

GS Misc 1399

**The 52nd Report
of the
Central Stipends Authority**

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Section 1: Executive Summary

1. This report is the annual report on the work of the Archbishops' Council as Central Stipends Authority (CSA). It covers the role and functions of the CSA, the principles adopted for stipend setting, stipend recommendations and levels for 2024/25 and recommendations for 2025/26.
2. The table below summarises the levels of the key stipend benchmarks in 2024/25 and 2025/26.

	2024/25 (£)	2025/26 (£)
National Minimum Stipend (NMS)	28,670	30,110
National Stipend Benchmark (NSB)	30,638	31,558
National Average Stipend (NAS)	31,056	-

3. **For 2024/25** the CSA announced a **7% increase in the NMS and NSB for 2024/25** (See section 4 for more detail on stipend recommendations for 2024/25).
4. In the light of the recommendations and other factors, dioceses determine their Diocesan Basic Stipends (DBS). The range of diocesan basic stipends paid in 2024/25 are set out in the table in paragraph 56.
5. An increase of 6% was applied to stipends for senior clergy in 2024/25 including Bishops, Cathedral Deans, and Archdeacons. This was in line with the increase in the National Average Stipend (NAS). More detail about the stipends for senior clergy in 2024/25 can be found in paragraphs 29 and 35-36. The Commissioners follow the recommendations of the CSA for the clergy whose stipends they pay.
6. For **2025/26** the CSA has recommended a **5% increase in the NMS and a 3% increase in the NSB**. See section 8 for further detail.
7. The 7% increase in the NMS from April 2024 along with lower levels of inflation has meant that some catch up has taken place. However, in order for the NMS to fully catch up with inflation the 2024/25 figure of £28,670 would need to have been increased by 7.2% rather than 5%. However, such an increase would not have proved affordable for dioceses.
8. Section 3 sets out further detail on the total cost of and funding of stipends for 2024/25.

Section 2: The role and functions of the Central Stipends Authority (CSA)

9. Under the CSA Regulation (1998), the Archbishops' Council as Central Stipends Authority is required to submit an annual report on its work to the General Synod. Until July 2024 these functions were largely carried out by the Council's Remuneration and Conditions of Service Committee (RACSC). RACSC was a Committee of the Archbishops' Council and included some members who were elected by General Synod. In future these functions will largely be undertaken by the Archbishops' Council's Finance Committee
10. The CSA works in partnership with dioceses and the Church Commissioners to carry out its functions. These are to: 'keep under review and recommend appropriate levels for the stipends of diocesan and suffragan bishops, deans, residentiary canons and archdeacons; establish and publish recommended forms and levels of pay for clergy, deaconesses and licensed lay workers'.¹
11. At the request of the House of Clergy, RACSC carried out a review of clergy remuneration. The review commenced in January 2020 and reported in July 2021. The review was discussed by General Synod in February 2022. The final report can be accessed by [clicking here](#).
12. The remuneration review concluded 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; and
 - are affordable and sustainable in the long term.
13. 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".
14. Each year the CSA sets the following:
 - a **National Minimum Stipend (NMS)** for all clergy and licensed lay workers;
 - a **National Stipend Benchmark (NSB)** for incumbents and other clergy of incumbent status; and
 - recommended stipend levels for archdeacons, bishops and cathedral clergy.
15. The body responsible for paying the stipend (Diocesan Boards of Finance (DBFs), Cathedral Chapters, or the Church Commissioners) determines the stipends of individual clergy in the light of these recommendations.
16. Under Regulation 11 of the Ecclesiastical Offices (Terms of Service) Regulations 2009, no full-time stipendiary officeholder on common tenure should be paid at a rate below the National Minimum Stipend, and all full-time stipendiary office-holders must receive a stipend, or stipend together with other income related to their office, of at least the National Minimum Stipend.
17. The National Stipend Benchmark provides a reference point for dioceses when setting their diocesan basic stipend for incumbents and priests-in-charge. It is a figure that should be reasonably close to the national average stipend.
18. Stipends are set on the basis that accommodation is provided free of rent, water charges, repairs, insurance and Council Tax, and that approved parochial expenses are fully reimbursed.

¹ Central Stipends Authority Regulation 1998 (GS1310)

19. The National Minimum Stipend is also used to set the pension and the pension contribution rate (see annex 1, paragraphs 1-7).
20. In addition to its stipend recommendations, the CSA also provides guidance on a range of matters connected with the pay of clergy and licensed lay workers, such as parochial expenses and Council Tax.
21. Regular contact is maintained with Church of England Employees and Clergy Advocates (CEECA) which is part of the faith workers branch of Unite, to help ensure that clergy voices are heard as part of the process of setting the NSB and NMS. Consultation with dioceses also takes place. In 2024 CEECA were invited to make a written submission as part of the consultation process for setting the NMS and NSB which was carefully considered alongside responses from dioceses.

Section 3: Funding for stipends in 2024/25

22. The 2024/25 stipends bill for all clergy and licensed lay workers on the central payroll, as at 31 August 2024, is estimated at £222.3m² (2023/24 figure was £220.3m).
23. This is mostly funded by dioceses and parishes through giving / parish share, diocesan investment income and DBF parochial fees. The Church Commissioners are responsible for funding the stipend costs of bishops, deans and two residentiary canons at most cathedrals which in 2024/25 is estimated to be £8.7m. Stipends for additional cathedral clergy (estimated to be £0.71m) are funded directly by the relevant cathedral Chapter.
24. The Lowest Income Communities (LInC) funding supports dioceses in developing mission and growth in lower-income communities). In 2024 the Archbishops' Council paid LInC funding totaling £30.1m from funds made available by the Church Commissioners.³ The Archbishops' Council also paid £2.7m in Transition Funding to dioceses which are receiving less formula-based funding than they did prior to the introduction of the LInC funding. Dioceses can but do not have to spend the funding on stipends.
25. We are concerned that stipends have still not fully caught up with inflation and about the impact of continuing high fuel prices. Increases in stipend do however depend to a very great extent on increases in giving from those who are also feeling these pressures.

