

THE PROPOSED CLOSURE OF THE GRANTS FOR PLACES OF WORSHIP SCHEME: POINTS FOR CONSIDERATION

The Historic Religious Buildings Alliance
24 March 2017

1. BACKGROUND

The Historic Religious Buildings Alliance (HRBA) wrote to HLF on 28 February, proposing ways in which the Grants for Places of Worship (GPOW) scheme might be developed. This submission was made in ignorance of HLF's intention to shut the scheme.

We said:

It is hard to overstate the importance of HLF's Grants for Places of Worship (GPOW) programme in supporting historic places of worship, a vital aspect of our cultural and social heritage.

In its various manifestations, the scheme has played a key part in ensuring that the voluntary groups (mainly congregations) who look after these buildings have been able, year on year, to do what is necessary to keep them in good repair and accessible to anyone and everyone.

It is in this context that the HRBA is responding to HLF's plan to shut down the GPOW scheme, of which we learnt a few days ago. As we are having to respond to this major proposal on the basis of a one and a half page HLF briefing note ('New Approach to Funding for Places of Worship') we have limited ourselves to a number of reactive points, rather than – as we would have preferred – responding in a holistic way to help shape the overall thinking behind the proposal. Nevertheless we have developed some of our points in detail, in the hope they may be useful.

We deal with:

- Support to applicants
- Rationalisation of schemes
- Importance of GPOW to the sector
- Need for a dedicated scheme for places of worship
- Our Heritage and Heritage Grant programmes schemes

There is an Appendix on 'Factors particular to places of worship: a draft list'.

We assume the reader is familiar with the broad extent and importance of historic places of worship in England, Scotland, Wales and Northern Ireland. The key statistic is that there are approximately 20,000 listed places of worship, with more than a half listed at high grades. To avoid an English bias, it may be worth pointing out that only about 60% of listed places of worship in the UK are owned and cared for by the Church of England (CofE).

2. SUPPORT TO APPLICANTS

HLF is proposing a number of mechanisms for increased support and mentoring of applicants (section 4 of briefing note).

These would be welcome, but we do not believe the GPOW scheme needs to be closed down to provide these. We believe that it would be possible to introduce such changes within the current scheme and we have previously proposed similar improvements ourselves.

3. RATIONALISATION OF SCHEMES

It is said (first unnumbered section of briefing note) that the proposed change is intended to ‘simplify the approach for applicants and to ‘provide more flexible access to funding’. In fact the change does not simplify or provide anything: it merely removes one grant scheme much valued by the sector, and insists applicants instead use one of two other existing schemes.

The proposed closure of GPOW is also said to be intended to ‘rationalise and streamline the portfolio of HLF programmes’, but there is no wider discussion in the briefing note explaining the need for this. We appreciate that grant expenditure this year will drop by approximately one third, and that this is perhaps putting pressure on costs. We do not know the extent to which the desire for streamlining affected the decision to drop the GPOW scheme, nor whether DCMS are aware of what we suspect may be the underlying issue regarding HLF’s target cost percentage not varying with volume (if that is the issue).

Nor do we know what other options for streamlining were considered; nor why GPOW was selected as an appropriate candidate for closure; nor whether it is planned to close other schemes – as can be seen from Table 1, there is a long tail of smaller schemes and we wonder if these were considered for rationalisation.

Table 1: HLF Programme Budgets, 2016-2017
from 2016–2017 Business Plan

Scheme	Budget £m	Proportion of total %
Heritage Grants (£2m to £5m)	110	26
Heritage Grants (under £2m)	95	22
Heritage Grants (over £5m)	55	13
Grants for places of worship	30	7
Parks for People	26	6
Landscape Partnerships	25	6
Our Heritage	25	6
Townscape Heritage	18	4
Heritage Endowments	10	2.4
Skills for the Future	10	2.4
Resilient Heritage	8	1.9
Sharing Heritage	4	0.9
Young Roots	4	0.9
First World War: then and now	4	0.9
TOTAL	£ 424m	100 %

We would anyway respectfully point out that simply cutting a grant scheme and then expecting the applicants to move to other grant schemes is not certain to take cost out of the system; indeed, it could increase it, if for example applicants and application system fit less well together.

