English churches and cathedrals sustainability review

The ‘funding gap’ for Church of England parish churches

Trevor Cooper (10 October 2016)

Introduction

1. This paper estimates the ‘funding gap’ for parish churches, as requested by the Chair of the Sustainability Review.

2. I have taken ‘funding gap’ to mean the gap between actual expenditure and the expenditure needed to sustain Church of England (CofE) parish church buildings in the long term. I have used a fairly wide notion of ‘sustain’, to include maintaining church buildings in good physical condition without improving them; ensuring that the buildings have the facilities in place (e.g. toilets) that are necessary and appropriate for their desired future use; and making sure there is sufficient professional support in place.

3. With this approach, six different funding gaps have been identified.

4. **Many readers will only need to look at the three-page summary**. The rather longer body of the paper provides the underpinning data, much of which is previously unpublished.

5. I am grateful to those who have provided data and commented on draft versions. The use made of this data and the conclusions I draw are mine alone. Much of what I say is new, and I would welcome careful scrutiny and informed criticism.

Summary

6. The paper first discusses the sources and size of parish income, and then the level of expenditure on repairs and the grants available for this. In the light of this it then assesses the funding gaps.

Parish income (see section 1.1)

7. Nearly one half of parish income (42%) arises from the regular donations of about 560,000 people (that is, approximately 1% of the population). On average, each of these people donates £580 per year. The number of these donors is slowly declining. Total parish income has declined in inflation-adjusted terms by about 5% over the last decade, though it has remained stable in the most recent four years for which information is available (2011–2014). It is likely that parish income will be under continuing pressure for a number of years at least.

8. Not surprisingly, individual parishes vary greatly in their income: one in twenty (600 parishes) have recurring income of less than £5k per annum, and a further one in ten (1200) have recurring income between £5k and £10k per annum. Probably many of

these are the same parishes whose churches have attendance of fewer than ten people (there are 2000 such churches).

Parish expenditure on repairs (see section 1.2)

9. Parishes are spending roughly £100m per annum on major repairs of church buildings (that is, not including maintenance or minor repairs). This figure is lower than a few years ago, but it is not known if this represents a trend. The average is £6.3k per church per year, but the use of an average is misleading, as the it is lifted by very large repairs at a small number of churches each year. These very large sums may only be seen once per generation in any given church. Realistically, an average parish might reasonably hope to go for nearly twenty years on average spending just £3k per year on major repairs. Of course, for parishes with the smallest incomes, even such relatively low sums will need additional sources of funds.

Grants (see sections 1.3 and 1.4)

10. The main routine source of grant funding for repairs is the Heritage Lottery Fund (HLF) Grants for Places of Worship (GPOW) scheme, which provides about £30m annually for repairs to listed Places of Worship (POW) in the UK. Its predecessor scheme was more generously funded – the equivalent scheme in 2004 had a grant pot of between £39m and £43m after allowing for inflation, the estimate depending on what measure of inflation is used. Thus there has been a reduction of about £10m in this major source of funding since 2004. (Note that from 2004 until 2010 English Heritage provided one-third of the funding; since then it has been HLF alone.)

11. The GPOW scheme awards something over 100 grants per year, each averaging about £184k, with only 12% of grants being less than £100k. The grants from this scheme are very much larger – even after allowing for inflation – than were awarded by its predecessor scheme.

12. The GPOW grants are also more than three times the size of grants which were awarded in the two tranches of the Roof Repair Fund for Listed Places of Worship scheme (which averaged £54k per grant). Furthermore, the latter scheme had 2600 unique applications within the space of sixteen months, which stands in contrast to the approximately 200 applications per year received by the GPOW scheme. For this and other reasons, I conclude that, in effect, the Roof Fund was funding a different, if overlapping, constituency from GPOW, a constituency which is no longer provided for with the ending of the Roof Fund.

13. It may be that within the CofE the complexities of applying for the GPOW scheme and its particular requirements are together tending to encourage larger rather than smaller applications. Different pressures apply to other denominations and faith groups, but are outside the scope of this paper.

Funding gaps (see section 2)

14. In the light of this analysis of parish income and expenditure on repairs, and the available grant schemes, I have identified a number of funding gaps, which are summarised in Table 1. Any future drop in parish income is likely to increase the relevant gaps. The table is intended to speak for itself, but I want to emphasise the considerable uncertainty in some of the results.

Table 1: Funding gaps identified in this paper: for CofE parish churches unless otherwise stated
All figures rounded. Many figures are more or less uncertain.

Item (section of report)	Nature of funding gap	One-off capital cost or an annual cost?	Estimate of funding gap	Degree of confidence in scale of underlying problem	Degree of confidence in cost estimate given here
Major repairs (section 2.1)	To deal with new CofE repair needs as fast as they occur	Annual	£30m – £70m	Low	Very low
	As part of this, to bring HLF GPOW grants up to 2004 levels of funding for all UK Places of Worship	Annual	about £10m	High	High
Dealing with stuck churches (section 2.2)	To remove from the Heritage at Risk register those CofE churches where there is currently no solution agreed	One-off	possibly £120m	Mid	Low to mid
	To help disappointed CofE applicants to the Roof Fund	One-off	approx £60m	Mid to high	Mid
Maintenance (section 2.3)	To pay for all CofE church buildings to do routine maintenance	Annual	£8m	High	Mid to high
Facilities (section 2.4)	To introduce toilets, kitchenettes etc into CofE church buildings where appropriate	One-off	Probably hundreds of £millions	Mid	Low
Support officers (section 2.5)	To provide support officers (or equivalent) to assist those looking after CofE church buildings	Annual	2 per diocese might cost £4m in total per annum	High	Mid
Support infrastructure (section 2.6)	To provide long-term support to national organisations and partnerships providing a services to carers of all Places of Worship	Annual	No idea	–	–

Section 1: Parish income, repair expenditure, and grants

15. This section of the paper discusses the income of parishes, their expenditure on repair, and what grant schemes are available to help pay for repairs.

