%	186
Answered		616

I choose to not always claim my full allowable working expenses due to concerns about my Parish's finances.

	Responses	
Always	13.4%	82
Usually	12.4%	76
Sometimes	17.8%	109
Rarely	4.1%	25
Never	8.2%	50
N/A	44.2%	271
Answered		613

Clergy Couples

- **8.9%** (271) of clergy who responded to the main survey reported that their spouse or partner was ordained or in training for ordination
- The table below shows that **10.8%** of those couples share a stipend (29 cases)
- **8.2%** (22 cases) suggested that their spouse or partner was an SSM because a suitable stipendiary post was not available

Please tick the statements below which are relevant to your situation:	Responses	
We share one stipend/salary	10.8%	29
We both receive a stipend/salary (including part stipend)	45.4%	122
My spouse/partner receives a salary for a ministerial role (such as chaplaincy)	17.5%	47
My spouse/partner is self-supporting by choice	8.9%	24
My spouse/partner is self-supporting because remuneration or a suitable stipendiary post is not available	8.2%	22
My spouse/partner's role comes with a provided house, which not our primary place of residence	2.6%	7
My spouse/partner receives a stipend but I am undertaking self-supporting ministry	1.9%	5
My spouse/partner is currently training full time for ordination	2.6%	7
My spouse/partner is currently training part time for ordination	4.1%	11
We are both retired	1.9%	5
Other (please specify)	19.7%	53

- **5.5%** (38) of clergy who responded to the retired clergy survey reported that their spouse or partner was ordained (none reported that they were in training for ordination.)
- Of those, **82.5%** reported that their spouse or partner was also retired.

Profiles of how well clergy report that they are managing financially by whether their spouse or partner is also ordained (main survey).

How managing fin?	Partner Ordained		
	No	Yes	Overall
Living comfortably	22.6%	26.4%	23.0%
Doing all right	38.9%	38.7%	38.9%
Just about getting by	25.4%	22.3%	25.1%
Finding it quite difficult	9.8%	8.9%	9.7%
Finding it very difficult	3.3%	3.7%	3.3%

Financial Management training / preparation for retirement

Main Survey:

	Yes		No		Total
(a) I have received training in personal financial management provided by the Church	8.3%	219	91.7%	2421	2640
(b) I have received training in personal financial management from a provider other than the Church	23.3%	613	76.7%	2021	2634
(c) I would like (more) training in personal financial management	46.8%	1210	53.2%	1373	2583
(d) I have attended a preparation for retirement course provided by the Church	13.6%	356	86.4%	2266	2622
(e) I have attended a preparation for retirement course from a provider other than the Church	4.6%	120	95.4%	2482	2602

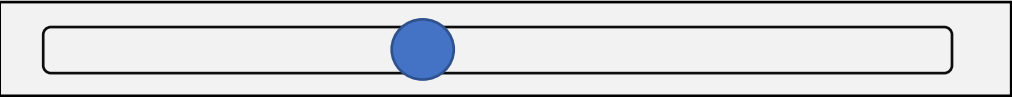
Retired Clergy Survey:

Thinking about the period prior to your retirement, please respond to the following statements with yes or no:	Yes		No		Total
(a) I received training in personal financial management provided by the Church	16.0%	94	84.0%	493	587
(b) I received training in personal financial management from a provider other than the Church	19.3%	111	80.7%	463	574
(c) I would have liked (more) training in personal financial management	40.8%	228	59.2%	331	559
(d) I attended a preparation for retirement course provided by the Church	60.7%	360	39.3%	233	593
(e) I attended a preparation for retirement course from a provider other than the Church	9.1%	51	90.9%	511	562

Views on aspects of the package:

110

Variations in stipends on a needs basis:



Main

4.6

Retired

4.4

There should not be differing stipends on a needs basis

I fully support the principle of some clergy receiving more stipend than others on a needs basis

Income now v income in retirement:



Main

5.8

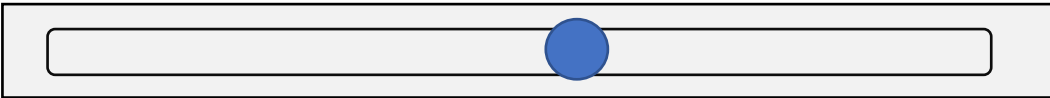
Retired

n/a

My priority is to maximise the amount of stipend I receive now, even if that means a lower income in retirement

I am willing to sacrifice stipend income now in order to maximise my income in retirement

The size of my parsonage makes it too expensive to run/heat:



Main

5.7

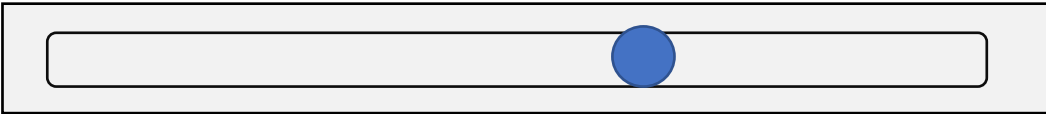
Retired

n/a

Clergy should have the flexibility to live in smaller provided accommodation in or near their benefice, rather than the parsonage house for that benefice, should they wish to do so

Disagree

Agree



Main

6.0

Retired

4.6

Disagree

Agree

Clergy should have the flexibility of receiving a housing allowance rather than living in a provided property, should they wish to do so



Main

5.7

Retired

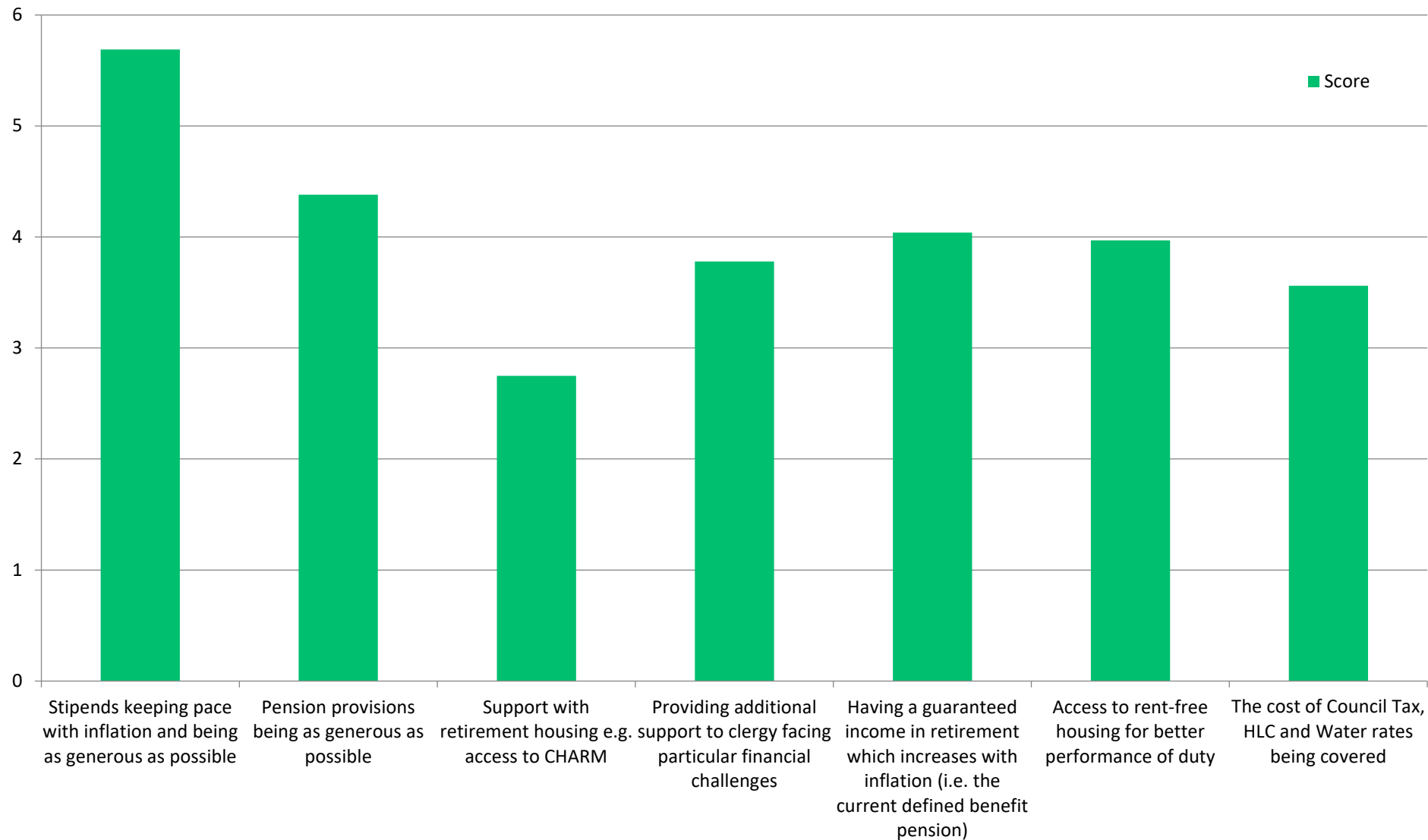
4.8

Disagree

Agree

Views on aspects of the overall package – some relative priorities

Clergy looked at the 7 components listed below and ranked in order of importance (the higher the score in the chart, the more important the factor was ranked to be) :



- The qualitative responses accompanying this question suggested that many clergy found it difficult to prioritise between the various elements of the package
- However, **‘stipends keeping pace with inflation and being as generous as possible’** was scored the highest by a fairly clear margin

Views relating to stipends & value and affordability (Main Survey)

- A majority of clergy disagreed that:

- Higher stipends should be paid in parishes where responsibilities are particularly demanding (**53% disagree, 25% agree**)
- Higher stipends should be paid for 'hard to fill roles' (**54% disagree, 24% agree**)
- They would rather receive more stipend and pay for their own housing than live in provided housing (**51% disagree, 25% agree**)

- **75% agreed** that variations in stipends between dioceses should be minimised.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	I don't know	N/A
Higher stipends should be paid in parishes where responsibilities are particularly demanding	5.2%	19.8%	18.1%	36.4%	17.1%	3.0%	0.4%
Higher stipends should be paid for some 'hard to fill roles'	3.9%	19.6%	19.9%	37.6%	16.1%	2.5%	0.4%
Variations in stipend levels between dioceses should be minimised	30.5%	44.9%	11.7%	10.0%	1.1%	1.5%	0.3%
I would rather receive more stipend and pay for my own housing than live in provided housing	13.1%	12.3%	15.4%	26.8%	23.7%	3.1%	5.6%

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	I don't know	N/A	Responses	% SA or A	% SD or D
Maintaining clergy numbers is more important than enhancing / maintaining the value of the package	8.1%	24.2%	31.0%	24.1%	7.0%	4.9%	0.8%	2666	32.3%	31.1%
There is capacity for my parish to increase giving to fund a more generous remuneration package	2.5%	13.4%	15.5%	33.7%	26.5%	3.2%	5.2%	2659	15.9%	60.2%
My Parish is struggling to afford its parish share	28.4%	31.6%	15.5%	13.4%	4.6%	0.8%	5.7%	2677	60.0%	18.0%

- Clergy were split fairly evenly in terms of the views on a trade-off between clergy numbers and the value of the package

- A clear majority of clergy agreed that their parish was struggling to pay its parish share and disagreed that there was capacity for their parish to increase giving to fund a more generous package

Views relating to stipends by age group of clergy

To what extent do you agree that higher stipends should be paid in parishes where responsibilities are particularly demanding?

