

Overview

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Purpose	To provide clarity on the atypical situations in which we offer housing to Clergy across the Diocese of London and the legislative underpinning of this offer.
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Scope	This policy applies to all clergy whether employed in a role of 0.5 FTE and over, and those on common tenure who exercise ministry for 2 days + Sunday within the Diocese of London.
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Effective Date	01 January 2025
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The LDF Clergy Housing Policy

Introduction	Incumbent Clergy hold the legal title to the parsonage house of their benefice. The duties and responsibilities of the Diocese of London and the Incumbent are set out in the <i>Repair of Benefice Buildings Measure 1972</i> and Part 1 of the Church Property Measure 2018. For all other clergy who occupy an office for 2 days a week plus Sunday (or more), where the Statement of Particulars specify the provision of accommodation for the office holder, the office holder shall be treated, for the purposes of this policy, as if he or she had an entitlement to be provided with accommodation. Furthermore, the Ecclesiastical Offices (Terms of Service) Regulations 2009 sets out the expectation for accommodation which is “reasonably suitable for the purpose” by a relevant housing provider, often the Diocese of London or the Parish Parochial Council (PCC). Housing is considered to be the provision of accommodation free of rent, with council tax, water charges, maintenance, external decoration and buildings insurance all provided. If eligible, but there is not an appropriate house available in the Diocesan housing stock, an alternative housing provider will be identified (such as the PCC) or an appropriate rental property will be sourced on the cleric’s behalf. If any of the above are not possible, a housing allowance may be paid. The Archbishops’ Council Remuneration and Conditions of Service Committee (RACSC) has produced guidance on housing flexibility for clergy office holders in April 2023 and the Diocese of London has adopted the recommendations set out in said guidance. This policy will set out the circumstances for atypical situations which fall outside the governance of the above-mentioned legislation and guidance to ensure fairness and consistency when responding to a clergy person’s, and their family’s, specific housing needs.
Eligibility	In the Diocese of London housing is provided by the LDF or a nominated provider (indicated by *) in most circumstances, subject to the above thresholds, for the following roles: • Archdeacon • Assistant Curate in training (Title Post) * • Assistant Curate not in training (Associate)* • Area Bishop • BMO Leader (subject to the supplementary instrument of the BMO)* • Team Vicar/Rector • Vicar/Incumbent/Rector/Minister-in-Charge/Priest-in-Charge
Employed Clergy	In order to determine whether a role should be employed directly by the LDF with relevant terms and conditions, please refer to the national guidance for further details.

All new clergy employed by the LDF, including chaplains, will be offered a salaried position in line with the LDF pay structure. The postholders will have the option to continue their membership in the Clergy Pension Scheme.

In circumstances where employed clergy are appointed under Regulation 29 to a dual role (employed roles held in conjunction with an Assistant Curate not in training office), it is anticipated that the housing will be stipulated in the statement of particulars for the parochial element of the dual role.

**Benefit in kind
(BIK) tax**

A benefit in kind is a non-cash benefit of monetary value that is provided by an employer to an employee at no cost (or greatly reduced cost). Employed ministers of religion are exempt from this taxation when the work they do is not of an administrative nature, please refer to the [national guidance](#) for further details.

The duties of the role will need to be considered when deciding whether or not to apply benefit in kind (BIK) taxation. This decision will be dependent upon whether the role is genuinely ministerial in nature and not performing, what is considered to be, an administrative function for the LDF. In situations where the role is deemed to be ministerial in nature, the specifically ministerial elements of the job description should be highlighted and emphasised.

Where BIK does apply, the LDF commits to ensuring that the employed clergyperson does not suffer a financial detriment and will reimburse the individual for loss of income through a process of “grossing up”.

**Curates and
Locally
Supported
Ministry**

Guidance is provided for parishes when requesting a training post curate or a locally supported minister that sets out the responsibility for providing housing. Housing for curates and LSMs must be provided locally by the parish.

Housing provision by the parish is a requirement for all stipendiary curates whether their stipend is paid by the Diocese or by the PCC. Parishes may have a house or flat available, alternatively they may rent a property to provide accommodation for the curate and their family. The rental arrangement would need to be made by the PCC in order to preserve the responsibility as the relevant housing provider under the Ecclesiastical Office.