1.1 Parish income

16. The Church of England is essentially a voluntary body and as can be seen from Table 2, the largest single source of parish income is planned (i.e. regular) giving from its supporters together with Gift Aid tax relief. By this means about 560,000 people (about 1% of the population) provide £417m per year, which forms 42% of the total parish income of a little under £1000m per annum. The average regular donation is £580 per annum.[1]

Table 2: Sources of CofE parish income, 2014 [2]
All figures rounded

	£m	Percent
Planned giving + Gift Aid tax recovery	417	42
Trading	107	11
Grants of all types	82	8
Fundraising	59	6
Collections at services	57	6
Legacies	53	5
PCC fees for weddings funerals etc	41	4
Investments and sale of land or buildings	39	4
Other, much of which is other donations[3]	134	14
Total	£989m	100% = £989m

Comment: 42% of parish income comes from planned giving and Gift Aid tax recovery

17. It is worth pointing out that collections at services make up only about 6% of parish income. And contrary to myth, there is very little funding for parishes from the Church Commissioners' investments: they do support some poorer dioceses, but as far as I can ascertain, this focused support would add only about 5% to the income shown in Table 2.[4]

18. Table 3 shows how recurring income varies between parishes. Recurring income is income which is predictable and stable and likely to continue into the future – a subset of the income shown in the previous table. In 2014 it stood at £717m, and thus made up just over 70% of total parish income.[5]

19. As can be seen, in 2014 some 5% of parishes (about 600) had recurring income of less than £5k per annum, and a further 10% (about 1200) between £5k and £10k. It is likely that the 15% of parishes (about 1800) with income less than £10k per annum coincide with the 2,000 or so churches (one in eight of the total) with congregations of fewer than ten people.[6] Probably it is these churches which will struggle most when a major repair bill comes along.

Table 3: Number of CofE parishes with given recurring income [7]

All figures rounded

Income size band	Parishes	
	Number	*Percent*
0 to £5k	600	5
£5k to £10k	1200	10
£10 to 20k	2400	19
£20 to £30k	1600	13
over £30k	6700	54
Total	12557	100% =12557

Comment: Five percent of parishes (some 600 in number) have recurring income less than £5k per annum.

20. About 98% of the population today have no formal commitment to their parish church. That is to say, only about 2% of the population are on the electoral roll for their parish church, though not all will actually help fund it; the percentage on the electoral roll has been falling for many years, and now stands at about one third of the level of fifty years ago.[8]

21. The number of people giving regular donations peaked in 2007, and by 2014 had fallen by just a little more than 10%, and planned giving has fallen by 8% in real terms (i.e. after adjusting for inflation).[9] Total parish income peaked in real terms in 2007 and has declined since then by about 10%, though has remained stable in the most recent four years for which information is available (2011–2014) at a little under £1000m.[10] Recurring income peaked in real terms in 2009, and has since fallen by about 8%.[11]

22. Given the current age imbalance amongst supporters (a relatively new phenomenon), the CofE accepts that congregations will decline further through natural causes before the total numbers begin to rise again. It is therefore likely that parish income will come under continuing pressure in the near future at least.

1.2 Expenditure on major repairs

23. The total expenditure by parishes on major repairs is shown in Table 4. Note that these figures do not include maintenance or minor repairs. It will be seen that £100m per year or more is spent on major repairs, recently averaging around £6.3k per church building. The last two years have seen expenditure about ten percent lower than the previous two years (rather more when adjusted for inflation), but we do not have a long enough time series to know whether this is a random effect or evidence of a permanent reduction in expenditure on major repairs. As it has occurred not long after a drop in parish income, it may represent a permanent fall. [Technical note: here and throughout the document for building cost inflation I have used the output price index for All Repair & Maintenance.]

Table 4: Recent CofE parish expenditure on major repairs, by year [12]
The figures do not include maintenance and minor repairs
All figures rounded

	2011	**2012**	**2013**	**2014**	***Average***
Total for year					
In money of the time (£m)	113	116	101	100	*£108m*
Today's money (£m) using CPI for inflation	**122**	**121**	**103**	**100**	***£111m***
Today's money (£m) using building costs for inflation	**122**	**121**	**102**	**100**	***£111m***
Average per church building					
In money of the time (£k)	7.2	7.4	6.4	6.3	*£6.8k*
Today's money (£k) using CPI for inflation	**7.7**	**7.6**	**6.5**	**6.3**	***£7.0k***
Today's money (£k) using building costs for inflation	**7.7**	**7.7**	**6.4**	**6.3**	***£7.0k***

24. As might be expected, rural parishes spend less per church building on average than urban parishes, though the amount spent in rural areas still makes up about half the total as there are more rural than urban churches (see Appendix 1). Little other data is available to me on the rural/urban split, so no further use is made of that distinction.