² All payroll figures quoted include National Insurance contributions, taking into account the impact of HLC. Pension contributions are not reflected in these payroll figures but are estimated to add £54.3m to the bill.

³ LInC funding was introduced in 2017 as part of the Resourcing the Future reforms alongside the Strategic Development Funding. The LInC funding is designed to support dioceses in developing the Church's mission and growth in lower income communities. It is distributed to 26 dioceses which have the greatest number of people living in these communities. LInC funding is currently being reviewed.

Section 4: Stipend recommendations for 2024/25

26. The key recommendations of the CSA, made in 2023/24, effective from 1st April 2024.
 - National Minimum Stipend (NMS) of £28,670, an increase of 7% on the previous year.
 - National Stipend Benchmark (NSB) of £30,638, an increase of 7% on the previous year.
27. The CSA had initially agreed an increase in the NMS and the NSB of 5% from 1st April 2024. In December 2023, the Pensions Board informed dioceses of a plan to reduce the contribution rate for the Church of England Funded Pensions scheme (which covers clergy pensions from 1998), from April 2024 by 3 percentage points. In the light of this reduction to 25% of the previous year's National Minimum Stipend, the Archbishops' Council, as Central Stipends Authority (CSA), revised its earlier recommendations and agreed the 7% increase for the NMS and NSB. Whilst recognising the acute financial pressures that many dioceses faced, and that it was for dioceses to make their own decisions in the light of the recommendation, it was hoped that the 7% increase in the NSB and the reduction in the contribution rate would encourage dioceses to look again at the level of their Diocesan Basic Stipend for 2024/25.
28. Stipend for archdeacons appointed on or after 1 April 2004 of £41,792 and £43,405 for archdeacons appointed before 1 April 2004 (an increase of 7% on the previous year).
29. These recommendations were made in the context of having experienced a period of high inflation in recent years, that eased during the course of 2024, and in the light of the ongoing financial challenges that the Church continued to face post the COVID-19 pandemic. As a result of the pandemic all levels of the Church experienced a fall in income that had yet to fully recover to pre-pandemic levels. Dioceses faced the challenge of continuing to meet their stipends bill whilst in many cases experiencing a fall in parish share income. However, the recommendation for a 7% increase in the NMS enabled some catch up against inflation to take place.

Further recommendations

30. Dioceses are required to pay full time assistant staff (assistant curates and stipendiary licensed lay workers) at least the NMS and are recommended to set their stipends between the NMS and the level for incumbents in the diocese, as appropriate.
31. A minimum Resettlement Grant, payable in addition to the removal grant for all moves, should be £2,867 (10% of NMS).
32. First Appointment Grants: The CSA recommended that all stipendiary ministers should receive a First Appointment Grant of at least £2,867, in addition to the Resettlement Grant on the following two occasions: 1) when taking up a full-time stipendiary post as assistant curate, or licensed lay worker for the first time, and 2) when taking up an appointment as an incumbent or minister of incumbent status for the first time.
33. Bishops and cathedral clergy who were appointed on or after 1 April 2004 should be paid levels of stipend in accordance with the arrangements agreed by the Archbishops' Council for implementing the decision of the General Synod in November 2004. The CSA and the Church Commissioners have agreed that, in future, the stipends of dignitaries and cathedral clergy will be increased in line with the increase in the NSB.

Stipends paid by the Church Commissioners for 2024/25

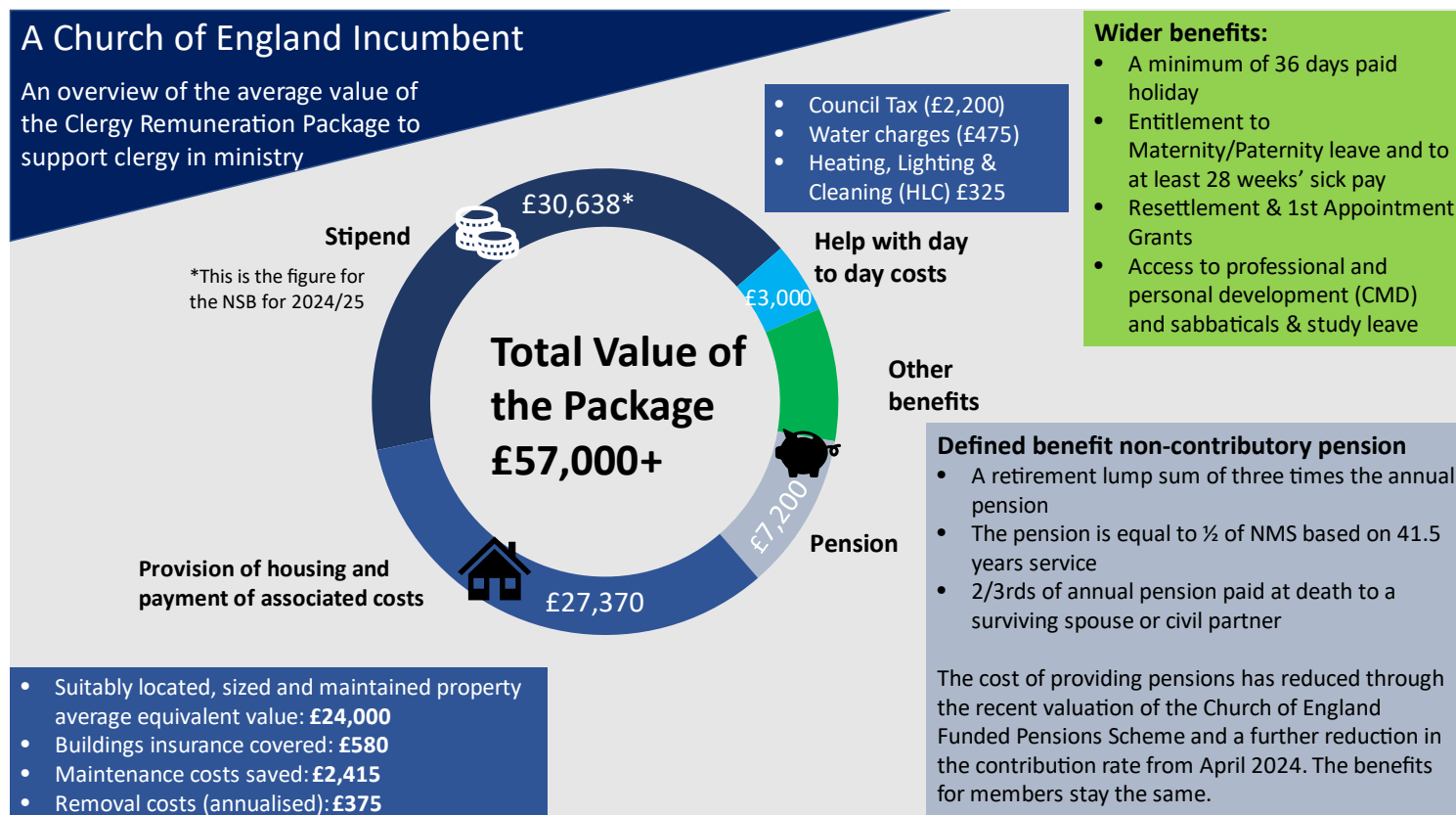
34. Stipends for 2024/25 are shown below, including those for clergy appointed before 1 April 2004:

	Senior Clergy starting on or after 1 April 2004	Senior Clergy in equivalent or higher paid post before April '04
Archbishop of Canterbury	£95,630	-
Archbishop of York	£81,950	-
Bishop of London	£75,120	-
Diocesan Bishops	£51,910	-
Suffragan Bishops	£42,350	£42,950
Deans	£42,350	£42,950
Residentiary Canons	Increased in line with any increase in the Diocesan Basic Stipend of the Diocese in which the Residentiary Canon serves	£34,990

35. These stipends increased by 6% from the level paid in 2023/24. The Commissioners agreed to increase stipends for Bishops and Deans by 6%, which was the increase in the National Average Stipend, rather than following the usual recommendation of the CSA to increase senior clergy stipends by the percentage increase in the NSB. This decision was taken following the change in the recommendation for the increase in the NMS and NSB from a 5% increase to a 7% increase. The Commissioners recognised that not all dioceses would be able to afford to implement a 7% increase in their diocesan basic stipends in the light of the revised recommendations. Therefore, the Commissioners adopted a 6% increase in stipends for senior clergy to ensure that senior clergy did not receive a percentage increase that was greater than the increase in the national average.

Section 5: The total package and an approach to costing/valuing it

36. The section below draws on an approach to expressing the cost/value of the package to clergy developed as part of the clergy remuneration review and updates the figures with the latest data to provide an estimated cost as a proxy for the value of the package from January 2025.



37. Apart from the stipend, the main elements of the clergy remuneration package are the provision of rent-free housing for the better performance of the duties of office (including the payment of Council Tax, water charges, housing maintenance, and building insurance) and a non-contributory Defined Benefit pension. The CSA's stipends levels are set on the basis that housing is provided rent free, and that costs relating to the provided housing (including Council Tax, water charges, maintenance, and building insurance) are paid on behalf of clergy.

38. The non-contributory Defined Benefit pension will cost c£7,200 per annum to provide per full-time stipendiary beneficiary in 2025. Following a valuation of the clergy pension scheme as at 31 December 2021, the annual cost to responsible bodies has decreased. The cost was further decreased by a reduction in the contribution rate from 28% to 25% from April 2024. However, the benefits provided by the scheme and therefore the value to clergy remain unchanged (see **annex 1** for further details). The cost is shown in the chart above, rather than the value to the member.

39. It is acknowledged that valuing the package is challenging. 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. Further, 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. Further detail about the approach taken to valuing the various elements of the package can be found in **annex 1**.

40. Applying the methodology described in the annex to valuing the housing element of the package, and adding this to the valuation of the other elements, the package was estimated to be **valued at over £57,000** and within the range of £50,000 to £68,000 (with this range reflecting variations in housing costs within England and acknowledging a degree of subjectivity involved with assessing the 'value' to different individuals of elements of the package).

Section 6: Diocesan stipend levels in 2024/25

41. In every diocese the **Diocesan Basic Stipend (DBS)** is defined as the stipend paid to the greatest number of clergy of incumbent status within the diocese. Of the 4,803 (4,847 in 2023/24) incumbent status clergy paid through the Church Commissioners' central payroll at the time of reporting, 88% (91% in 2023/24) were paid at the level of the DBS.
42. The National Average Stipend (NAS) is an average of all the clergy receiving the Diocesan Basic Stipend weighted by the number of clergy receiving it in each diocese. At the time of reporting the **National Average Stipend** increased by £1,813 to **£31,056** (£29,243 in 2023/24), which was an increase of 6.2%.
43. The gap between the NAS and the NSB decreased to £418, with the NAS being above the NSB (£609 in 2023/24). Dioceses are responsible for ensuring that no clergy are paid below the National Minimum Stipend.
44. The Diocesan Basic Stipends are shown at section seven. A range of stipends were paid. The lowest was £29,972 (£666 below the NSB) and the highest was £32,292 (£1,654 above the NSB). The level paid to Archdeacons ranged from £34,757 to £44,593 compared with a national recommended figure of £41,792 for archdeacons appointed on or after 1 April 2004 and £43,405 for archdeacons appointed before 1 April 2004.
45. Under arrangements agreed with HM Revenue & Customs (HMRC) parochial clergy may receive part of their stipend paid free of tax and National Insurance as a contribution towards heating, lighting, cleaning and garden upkeep (HLC) costs.
46. In order to assess how the clergy stipend compares with prices and wages, the CSA monitors increases in clergy stipends against inflation and average earnings. The table in paragraph 50 below shows how stipends since 2010 compare to inflation as measured by the Retail Price Index (RPI), Consumer Price Index including owner occupied housing (CPIH) and other indices.
47. In December 2021 the Archbishops' Council accepted a recommendation of the review of clergy remuneration, and agreed a general policy that **the NMS will, in future, on average, increase by inflation (as measured by CPIH) over the medium term, subject to review every three years and the need to review this position if high levels of inflation establish themselves.**
48. The previous official policy, approved by General Synod in 2010, was for increases in the NMS to be on average in line with increases in RPI. The reasons for the proposed change in policy include:
 - RPI was described as a 'very poor' measure of inflation by the Office for National Statistics and is no longer a recognised national statistic.
 - Ensuring the affordability of stipend increases whilst maintaining flexibility for dioceses to increase stipends beyond the NMS.
 - Stabilising pension costs.