Canon C25

Beneficed clergy are required under Canon C25 to reside in the house of residence within their benefice (or if they hold two in plurality, one of the two). The bishop of the diocese may, if they consider it appropriate in the circumstances, permit a beneficed priest to reside in a house of residence other than a parsonage, whether or not that house is situated in the benefice held by that priest.

Where a request to reside elsewhere is granted, the incumbent also renounces the right to the provision of accommodation or equivalent allowance.

Cases where it might be appropriate for the Bishop to grant permission under Canon C25 Part 4 include but are not limited to (several of these will be explored in more detail below):

- When the house is not suitable for particular access needs
- When the house is inappropriately sized, either too large for single occupancy, or too small for a large family
- When the incumbent lives in provided housing for their spouse who is also a clergy person
- When the clergy person already owns property
- When the clergy person is residing in social housing and to move out would jeopardise future entitlement should it be necessary

Housing Allowance

The Diocese of London has chosen to implement a scheme of Housing allowance which will be approved on a case-by-case basis but shall be allocated in one of three tiers:

1. Requested by the individual (for the purposes of paying existing mortgage/clergy spouses) who by their own choice live in their own property and not in allocated "Vicarage" which could and would otherwise be provided.: £5,000
2. Requested by the LDF, when housing is unavailable, or for the purposes of temporary accommodation (at which point any allowance would be a temporary arrangement until the accommodation becomes available): The annual housing allowance is £24,000 (subject to increases due to inflation only)
3. Required for specific access, or dependent family member's, needs for clergy who require a specific mitigation which arises from a protected characteristic or disability: fully reimbursed

Any housing allowance payments will be subject to tax and national insurance as additional income and will not impact the accrual of pension. Amounts will be detailed in the housing section of the Statement of Particulars.

Clergy Spouses

Tiers 1 and 2 will be pro-rated for part time clergy.

In the case of clergy couples, where both are entitled to be provided with a house, **the diocese's default position is that one house will be provided for the better performance of the duties** as we would anticipate that most clergy couples would want to live together and the shared provided house fulfils the requirement to provide housing for both of the clergypersons.

The spouse who is not residing in their parish would be invited to waive their right by agreement to their house and would then be entitled to receive travel expenses paid for by the Diocese from the house they live in, to the parish or edge of the benefice for one return journey per working day. Travelling expenses within the parish/benefice would then be reimbursed by the PCC in the normal way. Any travel expenses, whether paid by the PCC or Diocese will be subject to the tax in the usual way.

OR they could elect to receive the lower tier of the housing allowance and no additional expenses.

However, when the clergy couple are both of incumbent status holding the title of Rector, Vicar or Team Rector, they are both legally entitled to reside in their respective parsonage house, therefore they may choose which house they wish to live in and the Bishop will grant permission for the other one to live elsewhere rather than in the parsonage house. When one holds the incumbent status and the other does not e.g., associate status (Associate Minister or Assistant Curate in Training) or employed clergy, as the incumbent must reside in the benefice, this would normally be the designated house in which the clergy couple would live.

HLC Clergy who are part-time are not eligible to claim tax relief on the heating, lighting, cleaning, and garden upkeep (HLC) costs as part of their stipend, whether they live in provided accommodation or in their own house. However, they are still able to claim tax relief on any work-related heating, lighting, cleaning, and garden upkeep expenses through the ministers of the religion tax return under other expenses.

Authority, Related Documents & Document Information

Related controlled documents The Archbishops’ Council Remuneration and Conditions of Service Committee (RACSC) Guidance on Housing Flexibility for clergy office holders April 2023
Clergy Housing Handbook 2024 (Draft for approval in November)

Related legislation Repair of Benefice Buildings Measure 1972
Church Property Measure 2018.
The Ecclesiastical Offices (Terms of Service) Regulations 2009

Version Control Information	Version number	Issue date	Nature of amendment	Developed by	Approved by
	1	28 April 2025	Fully revisited policy	HR consulting JOT	COB
	2				