25. As shown in Table 5 the cost of major repairs for a particular building varies greatly, and will only occasionally be particularly large. In many cases it will be zero in any given year. This is simply the way that major repair needs occur, somewhat randomly and with most of them smaller rather than larger – I found the same ten years ago.[13]

26. For example (see Table 5), in 2014 some 59% of parishes either spent nothing at all or spent less than £1000. Nineteen out of twenty parishes (94%) spent less than £30k and for these parishes the average spend was approximately £3,000. Based on this data, any average parish might reasonably hope to go for nearly twenty years never spending more than £30k in a given year, and on average spending just £3,000 per year.

27. Only occasionally – in fewer than one year in thirty (3.0% likelihood) – will an average parish spend more than £60,000 in a given year. So for the average church this very large expenditure is a once per generation occurrence, done once, then receding into the past. It is these unusually large repairs which raise the overall average to more than £6k per church per year. Because grant-givers tend to see the larger expenditure requirements, this is easily overlooked. Any policy for supporting churches needs to take into account that under normal circumstances very large repairs are unusual for a given church, and that typical expenditure on major repairs is lumpy and unpredictable, and may average only a few thousand pounds per year for many years.

Table 5: Percentage of CofE parishes with given level of spend on major repairs, 2014 [14]

The figures do not include maintenance and minor repairs

All figures rounded

Spend per parish	Percentage of parishes with this spend
	%
zero spend	52
up to £1k	7
£1k to £5k	17
£5k to £10k	9
£10k to £20k	7
£20k to £30k	3
£30k to £40k	1.5
£40k to £50k	0.8
£50k to £60k	0.6
over £60k	3.0
Total	100 % = 12,500 parishes

Comment: Half of parishes spent nothing on major repairs in 2014, and 85% spent no more than £10k (first three rows)

1.3 Income from repair grants

28. This section provides an overview of repair grants, summarised in Table 6. It was agreed with DCMS that I would not attempt to track down all sources of grant income and consequently there are some gaps in the information give here; I understand that the DCMS are looking in more detail at this.

29. All repair grant schemes shown in the table require churches to apply for the money: that is, none are automatic, so all require a certain level of capacity and engagement by the congregation.

30. The Listed Places of Worship Grant Scheme (LPOWGS) 'refunds' VAT (more correctly, gives a grant equal to the amount of VAT spent). This scheme, funded jointly by DCMS and HMT, can draw on more funds than have as yet been required, so at present there is no rationing. The scheme pays out after the event.

31. Other schemes shown here have a higher level of demand than they can meet, and have to ration their funds. They do so by deciding the relative merits of each case on specified criteria. As far as I know, no scheme simply picks qualifying applicants out of a hat.

Table 6: The major grant schemes for repairs to places of worship [15]

One-off grant schemes in italic. Where available, numerical data refers to CofE only even though in all cases grants were available for other Places of Worship.

All figures rounded

Fund	**All POW data or just CofE?**	**Size of grant pot**	**Applicants**				**Comment**
			Applications	*Successful*	*Approx success rate*	*Avg grant size*	
			1no.	*no.*	*%*	*£k*	
Roof Repair Fund: Round ONE 2015	All	£30m one off	1900	500	25%	£53k	One-off 2015 See note 1
Roof Repair Fund: Round TWO 2016	All	£25m one off	1500	400	25%	£57k	One-off 2016 See note 1. Of 1500 applicants, 800 were re-applicants
HLF GPOW	CofE	£22m	200+	100+	50%	£184k	See note 2
LPOWGS	CofE	£18m	4300 approx	4300approx	100%	n/a	Data for 2015/2016 See note 3
HLF Heritage Grants	CofE	£12m	20	8	40%	£1.5m	Average 2014 and 2015
County Trusts	All	*c*.£3m in 2008	?	?	?	?	2008 data
HLF Our Heritage Grants	CofE	£1.1m	34	18	50%	£62k	Average 2014 and 2015
National Churches Trust	All	£0.65m	141	72	50%	£19k	Data for 2015
National Churches Trust via County Trusts	All	£0.38m					Budget for 2016
Wolfson foundation	CofE	£0.36m		47		£7.5k	2015. Distributed by ChurchCare
Landfill Communities Fund and other grant funders	All	no data, but some £ms					

Notes

1. The Listed Places of Worship Roof Repair Fund awarded £26.4m in grants in 2015 and £22.8m in 2016. The available pots were £30m and £25m as shown here. I presume some was held back for contingencies.

2. The Heritage Lottery Fund Grants for Places of Worship size of pot and success rate data are the average of 2014 and 2015;the number of applications and number of grants is estimated from data for several recent years. The average grant size is since the scheme began in 2013.

3. 100% of qualified Listed Places of Worship Grant Scheme applicants received grants. The average grant size is £4k, but this says rather little as churches undertaking major projects will put in more than one application.

Comment: The HLF GPOW scheme is the major player in the sector, both as to the size of the available pot and the size of average grant.

32. The Heritage Lottery Fund (HLF) supports listed places of worship through the Grants for Places of Worship (GPOW) scheme. It requires two outcomes from these grants – that 'heritage should be in better condition' and that 'more people and a wider range of people will have engaged with heritage'.[16] As discussed later, under this grant scheme, applicants may also apply for money for new capital works, such as kitchens or toilets. The amount available is capped per project, at 15% of project costs; however as not all applicants apply for such funding, less than 5% of the total available grant pot has been spent in this way.