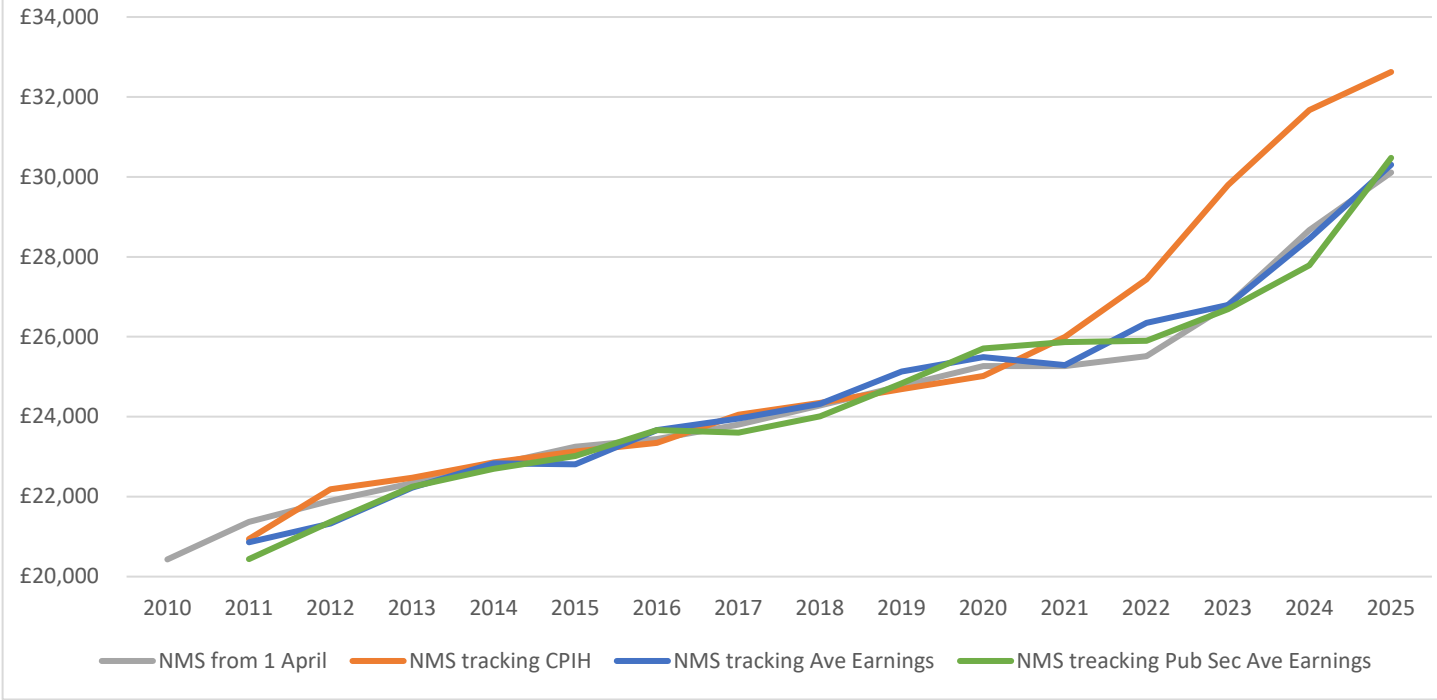
NMS, NSB and inflation

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

Year	NMS from 1 April	Increase in NMS	NSB from 1 April	Increase in NSB	NAS from 1 April	NAS Increase	ASHE Increase – All	ASHE Increase – Public	CPIH Increase
2010	£20,430		£22,470		£22,570				2.5%
2011	£21,370	4.6%	£22,810	1.5%	£23,100	2.3%	-0.2%	0.0%	3.8%
2012	£21,900	2.5%	£23,270	2.0%	£23,580	2.1%	1.5%	1.6%	2.6%
2013	£22,340	2.0%	£23,740	2.0%	£24,020	1.9%	2.2%	1.6%	2.3%
2014	£22,790	2.0%	£24,210	2.0%	£24,520	2.1%	0.1%	1.0%	1.5%
2015	£23,250	2.0%	£24,690	2.0%	£24,990	1.9%	1.8%	1.8%	0.4%
2016	£23,440	0.8%	£25,060	1.5%	£25,373	1.5%	2.2%	0.7%	1.0%
2017	£23,800	1.5%	£25,440	1.5%	£25,750	1.5%	2.2%	0.9%	2.6%
2018	£24,280	2.0%	£25,950	2.0%	£26,230	1.9%	3.5%	2.3%	2.3%
2019	£24,770	2.0%	£26,470	2.0%	£26,700	3.0%	2.9%	3.8%	1.7%
2020	£25,265	2.0%	£27,000	2.0%	£27,110	2.0%	0.1%	2.4%	1.0%
2021	£25,265	0.0%	£27,000	0.0%	£27,420	1.1%	4.3%	2.5%	2.9%
2022	£25,518	1.0%	£27,270	1.0%	£27,770	1.3%	5.0%	4.6%	8.6%
2023	£26,794	5.0%	£28,634	5.0%	£29,243	5.3%	6.2%	3.7%	6.3%
2024	£28,670	7.0%	£30,638	7.0%	£31,056	6.2%	5.7%	6.3%	3.0%
2025	£30,110	5.0%	£31,558	3.0%	-	-	-	-	-