Age group	SA or A	N	D or SD	Don't know
20-29	22.7%	13.6%	63.6%	0.0%
30-39	21.3%	14.8%	59.7%	4.2%
40-49	25.9%	17.6%	52.9%	3.7%
50-59	25.7%	17.4%	54.2%	2.6%
60-69	23.3%	20.4%	54.3%	2.0%
70+	37.9%	24.2%	28.8%	9.1%
All ages total	24.9%	18.3%	53.9%	2.9%

To what extent should higher stipends should be paid in parishes where responsibilities are particularly demanding by year of ordination?

Yr Ord	SA or A	N	D or SD	Don't know
Pre-1979	9.5%	26.2%	64.3%	0.0%
1980-1989	22.9%	14.5%	61.5%	1.1%
1990-1999	20.5%	15.5%	61.4%	2.6%
2000-2009	25.5%	21.5%	50.7%	2.3%
2010-2014	27.1%	19.3%	49.9%	3.8%
2015-2020	28.7%	18.0%	48.6%	4.7%
Overall total	24.8%	18.3%	54.0%	2.9%

- The data suggests that views relating to stipends do not differ significantly according to the age of clergy. This may suggest that younger clergy are not more likely to hold a more 'reward' based view of clergy remuneration than older clergy

To what extent do you agree that variations in stipend levels between dioceses should be minimised?

Age group	SA or A	N	D or SD	Don't know
20-29	72.7%	9.1%	18.2%	0.0%
30-39	67.6%	13.0%	15.3%	4.2%
40-49	74.4%	11.3%	12.0%	2.3%
50-59	74.8%	11.3%	12.8%	1.1%
60-69	78.9%	12.0%	8.5%	0.7%
70+	72.3%	16.9%	9.2%	1.5%
All ages total	75.4%	11.8%	11.4%	1.4%

I would rather receive more stipend and pay for my own housing than live in provided housing

Age group	SA or A	N	D or SD	Don't know
20-29	18.2%	18.2%	63.6%	0.0%
30-39	17.6%	12.0%	63.9%	6.5%
40-49	28.9%	16.6%	52.0%	2.6%
50-59	25.5%	16.6%	54.5%	3.4%
60-69	30.9%	16.6%	49.4%	3.0%
70+	36.4%	21.2%	42.4%	0.0%
All ages total	27.2%	16.3%	53.2%	3.3%

To what extent do you agree that higher stipends should be paid for some hard to fill roles?

Age group	SA or A	N	D or SD	Don't know
20-29	31.8%	0.0%	68.2%	0.0%
30-39	19.5%	16.7%	60.5%	3.3%
40-49	23.5%	18.9%	53.7%	3.9%
50-59	22.7%	20.3%	55.1%	1.9%
60-69	24.0%	21.2%	53.1%	1.6%
70+	31.8%	30.3%	27.3%	10.6%
All ages total	23.3%	20.1%	54.0%	2.5%

- A higher proportion of younger clergy disagreed with higher stipends for more demanding roles compared with older clergy, but support did rise slightly the more recent the year of ordination.
- The proportion of clergy that disagree that variations in stipend levels between dioceses should be minimised decreased slightly with age, but for all ages most agreed that they should be minimised
- Older clergy were more likely to agree that they would rather receive more stipend than live in the provided house

Housing – current housing arrangements of respondents

MAIN SURVEY

I live in housing (Please tick all that apply):		
	Responses	
Provided by the Church, for the better performance of my duties	85.69%	2474
On which I/we are paying a mortgage	3.12%	90
That I/we own outright	8.38%	242
On which I/we are paying rent	1.35%	39
Provided by the Church, for the better performance of my spouse's/partner's duties	1.84%	53
That is a CHARM retirement property	0.10%	3
That is a Supported Housing scheme	0.00%	0
None of the above	0.73%	21
	Answered	2887
	Skipped	164

- 5.7% of respondents were entitled to be provided with a house for the better performance of their duties, but had chosen to live somewhere else
- 4.7% of respondents reported that they received a payment for housing (housing allowance)
- The average amount of housing allowance paid was £7,961. The lowest was £415 and the highest £27,987
- 53% of respondents owned or were making payments on a residential property that they did not live in

RETIRED CLERGY SURVEY

I live in housing (Please tick all that apply):		
	Responses	
Provided by the Church, for the better performance of my duties	1.1%	7
On which I/we are paying a mortgage	5.6%	37
That I/we own outright	73.6%	488
On which I/we are paying rent	6.9%	46
Provided by the Church, for the better performance of my spouse's/partner's duties	0.5%	3
That is a CHARM retirement property	10.1%	67
That is a Supported Housing scheme	1.4%	9
None of the above	3.2%	21
	Answered	663
	Skipped	16

- Only **2** respondents (**0.3%**) were entitled to be provided with a house for the better performance of their duties, but had chosen to live somewhere else
- **0%** of respondents reported that they received a payment for housing (housing allowance)
- **11.8%** owned, or were making payments on, residential property in addition to the property that they lived in

Housing – Ownership of property

MAIN SURVEY

		% sample
I/we own a residential property (other than the one I/we live in)	1293	42.4%
I/we inherited a residential property (other than the one I/we live in)	102	3.3%
I/we make mortgage payments on a residential property (other than the one I/we live in)	778	25.5%

NB: Clergy may have answered 'yes' to more than one of the above

For those answering 'Yes' to owning property:

	Yes	No	N/A	No answer
The purpose of owning this property is primarily to invest in preparation for retirement	86.4%	7.8%	1.4%	4.4%
The property is a 'buy to let' property to generate additional income	32.7%	30.0%	5.4%	31.9%
The property is primarily a holiday/second home	9.6%	46.5%	6.3%	62.30%
The property is for another purpose (please specify:)	13.7%			86.30%

- In total **26.3%** of respondents were making payments on a mortgage either for the property that they lived in or an additional property.
- For those clergy paying a mortgage, the table below shows monthly payments against annual household income.

	<£1,000	£1,000 - £1,999	£2,000+	Y band distribution of those making payments
£0 - £29,999	20.6%	1.2%	0.4%	22.1%
£30,000 - £49,999	31.8%	6.0%	1.0%	38.8%
£50,000 - £69,999	16.9%	4.7%	0.8%	22.4%
£70,000 - £89,999	5.6%	2.9%	0.8%	9.2%
£90,000 +	3.1%	2.5%	1.4%	7.0%
Distribution of monthly payments	78.0%	17.2%	4.4%	

Pensions and retirement – some headline findings (1)

MAIN SURVEY

To what extent do you agree with the following statements regarding: retirement housing and saving for retirement

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	I don't know	N/A	Responses	% SA or A	% D or SD
I am on track to having adequate provision in place for retirement	13.1%	27.0%	17.7%	19.0%	14.2%	7.1%	1.84%	2662	40.1%	33.2%
I am on track to having sufficient resources to house myself in retirement	21.1%	33.5%	11.8%	12.0%	15.4%	4.2%	2.08%	2640	54.6%	27.4%
I am likely to have sufficient savings to cover any additional living costs in retirement	8.5%	20.0%	21.1%	22.9%	17.9%	7.7%	1.94%	2634	28.5%	40.8%
Housing in retirement is a significant source of anxiety	14.3%	20.3%	17.5%	23.1%	18.3%	0.5%	6.14%	2624	34.5%	41.3%
I am fully aware of the existence of the CHARM scheme and of how it operates	9.0%	20.1%	10.1%	16.0%	26.5%	13.2%	5.05%	2635	29.1%	42.5%
I expect to need assistance from the Church for housing in my retirement	11.5%	10.7%	11.4%	24.1%	23.7%	11.2%	7.36%	2636	22.2%	47.8%

- A third of clergy did not agree that they were on track to having adequate provision in place for retirement
- c27% did not agree that they were on track to have sufficient resources to house themselves in retirement
- c22% expected to need assistance from the Church for their housing in retirement. 42.5% of clergy were not fully aware of CHARM

Pensions and retirement – some headline findings (2)

- As might be expected, the proportion of clergy reporting that they are on track to have adequate provision in place for retirement increases by age band
- However, around a quarter of respondents aged 60+ disagreed or strongly disagreed that they were on track
- As might be expected, higher proportions of those with a higher household income reported that they were on track. Nearly half (48.5% of those with household income of under £30k p.a.) reported that they were not on track
- Around a quarter of clergy reported that they currently make AVCs to their pension and c14% that they had done so in the past but no longer did so. A similar percentage reported that they would like to make AVCs but cannot afford to do so.