Perhaps more importantly, we think that closing GPOW may well have a deleterious impact on the value being obtained from public money. The ‘better condition’ outcome of any grant scheme is meaningless without processes in place to ensure work is not done shoddily or inappropriately. GPOW has processes and expert assistance that help volunteer applicants develop good projects in a specialist and sometimes complex situation, and then carry them properly through. The scheme ensures that work to these sensitive heritage assets is carried out by appropriately qualified professionals, thus avoiding the difficulties that have occurred in the past when substandard work has been carried out. Nowhere does the briefing note discuss this support and quality control mechanism within the GPOW application system.

Crucially the note does not explain how the money that would have gone to GPOW will now be distributed. As can be seen in Table 1, the Our Heritage scheme to which the smaller GPOW applicants will in future have to apply is not particularly large, and we are not clear how it will take up the extra burden.

4. IMPORTANCE OF GPOW TO THE SECTOR

We want to emphasise the importance of the GPOW scheme for funding particularly large repairs to places of worship. As can be seen in Table 2, it is far and away the largest of the schemes dedicated to this purpose. It overwhelmingly dominates other repair grant schemes. (Note that two other HLF schemes which are not dedicated to repairs to places of worship are shown in brackets to give context – the Our Heritage and Heritage Grant schemes).¹

Table 2: Typical annual grant expenditure of grant schemes dedicated to helping places of worship pay for particularly large repairs.

Two other HLF non-dedicated schemes in brackets to give context

England, all denominations and faith groups, average 2014 & 2015 unless stated.

Scheme	Annual average spend	
	£m	Notes
HLF: GPOW	24	
[HLF: Heritage Grants]	15	To places of worship (not cathedrals)
County Trusts	3	Estimate
[HLF: Our Heritage]	1	For places of worship fabric
AllChurches Trust	1	Small grants
National Churches Trust	0.8	Various schemes
Wolfson Foundation	0.4	2015 data (distributed by CofE)
Landfill	? (a few £m)	Broad estimate

The VAT refund grant scheme (LPOWGS) is not shown here as it applies to repairs of any size above a minimum threshold, rather than being dedicated to large repair projects.

¹ Data in this and the next two tables kindly provided by HLF 12 August 2016.

We believe that withdrawing this scheme, which with its predecessors has been in place for many years, will deal a major shock to the sector.

This is not an argument for preserving GPOW: but it is an argument for caution, and careful, evidence-based option evaluation, wide consultation and a full impact assessment.

Given its dominance in this area, the HLF effectively sets policy for the whole sector, and it is therefore particularly important that it should respond to sector needs, not impose policy on the sector.

5. NEED FOR A DEDICATED SCHEME FOR PLACES OF WORSHIP

We would have expected to see discussion of whether the heritage represented by places of worship is best served by a dedicated scheme, as are other forms of heritage, such as, for example, parks', 'townscape', and 'skills'. We believe there is a strong case for a dedicated scheme for places of worship.

In general, the justification for having a dedicated scheme for a particular aspect of heritage includes:

- A dedicated scheme allows strategic funding of various aspects of heritage, by having ring-fenced pots
- Investment decisions can be related to specific outcomes which are particularly important and relevant to that class of heritage (e.g. 'better condition' for GPOW)
- Comparison between applications is more straightforward and fairer
- The application process can be tailored to the type of investment being considered, and the type of support required by applicants.

Against these advantages are the increasing costs and frictions associated with multiple schemes. (All this applies less strongly to the relatively small number of very large investments considered centrally, which are more often *sui generis*.)