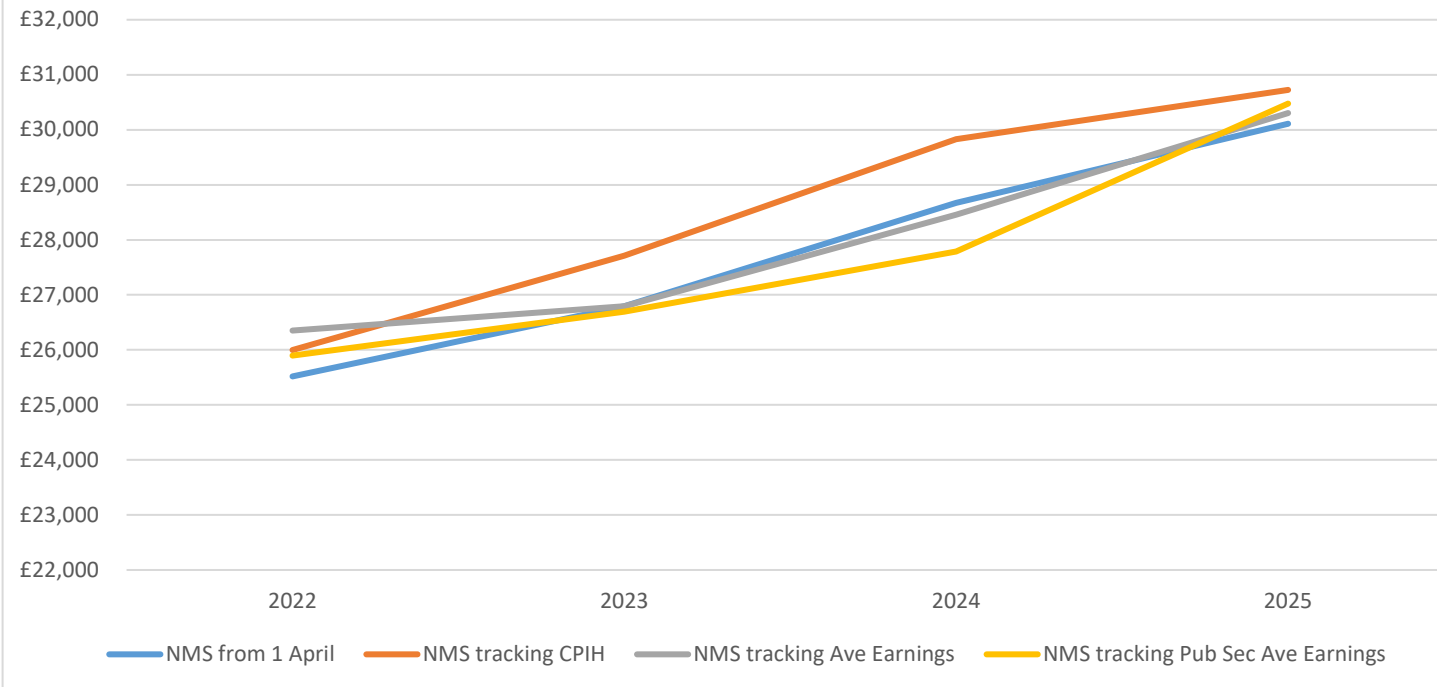
50. The graph below compares the actual NMS since 2010 with what the NMS would have been if it had tracked a) CPIH inflation and b) average earnings. As can be seen from the graph, the NMS tracked inflation and average earnings fairly closely between 2010 and 2020, whilst the NMS has lagged behind inflation and average earnings since 2020, with some catch-up being achieved since 2024.

Actual NMS compared to NMS tracking CPIH and earnings



51. The following graph focuses on the period since the Archbishops’ Council’s policy for uprating the NMS was introduced in 2021, again illustrating that the NMS has failed to keep pace with inflation (although the gap narrowed in 2024/25) and average earnings overall, especially public sector earnings.

NMS comparisons since AC Policy



The Clergy Gender Pay gap in 2024

52. Last year work was undertaken for the first time to calculate the gender pay gap for clergy and this analysis will be updated and the figure will continue to be reported in the CSA report in future years. The clergy gender pay gap for 2024 is reported below.
53. The difference in average stipend for male and female full-time stipendiary clergy is currently **1.0%** (1.1% in 2023) in favour of men⁴ (with the mean stipend for men being £31,341 (£29,494 in 2023) and for women £31,033 (£29,179 in 2023). The small gap reflects the relatively flat stipend structure for most clergy within the Church of England, though two factors explain the gap:
- Fewer women are in senior roles that attract higher stipend (33% of the 338 senior clergy are women, compared with 2023 when 32% of the 345 senior clergy are women).
 - A higher proportion of women clergy are in assistant level roles than an incumbent level role - 31% of all women clergy are in an assistant role (36% in 2023), compared with 20% of men (21% in 2023).

Nevertheless, these factors only have a relatively small effect on the overall average given that senior and assistant clergy make up a relatively small proportion of total clergy.

54. The gap has been calculated for full-time stipendiary clergy alone. This is because of the difficulty in calculating an hourly rate for clergy (which is the standard method for calculating gender pay gaps) due to clergy not having standard hours, and challenges relating to the data for part-time clergy, it has not been possible to meaningfully include part-time clergy in this analysis.

⁴ The median gap is 0.9%.