33. The HLF have two other schemes which are relevant to this discussion. One is the Heritage Grants scheme, which provides very large grants: a small number of churches are awarded grants each year. The other is at the opposite end of the scale – the Our Heritage Grants scheme, which provides small grants for heritage purposes, including conservation of the building or its contents.

34. The National Churches Trust has a number of grant schemes devoted to the repair of churches, totalling about £640k in 2015, and in addition they distribute some of the Landfill funds. Furthermore they provide funds to local County Trusts for them to distribute, with a budget for this of £380k in 2016. The Trust also has a Community Grant scheme to support the provision of facilities for community use of places of worship, discussed later.

35. As will be seen, as regards competitive grants, the HLF is the superpower in the sector. The two one-off tranches of funding for the Roof repair fund were of similar size. In the light of their major impact on the sector, the next section discusses these two schemes.

1.4 HLF GPOW grants and the Roof Repair Fund

Reduction of GPOW grant pot in real terms since 2004

36. The GPOW scheme is considerably smaller in real terms than its previous incarnation as the RGPOW, as shown in the first two columns of Table 7. In 2004 when RGPOW was launched it stood at £30m for the UK, equivalent either to £39m or £43m today depending on what measure of inflation is used. Today's GPOW scheme still stands at £30m per annum, so there has been a reduction of about £10m in this major source of funding since 2004. It should be noted that the pot has remained at £30m because HLF made up the shortfall in 2010 when – in the light of sharp government cuts in its core funding – English Heritage withdrew its contribution of £10m per annum from the RGPOW pot. Thus the RGPOW pot remained at £30m even at a time of austerity.

37. Of the annual sum of £30m, about £25m is allocated for England.

Table 7: Comparison of HLF GPOW with predecessor scheme RGPOW: all UK POW [17]
All figures rounded

	size of pot		average grant size	
	GPOW now	*RGPOW 2004*	*GPOW now*	*RGPOW 2004*
Money of the time	£30m	£30m	£184k	£77k*
Today's money using CPI for inflation	**£30m**	**£39m**	**£184k**	**£100k**
Today's money using building costs for inflation	**£30m**	**£43m**	**£184k**	**£109k**

* The figure of £77k for the average size of grant is from the previous year as the data is not available to me for 2004.

Comment: The amount in the pot has shrunk considerably in inflation-adjusted terms since 2004 (by £18m if building cost inflation is used). For some reason, the average size of grant has grown considerably in inflation-adjusted terms.

Great increase in size of GPOW grants since 2004

38. A further change since 2004 is that the GPOW scheme funds far fewer grants than the earlier scheme (about 110 per annum as against about 270 per annum),[18] not just because GPOW has less money in real terms, but because the average size of grant has increased even allowing for inflation. Thus, as shown in the two right hand columns of Table 7, the average GPOW grant is now about £184k against something between £100k and £109k in real terms in 2004, depending on what adjustment is used for inflation. The reduction in the number of grants is *not* because the current scheme also provides for new works as well as repairs: as discussed elsewhere in this paper, grants for new works make up less than 5% of expenditure from the GPOW pot.

39. Why should the average size of grant have grown so much real terms since 2004? One important reason is that the scheme now pays a higher proportion of the total cost of a repair project, because churches are no longer required to use much or all of their reserves as match funding, as previously they were This revised policy was introduced in order to support the long-term sustainability of applicants, by ensuring that they were not left with much diminished reserves. In 2002/3 (for which data is available) the grant award paid some 65% of the cost of a project, the church finding the rest in match funding.[19] The current proportion is not known, but will be considerably higher than this.

40. But this alone is not sufficient to explain the rise in the average size of grant. It is possible that there is more willingness now than there was in 2004 to fund all necessary repairs in one rather than several bites, but that is speculative, and there may be other factors at play here, as discussed later.

41. Whatever the reason, the GPOW scheme not only has a smaller pot in inflation-adjusted terms than its predecessor, but awards very much larger, and thus fewer, grants.

Differences between GPOW and the Roof Repair Fund

42. The GPOW grants have an average size of £184k (bottom row of Table 8). This makes them substantially larger than the grants awarded in the two tranches of the Roof Repair scheme, which averaged £54k each. The table brings out the contrast in the two schemes.

43. The Roof Fund grants had to fall within the range £10k to £100k, compared to GPOW's £10k to £250k. But this does not explain why so few of the GPOW grants – just 19% – fall within the £10k–£100k range.

44. There is a difference in scope which may help explain this (Table 9). The Roof Fund only funded repairs to the roof. In contrast, applicants to GPOW are encouraged to include all urgent works, and can include masonry repairs. Furthermore, all applications in England are assessed by HLF with expert advice from HE; the repair focus of projects should be works required within two years, but additional works or investigations can be recommended, and the interaction with HE advisors will often open a dialogue with the church through which future works or projects can be suggested. An additional difference is that the Roof Fund required a project to last no more than two years compared to the GPOW's three years,[20] which may have limited the scope of works, and thus, presumably, the size of grant required. But although this explains why GPOW *can and does make large* grants, it does nothing to explain *why it makes so few grants under £100k*, when the Roof Fund shows that there is very high demand for such grants (see next paragraph). Is it because there are relatively few applicants to GPOW for grants in the range £10k–£100k? Or because the GPOW selection criteria favours larger grants? I do not know.