This question is, do places of worship need a dedicated scheme for these sorts of reasons? HLF and its predecessors in organising the scheme have long thought so, and we believe there continues to be a very strong case. We think this is a key question, simply not addressed in the briefing note. In the appendix we have set out some of the factors which we think point to the need for a dedicated funding scheme for repairs to places of worship.

In this context, we are puzzled that it should be presented as an advantage of the enforced shift of GPOW applicants to one of the general schemes that the focus will no longer be on listed buildings (section 1 of briefing note). In a time of tight budgets, why is it an advantage to spend public money on preserving buildings which have not been thought worthy of designation? At the very least, this major shift of emphasis deserves some supporting rationale.

In the briefing paper (section 3) you rightly point out that the single-stage Listed places of worship Roof Repair Fund programme was very well received (about 2600 unique applicants in eighteen months). But you fail to draw the obvious conclusion, well supported by anecdotal evidence, that it was attractive simply because *no other outcome was required except improving the condition of the building*. There was a clear line of sight between applicants' need for support in major repairs, what was on offer from the grant scheme, and what had to be done by them to obtain a grant. This is not the case for generalised grant schemes such as Our Heritage/Heritage Grants, which have a range of required outcomes, whereas a dedicated scheme can provide this sort of clarity and focus on the outcome of 'building condition'.

We are in fact particularly alarmed that one justification for closing GPOW is to 'bring our funding for places of worship more closely in line with our strategic aim' (first paragraph of briefing note). Unfortunately, the details of the strategic concerns are not spelt out. We are concerned that HLF might believe that GPOW's straightforward focus on 'better condition' of the heritage no longer fits well with HLF's overall strategy, and that this is a motivation for shutting GPOW. If so, such a deliberately reduced emphasis on the preservation of historic places of worship – in England alone, they form a very high percentage of the Grade I listed building stock – is surely worthy of public debate and consultation. At a time of decreasing HLF budgets and overall austerity, we would have expected greater, not less, emphasis on the fundamental need to protect the fabric of some of the country's most important buildings.

It seems to us that HLF is here setting sector policy, not responding to sector need.

6. OUR HERITAGE AND HERITAGE GRANT SCHEMES

6.1 Use of Our Heritage/Heritage Grant schemes

It is pointed out (section 3 of briefing note) that grant schemes other than GPOW currently provide in total a substantial proportion of HLF's investment in places of worship. The implication is that the GPOW scheme is therefore less crucial than might be thought.

We think that a simple headline comparison of total grants currently provided by other schemes is misleading and certainly provides no evidence that the Our Heritage/Heritage Grant schemes will easily replace GPOW. As we now discuss, the Our Heritage scheme provides only a relatively small amount for the fabric of places of worship and because of its maximum limit cannot provide a home for the bulk of GPOW applicants; and the Heritage Grant scheme currently provides for a completely different class of application than GPOW. Thus the current use of these schemes provides no evidence that they will smoothly take up the slack if GPOW is scrapped.

6.1.1. Our Heritage

The Our Heritage programme provides an average annual grant of just over £1m per annum towards church fabric, a much smaller amount than the £24m per annum of GPOW (Table 3).

Table 3: Size and number of grants to places of worship, three HLF schemes
 England, all denominations and faith groups, 2013-2016 (beginning and end not complete years)²

	Average total spend per annum £m	Average size of grant £k	Total number of grants during period
HLF: GPOW grants	24	185	425
HLF: Heritage grants to places of worship (not cathedrals)	15	1240	33
HLF: Our Heritage(fabric repairs)	1	55	62

This relatively small amount awarded to places of worship via the Our Heritage scheme is not surprising: the great majority of GPOW applicants (80%) are looking for grants larger than the maximum investment of £100k which can be provided by Our Heritage grants, so cannot apply to it (see Table 4 below).

Table 4: Size bands of GPOW grants
 England, CofE, 2013-2016 (beginning and end not complete years)

	%	number
up to £100k	20 %	76
between £100k and £299k	80 %	313
Total	100 %	389

So it cannot be argued that Our Heritage is able to take up much of the demand currently coming through GPOW, as its maximum grant is too small.

