

The Heritage Alliance

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Dear Laura

One-off capital grant for listed places of worship

I am writing on behalf of the Places of Worship group at the Heritage Alliance (POWAlliance).

As you know, the membership of POWAlliance includes most of the national organisations in the UK who are responsible for listed places of worship, and other bodies who have a stake in their future. Our role is to provide government with a conduit for discussion with the whole sector in all its diversity; on those occasions or areas where our members are of a common mind, we are able to present their views to government.

Background to this letter

At our meeting on 7 December you explained that there was a one-off capital grant available for 2012–3 and asked us for our members' thoughts on criteria, the scope of the scheme, and the method of applying and awarding the money. Your email of 20 December confirmed that any comments we sent you by mid January would be taken into account, and we have consulted our members on the various areas. Your email of 9 January indicated you had become less interested in our members' views on the method of applying and awarding grants, though still wished to hear their views on other aspects. We have therefore placed the material on applying and awarding the money in an appendix. In all this we have appreciated that this is not a formal consultation.

Given the speed of response you required on this occasion we have made no attempt to obtain an overall consensus view from our members. In addition we appreciated that DCMS had already been in detailed and confidential discussions with some of our members on the matter, and we did not wish to unnecessarily duplicate discussions which have already taken place.

Our members are non-government, voluntary and private organisations that promote, conserve, study and involve the public in our heritage.

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Nevertheless, agreement has emerged in some areas. In others we simply report our members' views and accompanying reasons, in the hope that this will be useful to as it takes the matter forward.

Those responding to our consultation include faith groups, grant-giving trusts, expert advisers, and those who work closely with individual congregations. We hope you find their views helpful.

DCMS criteria

The total value of the grant is about £1.1m. We understand that DCMS wishes the money to be used UK-wide, that all places of worship eligible under the Listed Places of Worship Grant Scheme (LPWGS) would be eligible (including eligible 'redundant' places of worship), and that the scheme should be simple and easy to administer.

It will have to be spent and claimed by April 2013.

Influence of nature of funding on choice of scheme

The grant is extremely welcome, and could make a real difference. The sector already spends a good deal on its buildings, so – perhaps surprisingly – despite its generous size the grant represents less than 1% of the sum being raised and spent annually by congregations on maintaining and developing listed places of worship, and around 3% of the public money being provided for these buildings annually by direct grants. To put it another way, we estimate that it equates to approximately £60 per listed place of worship.

We mention this not in any way to downplay its value; indeed, our members are extremely grateful that in these straitened times, more money should be found in this way.

However, the grant will be able to fund a limited number out of many potentially worthwhile projects, whatever criteria are chosen for its scope. For this reason, and because the grant is one-off and time-constrained, there seems little point in spending too much time and effort in deciding on and setting up the 'optimum' distribution mechanism (even if it could be agreed what this is).

Given this particular background, we suggest that if a capital grant scheme is ever repeated, it should not be assumed that the scheme created on this occasion should simply be replicated without further consideration.

Time constraints

It takes time – very often more than a year – for a congregation to agree, plan for and specify appropriate work in a listed building, receive the necessary permissions, obtain estimates, carry out any required fund raising, obtain firm quotes, and get builders on site. If the money has to be claimed retrospectively by congregations (that is, after it has been spent) by April 2013, then it is likely that only projects which are at the moment almost ready to go, or are already near completion, will be able to apply.

However, as discussed below, with some (but not all) of the options for disbursement, the scheme could be organised to provide money for projects which are in need of support in order to start, or to allow a project to be extended to a further phase of work without having to wait for further fund raising.

Two of the proposed options for awarding the money involve it being distributed to individual congregations through one or more third parties (such as faith groups, or a grant-giving trust). Our members are unclear whether handing over the money to these third party/ies by April 2013 would itself meet the deadline – that is, whether in government's view, the third party/ies would be regarded as the recipient(s), as the money would then be off the government's books. If so, then this would allow more time for the third party/ies to decide where the money should best be placed, because they would not be working to the April 2013 deadline. However, if this is not the case – if the congregation itself needs to have spent the money by April 2013 – then this suggests that it would be helpful for DCMS to decide the method of awarding grants as soon as possible, in order to give as long as possible for the process to operate, especially as we understand it is unlikely an extension beyond April 2013 would be possible.

