Clergy Wellbeing

Stipends, Pensions, Housing, Retirement Housing

Diocesan Synod, 15 June 2024

What this presentation seeks to do

Provide facts rather than opinion

Highlight difficulties

Give realism about what the diocese can change

Enable informed discussion

What this presentation seeks to do

Be sensitive that these subjects are about the lives and hopes of people here

Recognise that the personal circumstances of every member of clergy are unique and private to them – but are also lived out in the context of public ministry.

Scope for diocesan action

Effectively very limited:

- Terms and Conditions of service are set nationally
- Pension and retirement housing arrangements are also set nationally

Can the Diocese develop solutions of its own?

Can the Diocese effectively lobby for change?

Clergy Stipends – what are they?

Clergy in parishes are office holders not employees

They are paid a stipend rather than a salary – but the difference is language

Being office holders, who have the living of their parish or benefice, brings some advantages to parish clergy, mainly in respect of protection of their posts and in employment legislation.

DIOCESE OF ST ALBANS
Living God's Love

Clergy Stipends – today

National Minimum Stipend is set by Central Stipends Authority (which is the Archbishops' Council)

Dioceses use this as a guide but there are some variations

In 2023 St Albans had the seventh highest stipend, but in a narrow range: the highest stipend was only 108% of the national minimum, St Albans was 105%

Clergy Stipends – today

From April 2024 stipends for incumbents and priests in charge have been £31,758

This compares to median average salaries of about £29-30,000, and the national minimum wage of about £21,000

DIOCESE OF ST ALBANS
Living God's Love

Clergy Stipends – the last few years

St Albans stipends have increased in recent years, but behind inflation

2019	Stipend 2%	Inflation 1.9%
2020	Stipend 2%	Inflation 0.8%
2021	Stipend 0%	Inflation 2.0%
2022	Stipend 1%	Inflation 7.9%
2023	Stipend 5%	Inflation 7.7%
2024	Stipend 7%	Inflation 3.0%

Clergy Stipends – longer term

There is more of a problem in the longer term

In 2001 a review group suggested that a full-time minister should receive a pay rate comparable with the head of a large primary school – that would have meant a one-off increase of 18% - it never happened

Instead, the real value of stipends has declined

In 2009-2019 stipend increase were approximately 10% less than inflation

DIOCESE OF ST ALBANS
Living God's Love

Clergy Stipends – hard realities

Inflation in the last three years has created pressure for all - but particularly for clergy with limited increases and limited flexibility

This diocese has been able to provide some support from discretionary funds and from supportive charities, but there has been real need for many clergy in the diocese

Last year 22% of stipendiary clergy across the country felt it necessary to approach the Clergy Support Trust in 2023 to seek additional financial support

Clergy Stipends – the future

A Clergy Remuneration Review in 2021 agreed that stipends should in future increase in line with inflation

Clergy Stipends – what can the diocese do?

Stipends are by far are the largest expenditure item in our Common Fund

85% of common fund income comes from generosity in our churches through parish share payments

Significant increases in stipend require parish share increases

What about Church Commissioner money?

Clergy Pensions – the principles

Non-contributory

Based on retirement age of 70

How pensions are seen is likely to depend on other aspects of household incomes and pensions

The main issue facing clergy in retirement is likely to be their housing

DIOCESE OF ST ALBANS
Living God's Love

Clergy Pensions – the reality

- As for stipends, developments in the last period have not been good
- The value of clergy pensions dropped in 2011 from two-thirds of the National Minimum Stipend to one half.
- With other changes this means that clergy pensions are worth one-third less than before
- The National Minimum Stipend is currently £28,670, the clergy pension is therefore £14,335 per annum – less than £1,200 per month

DIOCESE OF ST ALBANS
Living God's Love

Clergy Pensions – the problem recognised

In February 2024 General Synod passed a motion:

That this Synod 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 as sustainable a manner possible.

Clergy Pensions– what can the diocese do?

- Independently very little
- Lobby for changes and allocation of Church Commissioners funds

DIOCESE OF ST ALBANS
Living God's Love

Clergy Housing – the responsibilities

- Housing is provided so that the incumbent and other clergy can be based in the parish or benefice where they minister
- Therefore, the diocese has responsibility to provide suitable clergy housing
- Housing is provided 'for the better performance of your duties' in order for it not to be a taxable benefit

DIOCESE OF ST ALBANS
Living God's Love

Clergy Housing – in practice – the positives

- Free accommodation
- Includes council tax and water rates
- What is the value of tax-free housing?
- Commercial renting of properties would be likely to give rents of between £1,500 and £2,500 per property
- Benefits are therefore likely to be £22,000-£34,000 per year after tax

DIOCESE OF ST ALBANS
Living God's Love

Clergy Housing – in practice – the negatives

- No choice over house or location
- Compromise of public space and private space
- Standards of repair and maintenance
- Limited opportunity to invest in improvement

DIOCESE OF ST ALBANS
Living God's Love

Clergy Housing – what must the diocese do?

- Work towards fully appropriate housing for all clergy in parishes
- Invest in maintenance, repairs and improvements in the parsonage estate stock
- Respond quickly and effectively
- Develop imaginatively and with consultation

Clergy Retirement Housing

- Retirement housing used to be a standard provision for clergy – part of an unwritten understanding or contract
- Now it is assumed that many clergy will be able to own their own property – but it doesn't always work like that
- Those with the greatest struggle in their active ministry also face the greatest difficulties in retirement

DIOCESE OF ST ALBANS
Living God's Love

Clergy Retirement Housing

- Results in some clergy having real difficulties in retirement
- Other clergy having real anxiety during their active stipendiary ministry

DIOCESE OF ST ALBANS
Living God's Love

Clergy Retirement Housing

- There has been a national scheme: Church’s Housing Assistance for the Retired Ministry scheme
- But this CHARM scheme is recognised as failing
- Overall, it doesn't meet the needs of retired clergy
- Specifically, there have been large rent increases for CHARM properties

Clergy Retirement Housing

National proposals are being developed based on helping clergy to own their own properties

Assistance to buy

But still probably not suitable for all

Clergy Retirement Housing - what can the diocese do?

Action within the diocese is probably limited – being a high housing cost area is not helpful

Can the diocese effectively lobby for change?

Questions

- What has surprised you about what has been presented today?
- How does this make you feel as a member of clergy?
- How does this make you feel as a member of laity?
- What might you seek to do in parishes to address these issues?
- What should we seek to do in the diocese to address these issues?