

from **The Historic Religious Buildings Alliance**
*an independently-funded group
within The Heritage Alliance*

We bring together those working for a secure future
for historic religious buildings

Bernard Taylor
Chair, English Churches and Cathedrals Sustainability
Review
c/o DCMS
100 Parliament St, Westminster
SW1A 2BQ

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copies: DCMS; Historic England

Dear Mr Taylor

CANCELLATION OF HLF GRANTS FOR PLACES OF WORSHIP SCHEME

I am writing as Chair of the Historic Religious Buildings Alliance (HRBA), an independently-funded group within The Heritage Alliance. The members of the HRBA between them maintain almost all listed religious buildings in the United Kingdom. As background, of the approximately 20,000 listed religious buildings in the UK, some 60% are owned by the Church of England, the subject of your Sustainability Review, with most of the remainder being churches owned by other Christian denominations and charitable trusts.

You will know that HLF has recently announced it is to close the Grants for Places of Worship scheme (GPOW). In their public pronouncement HLF have, quite understandably, emphasised the positive aspects of this decision. We believe, however, that some of the less-publicised aspects of the change will have a negative impact on the sustainability – financial and otherwise – of listed places of worship, including Church of England churches with which you are particularly concerned.

We believe it would be very helpful if your Review were to look carefully at the closure of GPOW and assess its impact in the following areas.

1. End of a longstanding, highly-successful policy

We need to emphasise the importance of the GPOW scheme for funding particularly large repairs to places of worship. As can be seen in Table 1, it is far and away the largest of the schemes dedicated to this purpose.¹ It overwhelmingly dominates similar schemes.

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

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

Table 1: Typical annual grant expenditure of grant schemes dedicated to helping places of worship pay for particularly large repairs.

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

Scheme	Annual average spend	Notes
	£m	
HLF: GPOW	24	
County Trusts	3	Estimate
AllChurches Trust	1	Small grants
National Churches Trust	0.8	Various schemes
Wolfson Foundation	0.4	2015 data (distributed by CofE to CoE churches)
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.

The GPOW scheme is not fortuitous. It has developed from a long line of predecessors over the past forty years. Your Review will have been briefed on the history: how for many years the predecessor schemes were funded by government, or quasi-government; and how it was widely appreciated when HLF filled the gap after this funding was steadily reduced.

It is widely accepted in the sector that the scheme and its predecessors have been transformational, allowing major fabric repairs to be undertaken which would otherwise have been unaffordable for congregations and thus keeping these buildings available for all. Most expenditure on repairs is provided by congregations. By topping this up each year for the last forty years by means of a relatively small fund which helps with major repairs, England's unparalleled stock of listed Church of England churches are now in better condition than they have ever been. The topping-up policy has meant they are still loved and cared for locally, and available for all. We think it unarguable that the long-term policy of providing ring-fenced support for unusually large repairs for these buildings has been an overall success.

This long and successful history is not by itself an argument for preserving a fund dedicated to helping with unusually large repairs; 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 is close to being a monopoly provider of a public good which is in short supply (funding for heritage) and it is therefore particularly important that it responds to sector needs and evidence, not use its power of patronage to impose policy, or impose new economic costs, on the sector. We believe your Review into the sustainability of Church of England churches and cathedrals brings the opportunity to look carefully at what can be learned from the past success of this scheme and its predecessors in shaping future schemes.

2. A significant change of direction, not fully explored

HLF have stated that the amount of money going towards places of worship will not drop (as a proportion of total grants made). We welcome this assurance, and trust it will

continue beyond the current year. We look forward to hearing how this will operate, both on a regional basis, and to avoid distortion of competition between applicants.

However there are three real changes of direction, which have hardly been discussed.

First, under the new arrangements the scope will now be all places of worship, not just listed ones. At a time of when GPOW is roughly two-times oversubscribed, it seems to us a surprising use of public money to start spending it on less important buildings. We find it hard to see any justification for this. Furthermore, it may run the risk of HLF seeming to support buildings which host religious activity, rather than a class of buildings objectively assessed as being of national importance.

Secondly, this money will no longer be ring-fenced to supporting major repairs. At the moment the GPOW scheme requires that as a result of a grant, the building will be ‘in better condition’ (this is the only heritage ‘outcome’). In future, other heritage outcomes will be included in the purposes for which this pot of money is spent. The money will be spent on matters such as the building being ‘better managed’, for example, or ‘identified/recoded’, and these outcomes will be in competition with each other. All strategic sense of focusing on the condition of the fabric of the building has been lost whereas it is the protection of the fabric of a historic building which is, of course, fundamental to its long term sustainability