Scope of eligible works

There was general agreement from our members that the scheme should apply to the same type of item as the *original* LPWGS (for example, to include professional fees, and the other items dropped when the revised scheme was introduced).

We appreciate that as a capital scheme, the money is not to be used for repairs. Some capital items which would fit into such a scheme would include toilets, kitchens, or works to improve energy efficiency. Given the current problem with metal theft, we would hope that roof alarms would not be ruled out. This is by no means an entire list, of course. As one member pointed out, the money could be used to fund exciting and innovative work, alongside the continuous need for restoration and conservation.

In general, we understand that the scheme must add value / enhance a building. It is, however, not clear to us whether the money has to be used for *brand new* works, or whether (as our members would prefer) it can be used for any capital works that add value / enhance a building, perhaps with the condition that the work increases usability of the building or makes it easier to appreciate the heritage represented by the building or its contents.

Size of grant

It was generally felt that the money would most effectively be used by providing a number of relatively small grants, or a mix of sizes, rather than a few very large ones. It was pointed out that spreading the money too thinly would be unlikely to make a difference, and could take disproportionate effort to administer.

It may be helpful to know that the smallest size of useful grant explicitly mentioned by any member *in the context of this grant scheme* was £2.5k, though most assumed a minimum of £5k/10k; and the largest explicitly-suggested size was £50k perhaps rising to £100k.

If DCMS used one or more third parties to distribute the money, then within broad parameters, the grant size should probably be left to the discretion of the third party/ies distributing the money.

Delivery

In the appendix, we have summarised the views of our members as to the options for awarding the money.

Conclusion

We appreciate that setting up from scratch a one-off, time-constrained and budget-limited grant scheme for a new class of expenditure is not straightforward. We hope this letter is helpful to DCMS as it considers an appropriate way forward. Please do not hesitate to come back to us if you want to discuss this further, or if you would like us to consult with our members on other matters.

Yours sincerely

Trevor Cooper

Chair of the Places of Worship group, part of the Heritage Alliance

APPENDIX: Options for applying and awarding the money

Options

There would appear to be four broad options for disbursing the capital grant which meet the DCMS requirements (UK-wide, same eligibility as LPWGS, simple and efficient to administer):

- 1. Congregations individually apply for a grant after they have spent the money*
- 2. The money is distributed by faith groups*
- 3. Distribution is by an existing UK-wide grant-giving agency*
- 4. Hybrid of 2. and 3.*

The first of these was not thought a good option by our members. Various features of options 2 and 3 were suggested by members, but there was no consensus on which was preferable.

Option 1: Congregations individually apply for a grant after they have spent the money

With this option, congregations (and the owners of relevant redundant buildings) would send in proof that they had already spent the money in an approved way. If the criteria were met, an after-the-event grant would then be given. Rules would need to be agreed as what sort of spend was eligible, the size of the refund in relation to the spend, and rules for rationing the money if it ran out (e.g. first come first served, or as a proportion of claims as for the LPWGS). This could be administered by Liberata, the organisation which administers the LPWGS.

This has the attraction of being transparently even-handed.

However, we fear the grant may not do much to encourage work, and could even take existing money out of the system. Unlike the LPWGS, because of timescales and lack of forewarning the grant would often be applied for and received by schemes which had undergone earlier fund-raising without knowledge of this one-off grant, and were therefore already fully-funded. When received, the grant might therefore be put away and not spent, or might replace private sector matched funding already promised. Thus it would not lead to any additional work being carried out, and might remove existing money.

A further difficulty is that new rules and processes will be required without any opportunity to pilot them. Without prior testing, they could lead to underspend, or severe rationing.

Finally, it was suggested that this might be a relatively expensive option.

For these reasons, our members thought this was not a good option – it might have little impact, and could remove existing money from the system.