MAIN SURVEY

I am on track to having adequate provision in place for retirement by age group:

	20-39	40-59	60+	Tot
SA	3.4%	11.2%	20.0%	13.6%
A	16.9%	25.1%	35.1%	27.9%
N	20.3%	18.8%	16.7%	18.2%
D	23.2%	21.6%	15.5%	19.5%
SD	19.8%	16.7%	9.6%	14.5%
Don't know	16.5%	6.7%	3.2%	6.4%
Responses	237	1354	886	2477

I am on track to having adequate provision in place for retirement by household income band:

	SA	A	N	D	SD	Don't know	% Y band
£0-£29,999	5.9%	18.6%	18.2%	25.7%	22.8%	8.9%	36.3%
£30,000 - £59,999	14.0%	31.8%	19.2%	17.0%	11.6%	6.4%	46.7%
£60,000 - £89,999	23.2%	35.9%	16.4%	11.5%	5.6%	7.4%	12.7%
£90,000 +	41.8%	27.3%	10.9%	11.8%	5.5%	2.7%	4.3%

Additional Voluntary Contributions (AVCs)

	I currently make AVCs to my pension	I have made AVCs to my pension in the past, but no longer do so	I would like to make AVCs but I cannot afford to do so
Yes	25.0%	14.2%	14.2%
No	68.5%	85.8%	64.2%
N/A	6.5%	0.0%	0.0%
No. responded	2664	2606	2568

Sampling and profile of respondents

- The table on the right details the number of responses received
- All stipendiary clergy for whom an email address is available in Crockfords and who have not opted out of being contacted by the NCIs were invited to take part in the survey.
- A sample of SSM and retired clergy were invited to take part (for whom an email address was available in Crockfords).
- Random sampling was used to select participants, with over-sampling of retired clergy, who had been stipendiary and who held permission to officiate.

MAIN SURVEY	Respondents	National figure (where known)
Male	66%	68%
Female	34%	32%
UKME	3.8%	3.8%
Have a disability	17.3%	-
Condition or illness reduces ability to carry out day to day tasks :	A little – 8.4% A lot – 0.9%	-
Average age	55	52.5 (Stipendiary), 62.4 (SSM)

	2019 total	No. invited	No. responded
Stipendiary Clergy	7,700	4,965	2,831
SSM Clergy	2,827	968	256
Retired Clergy	7,230	1,983	737

RETIRED CLERGY SURVEY	Respondents
Male	85%
Female	15%
UKME	2.5%
Have a disability	39%
Condition or illness reduces ability to carry out day to day tasks :	A little – 15.0% A lot – 5.7%
Average age	74

Diocese - Main survey respondents	Count of Response	Sum of FTE	Tot fte clergy in diocese	% by FTE
Bath & Wells	75	61.4	183.5	33.5%
Birmingham	50	40.0	132.0	37.9%
Blackburn	67	53.3	173.8	30.7%
Bristol	57	47.7	121.1	39.3%
Canterbury	61	46.2	124.9	37.0%
Carlisle	38	31.5	92.8	33.9%
Channel Islands - Deaneries of Guernsey and Jersey	13	12.0	32.0	37.3%
Chelmsford	149	120.1	309.0	38.9%
Chester	105	84.8	206.5	41.0%
Chichester	111	90.1	265.7	33.9%
Coventry	45	37.6	117.1	32.1%
Derby	59	47.9	136.6	35.1%
Durham	44	39.0	137.3	28.4%
Ely	71	57.3	139.1	41.2%
Europe	31	18.1	84.5	21.4%
Exeter	66	55.6	193.9	28.7%
Gloucester	54	43.1	116.1	37.1%
Guildford	75	57.3	182.1	31.5%
Hereford	37	28.0	87.2	32.1%
Leeds	118	95.8	319.1	30.0%
Leicester	56	45.4	126.5	35.9%
Lichfield	97	75.1	247.0	30.4%
Lincoln	62	45.6	155.8	29.3%
Liverpool	59	39.6	172.0	23.0%
London	172	139.7	539.7	25.9%
Manchester	81	62.7	196.0	32.0%
Newcastle	58	50.3	109.6	45.9%
Norwich	76	61.8	186.6	33.1%
Oxford	145	116.8	374.0	31.2%
Peterborough	55	48.8	141.4	34.5%
Portsmouth	41	34.6	101.8	34.0%
Rochester	64	49.9	189.9	26.3%
Salisbury	99	78.9	186.9	42.2%
Sheffield	60	45.0	125.0	36.0%
Sodor & Man	12	9.7	17.0	57.1%
Southwark	131	106.2	330.5	32.1%
Southwell & Nottingham	34	26.0	122.5	21.2%
St Albans	95	81.7	241.1	33.9%
St Eds & Ipswich	58	48.2	121.1	39.8%
Truro	32	28.1	83.2	33.7%
Winchester	55	49.6	156.3	31.7%
Worcester	52	45.3	109.3	41.4%
York	85	68.9	190.7	36.1%
Grand Total	3005	2424.0	7377.7	32.9%

RESPONSES BY DIOCESE

Main Survey

Retired Clergy Survey

Diocese - retired survey	No. Responses	No. with PTO	No. active in ministry	No. non-active in ministry
Bath & Wells	37	21	31	1
Birmingham	2		2	
Blackburn	17	13	13	2
Bristol	7	3	7	
Canterbury	21	15	14	4
Carlisle	10	3	7	3
Chelmsford	17	9	15	1
Chester	18	12	14	
Chichester	36	25	30	5
Coventry	13	8	12	1
Derby	14	8	12	2
Durham	12	6	7	2
Ely	26	15	19	3
Europe	2	1	1	1
Exeter	22	17	19	1
Gloucester	18	14	13	4
Guildford	10	8	9	
Hereford	11	7	8	2
Leeds	20	13	17	1
Leicester	12	7	4	4
Lichfield	20	14	16	2
Lincoln	11	8	10	
Liverpool	11	8	9	2
London	12	5	8	2
Manchester	7	5	7	
N/A	2		2	
Newcastle	19	15	16	1
Norwich	25	18	20	2
Other	23	12	14	5
Oxford	20	12	14	5
Peterborough	9	4	6	2
Portsmouth	10	4	10	
Rochester	16	9	12	1
Salisbury	31	22	18	6
Sheffield	10	7	8	1
Southwark	15	10	13	
Southwell & Nottingham	7	3	7	
St Albans	14	8	11	2
St Eds & Ipswich	18	12	13	3
Truro	14	10	10	4
Winchester	18	11	14	3
Worcester	13	8	9	1
York	21	13	13	6
(blank)		1	2	
Grand Total	671	424	516	85

Roles undertaken, types of area and age, and year of ordination profiles of respondents

Thinking about all the roles in which you are engaged within or on behalf of the Church of England, are you currently (Please tick all that apply): MAIN SURVEY

Answer Choices	Responses	
Curate in training	10.53%	320
Parochial office/ Parish appointment (e.g. Incumbent, Assistant Minister/Curate (not in training))	78.58%	2388
Diocesan role (e.g. Archdeacon) or DBF or National Church employee	7.63%	232
Other employed role (e.g. chaplain)	4.84%	147
Holding Permission to Officiate (PTO)	3.03%	92
Cathedral role	3.46%	105
Retired, active in ministry	1.74%	53
Retired, non-active in ministry	0.10%	3
House for Duty	1.25%	38
Other	3.65%	111
	Answered	3039

Roles undertaken by retired clergy	Responses	
Parochial office/ Parish appointment (e.g. Assistant Minister licensed to a benefice)	2.82%	19
Diocesan role	4.75%	32
Other employed role (e.g. chaplain)	2.23%	15
Holding Permission to Officiate (PTO)	63.00%	424
Cathedral role	3.71%	25
Retired, active in ministry	76.67%	516
Retired, non-active in ministry	12.63%	85
House for Duty	0.45%	3
Other	2.67%	18
	Answered	673

I work/minister for a significant amount of my time in the following type or types of area(s) (Please tick to indicate all that apply).

Answer Choices	Responses	
Inner City	10.55%	319
Outer Housing Estate	9.69%	293
Suburbs	25.67%	776
Urban Priority Area	13.17%	398
Urban/Town	38.57%	1166
Rural Area	40.62%	1228
N/A	1.36%	41
Other (please specify)	6.29%	190
	Answered	3023

Age group - Main Survey	No. respondents	Proportion respondents in sample	Proportion of those who reported age
20-29	22	0.7%	0.9%
30-39	216	7.1%	8.4%
40-49	435	14.3%	17.0%
50-59	951	31.2%	37.1%
60-69	874	28.6%	34.1%
Over 70	67	2.2%	2.6%
#N/A	486	15.9%	
Grand Total	3051	100.0%	2565

Year of Ordination to the Diaconate	No. respondents	Prop of sample	Prop of those reporting Yr. Ord
Pre-1979	43	1.4%	1.7%
1980-1989	362	11.9%	14.1%
1990-1999	507	16.6%	19.7%
2000-2009	688	22.5%	26.7%
2010-2014	461	15.1%	17.9%
2015-2020	515	16.9%	20.0%
#N/A	475	15.6%	
Grand Total	3051	100.0%	2576

Clergy Remuneration Review: Focus Groups

with UKME and disabled clergy

Focus Group design

4 Focus Groups were run:

- 2 with **UKME** clergy and 2 with **Disabled** clergy
- 7 participants participated in the UKME groups and 8 the disabled clergy groups
- Participants were sourced through the National Disability Advisor and the Interim Advisor for Minority Ethnic Anglican Concerns
- Participants were undertaking a range of roles, in different geographical locations, were of different ages, ethnic backgrounds and had been ordained for varying periods of time
- However, the groups were unintentionally skewed towards men in terms of gender (by 12 to 3)

Reasons for running focus groups included:

- To ensure that evidence is gathered to help the review to meet its strategic objective around diversity
- There was a risk that the sample size of UKME and/or disabled clergy responding to the survey would be small, limiting the ability to conduct analysis by ethnicity or disability (as it happens, 20% of respondents to the clergy survey reported having a disability)
- To probe in more depth (and gain a deeper and more qualitative understanding of) any specific issues relating to the remuneration package that might be relevant for UKME or disabled clergy than is possible through a survey.
- And to explore general issues that might have arisen from the survey in more depth by talking to a small number of clergy directly

Further points about how the focus groups were run and the analysis

- Focus Groups took place on Zoom and each lasted for 90 mins
- The facilitation process involved some structured core questions alongside space for more open ended discussion
- Each focus group was transcribed, and then a long list of themes/issues was compiled
- Key messages were then grouped and have been reported in the following slides (alongside potentially interesting outlying points)

Focus Groups

Disabled Clergy – key themes / messages raised by participants

Group 1: The **package was adequate and was not seen as presenting major barriers for disabled clergy to enter ministry** – other issues (such as cultural issues were more important)

Group 2: The package alone is not adequate if you have additional needs e.g. highlighted SCOPE report* which suggests disabled people on average face extra costs of £583 per month.

