

**Lichfield Diocesan Board of Finance**  
**Stipends and Allowances - Effective from 01 January 2025**

**Incumbents, Priests in Charge, Team Vicars, Resident Ministers**

As approved by Bishop's Council in November 2024, the standard stipend rises on 01 January 2025 from £30,090 to £31,445 per annum. This represents a 4.50% increase; the National Minimum Stipend (NMS) increases from April 2025 will also be at 5%, this is linked to the Pensions. The National Stipend Benchmark increases from April 2025 by 3% to £31,558. The Diocese has moved the Stipend review date to January each year with effect from January 2021.

**Assistant Curates and Accredited Lay Ministers**

In accordance with the recommendation of Archbishop Council, in "Generosity and Sacrifice", the Diocese implemented Aspiration 1 with effect from 01 April 2005. The Curate Scale must be a minimum of the National Minimum Stipend. From April 2025 this is £30,110. The rate and the scale for Assistant Staff from 01 January 2025 will be as follows:

Year 1	£30,110
Year 2	£30,110
Year 3	£30,100
Year 4	£30,100

The two additional points, A and B, which are used at the discretion of the bishop for the benefit of Accredited Lay Ministers, reflecting length of service and/or responsibility involved in their present appointment, have been amalgamated and the pay scale is the same as for Assistant Staff at £30,100pa.

**Expenses and Allowances** – *Please note that expenses are defined as reimbursement for **additional costs** incurred in carrying out work or business duties.*

**(a) Mileage Rates**

The recommended Diocesan mileage rate for 2025 has been set at 45p per mile for the **first 10,000 miles**; 25p per mile thereafter. **Please note that the mileage threshold is in line with the current regulations set by the HMRC subject to any changes in the Budget.** Please bear in mind the cost of mileage expenses on both Parochial and Diocesan funds, and therefore please do as much as possible to keep these costs to a minimum. It should also be demonstrated that these are additional costs being incurred and reclaimed.

**In addition, from 01 January 2019, it has been agreed that an extra 5p per mile will be paid if the car is shared with another officer or committee member who would**

normally travel by car to a meeting. This can be claimed by simply adding the person's name who shared the car with the expense claim for the journey.

All required forms may now be downloaded from the Finance Website (<https://www.lichfield.anglican.org/finance>) or alternatively please contact the finance department at the Diocesan Office.

#### **(b) Rural Deans**

In recognition of the considerable responsibility undertaken by the Rural Deans in addition to their parochial duties, and allowance of £1,355 per annum will be received.

The allowances will be automatically added to your stipend and consequently will be paid through the Church Commissioners payroll in the normal manner.

All Rural Deans may claim expenses, specifically incurred in the role as Rural Dean, up to £875 for the 2025 calendar year. Assistant Rural Deans may claim a maximum of £450 per annum. If you believe you are likely to exceed these maximum figures, please contact your Archdeacon at the earliest possible opportunity.

Rural Dean Expenses are encouraged to be claimed on a quarterly basis. To assist with the financial reporting of the Diocese it would be appreciated if these claims could be made quarterly rather than half yearly or annually as in the past. **Please note that Deanery Synod expenditure should be met by the respective Deanery Synod, and not included in claims to the Diocesan office.**

#### **(c) Team Rectors**

Team Rectors will receive a £750 responsibility allowance and are entitled to claim up to £125 in respect of expenses necessarily incurred in running a Team Ministry.

#### **(d) Extra Parishes**

Those clergy who serve in more than one parish are entitled to claim travelling expenses for journeys between the parish of residence and other parishes served. There is a maximum of £835 per additional parish.

For clarity the rules are as follows: -

1. Where an appointment is responsible for more than one parish (this rule does not apply for daughter or mission churches), then the Parish church closest to the Diocesan Nominated Place of residence will be known as Church A. Travel from the door of Church A to the door of Church B (and subsequent churches if applicable) can be reclaimed from the DBF. Church A can be changed only with agreement by the DBF.

Remember these are expenses, so expenses rules apply, and only actual incurred expenses can be reclaimed – e.g., if it is a shorter trip direct to Church B, then the reduced rate should be claimed. All expenses by the clergy are claimed directly from the local PCC and not direct from the DBF.

2. The PCC then can reclaim costs referred to above by providing a breakdown from the expenses claim made by the member of the clergy.

To assist with Parish Cashflow and Diocesan Financial Reporting/Forecasting, these may be claimed on a quarterly basis. It would be appreciated if these claims could be made in April, July, October 2025, and January 2026 at the latest. Please ensure that any mileage claim represents actual miles travelled and not estimates.