Section 7: Diocesan Basic Stipends and Residentiary Canon Rates 2024/25

55. Diocesan Basic Stipends and Residentiary Canon Rates 2024/25.

Diocese	Notes	Diocesan Basic Stipend		Residentiary Canons' stipends (post 1 April 2004 appointments)	
		2024/25	2023/24	2024/25	2023/24
		£	£	£	£
Bath & Wells		30,638	29,152	32,859	31,266
Birmingham		29,972	28,544	32,353	30,812
Blackburn		30,371	28,141	31,930	29,586
Bristol	1	30,279	28,718	32,811	31,119
Canterbury		30,363	28,917	33,957	32,340
Carlisle		30,912	29,440	31,865	30,347
Chelmsford		31,423	29,926	33,623	32,022
Chester		31,026	28,996	32,582	30,450
Chichester		31,440	29,945	33,970	32,354
Coventry		30,941	28,917	33,058	30,895
Derby		31,690	29,615	34,252	32,009
Durham		31,060	29,580	33,755	32,146
Ely		30,638	28,634	33,021	30,861
Exeter		30,260	28,820	32,672	31,118
Gloucester	1	31,754	29,676	34,264	32,021
Guildford		32,292	30,464	32,899	31,036
Hereford		31,160	29,400	34,345	32,405
Leeds		31,093	29,333	32,327	30,497
Leicester		31,669	29,905	34,006	32,112
Lichfield	1	30,090	28,655	32,752	31,190
Lincoln		31,152	29,087	33,635	31,405
Liverpool		30,638	28,635	32,502	30,377
London		31,644	29,574	33,980	31,757
Manchester		30,607	28,342	32,258	29,871
Newcastle		30,638	28,890	33,176	31,283
Norwich		30,638	28,634	33,083	30,919
Oxford		31,756	29,959	33,985	32,062
Peterborough		30,638	28,634	33,076	30,913
Portsmouth		31,194	29,709	33,480	31,886
Rochester		30,655	29,195	32,466	30,920
St Albans		31,758	29,680	33,802	31,590
St Edmundsbury & Ipswich		30,067	28,206	32,467	30,458
Salisbury		30,676	29,215	32,532	30,983
Sheffield		30,509	29,056	32,821	31,257
Southwark	1	30,760	29,285	33,160	31,570
Southwell & Nottingham		30,638	28,634	33,483	31,293
Truro	1	31,372	29,303	32,973	30,799
Winchester		31,670	29,598	34,257	32,016
Worcester		30,855	29,386	33,321	31,734
York		30,390	28,942	32,747	31,187
National Stipend Benchmark		30,638	28,634		

1. Diocesan stipends change on 1 January each year, but residentiary canons' stipends will change from 1 April.

Section 8: Stipend recommendations for 2025/26

56. **The National Minimum Stipend (NMS) from 1 April 2025 has been increased by 5% and set at £30,110.**
57. **The National Stipend Benchmark (NSB) from 1 April 2025 has been increased by 3% and set at £31,558.**
58. Stipends are set on the basis that accommodation is provided free of rent, water charges, repairs and insurance and the Council Tax, and approved parochial expenses are fully reimbursed.⁵
59. In setting the levels of the NSB and NMS for 2024, the CSA had regard to its **agreed policy “that the NMS should in future, on average over the medium term, increase in line with inflation, as measured by CPIH, subject to review every three years and the need to review this position if high levels of inflation establish themselves”**. It noted that the policy allows for not reaching inflation in any one year in the hope that compensating increases above inflation might be possible in future years. The CSA considered that high levels of inflation had established themselves in recent years, although rates of inflation were coming down in 2024, and also took note of the significant financial challenges that many dioceses. were continuing to face. Whilst an increase that would enable the NMS to fully catch up with inflation within a single year was not considered affordable, the CSA was mindful of the challenges clergy (as well as wider society) face given the increased cost of living and wished to seek to close some of the gap. It remains the aspiration of the CSA to seek to maintain the value of the stipend against inflation over the medium-term as far as possible, although the CSA are increasingly concerned about the NMS having fallen further behind inflation and acknowledge that implementing the policy will be challenging without additional resource given current diocesan finances.
60. In setting the NMS and the NSB for 2025/26, the CSA gave careful consideration to the views of dioceses expressed through the consultation process, including the challenging financial circumstances faced by dioceses together with evidence of the negative impact that the cost-of-living crisis was having on clergy and the aspiration for the NMS to keep pace with CPIH inflation over the medium term. It is recognised that it is unusual to go for different increases in the NSB and NMS. The reasons for recommending a 5% increase in the NMS and a 3% increase in the NSB were:
- Recognition of the financial pressures on dioceses which were reflected in the output of the consultation in which a general increase of over 3% was stated as affordable for many but not all dioceses.
 - To enable some catch-up in the NMS against inflation as per the Archbishops’ Council’s policy
 - To prioritise the lowest paid clergy, and the starting value of pensions which had fallen behind inflation.
 - The CSA took the view that the gap between the NMS and NSB could be narrowed for one year, whilst maintaining a reasonable differential between the two.
 - As an interim compromise solution to balance concerns about clergy wellbeing and affordability whilst ongoing work on the value of stipends and pensions (including in response to a General Synod motion) together with a review of diocesan finances continued (see paragraphs 63-68).

It is not envisaged that the decision to apply different percentage increases in the NMS and NSB in 2025 would be repeated in future years.

61. If the NMS had tracked inflation since the adoption of the Archbishops’ Council’s policy in 2021 then the NMS for 2025/26 would be £30,725⁶. In order for the NMS to catch up with inflation the 2024/25 figure of £28,670 would need to have been increased by 7.2% rather than 5%. However, such an increase would not have proved affordable

⁵ Stipends are to be calculated in accordance with the method set out in The Remuneration of the Clergy GS 243 as updated by the CSA. (GS Misc 811). The calculation of stipend should include Guaranteed Annuities and Personal Grants (where still payable); parochial giving direct for stipend (including contributions towards the cost of heating, lighting and cleaning the parsonage house); Easter Offering (or Whitsun Offering where appropriate); fees (both parochial, if the clergy person has opted to continue to retain fees, and non-parochial); income net of expenses from chaplaincies; income net of expenses from public and education appointments; income from local trusts. It should not include spare-time earnings; spouse’s earnings; private income; income from the informal letting of parsonage house rooms. (It will, however, be open to dioceses to make arrangements as regards the commercial letting of rooms on a significant scale (for example, in holiday areas).

⁶ Using the April CPIH figure from the previous year to track inflation, which is the latest figure available to inform the stipend setting process given the current timetable for stipend setting.

for dioceses, particularly if implemented in a single year. The effect of seeking to implement such an increase would be a significant increase in diocesan financial deficits and the resulting likely need for dioceses to reduce clergy numbers. However, given that the 5% increase applied to the NMS was greater than the comparator rate of CPIH inflation (3%), the 5% increase has enabled some catch-up against inflation for the NMS in 2024/25.