Thirdly, money will necessarily be spent on outcomes with no proven link to the sustainability of places of worship. For grants over £100k, multiple outcomes are required over and above heritage. Insisting on more outcomes than GPOW does will increase costs (in the wider economic sense), which must be met either by the congregation or by HLF. The outcomes are no doubt desirable in themselves – e.g. ‘had an enjoyable time’, ‘skills to have been developed’, ‘negative environmental impacts will be reduced’. But where is the evidence that this extra cost over and above GPOW will increase the sustainability of the place of worship? We do not want to be misunderstood: we believe that investment in sustainability is well worthwhile when it is evidence-led, focused, and proportionate. For example, GPOW requires a community outcome of wider engagement with heritage, and although not fully tested there is some anecdotal evidence to support the common sense view that engagement with a historic church can increase the stakeholder base for the building. Again, sustainability requires the building to be useable, and the sector is very supportive of GPOW’s approach of making a sum of money available to help with toilets, kitchenettes, heating and lighting etc. alongside repair funding. The amount of spend in this area is capped, in recognition of the belief in the sector that when money is rationed, the first priority for sustainability is to keep a building in good condition. There is good evidence that this type of spend does help the sustainability of places of worship. But this is not the case for many of the outcomes which will in future be insisted on.

So this is a significant change. It will divert money away from listed buildings. It removes the strategic ring-fencing of money to be used for repairs and puts building condition in competition with other heritage outcomes. It removes the protected expenditure on types of capital works known to help with sustainability of places of worship, and replaces this with a whole range of outcomes with no proven link (known to us) to sustainability. It adds

to the economic burden which has to be borne either by HLF or congregations, and thus diverts money away from sustainability.

We do not know what evidence or discussion of options lies behind this significant set of changes and we believe there is an opportunity for your Review to look into these questions dispassionately, and get to the bottom of HLF's underlying rationale.

3. An untested new use of a grant scheme

HLF intend that repair grants for sums of money above £100k should apply through an existing scheme, called Heritage Grants (HG). For practical reasons, this new use of HG is a major concern.

Although HLF rightly point out that considerable sums of money are already paid out to churches and other places of worship through this scheme, this ignores the fact that the average grant to churches through that scheme is £1.25m, hugely larger than the average GPOW grant of £180k. In fact (Table 2), although the total amount of HG money paid out to places of worship is large, the number of such HG grants is relatively very small, a couple of handfuls per year, more than ten times fewer than for GPOW.

Table 2: 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 is not surprising: the HG scheme is well known to be onerous to apply for, and imposes more outcomes on applicants. In short, the two schemes have typically been funding very different needs for places of worship. In this sense the HG scheme complements the GPOW scheme, providing different entry points for funding for places of worship with very different circumstances. But we know of no evidence that HG will be a practical proposition for typical GPOW congregations, many of them relatively small and without professional experience, whose simple priority is to carry out major repairs. Yet HLF data shows some 80% of Church of England GPOW applicants will in future be forced down the HG route.³

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.

³ Data provided by HLF in August 2016 for years labelled 2013, 2014, 2016, 2016, as above.

If evidence exists of the practicality of this approach for typical GPOW applicants, we would genuinely like to see it. As things stand this feels like a leap in the dark. We hope your Review will be able to call in the evidence needed to look at this the practicality of the new arrangements.

4. An independent decision as to how sustainability is best achieved

Your Review was widely welcomed in the sector as a government initiative to develop the future sustainability of churches – the first ever, in fact (albeit restricted to the Church of England). As a result a good many people have provided evidence, knowing it will be weighed up and impartially considered.

The Chair of HLF, Sir Peter Luff, sits on your Review Panel, yet we understand that the closure of GPOW was not discussed by the Panel in advance of the decision being made.

It has been a surprise, therefore, to find that an email sent to Church of England dioceses drops a broad hint to the reader that the decision to close GPOW is somehow related to the work of your Review:

As you may be aware, HLF has been supporting the DCMS working group assisting Bernard Taylor's English Churches and Cathedrals Sustainability Review over the last few months. This has provided a timely opportunity to look again at the challenges . . .⁴

We wonder if, by making this link in the reader's mind, however allusively and tenuously, HLF might damage your Review's credibility.

But there is a wider issue: *who decides how sustainability is to be achieved?* On their website, HLF say:

There is broad agreement that the issue of long-term sustainability needs to be addressed and with this in mind *HLF has been considering* how best to adapt its grant programmes to address this need [our italics]

Thus HLF have independently and without consultation decided how sustainability should be encouraged and will be using their near-monopoly position to impose their view.

I am afraid we do not believe the decision to close the only publicly-funded scheme devoted to supporting unusually large repairs to historic places of worship is one best made by an arm's-length public body acting on its own, whilst a government-sponsored Review into the point at issue in respect of the Church of England is underway and is on the point of reporting.

We have high hopes that your Review will take a cool, evidence-led look at how sustainability for Church of England churches is best achieved, and the appropriate role of

⁴ A similar hint of a connection is made in the FAQs on the HLF website.

government and its agencies in the matter. If we can be of any further help, for example providing factual evidence, or an understanding of the views of the sector, please do not hesitate to contact me.

I am copying this to Historic England, who have expressed an interest in understanding the sector's concerns in this area.

Yours sincerely

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