Table 8: Size of grants made for repairs: comparison of HLF GPOW scheme 2013–2016 and the two tranches of the Roof Repair Fund 2015 & 2016 [21]

All figures rounded

Award band	**Proportion of successful applicants falling in each award band**		**Proportion of total amount awarded falling each award band**	
	HLF GPOW (CofE only)	*Roof Fund (all POW)*	*HLF GPOW (CofE only)*	*Roof Fund (all POW)*
£	*%*	*%*	*%*	*%*
10–49k	4	48	1	25
50–99k	15	45	7	62
100–149k	17	7*	13	13
150–199k	22	0	23	0
200–249k	32	0	43	0
250–299k	8	0	13	0
Total	100% = 389	100% = 903	100% = £66m	100% = £49m
Average grant	*£184k*	*£54k*		

* The maximum Roof Fund grant was £100k

Comment: The GPOW scheme has virtually no grants in the £10k–£49k band, whereas the Roof Fund had almost half its grants (48%) in this band.

Table 9: General comparison of the Roof Repair Fund 2015 & 2016 with GPOW since 2013: all Places of Worship [22]

All figures rounded

	Roof Repair Fund	**GPOW**
Status	Two one-off tranches	Every year, 4 opportunities per year
Source	Government money	Lottery money
Scope of repairs covered	Roofs and rainwater goods	Structural repairs
Number of applications	2600 unique applications	200 plus per year, some of which are re-applications
Size range of grant on offer	£10k–£100k	£10k–£250k
Average size of grant	£54k	£184k
Degree of urgency of required repairs	Needed within two years*	Needed within two years
Maximum time project may take	2 years	3 years
Match funding requirement	see text	see text
Requires 'more people and a wider range of people will have engaged with heritage'	no	yes

* Within two years for the second tranche. Within five years for the first tranche, but the majority (1200 of 1900) actually needed work done within one year.

Comment: There are a number of differences between the Roof Fund and GPOW. Whether they explain the large difference in level of demand between the two schemes is discussed in the text.

45. The difference in levels of demand for the two schemes is startling (Table 9). There were two tranches of applications for the Roof Repair Fund, and in the course of just 16 months it received 2,600 unique applications (by unique I mean counting just once those who made a repeat application in the second tranche). This stands in contrast to the 200 plus applications per year received by the GPOW scheme (some of which are re-applications). This was not a case of the Roof Fund eating GPOW's lunch: applications to GPOW initially fell, though by only 17%[23] (presumably a shortfall of about forty applications) but over the longer term there has been no material impact on the level of applications. Most Roof Fund applicants seem not to have applied to GPOW.

46. Why this huge difference in demand between the two schemes. Those congregations, denominations and faith groups that have moral objections to lottery money do not apply to GPOW, whereas they would have felt able to apply to the Roof Fund because it was financed by the Government. This will be one factor behind the large numbers of applications for the Roof Fund compared to GPOW. As regards the CofE, as far as I know the level of conscientious objection to lottery money within CofE churches has never been established (and perhaps ought to be), but my instinct from meeting many CofE churchwardens is that it is not especially high, and this factor would therefore not on its own explain the extremely large number (1900) [24] of unique CofE applicants to the Roof Fund. In passing, it may be worth noting that EH used to provide a separate pot of

grant money for moral objectors, but HLF are obviously unable to provide this within GPOW.

47. It is also unlikely that the enormous difference in the number of applications was primarily caused by a difference in the match funding requirements between the two schemes. The GPOW requires 5% match funding, but the 20% VAT grant from the LPOWGS can count towards this, so it is not onerous (and volunteer time can also count, as can increased management and maintenance costs).[25] The Roof Fund did not require match funding; however it was made clear to applicants that 'we will assess the contribution you make in the context of your available resources when we undertake our value-for-money assessment'.[26] So the Roof Fund may perhaps have been more attractive to those with no access at all to other funds, but for all other applicants the difference between the two schemes in respect of their match funding requirements might not have seemed that great.

48. Did congregations simply recognise a limited opportunity in the Roof Fund, and accelerate applications which might otherwise have steadily been made over the next few years to GPOW, perhaps in more developed form? The sheer numbers make this sort of cannibalisation of future applications an unlikely explanation – within sixteen months the Roof Fund received considerably more than ten years' worth of unique GPOW applications (each year some GPOW applications are re-applications). But there is direct evidence: in the first tranche of applications for the Roof Fund, 1,200 were for work needed within a year, and in the second round there were an additional 700 applications for work needed within two years.[27] So these 1900 applications were all for *urgent* work, and thus cannot represent the bringing forward of a medium- or long-term future intention to apply for the GPOW scheme (which also requires work to be needed within two years).[28] In support of this, as already stated, so far there has been no material impact on the level of applications to GPOW.

49. So none of the above is likely to explain the huge disparity in numbers of applicants between the two schemes. As regards CofE churches, one hypothesis which would explain the facts is that the well-known complexities and effort of applying for the GPOW scheme, and fulfilling the need that 'more people and a wider range of people will have engaged with heritage', are together tending to encourage larger rather than smaller applications. Clearly more than 200 Places of Worship can manage the process and do apply each year, and the scheme is oversubscribed. But because GPOW applications and the requirements for a successful applicant are more burdensome than other schemes such as the Roof Fund, it seems likely that to a certain degree it is applicants who have the larger repair schemes who feel the effort is worthwhile, taking the view that they will only have one bite in a generation. (To avoid misunderstanding, this is not to suggest that the GPOW scheme is more burdensome than comparable HLF schemes.)

