

Paper G2

Possible one-off payments to ministers and lay staff

Finance Committee

Basic information

Contact name and email address	Ian Hardie, Treasurer ianzhardie@googlemail.com
Action required	Decision.
Draft resolution(s)	8. General Assembly resolves that, as a gesture of good will towards those who work for the Church centrally and bearing in mind the recent energy cost increases for many, with the likelihood of further energy price rises to come later in the year, a gross payment should be made together with October 2022 stipend and salary payments amounting to: <ul style="list-style-type: none">• £800 in the case of each office holder in receipt of a stipend under the URC Plan for Partnership; and• £500 in the case of each 'Church House' employee.

Summary of content

Subject and aim(s)	Possible one-off payments to office holders and employees in 2022.
Main points	<p>The 2022 stipend and salary increases were determined when inflation was much lower than it has since become and, particularly, before significant rises in energy costs were expected.</p> <p>The committee wishes to give members of General Assembly an opportunity to indicate whether, in those circumstances, they wish to make a gesture of good will towards both office holders and employees by awarding one-off payments to be made with October stipends/salaries.</p>
Previous relevant documents	
Consultation has taken place with...	URC Maintenance of the Ministry Committee.

Summary of impact

Financial	The proposal would give rise to additional, unbudgeted, 2022 costs as set out in paragraph 9 of the paper.
-----------	--

External (eg ecumenical)	
-------------------------------------	--

1. It is appropriate to ensure all members of General Assembly are aware that the members of the Finance Committee include serving ministers and lay staff who would benefit from this proposal, and the committee is supported by other lay staff who would also benefit. However, none of those people were party to agreeing the final form of what is recommended here.
2. Each year, data available at about the mid-point in the year is used in the process of considering whether, and if so by how much, to increase both the stipend and salaries of ministers/CRCWs, and also centrally-funded lay staff and ministers on employment contracts, from the following 1 January. Different data are used for stipends and for salaries but, in both cases, the rate of inflation considered in mid-2021 was significantly lower than it now is. In addition, the rapid and extremely large recent rises in energy costs, with further rises likely from October, is known to be of deep concern to many of our office-holders and employees.
3. The Finance Committee recognises that the energy cost increases will have had varying financial impacts on people in different circumstances:
 - some may be on fixed term energy contracts which are protecting them from increases for a period, while others are not
 - some live in poorly insulated older properties (and some manses may be larger and more energy-intensive than ministers might have chosen for themselves), while others have much more modern and energy-efficient accommodation.
4. Nonetheless, this paper invites General Assembly to consider whether it wishes to make a one-off gesture of good will of a uniform amount to all ministers/CRCWs in receipt of a stipend and, similarly, a one-off gesture to 'Church House' staff of a different uniform amount, in recognition of the financial pressure our people are, or will be, facing in 2022. Any such payments would not have an impact on the normal consideration of stipend/salary increases as describe in paragraph 2 above, nor would they be consolidated for pension purposes.
5. Initially, consideration was given to making the ministers' payments dependent on a claim, and for amounts (up to a ceiling level) which each claimant thought to be appropriate. However, there was concern that different claimants would take differing views of the extent to which it was appropriate to make a claim, and that some of those most in need of assistance might not claim at all. It was thought better, therefore, to suggest a single uniform payment for all ministers, and another for all staff.
6. The primary reason for the suggested difference in amount between the two groups – £800 for ministers/CRCWs receiving a stipend under the URC Plan for Partnership and £500 for ministers on employment contracts and lay staff – is because of the probability that more stipendiary ministers will be living in older, poorly insulated properties that are too big for them as a result of the accommodation standards imposed by the Church through the Plan for Partnership.

7. The Finance Committee considered whether the size of the payment should vary depending on whether the office holder or employee is full-time or part-time. The conclusion was that since energy price rises will have as much of an impact on part-time as on full-time servants of the Church, and because this is simply a gesture of good will towards all our people, there should be no abatement of the amount for part-timers.
8. The Committee also recognised that, in a minority of cases, two ministers or staff members may share the same accommodation. Since the amount is suggested as a gesture of good will to all our people, again it did not seem right to restrict entitlement in such circumstances.
9. The Finance Committee is acutely aware that the budget for 2022 already anticipates an extremely large deficit for the year. During the first quarter of 2022, M&M contributions from local churches were about £246k above budget. It is thought that a significant element of this arose through circumstances that are unlikely to be replicated in all future quarters of the year. Ignoring any end-year uplift in the budgeted M&M figure, the cost of the proposal in this paper is about £313k for stipend payments, and £40k for employee payments.