Fear that some disabled ordinands were being offered SSM ministry due to concerns about future costs of adjusting parsonages & inaccessibility of many posts

Concern that the Rem Rvw report would be written from the point of view of 'ableist privilege', that the focus groups were a tick-box exercise and that nothing would change as a result

Provided Housing was a significant issue

- Prefer flexibility to live in smaller, better adapted housing, cheaper to run
- Some dioceses better than others at supporting adaptations ('postcode lottery')
- Concern that some dioceses were reluctant to make adaptations to property as they would 'not be wanted by a successor'

Housing/care costs in retirement was a significant source of anxiety

- Some had made no provision and were concerned that they would not be able to afford CHARM rents
- One participant would value a help to save / buy scheme
- Several expressed concern about needing but not being able to afford the costs of residential care post-retirement

Support for a (central) 'levelling up' fund for disabled clergy

- Charities e.g. CST useful for funding additional needs, but process slow & complex
- Some charities required a diocesan grant to unlock funds
- Differences in diocesan resources seen as affecting ability to provide support – fund centrally
- Also welcome an easy access portal for disabled clergy to apply for grant funding

Feeling of embarrassment / or of being a nuisance when asking for help / adaptations

- Would welcome being approached periodically to ask if adaptations were needed
- Reluctance to claim / create extra costs if diocese was struggling financially
- One participant had struggled to purchase a mobility scooter and had used credit cards

Access to **government funding sources** such as 'Access to Work Funding', personal independence payments & UC was an important source of additional income

- View that **dioceses can lack knowledge about such funding sources** and fail to sign-post or do so incorrectly

Cases were highlighted where a **partner/spouse** did not undertake employed work to **support / enable clergyperson to carry out ministry**

- Personal Independence payments had provided some compensation for this, although it had limited household income.

One participant noted that they were able to fit ministry around their disability, whereas if they had remained in their previous secular career then they would no longer be able to work

Another noted that stipendiary posts usually come with an expectation of working long hours energetically – and it had proved more difficult to obtain a post as a disabled clergyperson

Participants in Group 1 favoured more flexibility to choose between the balance of the various elements of the package.

*<https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag/>

Focus Groups

UKME Clergy – key themes / messages raised by participants

The importance of clearly demonstrating to clergy that they are valued

- Financial elements of the package have a role in this, but recognition that there may not be resource available to increase these
- Tangible (and potentially non-financial) ways of demonstrating to clergy that they are valued (e.g. acknowledgment/support by senior clergy) was important
- But clergy can see through tokenistic gestures

Disparities in what could be claimed as expenses / ability to claim in full from parish):

- Suggested that UKME clergy may be more likely to serve in poorer parishes that were less well placed to pay expenses
- Examples given of colleagues serving in well resourced parishes who were able to claim larger and more wide ranging expenses e.g. for IT equipment

Issues relating to family

- There was a strong sense of 'needing to support one's family' and consideration of whether one could do that adequately with the clergy package was an issue considered when exploring vocation.
- Family living abroad led to a feeling of a lack of a support network/safety net if things went wrong.
- Several participants spoke of the need to send money to family abroad as being a significant/important financial commitment.

Disparities in access to information and networks

- Both groups raised this issue, suggesting that other groups of clergy (particularly non-UKME) had **privileged access to information and networks**.
- Examples included the existence of support options such as St Luke's, CST, CHARM or a perception that better-connected clergy had access to assisted places in independent schools for their children.

Housing

- One participant raised the issue of having to give up long held **social housing** when entering stipendiary ministry and the loss of a sense of security involved with doing that. The participant felt that this was an issue for other UKME clergy.
- Some desire for more flexibility – e.g. single clergy not wishing to live in and run a large parsonage. Preference for a smaller property or in one case for the option of **living in community with other clergy (curates)**.
- Although living among the people one was ministering to was seen as important by several participants (and some noted the difficulty of doing so without provided housing).

Issues raised by an SSM participant

- There can be a lack of clarity of expectations for self-supporting ministers, and little attention is paid to showing them that they are valued.
- Could there be an option for SSM ministers to choose to pay into the clergy pension scheme?

Annex 5: Findings from the diocesan consultation

FINDINGS FROM THE CLERGY REMUNERATION REVIEW DIOCESAN CONSULTATION ARE IN THE FOLLOWING PAGES, COMPRISING 14 SLIDES:

1. An analysis of findings
2. Adequacy and appropriateness of the package
3. Affordability and future financial sustainability of the package
4. Views on elements of the package & ideas for changes
5. Additional benefits
6. Financial Hardship
7. Financial management training and retirement planning support
8. Local flexibility v national consistency and views on stipend variations
9. Plans relating to new models of mission and ministry
10. Employed clergy posts
11. House for Duty posts
12. The remuneration package and new vocations
13. The retirement package and financial hardship
14. The impact of COVID and other comments received

Annex 5: Clergy Remuneration Review: Diocesan Consultation

An analysis of findings

Respondents

Number of diocesan responses:	28 (around two-thirds)
Which dioceses responded:	Birmingham, Blackburn, Bristol, Carlisle, Chester, Chichester, Coventry, Durham, Exeter, Guildford, Hereford, Leeds, Leicester, Lichfield, Lincoln, Manchester, Newcastle, Norwich, Oxford, Peterborough, Rochester, Sheffield, Southwark, St Albans, Southwell & Nottingham, Winchester, Worcester, York

Consultation underpinning responses

Dioceses drew on different approaches to consultation which underpin the response submitted, including one or more of the following:

Diocesan Secretary alone	3	Bishops' Council/Standing Committee	3
Bishops and Senior Team	16	Senior team (but not including Bishops)	6
DBF Chair, Trustees or Directors	5	Chairs of House of Clergy and Laity	6
Survey of clergy, churchwardens & lay chairs	1	Clergy consultative group canvassed for part of survey	1
Set up a working group	1	DDO / Vocations team	14

Some points about the analysis

- Whilst on some points there is a convergence of views (sometimes indicated by the numerical coding of responses), there was also a diverse range of opinions expressed around this and this analysis seeks to give a flavour of those opinions
- The language of ‘the number of responses indicating...’ rather than the number of ‘dioceses’ has been used to reflect the fact that some responses were not based on wide consultation and that there was a divergence of views on some points within dioceses
- Numbers in square brackets [x] indicate the number of respondents making the same/a similar point

Diocesan Consultation

Adequacy and appropriateness of the package

Dioceses were asked whether they consider the overall current package to be **a) adequate** and **b) appropriate**:

	Yes	No	Partially
Adequacy	22	1	5
Appropriateness	18	4	3

Most respondents considered that overall the current package was adequate and appropriate:

Adequacy: “Current arrangements of a tied house & index linked pension provides a level of financial and emotional security that effectively frees up clergy to focus on ministry”

Six respondents valued the package at **£48k** to **£54k** plus DB pension. It was felt that this compared favourably to a range of lay roles and that the full value of the package was not always appreciated.

Points raised relating to adequacy

- 1 respondent felt that it was not adequate as stipends had not kept pace with inflation & that the NMS needed to be reset
- The 5 respondents who suggested that the package was **partially adequate** noted that **adequacy depended on individual circumstances** (especially single income households with multiple children and 2 others noted that the wealth of the area where the clergyperson served affected perceptions of adequacy).
- A survey carried out one diocese found that the relative financial position of the clergyperson before ordination affected their view of the adequacy of the package and supported concerns about adequacy for those without additional income or with family.
- **Housing** and other **additional costs in retirement** were raised as a concern by 4 respondents
- Other factors mentioned that influenced adequacy included: care needs, illness, dependents with additional needs, energy inefficient housing, additional costs associated with rural living, marital breakdown and childcare costs.
- “**There is a need to ensure adequacy whilst challenging dependency**”

Points raised relating to appropriateness

- 2 respondents noted that the package (particularly housing) **helps mobility** which is the way the CofE currently works in terms of **deployment**
- “Stipend + housing = **around average household income**, which feels about right” .
- Appropriate for **attracting and retaining high quality clergy** & 50% of respondents to a diocesan survey felt it was appropriate, 20% not. It is important to combine housing & stipend
- **New models of ministry** may mean that the appropriateness of the current model will require further testing/adaptation – e.g. oversight, focal.
- 1 questioned its appropriateness for current & future strategic direction.
- Desire from some for greater flexibility in terms of housing provision (especially in relation to size or to offer posts without housing)
- Others raised points relating to a desire for increased **flexibility** including: move to an employment model or something that enables redundancy [2], more flexibility around p/t and bi-vocational roles, paying different amounts for more or less challenging roles or differing financial circumstances [each point was raised by 1 or 2 respondents].