50. Other factors are affecting other denominations, but are outside the scope of this paper.

The Roof Fund provided for a need not currently being met

51. Whatever the reasons, taken together, the difference in size of grant between the two schemes, the fact that in absolute terms GPOW lost very few applicants to the Roof Fund, and the enormous disparity in levels of demand strongly suggest to me that the two schemes met different needs – in effect, they had two different, if overlapping, constituencies. (On this, I am open to alternative hypotheses which similarly explain all the facts.)

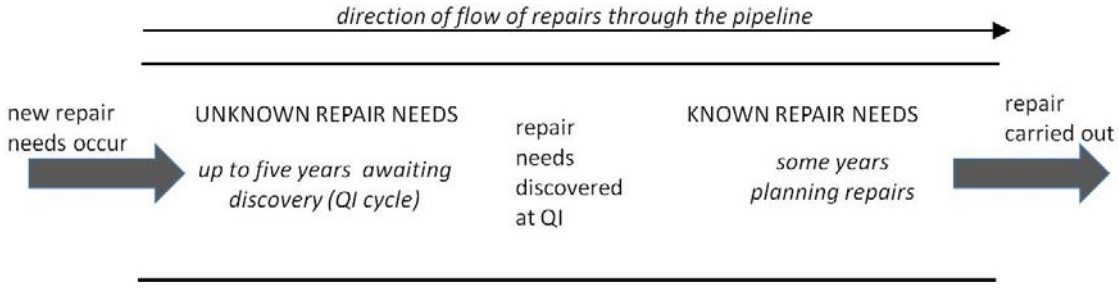
52. How large was the disappointed Roof Fund constituency? Making reasonable assumptions, about 1100 CofE churches were disappointed applicants to the Roof Fund, and they would probably have been applying for grants totalling about £65m.[29] However we do not know over how long a period this collection of needs had been building up, and we do not know how many of these disappointed applicants have since found other ways of funding their repairs; nor do we know how many other churches have newly found find themselves in the same position since the closure of the Roof Fund. So the data does not allow us to draw firm conclusions about the current outstanding needs of this constituency, or their annual rate of discovery of new repair needs.

53. Nevertheless we should note that as the Roof Fund is now closed, this constituency now has no public source of funding. There is no scheme which simply fixes the roof.

Section 2: Funding gaps

54. The section of the paper deals with the funding gaps summarised in Table 1.

2.1 Funding for major repairs



The repairs pipeline

55. The above diagram shows an idealised version of the repairs pipeline. New repair needs continually enter the pipeline, but it may be up to five years before the need is discovered via a quinquennial inspection. If the repair need involves major works then it will be a number of years before the project to carry out the repair actually gets underway. Thus it could easily be ten years or more in total before a repair need emerges from the pipeline and is fixed.

56. The cost of carrying out all the repairs in the pipeline is sometimes referred to in worrying terms as the ‘backlog’ or ‘the total of outstanding repairs’, and the large figure which arises may be used to frighten the reader into thinking that there is a major problem.

57. This is misleading. It is as though the media reported in worried terms that there is a three-year backlog of undergraduates waiting to sit their finals, or a nine-month backlog of babies waiting to be born. What matters is not the time needed to clear the pipeline or the cost of repairs in the pipeline but *whether known repairs are being dealt with at the end of the pipeline at the same rate as new repair needs are entering the pipeline*. If they are, then the average condition of churches will stay at its current level. (This assumes that repairs are not becoming significantly more expensive to deal with during their time in the pipeline.)

58. We do have some data on the cost of carrying out all repairs in the pipeline but the figures are simply not reliable and should be taken with a pinch of salt (see Appendix 2 for details).

The funding gap

59. The fundamental question is not how many repairs are in the pipeline, but whether repairs are being carried out at the end of the pipeline as quickly as new repair needs enter the pipeline. There are some indications that today the rate of carrying out major repairs each year is less than the rate at which new repairs needs are entering the pipeline, in which case the *average* condition of church buildings will be getting worse.

Table 10a: Spend on major repairs per CofE church building in 1998–2003 and today, in today's money [30]

All figures rounded

	CofE 1998–2003 average*	CofE 2011–14 average
	£k	**£k**
Money of the time	5.2	
Today's money using CPI for inflation	**7.2**	**7.0**
Today's money using building costs for inflation	**8.9**	**7.0**

*The 1998-2003 figure was first converted to 2001 money; the information for 2002 is not available

Comment: Today's spend per church building is more or less the same in inflation-adjusted terms as it was in 1998–2003 only if CPI inflation is used; if building inflation is used it is now rather lower.

Table 10b: Spend on major repairs per church building by the CCT in 2002 and by the CofE today, in today's money

All figures rounded

	CCT 2002	CofE 2011–14 average
	£k	**£k**
Money of the time	7.0	
Today's money using CPI for inflation	**9.4**	**7.0**
Today's money using building costs for inflation	**11.6**	**7.0**

Comment: In inflation-adjusted terms, the CofE is spending less per church today than the CCT did in 2002.

60. The first indication is that expenditure on major repairs per church building has dropped in real terms from what it was in 1998–2003 – but only if the building inflator is used to correct for inflation (Table 10a), showing a drop of £1.9k per church per year (difference between £7.0k and £8.9k in the final row). That is, if expenditure was adequate in 2004, it is not adequate now if the building inflator is used, by about £30m per year for all churches – unless for some reason churches need less spending on them than in 1998–2003. (The situation is worse if the expenditure per church, £6.3k for the past two years (Table 4), is used, rather than the average for the past four years of £7.0k per church.)