In practice we believe that HLF may also be overconfident on the ability of isolated places of worship to achieve the learning outcome – ‘the outcome that we value most’ – basing its view on the small number (about fifteen per year) of places of worship which have self-selected to go down this route and been successful.

6.1.2 Heritage Grants

The average annual figure for Heritage Grants invested in places of worship (excluding cathedrals) is £15m (Table 3). This is a very significant sum of money and is warmly welcomed. It compares to the average of £24m invested via GPOW.

But there were very few of these grants compared to GPOW grants (Table 3) and their average size was £1.24m each, hugely larger than the average GPOW grant (about £185k). This is not surprising given the different very approaches taken by the two schemes. GPOW and Heritage Grants are simply not serving the same needs.

² Data provided by HLF in August 2016 was labelled 2013, 2014, 2015, 2016, but the 2016 year was not of course for a full year, and we do not know whether the 2013 data represented a full year.

We note that when GPOW is closed, about 80% of those currently using the scheme will have to apply for funding via the Heritage Grant scheme, as their application will be above the maximum for the Our Heritage scheme (Table 4).

The Heritage Grants scheme require more outcomes than GPOW. Thus by forcing GPOW applicants to use this scheme a greater proportion of HLF's spend will be on items other than the heritage asset itself – at a time of reducing budgets. These additional outcomes impose extra burdens on volunteers in making the application and delivering it, compared to the simpler GPOW scheme, and the specialist support provided for the GPOW scheme will not be available. Experience suggests that the processes may require a level of upfront professional support not viable for many congregations. These additional requirements compared to GPOW brings no advantage to the condition of the heritage asset.

In contrast with the GPOW scheme where places of worship compete with each other, with the Heritage Grants scheme they may find themselves competing with very different organisations whose sole purpose is heritage, who receive an income stream from the heritage asset, and who can and do employ heritage professionals to curate their assets and make their grant applications.

Under these circumstances it is far from clear to us how successful the average congregation will be, or whether many congregations will have the energy to apply in the first place if what they need is simply a grant to help with a major repair. The fact that a relatively small number of places of worship have rightly been encouraged to go down this route and been successful in obtaining very large grants for significant and wide-ranging projects does not mean it is appropriate for the vast mass of GPOW applicants with smaller and simpler needs.

6.2 Enforced migration of GPOW applicants

The above analysis shows that closing GPOW will cut out the scheme naturally used by the great bulk of middling-sized applications.

We appreciate the flexibility and sustainability which are highlighted (in section 1 of the briefing note) as being available from the Our Heritage and Heritage Grant schemes – in such areas as capital repair works, new facilities, engagement activities etc. And we do believe it would be valuable to explain the benefits of these schemes to places of worship.

But we do not think GPOW needs to be closed in order to encourage appropriate take up of the other schemes. Quite the opposite: as explained earlier, we believe there is a strong strategic and practical case for continuing a dedicated and ring-fenced scheme for places of worship, with a specialist application process, and appropriate outcomes.

Based on the information available to us, and in the absence of consultation, pushing all applicants towards one or other of Our Heritage/Heritage Grants looks rather like a leap in the dark.

All this deserves serious discussion.

7. SUMMARY

The proposed closure of the Grants for Places of Worship (GPOW) scheme raises deep concerns which have not been addressed in the brief documentation made available to us.

The GPOW scheme is of overriding importance to the sector, yet is being closed without prior consultation. We doubt the suggestion that two existing schemes will smoothly take its place, and there are real worries as to the appropriateness of their objectives and application processes for the bulk of GPOW applicants.

We are alarmed by mention of a deliberate strategic shift for places of worship which is not explained but which we think is towards a reduced emphasis on ‘building condition’, a matter which should surely be the subject of the widest and most careful consultation, given that HLF is essentially the monopoly player and thus determines policy for the sector.