Options 2, 3, 4

Options 2 and 3 (and the hybrid option 4) rely on one or more third parties distributing the money. Although there was some agreement about the factors which distinguish these options, there was no consensus about their relative merits. In the following paragraphs we describe these options and the ways in which our members thought they may differ.

Option 2: the money is distributed by faith groups

With this option, the money is distributed by faith groups / denominations to selected projects. That is, the Church of England would receive a lump sum to distribute for its selection of projects, as would the Church of Scotland, the Roman Catholics, the Baptists and so on. The Churches Conservation Trust (CCT) has as many listed buildings as some of the main denominations, so could also be treated as one of them. The money would be distributed by the faith groups within the broad criteria agreed with the government.

Those in favour of this approach suggested that once with the faith group the money could very quickly be allocated to where it would make a real difference with ready-to-go projects, as it is being distributed by those who know the actual needs intimately, rather than relying on congregations spotting the opportunity and making an application. They felt that it could allow the money to be used where it is most useful rather than relying on predefined project types, the cost of administration being absorbed by the faith group.

With this option, the overall grant could be allocated between faith groups in a number of ways. One way would be to allocate it in line with historic take-up of the LPWGS scheme between faith groups; or it could be allocated in line with the number of listed places of worship under the aegis of each faith group (we have been told that approximate information on the number of listed religious buildings is available for each of the major faith groups in the UK). It was pointed out that neither approach would exactly reflect the balance of need, but, on the other hand, that short of a universal assessment of need, no system would do this.

Consideration would need to be given to the many smaller denominations and faith groups, and those redundant buildings which are eligible under the LPWGS criterion, as the sums they would receive under this approach would be small, and there would be practical difficulties in reaching some of them. One possible way of handling this is for an appropriate sum (perhaps £100k)¹ to be distributed by a grant-giving agency (as in Option 3), to allocate grants to congregations who apply to them from these smaller groups. Alternatively, DCMS could seek advice on particular schemes within this group of buildings which they might wish to grant aid.

Option 3: Distribution by an existing UK-wide grant-giving agency

With this option the money is passed over to an existing grant-giving agency. The money would be distributed to applicants within the broad criteria agreed by government.

Those in favour of this approach suggested it has the attraction of being based on a systematic, equitable (and perhaps existing) process to establish need and merit and decide between applicants (DCMS might be involved with the process, if it wished); because it would help projected schemes to be completed or to get off the ground, the money would make a real difference. Schemes falling within agreed, predefined criteria would be accepted. It was pointed out that if there were existing projects in train within the grant-giving agency, then some or all of the grant could be allocated to these without delay waiting for further applicants. By its nature this approach responds only to those congregations (and carers of redundant buildings) applying for a grant.

If the grant-giving agency were restricted by its charitable covenant from giving money to some class of organisation (for example, non-Christian groups), then it could administer the *process* of grant allocation, with the actual grant being paid by some other body (DCMS itself, for example).

Option 4: hybrid of option 2 and 3

A hybrid of options 2 and 3 would see the Church of England receiving a lump sum (either in line with the size of its listed building stock, which is about 60.7% of all listed religious buildings in the UK; or in line with its share of the LPWGS, for 2009/10 either 73% or 80%, depending how calculated);² and the remainder being distributed to congregations of *all* other faith groups (not just the smaller ones) and those who look after redundant churches, by applying to a grant-giving agency as in Option 3. Faith groups could alert their members to the opportunity.

¹ Based on initial estimates, listed churches not part of a large denomination make up about 6% of listed churches, whilst eligible redundant churches (including those looked after by the CCT) make up approximately 2% of the whole. Non-Christian faith groups probably own something over fifty listed buildings (the precise figure is not to hand). Overall this suggests that of the order of 9% of the total could be set aside (if the CCT churches are included), representing about £100k. These figures are provisional.

² There are about 12,050 listed Church of England churches in England (English Heritage communication, January 2012). We believe there are some 19,852 listed churches in the UK (data from English Heritage, Cadw, Historic Scotland and the NIEA). For the LPWGS, we understand the CofE received 73% by value and 80% by number of grants in 2009/10 (data provided by CofE, based on government/DCMS data).