61. There is a related piece of evidence. Earlier this century I pointed out that the CofE was spending less per church building than the Churches Conservation Trust (CCT), which was believed to be keeping its buildings in good repair. [31] At that date (2002) the CCT was spending £7.0k per church per year, equivalent to £9.4k or £11.6k in today's money, depending on which inflator is used (Table 10b). The CofE today spends much less than *either* of these figures (second column). That is, **if** the CCT was spending appropriate amounts of money on major repairs in 2002 and its estate is roughly comparable to the CofE, and if those levels of spend are still appropriate, then the level of spend in today's CofE is too low. If one accepts this, then using the above table would translate into a funding gap now between £2.4k and £4.6k per church (subtracting the bottom two rows of Table 10b), or a total annual funding gap of between about £40m and £70m in today's money for all CofE churches.

62. (Unfortunately, it is not possible to repeat my 2004 work by comparing today's CofE spend with today's CCT spend, as the CCT has been focusing expenditure on a particular subset of its churches thus distorting the comparison. Furthermore the CCT itself has significant pressure on its repair spending.)[32]

Table 11: Number of CofE church buildings on the Heritage at Risk register for listed Places of Worship, 2015 [33]

Some figures rounded

	2015		Net increase during 2015
	no.	*%*	
Total number listed	12200	100%	
On register			
— and no solution agreed	506	4%	+22
— and solution agreed not yet implemented	243	2%	+41
— and repair scheme in progress	91	1%	
Total number on register (sum of above)	**840**	**7%**	

Comment: of 12,200 listed churches, just 506 (4%) are on the risk register with no solution agreed. This net increase in this number was 22 in 2015.

63. Finally, as pointed out earlier, there has been a fall in spend on major repairs in the last few years (Table 4) which may have been driven by a fall in income rather than a reduction in repair needs.

64. All this is relatively weak evidence for a funding gap for repairs. There is some slight supporting evidence: last year there was a net increase of 22 in the number of CofE churches on the Heritage at Risk register without an agreed solution (see Table 11) and of 41 with a solution agreed but not yet implemented (and therefore presumably without the cash-in-hand to pay for the repairs). This net increase of 63 is despite the closure and of twelve churches during the year,[34]some of which are likely to have been in one or other of these categories with closure removing them from the list, so the net figure of 63 understates the true movement *into* these categories. If the figures are reliable, it is evidence that current repair spend is not keeping up with new repair needs. If one makes the assumption that each of these extra 63 churches needs the same expenditure as the average church placed with the CCT of £230k, [35] then churches moving into these categories would represent an annual funding gap of about £15m. However considerable caution is needed, as the list is still new, and the increase may simply represent better recording during 2015 of churches previously at risk but not noticed in the initial survey, in which case the figure overstates the annual change.

65. In summary, the annual funding gap for repairs may possibly lie between £30m and £70m, and of that it is possible that about £15m is represented by the small number of churches whose condition is poor enough to create a net movement onto the 'at risk' category each year with no solution being implemented.

66. If parish income does fall in future, then any gap is likely to grow.

67. Where does the funding gap lie? The churches moving onto the Heritage at Risk register need unusually large expenditure, suggesting that some at least of the funding gap for repairs consists of very large repairs not being carried out. In support of this, as previously noted the GPOW scheme now runs at about £10m per year for the UK less

than its predecessor scheme; and, as also discussed, there was probably about £65m worth of disappointed applicants for the Roof Fund, each of whom was hoping to fund a particularly large repair. So it may be that a significant proportion of the funding gap lies in the area of unusually large expenditure – perhaps the sort of once per generation expenditure discussed earlier – rather than smaller repairs.

68. If there is a funding gap for repairs why is it the overwhelming impression of observers is that churches have never been in better condition? This is probably explained by most churches *not* having an annual funding gap most years, so that very large numbers of churches are indeed now kept in good condition year in year out. And perhaps in a number of cases they are patching and mending rather than carrying out a huge repair, and this is not visible to the average observer. Finally, some churches are closed, move out of the system and are lost to view: probably a good number of these required major repairs, but are never noticed. Finally, the CCT takes on a small number of churches, often in a very bad state of repair, and observers might simply expect these to be in bad condition and discount them in reaching a general view.

69. But the whole area is uncertain, and anyone making use of the above figures needs to treat them with extreme caution.

2.2 Stuck churches

70. Some churches are stuck in the repairs pipeline. The best estimate of the number of such CofE churches is the 506 on the Heritage at Risk register with no solution agreed. If one makes the assumption that each of these churches needs the same expenditure as the average church placed with the CCT, stated above to be £230k, then this would represent about £120m of repairs required for stuck churches. I do not know how reasonable the assumption is.

71. Of course, these stuck churches do not prove there is an annual funding gap *now* for new repair needs, merely that there was *in the past* an annual funding gap which meant these churches were not dealt with when they should have been. We do not know how quickly these stuck churches accumulated – it may have been over many decades – and we cannot use them to estimate the previous annual funding gap.

72. If money were available, it need not be the CofE which dealt with these buildings. The responsibility might lie with the Churches Conservation Trust (CCT), or local regeneration partnerships, or local heritage Trusts etc.