We believe there is a fundamental strategic and practical case to be made for places of worship continuing to have a dedicated and ring-fenced scheme, with a specialist application process and appropriate outcomes, but we have seen no discussion of this.

We are clear that this change has not been sector-led. Such a major change from a long-standing arrangement merits caution, evidence-based option evaluation, wide consultation and a full impact assessment.

Based on current information, we would argue against the proposal, and in favour of a re-developed GPOW scheme, perhaps based on the submission put forward by HRBA to HLF on 28 February 2017.

The Historic Religious Buildings Alliance 24 March 2017

* * *

Appendix: ‘Factors particular to places of worship: a draft list’

The following is an initial list of some of the factors particular to places of worship which would suggest that investment in these buildings is worthy of a dedicated grant scheme such as GPOW. For the context, see section 5 above. This appendix is intended to stimulate debate, not be the final word.

1. Places of worship are primarily meeting places, not visitor attractions. Counting the daily number of heads or trying to increase them is not usually appropriate. A dedicated grant scheme can accept this in defining its required outcomes.
2. Many heritage assets attract support in line with their interest and importance. But this is not true of places of worship. Very small groups of people can find themselves almost accidentally looking after buildings of national importance – they have been described as ‘inadvertent custodians’. Their skills and competence bear no relationship to the value of the asset. Furthermore the heritage value of the religious building is not the primary purpose why people constitute themselves as a congregation to use the building, again affecting their particular organisational competences. A dedicated grant scheme can allow for this.

3. It is extremely difficult to monetise visitors to a place of worship (except for the small number of honey-pots), though visitors certainly benefit the local economy (a valuable externality). This is different from many other heritage assets which rely on visitor entrance charges and user fees. This means that normal indications of popular support or financial sustainability are not appropriate. A dedicated grant scheme can have realistic requirements in this area.

4. Unlike most publicly-accessible heritage assets, quite small numbers of people pay for these buildings out of their own pocket. For CofE listed buildings, where we have data, nearly one half of the cost of all the 12,500 listed churches comes from the pockets of about 1% of the population. There are significant externalities in the various types of public value provided by these buildings, and it is a strategic use of public money to top up the routine expenditure when large repairs are needed on buildings of national importance, thus keeping the buildings in use for their original purpose, and a focused scheme is appropriate for this.

5. With remote places of worship, there may hardly be a community, making any outcome beyond 'building condition' very difficult. Similarly, some interiors are too sensitive to undergo modification for wider use, or there are cultural or faith-group sensitivities in both Christian and non-Christian faith groups which make such wider use inappropriate. A dedicated scheme can allow for these difficulties, especially if the focus is on 'building condition' and its long-term preservation for the enjoyment of all.

6. Repair of a historic place of worship of itself is not developmental – it does not add to the heritage asset – it merely keeps it available. And repair needs are extremely lumpy, even when the building is well-maintained over decades, as discovered by the Churches Conservation Trust. Typically it is the once-in-every-few decades major repair cost which causes problems. A suitable grant scheme can ensure public money is used to good effect in these circumstances, so different from what is anticipated in other grant schemes.

7. Given the inability of congregations to use their heritage asset for security against a loan, cash for major repair projects usually has to be acquired in advance by intensive and sometimes lengthy fund-raising. A degree of confidence in the availability of necessary grants is needed for stability. The long-term support available from GPOW, and its willingness to guide applicants towards a re-application when necessary, is a major strength.

8. As thinking and good practice develops, new opportunities continue to emerge for sustainable uses for these buildings, and a dedicated grant scheme can be modified accordingly – as, indeed, was suggested in the GPOW submission put forward by HRBA in late February 2017.

9. Carrying out appropriate repairs and alterations to historic places of worship still in use for their original purpose requires specialist expertise and experience, which can be encouraged by a dedicated application system.

10. Historic places of worship make up a substantial proportion of the UK's built heritage, and it is therefore sensible to have a grant programme with outcomes tailored to the need to preserve these important buildings.