

Dear Colleagues

I am writing to let you know some important news about this year's process for clergy wishing to submit their annual heating, lighting, cleaning and garden upkeep (HLC) claims.

You will recall we installed a new payroll system at Church House and have been successfully paying clergy from it since November 2012. Part of the specification for the system was that it should enable clergy to submit their HLC claims on-line instead of using the old 'pink forms' – by doing so the application process would be significantly simplified, the claims would be instantly updated on the system and a large amount of manual input would be avoided. The original intention was that this new system would be ready to use from April 2013 (sic) but that in the first year we would allow clergy to use the old system of pink forms if they preferred whilst we managed the transition to the new system.

I regret to inform you that here we are in July 2014 and the software supplier has **still** failed to deliver a working HLC system and, mindful of the approaching HMRC deadlines, we are implementing a stop-gap solution. I realise this delay has been a cause of increasing anxiety for clergy and diocesan staff alike, for which I want to apologise profusely, but you are not alone as the stress levels amongst colleagues in the clergy payroll team have been magnified a hundred-fold by this continued delay.

So what are we doing to address the situation?

Firstly we have **agreed with HMRC an extension to the cut off period** and they will accept all HLC claims submitted by 30 September. In the meantime those who already receive relief through the HLC system continue to do so at last year's rates.

Secondly **we are testing an online version of the HLC return** which will allow clergy to submit their returns via the My View system – the only difference at this end being that the details will have to be loaded manually into the payroll rather than going through automatically as intended by the system specification. **We hope to have this solution available by the end of July and will be writing to all clergy with simple instructions** about how to access the system. There will be a fall back option for those who are unable for whatever reason to access My View.

As well as writing to clergy (hopefully within the next ten days) we will be putting information onto the website explaining the situation **but it would help us greatly if you could inform your networks about what is going on and reassure clergy that they will not be disadvantaged** by this unacceptable delay in sorting this out. All claims will be backdated to the relevant period.

Please accept my apologies once again for the stress and anxiety that this is causing.

With best wishes

Ian Theodoreson