These expenses are paid to your nominated PCC rather than to you as an individual. This enables you to make regular claims from the relevant PCCs. In very exceptional circumstances it may be possible to have these expenses paid to you as an individual, but this is contrary to 'best practice' and will only be possible with prior consent from the Diocesan Office. Claims should be in the first instance sent to the Finance Department using the form on the website.

The Board insists on rigorous checks and proper authorisation of these claims for everyone's benefit so please ensure that your claim is accurate and verifiable.

#### **(e) Removal Expenses**

These are settled on the lowest of three estimates, one of which should be from Pickfords. The Diocese no longer provides Transit Insurance so insurance with removal companies will need to be agreed and included in the removal costs.

Please advise the Office of the estimates and, having received authorisation for one of them, make the necessary arrangements with the named contractor, asking them to forward the account direct to St. Mary's House for payment.

#### **(f) Settling-In Allowance**

These may be paid up to two months in advance of the date of institution of licensing and must be claimed in writing. The rate for clergy is £2,900 for those with the licensing date between 01 January 2025 and 31 March 2025. For those with a licensing date after 01 April 2025 the Allowance will be £3,015.

**With increases in Removal Costs, please note that there is a limit set by the HMRC that Removal Costs and Settling In Allowance must not exceed £8,000. Therefore, if the Removal Quotes exceed £5,150, please contact the Finance Department as early as possible.**

### **(g) First Appointment and First Incumbency Grant**

A First Appointment Grant of £2,900 is paid to Curates and Accredited Lay Ministers automatically after licensing to a first appointment until 31 March 2025. From 01 April 2025 the rate will increase to £3,015

A First Incumbency Grant of £2,850 is paid automatically for First Incumbencies (including appointments as Priest-in-Charge or Team Vicar) and is paid after licensing until 31 March 2025. From 01 April 2025 the rate will increase to £3,015

For those appointments which do not qualify for a First Appointment a Robe Allowance of £1,060 (£1,090 from 01 April 2025) may be applicable and should be applied for through the diocesan office. If a Robe Allowance has been made the sum may be deducted from the First Appointment Grant, if the First Appointment Grant is made within 18 months of the Robe Allowance.

### **Parochial Fees**

There has been some significant change to the Parochial Fees with effect from 01 January 2013. One of the largest changes is that the previous Incumbents fee is now due to the Board of Finance, unless you notified the Diocesan bishop before 31st December 2011 that it was your intention to continue to retain your fees.

Despite this change the Board of Finance is not suggesting any change to the current procedures carried out around the diocese, in that fees are collected locally by the PCC and submitted to the DBF on a regular basis with a Fees Return Form.

**The DBF recommend that fees are paid by Direct Debit, and a monthly return is made, even if the return is Nil.**

**In some cases, an agreement can be made to file quarterly returns. It is important that fees are submitted regularly, preferably monthly, to the Diocese to avoid unnecessary complications later in the year.**

**With the Direct Debit method of payment an agreement can be made when payments are made rather than necessarily when the return is made. This may help with parish cash flow.**

Fees are currently very much under scrutiny, as you will be aware. Our earnest advice is that you ask whoever audits your PCC accounts to audit also your own personal Parochial Fees accounts. If, as we hope, your PCC Treasurer looks after your fees, this should be relatively straightforward. The Board reserves the right to carry out random audits of parochial fee accounts and procedures. The Finance Department are currently undertaking a round of audits on fees to satisfy the external auditors' requirements on fees declared in the annual accounts. This is for everyone's benefit and protection.

## Local Fees

The other significant change was to PCC Statutory Fees. There has been an increase in PCC Statutory Fees as these now cover such local costs as Administration, Lighting, and use of the building (including Insurance).

Please note the Statutory Fee does not include Heating, this may be an additional charge applied by the PCC. However, all 'extra' charges must be optional and not mandatory.

It remains permissible for incumbents and PCCs to impose charges for certain items if those marrying or arranging a funeral etc genuinely opt to have them and agree in advance to the charges being made. Such items include:-

- Organist, choir, and other musicians (including recording fees where applicable)
- Bellringers
- Flowers and flower arranging (if provided by the church)
- Printing of service papers (if provided by the church)
- Verger.

The Diocese has always advocated that parishes make the fee table visible to all visitors and those planning weddings and funerals – and in addition put up a table of local fees from which people can choose what they want and what they do not want. It is called transparency and protecting the integrity of both the PCC and the Incumbent. It has never been lawful to set compulsory local fees and the diocese has never advocated parishes doing so and never will – it is essential the parish make it clear to all concerned on the optional elements and the cost of each should they be chosen.