62. At the February 2024 Group of Sessions, the Synod unanimously resolved:

‘That this Synod:

- a) request the Archbishops’ Council, the Pensions Board, and the Church Commissioners to work together with dioceses to explore ways in which the level of clergy pensions and stipends might be improved in a sustainable manner, with reference being made to the impact of changes to clergy pension benefits and the National Minimum Stipend (NMS) since 1998, including the change in level of the pension benefit from 2/3 of NMS prior to 2011;
- b) in doing this work to have regard to the findings of the Clergy Remuneration Review (GS 2247 and GS Misc 1298) and in particular the policy that the National Minimum Stipend should, in future, on average, increase in line with inflation (as measured by CPIH) subject to three yearly reviews and the need to review this position if high levels of inflation establish themselves; and
- c) request the Archbishops’ Council, the Pensions Board and the Church Commissioners to consider what steps may be taken to remedy the fall in the real value of pensions for clergy retiring since 2021, and to avoid such a fall reoccurring in any future period of high inflation.’

63. The scope of the motion is broad, and its financial implications could be significant. However, there is a determination to identify a good response to the motion which seeks to affirm stipendiary clergy and support the fostering of vocations to stipendiary ministry required by the Church. Work is underway to respond to the motion, in parallel with a review of diocesan finances outlined below.

64. In summer of 2023, the Archbishops’ Council agreed to review the Church of England’s ‘financial system’ - particularly focusing on the financial relationships between dioceses and the National Church. The first phase of the review sought to establish a clear understanding of the true state of diocesan financial health so that any proposed changes to funding arrangements would be based on a transparent and accurate financial picture for each diocese.

65. In the light of the findings of the Diocesan Finances Review Phase 1, the primary aim of Phase 2 – Review of Future Funding Arrangements will be to:

‘Identify mechanisms to ease dioceses’ current financial stress in a way which helps to develop the Church’s longer-term missional and financial health, focusing on:

A) The financial support of dioceses by the national Church

B) The simplification of the Church’s financial systems primarily in respect of financial flows between dioceses and the National Church Institutions.’

66. The review will seek to develop costed, coherent proposals for reform of the key financial flows, to inform the Triennium Spending Plans process for 2026-28 which will commence in Autumn 2024.

67. Therefore, the stipend recommendations for 2025-26 should be seen within the context of ongoing work on the value of the stipend in response to the General Synod motion and as part of the review of diocesan finances.

Further recommendations to dioceses

68. Dioceses are required to pay full time assistant curates at least the National Minimum Stipend and to set that between the NMS and the level for incumbents in the diocese, as seems appropriate. These rates should also apply to Licensed Lay Workers (including Church Army Evangelists engaged in the parochial ministry) who are officeholders. We realise that a significant number of lay workers will be employed by dioceses and PCCs (and are not officeholders) who as employers are responsible for determining the appropriate level of payment.

69. The recommended stipend level for Archdeacons who were appointed on or after 1 April 2004, for the year from 1 April 2025 is linked to the NSB. Given the 3% increase in the NSB their recommended stipend level will increase

from £41,792 in 2024/25 to **£43,046**, although it is for dioceses to determine what level to pay their archdeacons in the light of this recommendation and other factors.

Resettlement, Relocation and First Appointment Grants from April 2025

70. The Archbishops' Council, as Central Stipends Authority, recommends that the following grants should be paid by dioceses to clergy (including curates) who are moving to a new house in order to take up an appointment.
71. If the total of the removal, resettlement, and first appointment grant is in excess of £8,000, they need to report this on their tax return.

Removal Grant

72. The cost of removal (often known as 'the van') covers the costs of packing and unpacking, physical removal between residences, insurance in transit, and taking down/re-attaching domestic fittings. This should be paid in full.

Resettlement Grant

73. This is payable in addition to the removal grant. Dioceses are recommended to pay at least 10% of the National Minimum Stipend (**£3,011** from April 2025), to cover the cost of domestic goods intended to replace items used at the old residence which are not suitable for use in the new residence, for example carpets and curtains, equipment or furniture (such as a freestanding wardrobe which replaced a fitted one). The cost of any travel and subsistence in connection with the move is also included.

First Appointment Grant

74. This is payable in addition to the Resettlement Grant on the following two occasions:
 - 1) when taking up an appointment as assistant curate or licensed lay worker for the first time, and
 - 2) when taking up an appointment as an incumbent or minister of incumbent status for the first time.
75. Dioceses are recommended to pay at least 10% of the National Minimum Stipend (**£3,011** from April 2025)

Stipends for bishops and cathedral clergy for the year from April 2025

76. The Church Commissioners' Board will consider the level of senior clergy stipends for 2025/26 in the light of the stipend recommendations early in 2025. Senior clergy stipends for 2025/26 will be published in due course.

Clergy expenses

77. The CSA, from time to time, issues guidance in relation to expenses. For current information please refer to the booklet *The Parochial Expenses of the Clergy 2017*, which is available on the Church of England website.

Stipends in the Diocese in Europe

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

Annex 1: More detail on the clergy remuneration package and the approach taken to valuing it

Pensions - The Church of England Funded Pension Scheme

1. The Church of England Funded Pension Scheme ('CEFPS' or 'Clergy Scheme'⁷) is a defined benefit pension scheme giving a guaranteed income in retirement and lump sum at retirement. The size of the pension depends on the number of years of stipendiary service, the office held, and the National Minimum Stipend in the year before retirement (we refer to this as "pensionable stipend"). Once in payment the pension increases in line with RPI, capped at 3.5% for service from 1 January 2008 and 5% for service before that date.
2. The rules of the scheme have changed over time and many serving clergy will have earned benefits which are determined by reference to the rules that applied at the time. The Pensions Board calculates a pro-rata benefit for each period where the member has less than the maximum possible service.
 - The maximum pension that members could earn for full service (37 years) completed before 1 January 2008 was two-thirds of pensionable stipend plus a lump sum of three times that amount. (This includes both service since 1 January 1998 in CEFPS and pension earned in the predecessor Church Commissioners' scheme). The Normal Pension Age for these benefits is 65.
 - Between 1 January 2008 and 1 January 2011, the number of years needed to qualify for maximum service was increased from 37 to 40 but the scheme still provided a maximum pension of 2/3rds of pensionable stipend. The Normal Pension Age for these benefits remained 65.
 - The maximum benefit that can be earned for those who joined CEFPS from 1 January 2011 is half of pensionable stipend, plus, a lump sum of three times that amount, after 41.5 years' service. Normal Pension Age increased to 68 for benefits earned at 2010.⁸
3. Therefore, a member in stipendiary service both before and after 1 January 2011 will have a blend of benefits based on the service earned under each set of rules.
4. The cost of pension contributions is met from local sources and collected by the Pensions Board from the diocesan boards of finance.
5. A triennial valuation of the CEFPS as at 31 December 2021 showed the scheme was fully funded, with an estimated surplus of £560 million as at the valuation date. The Board therefore agreed to set the contribution rate at 28% of pensionable stipends from 1 January 2023 reduced from the previous contribution rate of 39.9% (inclusive of future service and deficit repair contributions).
6. Following an interim review by the Pensions Board in late 2023, there was a further reduction in the contribution rate for clergy pensions paid by Responsible Bodies, to **25%** of pensionable stipends from 1 April 2024 reduced from the previous contribution rate of 28%.