Diocesan Consultation

Affordability and future financial sustainability of the package

Dioceses were asked to comment on **a) the current affordability** and **b) future financial sustainability** of the various elements of the package

Affordability	Yes	No	Partially
Stipend	<u>16</u>	<u>2</u>	8
Pension	8	<u>9</u>	5
Housing	<u>15</u>	0	8
Additional benefits	<u>13</u>	0	4

STIPEND (affordability & sustainability):

- Several respondents noted that stipend was about unit cost*clergy numbers. For 5 respondents the issue was more around **scaling clergy numbers** to match affordability of an adequate & appropriate package.
- 3 stated that the stipend was **sustainable at current levels**, but **should not be higher**, 1 that the stipend was the most cost-effective element of the package.
- 2 noted that the **whole financial system was not sustainable**, this was broader than stipend – 2 others suggested freezing levels for the next couple of years and 2 noted that COVID was speeding up structural change
- Some concern that **dioceses bore all the risk for funding stipends** and that parish share is not keeping up

HOUSING (affordability & sustainability):

- 6 respondents stressed the need to provide housing for clergy as it makes for a good overall package, avoids deployment issues where **housing costs are high & enables clergy to live in the parish they are serving in**
- 3 cautioned against losing the significant **tax advantage**, another the complexities & potential adverse implications of a change from provided housing. 1 noted that retaining assets that appreciate in value over time is probably more cost-effective than paying higher stipends or housing allowances.
- 4 raised the **opportunity cost of capital** tied up in parsonages, 4 questioned the sustainability of the current model
- 3 suggested **greater flexibility** according to need or role would improve affordability & clergy choice
- 1 cautioned against encouraging a **dependency culture**, 4 suggested that clergy should be enabled to build up housing equity.
- High cost of maintenance in particular, and of upgrading old & energy inefficient stock including to meet 2030 carbon net zero target was raised

PENSION (affordability & sustainability):

- 13 respondents raised concern about the high level of the **contribution rate**, especially for deficit recovery
- 3 asked **whether a DB scheme is still justifiable** and 5 whether it was sustainable – 2 considered that it appeared costly for the benefits provided, and 2 questioned the sustainability for **new entrants**
- 1 supported more generous pension provision (and 2 raised the issue about benefits being based around the NMS), 2 suggested that it would be **unreasonable to fund a lower level of pension benefit**.
- 3 noted that it was **difficult to plan** as future movements in the contribution rate were still volatile and difficult to predict, 1 stated that they found the actuarial decisions perplexing and the timing of learning the status of the pension deficit just before annual accounts are announced particularly challenging
- 7 felt that it was expensive but affordable
- 2 suggested that pension provision should be considered in the context of the whole package

ADDITIONAL FINANCIAL BENEFITS (affordability & sustainability):

- Most considered these to be affordable (if expensive) with 2 stressing the tax advantage benefit for clergy
- 3 felt that water rates and council tax were becoming unaffordable & 3 felt that removal, 1st appointment & resettlement grants (there is a centrally recommended minimum at 10% of NMS) were overly generous, were an unpredictable cost and should be reviewed as part of the CRR.
- These benefits needed navigating and were not always well understood or fully taken up by clergy

Diocesan Consultation

Views on elements of the *package & ideas for changes*

Stipend and wider financial benefits

- Support the status quo – a generalised stipend with small local variations [10]
- 3 supported flexibility for upward adjustment for local factors (e.g. rural isolation, difficult circumstances).
- 1 suggested a means tested allowance for single income clergy households facing challenges & another automatic allowances for differing circumstances
- 3 supported, or felt inevitable, a move to a job evaluated salary under an employment model over time.
- 2 suggested higher stipend for parochial roles carrying more responsibility
- 1 noted that flexibility between the contribution level made to the DB scheme and the level of stipend could be useful in balancing the changing needs for income over different stages of life, without increasing cost
- 1 expressed a need for a lighter package that enabled clergy to serve in a part time capacity & 2 others for HLC to be available for p/t and joint posts
- 2 suggested removing water charge provision & 2 Council Tax provision. 1 suggested introducing a £500 clergy contribution. Providing all clergy with health assessments was also raised [1].

Pension

- 4 respondents explicitly supported the status quo (noting that it was not tax efficient to make pensions contributory & supporting the current level of pensions benefits)
- 3 requested that the value, benefit & cost of the DC scheme be investigated
- 5 called for a move to a DC scheme, another to an alternative scheme.

Housing

In the context of overall support for provided housing, the following points were also made:

- 5 raised concern about the size of housing/clergy expectations and a desire for a more modest offering. 1 suggested reviewing the function of a parsonage as a work/public facing space.
- 1 suggested introducing provision around letting rooms in the parsonage – e.g. 50% treated as declarable income reducing stipends.
- Some favoured wider recognition that housing allowances may be appropriate – especially for Curates.
- Request made for more guidance from NCIs about housing allowances for clergy couples & part-time clergy
- 2 felt that it is the provision of housing that particularly builds the dependency culture.
- Average capital value of parsonage reported was **£463,989** (Diocese with the lowest average was **Manchester** (£250k) and the highest was **Guildford** (£749k)
- Average annual maintenance cost was **£6,718** (range £1,930 to £10,000)

Comments on the Tax advantage of provided housing

- Suggestion to do a full cost-benefit analysis (on an Net Present Value basis) of the tax benefit of provided housing (including the need to provide housing in retirement for some)
- Whilst a mixed economy is likely to threaten the tax benefit, the one-size fits all model is becoming inflexible and creating problems through rising housing costs and new patterns of ministry which did not exist in the past [2]

Diocesan Consultation

Additional benefits

Other benefits that clergy are in receipt of highlighted by respondents:

- A professional counselling service is funded for clergy and their families [1] & access to a clergy counselling & support service [1]
- Having a professional pro-active and responsive property team looking after clergy housing is a benefit which isn't always acknowledged by clergy. [2]
- Where a patron supports the clergy with additional payments e.g. the Christ Church livings [1]
- Autonomy to choose the rhythm of ministry [2]
- Ability to move roles over wide geographical area relatively easily [1]
- Availability of sabbaticals [4]
- Access to state benefits due to stipend being relatively low and housing not being considered a taxable benefit [1]
- Income from letting rooms in the parsonage – can be considerable [1]
- Some have received travel allowances as discretionary grants [primarily relates to clergy couples] – a benefit in kind inflated to reflect the impact of tax [1]
- Access to Continuing Ministerial Development and grants for training [4]
- Enhanced parental and sickness benefits – Sickness absence benefits pay for a reasonably lengthy period & are often extended [3]
- Access to some bursaries for school education [1]
- Some PCCs agree to pay for care of gardens or periodic internal redecorations for houses or car contributions (variable between parishes & have limited visibility) [1]
- Dependant child allowance of £325 abolished in December 2018 [1]
- Modest additional responsibility allowances e.g. Area Deans [2]
- Supplementary income from historic parish trusts (tiny number) [1]
- Baby grant (£200) [1]
- Financial support – access to hardship funds & loans at favourable rates / grants through local & national charities [3]
- Offer small additional life insurance cover in addition to the standard cover provided through the Pensions Board [1]

Diocesan Consultation

Financial Hardship

Grants and other forms of support identified

Respondents identified the following sources of support that they make available currently for clergy experiencing hardship :

- Bishop's Discretionary Funds [11]
- Other Diocesan Clergy Welfare Funds [12]
- Signposting to the Clergy Support Trust [5]
- Access to a range of Trusts within and outside the Diocese [3]
- Grants administered by the diocese on behalf of the Henry Smith Charity, specifically for hardship amongst clergy [6]
- Trust funds for retired clergy & clergy widows [3] – one noted that their diocesan retired clergy fund was under used
- Church of England Stipend Trust [1]
- One diocese gave an example of repaying a curate's high interest debts and replacing them with a low interest loan from the DBF repaid over their training period

The following comments were made about sources of support for clergy hardship:

- One diocese noted that they had significantly more funds available to support hardship than it currently received recommendations or applications for
- One diocese made grants of £500 to £3,000 to clergy experiencing hardship and in another the range was £18 to £24,625

Ideas to alleviate financial hardship

- Seek to prevent difficulties by providing **awareness & training on financial management & planning**, including how to live well on a stipend, as part of **IME training** [3] – a culture for financial training/'theology of finance' should be fostered
- Targeted financial management/budgeting training to be offered generally and tailored for certain cases [1]
- Use **diocesan discretionary grants** to deal with needs as they arise – no need for further change [4]
- Put a **national support system** in place (with local input), discerning need in a just way across the CofE and provide financial support in a way that reduces stigma and encourages approaches wherever there might be real need [1]
- Consider the **stipend as a base** and develop other effective means of **supporting those with a disproportionate burden** e.g. a **family support fund** that is not means tested, so much as circumstances tested i.e. a **dependants supplement** or a supplement for those who **do not own property/significant assets** from previous employment [1]
- Some sort of matched funding scheme for saving towards a retirement property [1]
- Encourage a sense of **personal responsibility** [1]

Diocesan Consultation

Financial management training and retirement planning support

Dioceses were asked whether they provide any support or training to clergy in terms of personal financial management or retirement income planning:

Yes - Financial management training pre-ordination	Yes - Financial management training at IME 2	Yes - Financial management training as part of CME/throughout ministry	Yes – pre-retirement support offered	No – do not currently offer financial management training or retirement planning support
1	1	2	18	7
<div>Comments received on financial planning training</div>	<ul style="list-style-type: none"> • 2 respondents stated that they ran pre-retirement support in the past but no longer do so • In one diocese the training also includes parish level financial management [1] • Retirement income planning support is currently offered too late and should be provided earlier [3] • Clergy over 62 were offered a 1-day consultation on financial planning and clergy housing. It includes a presentation and an opportunity for 1-to-1 consultations [1] • Financial management training, whilst valuable can, if not pitched correctly, perpetuate the culture of financial dependency [1] • Recently started providing a financial advice support line for clergy through a CofE supported assistance programme [1] • Independent Financial advice is included as part of a basic offering from the Diocesan Advisor in Pastoral Care [1] • One of the clergy charities also provides some advice and support in cases where applicants are dealing with debt or general financial challenges [1] 			

Diocesan Consultation

Local flexibility v national consistency and views on stipend variations

Local priorities, diocesan flexibility & national consistency

- Most respondents (17) valued a significant level of **national consistency** for reasons such as: preventing migration of clergy to 'better paid' roles, positions, or dioceses, ensuring fairness and enabling national deployability. *"If the aim is a national workforce, then as much as possible this should be standardised and there should be a level playing field".*
- 7 of these noted that the current system works well, with consultation & information to promote consistency but the final decision / ability to flex a little is with the diocese who foots the bill.
- 1 respondent noted that national policy is usually limited to guidance as clergy remuneration is not funded nationally. Consensus across dioceses is often achieved when national guidelines are reasonable & practical not aspirational and unaffordable.