**Please note that where a PCC who have arranged or administered a Non-Service in Church Funeral is now included within the Statutory Fee table, set at £35, so there is no longer a discretionary payment from the DBF.**

**Please refer to the Fees leaflet and FAQs on the website.**

### **Retired Clergy (Excluding NSM/OLM etc.)**

The fee for regular services payable to retired ordained clergy not in full time church or secular employment is £64.00 with effect from 1st January 2025, in accordance with recommendations of the Archbishops' Council. Mileage may be reclaimed at the Diocesan Mileage rate of 45p per mile.

**As disclosed last year the Diocese implemented a change in its policy on fees for Weddings and Funerals carried out by Retired Clergy with effect from 01 April 2025. In accordance with the recommended practice and agreed by Bishop's Council one third of any fee is to be assigned to the Diocesan Board of Finance. An updated Code of Practice, including the fees due to Retired Stipendiary Clergy and payments to non-Stipendiary clergy is available on the website or by request from the Diocesan office. The Diocese is considering changing the guidance notes to Funeral Directors, so that they only pay either the PCC or the DBF in respect of fees and not individuals direct. We appreciate this may increase the**

**workload in some situations but follows discussions with the external auditors of the Diocese on full accountability regarding fees.**

**If you have any queries regarding this area, please contact either your Archdeacon or the Diocesan Finance Department.**

### **Housing Allowance**

This section only applies where the Diocese are unable to provide a suitable house for the post concerned. If a house is available and the person decides not to reside in the property then permission is required from the Diocesan Bishop, and a Housing Allowance will not apply. Some consideration may be given to award a supplementary allowance.

From 01 January 2025, for those Clergy or Sector Ministers who reside in their own property the housing allowance equated to 33% of the basic stipend, £10,480. In addition, the Diocese will pay both Council Tax and Water Rates in line with the national guidelines. This is designed to simplify the previous policy.

There will be a transitional period from the previous policy, which is as follows: -

At the Finance and Asset Management Committee in December 2021 and ratified by Bishop's Council it was agreed increase the Housing Allowance of £12,100 per annum be frozen until 31 December 2024. Any individuals who are in receipt of a Housing Allowance are responsible for their own Council Tax and Water Rates unless the following has been requested: -

- 1. Clergy are given the option to 'opt out' of the Standard Housing Allowance. If this option is taken, then the Housing Allowance will be reduced to £9,260 per annum; however, the Diocese will pay both the Council Tax and Water Rates.**
- 2. A Housing Allowance will cease being pro rata for part time posts; a full allowance will become payable – unless there is already an alternative agreement in place.**

Occasionally special circumstances may arise which cause genuine hardship or unfairness. In such cases the matter will be referred to the Finance and Asset Management Committee (FAM) whose decision will be final.

### **Housing Outside the Benefice**

There are occasions when the house provided is outside the Benefice (or Benefices). This is more common with curate placements, although there are a few occasions due to various reasons a house for an Incumbent is outside the Benefice.

Travel from the house to the church (if more than one church the closest church to the housing) will be reimbursed. Under the HMRC rules this is classed as travel from home to work, and therefore it must be paid through the payroll. The reimbursement will be made through pay and the claim is grossed up to take into consideration tax implications.

## **Heating and Lighting Allowance**

It had been agreed that from 01 January 2022, a new allowance will be paid to those clergy in part time posts, who do not receive automatic HLC allowances. An Allowance of £3,000 per annum will be added to the stipend and be paid monthly with effect from 01 January 2025. Only one Allowance will be applicable per household.

## **Sick Leave**

If you are required to refrain from your duties due to ill health, please note that it is important that you inform either your Area Bishop or Archdeacon at the earliest opportunity. If your absence exceeds three working days, then please complete a self certification form supplied by the Church Commissioners payroll. Copies can be obtained from the link on the diocesan website. This form should be submitted direct to the Church Commissioners or to the Diocesan Office. It is preferred that such sick notes are sent to the Diocesan Office so we can monitor absenteeism and report it accordingly to both the Commissioners and Senior Staff.

Should you be absent through sick leave for more than seven days then you are required to obtain a Doctors Certificate and this needs to be submitted to the Diocesan Office. **Failure to do so may result in either part of your Stipend being deducted, or the absent period being treated as part of your holiday entitlement.**

The current Diocesan Policy can be found in full on the website.

## **Maternity/Paternity and Adoption Leave**

A full copy of the Diocesan Policy, which follows the National Guidelines can be found on the Diocesan Website or please contact the Finance Department for either a copy of the policy or if you have any queries.

## **Jury Service**

If you are called for Jury Service, please contact the Finance Department at your earliest convenience. There are guidelines on the diocesan website on the process and procedure regarding your stipend.

## **Discretionary Fund**

The Bishop has a Discretionary Fund from which help may be given in cases of hardship. If you know of any such cases, please inform your Archdeacon.

**Jonathan Hill**  
**Director of Finance**

**January 2025**