Valuing the pensions element of the clergy package

7. The slide in section 5 notes an approximate value for the pensions element of the package of £7,200, reflecting the cost to responsible bodies of pensions contributions. 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. However, a defined benefit pension provides a significant advantage to clergy in terms of giving them a more predictable income in retirement.

⁷ NB Certain lay roles, notably stipendiary Licensed Lay Workers on Common Tenure are also eligible to participate in the CEFPS.

⁸ As part of the 2011 changes the CEFPS was contracted back into the State Second Pension. The Basic State Pension and S2P were later replaced for members reaching State Pension Age from April 2016 by the new Single Tier State Pension, requiring 35 qualifying years to get the full amount. Analysis for the Pensions Task Group at the time suggested that, broadly, those over 40 at the time would be better off under the new State Pension provided they had sufficient qualifying service.

8. 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).

Housing

9. 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.
10. 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).

Valuing the housing element of the package

11. Valuing the housing element of the package is challenging. The value of the provided house is particularly likely to be seen differently by different clergy according to their circumstances. However, 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 it is recognized 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.
12. Two alternative approaches were adopted for valuing the housing element of the package – 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).
13. The first approach used data on private rental values taken from Valuation Office data compiled by the Office for National Statistics (ONS). The average rental value of a four-bedroom house in England was £23,600 as at October 2024 (with a range from c.£9,400 to c.£32,500).
14. 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 2024, which was £496,000 (UK government land registration data). From this, the annual capital repayment is calculated to be c. £20,667 and the interest payment c. £23,560 (assuming an interest rate of 4.75%), totalling £44,227. The capital gain figure has been estimated as roughly equalling the cost of interest over the past ten years. This figure is deducted (£23,560), giving a valuation of the average cost of purchasing such a property as £27,600.
15. Recognising that property values differ significantly regionally, the calculation was also run using the average value for a detached property in Sunderland (£260,000) and Guildford (£897,000). In the case of a property in Sunderland, the cost of ownership value would be c. £16,600 and in Guildford c. £46,300.
16. The lower of the average figures produced by the two approaches (£23,600) was adopted.

Other benefits

17. The benefits of not having to pay Council Tax, water charges and the benefit that parochial clergy may receive part of their stipend paid free of tax and National Insurance as a contribution towards heating, lighting, cleaning and garden upkeep (HLC) costs were valued using average values.

18. For Council Tax the average band E figure for England for 2023-24 of £2,200 was used. The average figure used for water charges of £475 was an Ofwat figure for average water and sewerage charge. A figure of £300 was used for the tax saving on average HLC spend.

Annex 2 : Stipends of dignitaries and residentiary canons appointed before 1 April 2004

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

19. The General Synod decided in November 2002 that the differentials paid to dignitaries and residentiary canons, expressed as multiples of the National Minimum Stipend (NMS), should be rounded down from their then levels. The extent of the rounding down and the way in which the new differentials should be introduced were discussed by the Deployment, Remuneration and Conditions of Service Committee and by the Board of Governors of the Church Commissioners and the Council agreed to recommend to the Church Commissioners, cathedral chapters and dioceses arrangements for dignitaries and residentiary canons from April 2004.
20. In 2010 the Archbishops' Council and the Commissioners decided to adopt a new approach, by linking increases in the stipends for dignitaries and residentiary canons to increases in the National Stipends Benchmark. There would be two levels for each post, one for clergy appointed on or after 1 April 2004, and one for those appointed before 1 April 2004.
 - a) Newly appointed clergy would be paid at the level for clergy appointed on or after 1 April 2004 unless immediately before their appointment they were in receipt of a stipend at a higher level. In this case, the Council recommended that a receiving diocese or cathedral should have discretion to enhance a person's stipend initially but then reduce it in equal steps during a maximum period of three years until it reached equivalence with the lower stipend attached to the new post. This means that a person in this position would receive the first reduction in stipend on appointment and two subsequent reductions in the second and third years dated from the time of appointment. Members of the senior clergy who move to posts with lower stipends should have as their target stipends the levels of stipend that have applied to those posts since 1 April 2004 except for those clergy moving within the same 'pay band' (diocesan bishops, deans, suffragan bishops, archdeacons and residentiary canons) who should retain their pre-1 April 2004 stipend level.
 - b) Stipends for bishops, deans, and archdeacons who were in post before 1 April 2004 should, from 2010, be increased by the lower of the Retail Price Index (RPI) or the increase in the NSB, until they reach the stipend of clergy who were appointed on or after 1 April 2004.
 - c) Following the withdrawal of Regional Stipends Benchmarks, the Board agreed that stipends for residentiary canons appointed after 1 April 2004 should be increased in line with each diocese's Diocesan Basic Stipend (DBS), subject to a maximum level.
 - d) Stipends for residentiary canons who were in post before 1 April 2004 should be increased by the increase in the NSB or the increase in inflation, (if that is lower) only, until they reach the stipend of clergy who were appointed on or after 1 April 2004.
21. The measure of inflation to be used in calculating annual increases in stipends for existing post-holders should be the actual CPIH (having previously been RPI) for the twelve months to the previous September.