However, a desire for more flexibility was raised by some:

- *"The package framework needs to be largely consistent (but with more options), such that individual dioceses and individual posts within dioceses can work within that framework"*
- Ability to offer +10% for hard to fill roles (rural/deprived) or to attract particular skills would be helpful [2]
- Value flexibility to take account of different costs of living determined on a common basis [3]
- 'Lighter packages' for some clergy, additional flexibility for p/t posts, more flexibility not to offer housing.
- 1 respondent offered clergy the opportunity to reduce hours to 0.7 to reduce the cost.

Views on stipend variations within dioceses

Do you think it is desirable to pay the same stipend to the majority of clergy in your diocese?

- **Yes – 19, No – 5, 2** – differing views within diocese
- 2 suggested incumbents, associates and curates should receive the same stipend
- 2 felt that there was a case for modest additional responsibility increment for clergy in roles which include oversight of other clergy SSMs e.g. Team Rectors, incumbents of large ministry teams
- 2 suggested some stipend differentiation based on the complexity of the parochial role
- 3 supported additional stipend payments for the alleviation of hardship, 1 suggested a national system (with local input) for those facing hardship relating to circumstances, 8 felt that hardship should be managed separately from stipend by grants & allowances.
- 1 favoured greater reward for clergy who grew their congregations/giving
- 2 suggested supplementing expenses where incumbents don't receive their entitlement for contextual or local reasons
- 2 stated that senior clergy should not receive differentials

Diocesan Consultation

Plans relating to new models of mission and ministry

New models of mission and ministry that dioceses are embracing

- Church / congregation planting / Hub / Resource churches [6]
- Pioneer Ministry [3]
- Plans to maintain numbers but re-distribute posts [2]
- More lay leadership [5]
- Increase SSM leadership [2] and focal ministry [1]
- New Mission Communities/ Areas [2] served by mixed teams
- Local oversight ministries [2]
- Minster Model around market / coastal towns – local resource hubs [1]
- SDF funded lay inter-generational missionaries working alongside parishes forming new worshipping communities (c60% cost of a clergy post)
- Interim Ministry [1] & locally supported posts [1]

Ways in which the current package helps:

- Current package neither helps nor hinders [1]
- No plans to use remuneration flexibly to support plans for change [1]
- Considered adequate to enable the introduction of Mission Communities [1]
- The flexibility of half stipends and house for duty posts assists [1]

Ways in which the current package hinders:

- ‘Job for life’/ lack of flexibility in the equivalent of redundancy is an inhibitor to creativity & flexibility [4]
- Clergy expectations of stipend + house when more ‘mixed ecology’ roles do not justify housing for better performance. So it is hard to attract clergy to some new roles [6]
- Challenging to encourage giving to fund beyond the ‘inherited model’ [1]
- Opportunity to have more lay roles (less costly than clergy’ at diocesan level if not tied to the existing remuneration package) but accept arguments for a common package [1]
- Difficulties of creating fixed term SDF funded posts without high severance arrangements [1]

Changes to the package that would help:

- More flexibility in the type of tenure that could be offered e.g. wider scope to use fixed-term posts, 5 year renewable contracts – change framework for those in vocations process so new clergy have different expectations [3]
- Develop a model of ‘stipend for duty’ – p/t, lower stipend, pension, no house, guidance on rates [2]
- Greater flexibility for remunerating part time roles e.g. vary between individuals on a needs basis, blur boundary between SSM & stipendiary e.g. p/t, sessional [2]
- Ability to offer appointments on a ‘housing allowance’ basis only [2]
- More effective methods to broker mutual conversations regarding redeployments [2]
- Ability to offer some financial support to SSMs as part of a flexible stipend arrangement [1]

Diocesan Consultation

Employed clergy posts

Estimate of the number of clergy who are employees of your diocese	Average = 8.6 , Min = 0 Max = 30 (20 are interim ministers)
How many of these have a house provided for the better performance of their duties?	20% (8 dioceses reported none) Some of these involved the clergy person also holding a p/t parish appointment
How many are paid additional salary in compensation for a lack of provided housing?	26% (9 dioceses do not offer such additional compensation)

Comments on issues relating to clergy in employed roles and their remuneration package

- Operate a 'total package cost' for each DBF employed role based on salary and lay pensions. Clergy can choose to remain part of the higher cost clergy pension scheme, but must salary sacrifice to cover additional costs [9]
- It is hard to attract clergy for employed, salaried roles [3] – or employed clergy expect the same package as for a parochial role therefore end up employing clergy on a far more expensive basis than a lay person [2]. Given clergy are likely to return to parish roles an uncomplicated package (with housing) that facilitates re-entry into parish ministry is desirable [1]
- Where a role has to be, or often is, occupied by someone who is ordained, it places an additional pressure on carrying out the job evaluation process fairly due to an awareness that the salary band will need to be attractive compared to stipend plus housing in order to recruit [1]
- Complications when a clergyperson is in a p/t parochial & p/t employed role as separate pension contributions are paid for each [1]

Comparisons between officeholding / employed posts

- Equate the clergy package with a manager level role of c£45k, difficult to attract to a post below Director level [2]
- Clergy employees paid a salary of below c£50k have identified that they are potentially worse off than those receiving the standard officeholding package [1]. package creates a floor below which salary levels can't fall (£41k)
- Officeholding clergy costs c£50k compared with c£30k for a lay missionary [1]
- "Apples & Pears. They are not generally comparable in any meaningful way. Definition of work is different between the two" [2]

Diocesan Consultation

House for Duty posts

Dioceses were asked how many clergy they had in ‘House-for-Duty’ [HfD] posts, where no stipend is paid but a house is provided for the better performance of duties (25 dioceses responded):

Average no. posts	Dioceses reporting having no HfD posts
11.3	3

Comments relating to HfD posts

- Estimated cost of House-for-Duty posts quoted by 2 respondents as £25-£30k
- One respondent had agreed a policy not to deploy HfD (opp costs too high, missional benefits too low)
- Another felt that HfD was a valuable part of their ministry but that care should be taken in using it simply as a cost saving
- 1 felt that it was part of their short term deployment mix, but was unlikely to provide long-term solutions for parish ministry
- HfD only really works for a particular category of clergy, usually those who are retired from another job and have a pension, or a working spouse [2] and most clergy occupying such posts do so because they have sufficient other income [1]
- 1 respondent pays a 15% stipend for most HfD posts, another ceased paying a 10% stipend in July 2020
- 1 stated that they would not wish to pay a stipend to HfD posts as that would muddy the water
- Find HfD posts difficult to fill (especially rural/multiple churches) [3]
- Some clergy occupying HfD posts are dissatisfied with the financial support to help with the running costs of the provided house [1]
- 1 respondent had engaged 3 SSM curates into HfD training curacies because of their geography and the title posts offered.

Diocesan Consultation

The remuneration package and new vocations

Dioceses were asked does the current package underpin the attraction of new vocations, including a greater diversity of people, into ordained ministry:

“As the package includes **housing**, this is often viewed favourably by those from a less advantaged background” [2]

Yes	No	Not relevant
11	0	6

The package and vocational discussions

- The package is very rarely raised in vocational discussions with potential candidates [14]
- The remuneration package is discussed with candidates during the discernment process [5]
- A standard letter is given to candidates that strives to set realistic expectations and to counter any sense of entitlement [1]
- “In vocational discussions, some struggle with the ‘sacrifice’ of the clergy package, but others ‘fancy’ it – a variation more to do with background and class than the package”
- Some younger people like the idea of a house and are more gung-ho about not buying a house for retirement [1]
- Most assume that the remuneration package is modest but sufficient and are unfazed by discovering the facts [2]
- Aware of Youth & Children’s Workers who have put themselves forward for ordination in part because of the guaranteed stipend whereas most posts are dependent on short term funding [1]
- The bigger issue for clergy ‘recruitment’ currently is an uncertainty of their employability in the longer term, especially with the widespread talk of cuts [1]
- More financial assistance is needed to support those from low income backgrounds in the discernment process [1]
- Attracting candidates from more disadvantaged backgrounds is not straightforward – that is not simply (or even mainly) a finance issue but is part of the picture. Financial support is available, but **do possible candidates even get far enough into exploring the possibility of ordination to be aware of this?**
- Who might be self-selecting out of the process before DDO gets to talk to them because of an assumption that they would have to pay for training? [1] / whether pre-consideration by potential candidates curtails serious exploration is an unknown [1]

Diocesan Consultation

The retirement package and financial hardship

Issues raised relating to financial hardship in retirement

- Not aware of instances of financial hardship amongst retired clergy to any significant degree [11]
- Most common hardship relates to the **provision of housing** – it was difficult for some to save to buy a property for retirement [8]
- CHARM can be quite slow and is not a cheap long-term option (it can be less competitive than the open market) [4] but [2] dioceses expressed high regard for the CHARM scheme
- Aware of occasions when retired clergy who live in private rented accommodation haven't been able to keep pace with **rising rental costs** [1]
- This has led to some 'going rogue' with funerals to try to boost their income, even when their health meant that they should have stopped [1] – and [3] other dioceses noted that clergy can be quite dependent on fees from occasional offices for additional income in retirement
- Some struggle with repair costs or the replacement of household items or with the cost of adaptations such as stair lifts [2]
- Clergy widows/widowers may be more in need than retired clergy [2]
- For some clergy, having to meet additional costs in retirement such as Council Tax and Water Rates can be a challenge [1]
- Those in the greatest need have **worked for a para-church organisation** with even **fewer pension benefits**.
- The 1970s cohort of ordinands were mentioned, who were told to sell any house they owned in order to pay for their ordination training and so have never been able to get back onto the housing ladder [2]

Tackling financial hardship in retirement

The following ideas were suggested for tackling hardship in retirement:

- A shared equity scheme for (younger) clergy to enable them to plan retirement housing [2]
- Freeing up an element of the pensionable lump sum to allow clergy on the property ladder sooner [1]
- Provide financial awareness and planning training much earlier [4]
- Better communication of initiatives, and better value for clergy in housing options [1]
- Streamlining the process by which CHARM housing is provided [1]
- HfD options for those still fit and willing to serve in their early years of retirement. This is happening 'bottom up', but does more need to be done to be 'intentional' about this? [1] – concept of full retirement will likely diminish generally in society – increase flexibility in the remuneration package for clergy that **enables more flexible models of ministry** might help clergy to phase retirement, in line with the rest of society [1]
- Higher stipend (with more affordable pension contributions and the removal of the house) would allow some clergy to purchase a property suitable for their retirement [2]

Diocesan Consultation

The impact of COVID and other comments received

Does the COVID-19 pandemic mean that our approach to clergy remuneration has to change in any way?

- No change compared to the factors in play pre-COVID [2]
- The pandemic has simply **accelerated the need to address the overall affordability of clergy remuneration** arrangements for the medium to long-term [1]
- “In the current circumstances of huge uncertainty for many people in the country, I think the clergy will be regarded as very fortunate to have assured housing and incomes with great security of tenure when many people will be experiencing the opposite. We think this should be noted in any published review.” [1]
- Likely to be fewer clergy and more lay roles. That might mean a bigger salary but less housing obligations [1]
- Housing, and potential homelessness, for those who move from stipendiary ministry remains a critical factor slowing necessary change [1]
- Diocesan survey – just over half responding felt there would not be any long term impact of COVID-19 on the ability to support clergy remuneration via the parish share system, nearly half of respondents did. Concern that it had led to a permanent reduction in congregation numbers, accelerating an existing trend, impacting on the correlated giving. It reinforces that **any steps to increase the cost of the remuneration package are unrealistic**. “We are not ourselves calling for any reduction in the package in the light of COVID-19, but acknowledge that some others may need to do so. If this happened, there would need to be some **regional variation in stipend level** to reflect variations in cost of living.”
- Approach to remuneration has to change anyway, not because of the pandemic. Desire to adopt a greater range of ministry models (and accompanying remuneration). “**We will make this journey within the current framework, but it would be considerably easier if the framework offered a wider range of options**”. [1]

Further comments that dioceses wished to make:

- Rather than looking just at a review of remuneration, a review of the whole of clergy terms of service would be helpful. **Flexibility in tenure** would be more beneficial to our strategic deployment of clergy [1]
- Need more flexible packages that empower clergy to be properly missional. We should not reduce the cost of the package, but instead increase flexibility [1]
- High cost in having the wrong people in the wrong places doing the wrong things can seriously constrain sustainable ministry, of which an appropriate remuneration package is part of [1]
- With the exception of the cost of the pension provision, which needs to be reduced, it is not the current level of remuneration that is an issue [1]
- It would be helpful to find a way of **communicating the value of the full package to clergy** [1]
- It would be useful for a further national study to be undertaken on the current diverse SSM roles in place [1]
- Concern that **money is running out even as vocations are rising**. Current & future curates are very vulnerable at this time, there **may not be posts for them to go into in the way they expected when they offered for ministry**. [1]
- Support for performance of duty e.g. admin support may be preferable to additional remuneration [1]

Annex 6: Other Churches' remuneration

(All data is for 2020/21 unless indicated otherwise.)

To note: this is our understanding based on desktop research.

	Stipend/Salary	Pension	Housing	Other features
Church of England	NSB £27,000 NMS £25,265	Defined Benefit Non-contributory Contribution rate 39.9% (32.8% for future service) Accrual period for full pension (half of NMS) now 43 years	Provided for better performance of duties Council Tax, Water paid HLC	1 st appointment grants
Other UK Denominations				
Methodist Church	£25,524 Superintendent 10% of stipend addition	Defined Benefit Contributory (9.3% by minister) Church Contribution rate — 26.9% (by circuit) Accrual Benefits earned prior to 01/09/2010 70ths earned on or after 01/09/2010 80ths	Manse provided for better performance of duties	Allowance for computers (£169 p.a.) Annual grant for children (aged 3–18) of minister's educational needs — maximum £300 p.a.
Scottish Presbyterian/ Church of Scotland (2019)	5-point scale ranging from £27,575 to £33,899 Parish Ministers move up one point on the scale after each five years of ministry.	Defined Contribution Pension Scheme DB scheme closed in 2013 Death in service benefit is five times stipend	House provided	Support in the form of: coaching, counselling, supervision Telephone line rental and calls incurred for ministerial duties paid Cost of internet access at a level required for ministerial duties paid Shared parental leave and pay available
Roman Catholic²² Model entirely different and determined at a diocesan level and on the basis of almost all priests not having a family	3 main elements Small stipend (£1–£3k in some examples) Further payment is offered on a per Mass said basis from Church funds (£10 per Mass in one case) Able to keep Christmas & Easter offerings	Determined by the bishop — retirement age is 75 Grants and support funds seem to be relied upon in retirement	A house is provided, or accommodation costs met Some priests live in a presbytery with other priests Option to have and maintain own home (in the Archdiocese of East Anglia)	The Archdiocese of Southwark (and some other dioceses) offers a private healthcare scheme Food is provided in some cases Main utility bills paid Car/mileage allowance in some dioceses Able to draw on top ups from Catholic Charities

²² A statement of the basis for remuneration of priests by the Roman Catholic Church:

Can. 281 §1 of the Code of Canon Law: "When clerics dedicate themselves to the ecclesiastical ministry, they deserve a remuneration which is consistent with their condition in accord with the nature of their responsibilities and with the conditions of time and place; this remuneration should enable them to provide for the needs of their own life and for the equitable payment of those whose services they need."

Baptist	£24,000	Defined Contribution Contribution by minister — 5% Church Contribution rate — 5%	Manse provided for the better performance of minister duties Shared ownership option available: “Sometimes Ministers wish to purchase a property jointly with the church or to acquire a share in an existing manse.”	Option to purchase own house: “Some Ministers prefer to purchase a property in their own name; this financial commitment is taken into account in discussions about remuneration.”
Unitarian	1 st 5 years: £25,164 2 nd 5 years: £25,944 10 + years: £27,072 Lay Pastors: 1 st 5 Years: £22,068 2 nd 5 years: £22,752 10 + years= £23,748	Defined Contribution Contribution rate as of Oct 2018 3% employer and 5% employee	Manse allowance: Provincial = £6,905 London postcodes = £9,916 minimum A manse allowance should be paid if the minister lives in their own property If no manse is available and the minister lives in rental accommodation this should be the responsibility of the congregation	
Congregational Federation	£27,156 (based upon a 40-hour week)	Defined Contribution Employer-based contributions for ministers in the scheme in employment at 31st March 2016: 15% of Stipend; comprising of: 6.36% from CF National Funds, 5% from the local church, 3.64% from the local CF Area Funds	House not always provided	
United Reformed Church (URC)	£27,600	Defined Benefit Contributory Contribution rate 7.5% of stipend	The provision of housing is part of the normal conditions of service (In most cases ministers who live in their own properties can expect the pastorate to pay an allowance to cover the standing charges on the property)	Recommend that the ministerial working week, translated into hours in a four-week period, should be not less than 160 hours and not more than 192 hours Children’s allowance: —First child £1,302 p.a. —Subsequent children £651 p.a. Income limit — the stipend plus £3,255, £30,855 p.a.
Free Church of Scotland (2019)	£24,000	Defined Contribution Employer Contribution of 10%	Manse not necessarily provided	
The Salvation Army	Financial remuneration on average between £9,500 and £15,500 is given to cover living costs	Defined Contribution Minister’s contribution — 3% Church Contribution rate — 6% min	A home is provided by way of officer’s quarters	

Other Anglican provinces				
Scottish Episcopal Church (SIC)	<p>NSB £27,000</p> <p>Curates in training receive £24,300 in their first year (90% stipend), rising to 92.5% stipend in their second year, and £25,650 (95%) in their third year</p>	<p>Defined Benefit</p> <p>Non-contributory</p> <p>Pension Contribution 32.2%. £ 8,694.00 of Standard Stipend</p> <p>Accrual 1/80ths scheme</p>	House Provided	<p>Car loans offered</p> <p>Current maximum is £5000</p>
Church in Wales (CiW) (2019)	<p>£24,841 (Incumbent)</p> <p>Assistant Curate, Cathedral Chaplain = £21,115</p> <p>Incumbent of Rectorial Benefice = £26,083</p> <p>Residentiary Canon = £28,567</p> <p>Archdeacon = £38,007</p> <p>Dean = £38,504</p> <p>Assistant Bishop = £42,230</p> <p>Diocesan Bishop = £45,956</p> <p>Archbishop = £49,682</p>	<p>Defined Benefit</p> <p>Non-contributory</p> <p>Contribution rate from the dioceses for current service (38.8%) together with a proportion of the income and net investment gains (30.9%) of the Representative Body</p> <p>For pensionable service before 1 January 2006 pension benefits are accrued at a rate of 60% of final pensionable stipend for 40 years of service</p> <p>For unbroken pensionable service before 31 December 2005 pension benefits are accrued at a rate of 60% of final pensionable stipend for 40 years of service after 31 December 2005</p> <p>For pensionable service commencing or re-commencing after a break after 31 December 2005, pension benefits are accrued at a rate of 50% of final pensionable stipend for 40 years of service</p>	House Provided	<p>CiW clergy still get to keep parochial fees for weddings and funerals</p>
Church of Ireland (2019 data)	<p>Minimum Approved Stipends:</p> <p>Northern Ireland = £29,603</p> <p>Republic of Ireland = €37,855</p>	<p>Defined Contribution for clergy in Northern Ireland</p> <p>Clergy Pensions Fund (Republic) is Defined Benefit (was DB until 2018)</p>	House Provided	<p>The Children's Allowances Scheme assists clergy and surviving spouses with the cost of secondary school education or higher-level education</p> <p>Grants are paid on a per capita basis, without any means test</p>
Anglican/ Episcopal Church in Australia (2019)	<p>NMS:</p> <p>Assistant ministers and lay ministers:</p> <p>1st and 2nd year: \$56,769</p> <p>rising to \$63,448</p> <p>5th + year</p> <p>Student ministers:</p> <p>Studying for degree: \$8,348</p> <p>Studying for diploma: \$6,679</p>	Defined Benefit	<p>The parish must own and maintain a residence; however, the Archbishop may approve an alternative arrangement for a rector to live in another residence</p>	<p>Provided with the use of a motor vehicle</p> <p>Parish pay for:</p> <ul style="list-style-type: none"> —a portion of electricity and gas expenses if the rectory is used for parish business —telephone expenses relating to rental and parish calls —ministry hospitality expenses —book and conference costs (including professional development costs) —the computer hardware, software, internet access and office furnishings

Episcopal Church in USA (Diocese of New York taken as an example) There is variation between dioceses & even parishes	Ordained fewer than 3 years: \$46,000 3 to 10 years: \$51,100 10 to 15 years: \$51,600 Over 15 years: \$58,500	18% of total assessable compensation	Congregations either (a) provide housing or (b) pay a housing allowance which shall not be less than 50% of the priest's annual stipend	
Chaplaincy roles				
British Army Chaplain	Salary: £48,038	Armed Forces Pension Scheme Defined contribution Non contributory Members pay 0% of contributions. Every year, the MOD adds an amount equal to 1/47th of annual pensionable earnings for that year, to the pension If serve for more than 18 years, qualify for a tax-free lump sum from the age of 40	Subsidised food and lodgings	Must be under the age of 49 years and be medically and physically fit, although applications up to 56 may be considered The Resettlement Grant is paid to Regular members of the Armed Forces who leave after 12 or more years' service Private health and dental care
Royal Airforce Chaplain	c. £42,000+	Armed Pension Scheme Defined contribution Non contributory Members pay 0% of contributions. Every year, the MOD adds an amount equal to 1/47th of annual pensionable earnings for that year, to the pension If serve for more than 18 years, qualify for a tax-free lump sum from the age of 40	Chaplains pay a subsidised Rent (from £75 per month)	Subsidised food (around £28 per week for three meals a day) Private health and dental care Must be aged 26 to 53, pass the fitness test, have at least 3 years' experience and commit to 6 years minimum The Resettlement Grant is paid to Regular members of the Armed Forces who leave after 12 or more years' service
Royal Navy Chaplain	c. £48,000	Armed Forces Pension Scheme Defined contribution Non contributory Members pay 0% of contributions; every year, the MOD adds an amount equal to 1/47th of annual pensionable earnings for that year, to the pension If serve for more than 18 years, qualify for a tax-free lump sum from the age of 40		Free medical/dental

Annex 7: Sources of clergy assistance

There are many potential sources of support for clergy, and this does not in any way claim to be a complete list.

SUPPORT AT DIOCESAN LEVEL

This includes the diocesan bishop's discretionary fund, where there is one, and local and diocesan trusts. The Covenant for Clergy Care and Wellbeing commits clergy, parishes and bishops to have clergy wellbeing as focus of regular concern.

An increasing number of dioceses now have Employee Assistance Programmes which will provide confidential advice and support to clergy and their families, ranging from legal and financial advice to counselling sessions.

CLERGY CHARITIES

There are a number of clergy charities that exist to support clergy in case of hardship, some of which are mentioned below.

Clergy Support Trust
www.clergysupport.org.uk/debt-support

Henry Smith's Charity
www.henrysmithcharity.org.uk

Dr George Richards' Charity
E: g.richardscharity@tiscali.co.uk

Frances Ashton's Charity
www.francesashton.co.uk

The Society for the Relief of Poor Clergy (SRPC)
www.srpc-aid.com

The Foundation of Edward Storey
www.edwardstorey.org.uk

Revd Dr George Richards' Charity
T: 020 7588 5583

PENSIONS AND RETIREMENT

Resources on clergy pensions can be found here:

www.churchofengland.org/pensions

www.churchofengland.org/housing

The Pensions Board has a welfare officer to assist retired clergy with claims for state benefits and signposting to other forms of charitable support. The officer can also help clergy spouses/partners.

Each diocese also has one or more retirement officers.

RETIRED CLERGY ASSOCIATION OF THE CHURCH OF ENGLAND

The Retired Clergy Association of the Church of England exists to foster the continuing ministry of retired clergy to support and encourage retired clergy and to represent their interests at national level.

www.rcacoe.org

ST LUKE'S

St Luke's help clergy and their family members when they are experiencing ill health.

Clergy access healthcare services by contacting St Luke's direct. They offer treatment via their network of trusted clinicians and organisations. They also offer wellbeing training resources and play a leading role in bringing together other organisations and denominational representatives working.

www.stlukesforclergy.org.uk

SHELDON COMMUNITY

The Sheldon Community exists to support people in Christian ministry and/or their spouses, especially at times of stress, crisis, burnout or breakdown. This national, specialist work is set within a broadly based retreat and education framework.

www.sheldon.uk.com

CECA

Church of England Clergy Advocates is part of the Faith Workers branch of UNITE the union.

See “Church of England Clergy Advocates (CECA) and the (NCIs) National Church Institutions” at:

<https://www.churchofengland.org/sites/default/files/2019-07/The%20NCIs%20and%20CECA%20v3%20July%202019.pdf>

CMCU

Churches Mutual Credit Union

www.churchesmutual.co.uk

Annex 8: Glossary

AVCs	Additional voluntary contributions allow members of pension schemes to pay extra contributions to build up additional benefits.
Contribution rate	The amount paid into the Funded Pension Scheme by responsible bodies to ensure that those who are paid stipend will receive a pension. This is expressed in terms of the National Minimum Stipend (currently 39.9%) and reviewed every three years.
CSA	Central Stipends Authority — under the Central Stipends Authority Regulation, the Archbishops’ Council acts as Central Stipends Authority 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”. It publishes a report on stipends to the General Synod every year.
CEFPS	Church of England Funded Pension Scheme
CHARM	Church’s Housing Assistance for the Retired Ministry enables clergy who cannot afford to buy a share of a home, to rent a modest, unfurnished home owned by the Pensions Board, under a tenancy agreement at a subsidised rent. It also includes options for shared ownership.
CPI	Consumer Prices Index. This excludes a number of prices relating to housing costs (for example, Council Tax, mortgage interest payments, house depreciation and buildings insurance). It is considered by the Office for National Statistics to “better reflect changes in consumer spending patterns relative to changes in the price of goods and services”.
CPIH	A measure of price inflation that is calculated in the same way as the CPI, but includes a measure of owner occupiers’ housing costs along with Council Tax.
CCMU	Churches Mutual Credit Union
CMP	Collective Money Purchase. A new kind of pension scheme that targets a certain income for members in retirement and provides more certainty than a Defined Contribution Scheme.
CST	Clergy Support Trust. One of the leading clergy charities.
DB	Defined Benefit Pension. A pension where a certain level of benefit is guaranteed with the risk borne by the body in the position of the employer.

DC	Defined Contribution Pension. A pension scheme where all the risk is borne by the beneficiaries of a pension scheme with the level of benefit dependent on how much was paid in, how well the investments did and how the beneficiary decides to take the money.
Diocesan Basic Stipend	The stipend paid to the majority of clergy of incumbent status in a diocese.
DBF	Diocesan Board of Finance
MIS	Minimum Income Standard is an annually updated income benchmark that seeks to specify what households require for a decent (socially acceptable) standard of living, considered the minimum by the general public. It includes — but is more than just — food, clothes and shelter. It is about what income is needed in order to have the opportunities and choices necessary to participate in society.
National Average Stipend	This is a weighted mean of all the diocesan basic stipends and the NSB should not be too far from this figure.
NMS	The National Minimum Stipend is the figure that no-one in full-time stipendiary ministry may be paid below. It is also the figure used to calculate pensions — both the cost of the contribution and the starting level of the benefit on retirement. It is designed to be a safety net to ensure that stipends are adequate and enable the majority of clergy to carry out their ministry without financial anxiety.
NSB	The National Stipend Benchmark is a recommended figure set by the Archbishops' Council each year after consultation with Diocesan Boards of Finance. DBFs set their own figure for stipends in the light of this national figure, and what the DBF can afford, given the number of posts which it is responsible for paying. Most DBFs pay the same figure to most of the incumbents and priests in charge in their diocese (the Diocesan Basic stipend).
PTO	Permission to officiate
RACSC	Remuneration and Conditions of Service Committee. A committee of the Archbishops' Council which was asked to carry out a review of clergy remuneration.
RPI	The Retail Prices Index calculates the rate of inflation by measuring the price of various everyday items along with housing costs such as Council Tax and mortgage interest payments. It uses an arithmetic mean, which adds the cost of all of the items together and then divides this by the total number of items.
SSM	Self-supporting minister, previously known as non-stipendiary minister (NSM).

Annex 9: Membership of the Remuneration and Conditions of Service Committee (RACSC) and acknowledgements

The Remuneration and Conditions of Service Committee (RACSC) was asked by the Archbishops' Council to carry out a review of clergy remuneration, following a request to the Council by the House of Clergy.

THE FOLLOWING WERE INVOLVED IN THE REVIEW AS MEMBERS OF RACSC

The Rt Revd Richard Jackson, *Bishop of Hereford (Chair from May 2020)*
The Rt Revd Christopher Foster, *formerly Bishop of Portsmouth (Chair until May 2020)*
Anthea Carter-Savigear, *Director of People and Safeguarding, Exeter Diocese*
Mark Emerton, *General Synod member appointed by the Appointments Committee*
The Ven Dr Michael Gilbertson, *Archdeacon of Chester and General Synod member appointed by the Appointments Committee*
Canon Mark Humphriss, *Diocesan Secretary, Oxford*
The Revd Shaun Morris, *Vicar of Hanford and Area Dean of Stoke-on-Trent, elected by General Synod*
The Revd Eleanor Robertshaw, *Rector, The Great Snaith Team and General Synod member appointed by the Appointments Committee*
Canon Andrew Robinson, *Chief Executive, Diocese of Winchester*
The Ven Sam Rushton, *Archdeacon of York, appointed by the Archbishops' Council Finance Committee*
Bill Seddon, *nominated by the Church of England Pensions Board and General Synod member, appointed by the Appointments Committee*
The late Canon Carole Wolstenholme, *elected by General Synod, who sadly died in November 2020*

STAFF WORKING ON THE PROJECT AND ATTENDING RACSC

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Patrick Shorrocks, *RACSC Secretary*
The Revd Cameron Watt, *Archdeacons' National Executive Officer*

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This report was produced by the Remuneration and Conditions of Service Committee (RACSC), which is a committee of the Archbishops' Council. Church House, Great Smith Street, London SW1P 3NZ.

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