73. One small but important group of stuck churches worth highlighting is urban churches of great heritage value stranded by demographic change, which the CCT cannot afford to take over on its own, because of the size of the repair and adaptation challenge. A partnership solution is needed, but the organisational structures involved do not make this straightforward – the problem here is not just the question of funds.

74. Another group is the disappointed applicants to the Roof Fund. Earlier (paragraph 52), I estimated that this constituency represented about £65m of roof repairs required within two years. But some of these may not be stuck, and may be dealing with the problem in

other ways. And some that are stuck may already be on the risk register and thus included in my estimate in paragraph 70 of a total repair bill of £120m for these buildings.

2.3 Maintenance

75. By maintenance I refer to planned, regular inspections and clearance of gutters and such like, and the immediate response to minor repairs as the need is noticed.

76. Anecdotal evidence suggests that maintenance is not well done by churches. There is no routine central funding for this, though I understand three dioceses provide support of one sort or another, and a pilot scheme is being run by the National Churches Trust, funded with £90k by HLF and with up to 200 fifty-percent support grants for gutter clearance funded by the Pilgrim Trust.[36]

77. Assuming a cost of £500 per church per year, this activity could be professionalised for all parish churches for about £8m per year.

78. NOTE: I have seen some claims suggesting that gutter clearance or maintenance pays for itself twenty times over within five years. These claims are based on a piece of work done in a CofE diocese about ten years ago. I am trying to obtain a copy of the original report to understand how the figures were derived, but I suspect that the financial savings from maintenance are nowhere near as great as suggested. Certainly this claim should not form the basis for resource allocation until it has been properly reviewed. Of course, it is generally agreed that expenditure on maintenance is worthwhile: it is this particular claim which I doubt.

2.4 Facilities

79. One way to help sustain a church building is to ensure that it has the range of facilities needed for people to use it. The facilities in question might include one or more of parking, heating, lighting, electric points, toilets, water, simple kitchen facilities, a meeting room and flexible space. Of course the introduction of these facilities will not be appropriate or possible or even sensible for all buildings or their congregations.

80. In 2010/11 the Church of England surveyed its parishes for the provision of facilities, and the results are shown in Table 12. The first two columns shows the number of parishes lacking these facilities. and the right hand column is an estimate of how many church buildings this represents (some parishes have more than one church building). I believe the CofE has recently updated this survey, but the results are not currently available.

81. The Rural Affairs Group of the General Synod of the CofE have called for ‘a nationally promoted scheme to provide composting toilets for every church building without running water (and where [running water] was too expensive or impractical to provide)’.[37]

Table 12: Number of CofE parishes lacking particular facilities, 2011 [38]

All figures rounded

	Parishes		Estimated number of church buildings
	no.	*%*	
Parishes in which at NONE of the church buildings . . .			
. . . has a separate meeting space	7250	58%	9200
. . . has a kitchen	6500	52%	8300
. . . has a toilet	5900	47%	7500
For comparison, total number CofE parishes / church buildings	*12500*	*100%*	*15900*

Comment: Nearly half of parishes (47%, 5,900 in number) had no toilet in any of their church buildings in 2011. This represents an estimated 7,500 church buildings.

82. I do not think we have the information available to calculate the capital cost of introducing such facilities. But a back of the envelope calculation suggests that if one half of these churches carried out the installation of facilities at an average cost each of £50k, then then capital cost would be £200m – but this figure is close to pure speculation.

83. The actual spend per year on new facilities is not known. Parishes spend an average £50m per year on 'new building costs',[39] but this will certainly include many types of expenditure in addition to the introduction of facilities into churches.

84. As regards grants, the main funder of new works of the sort discussed above is the HLF GPOW scheme which can include grants for 'new works' of this sort. Money for new works is given to about one third of successful applicant (I assume the others did not ask for this funding), so probably about 30 or 40 grants per year (see Appendix 3). These allocations for new works appear to total a little under 5% of the GPOW budget, probably coming in at about £1m per year for CofE churches, with an average allocation of £25k per church. For reasons discussed in the appendix, awards for new works tended to increase in size with the size of the total grant. Furthermore, where the total grant was more than £100k, about 40% receive a new works award, but only about 20% of those where the total grant was less than £100k.

85. In addition to the HLF, the National Churches Trust provides grants for this purpose through its Community Grant Scheme, awarding 25 grants totalling £260k in 2015, with an average grant size of about £10k. The scheme was heavily oversubscribed, with 147 applications. [40]

86. So although valuable, these sources of funding are a drop in the ocean compared to the overall capital need.

2.5 Support officers

87. Since 2008 Historic England (and its predecessor body, English Heritage) have part-funded Support Officers for the Church of England and other places of worship. They have supported 26 such posts for the CofE alone, almost all attached to a diocese, with another 8 attached to various infrastructure organisations usually working with more than one denomination or faith group (Table 13). Typically the cost of the support officer is shared 50/50 with the diocese, and the total commitment to date from all parties is about £2.7m. All of the posts were initially supported for three years but in most cases the support lasted longer, so in that sense the figure of 26 posts understates the level of support provided.

Table 13: Number of Support Officer posts funded by English Heritage/Historic England dedicated to CofE churches, since 2008 [41]

	No.	Comment
Number of CofE posts created since 2008	26	All but one in dioceses. Each post supported for three years or longer.
Number extended by at least one year	20	Of which 9 of more than four years duration
Number in post now	10	–
Number **confirmed** April 2017 onwards	4	This figure may increase

Comment: A significant number of support officers posts have been part-funded by Historic England; the number is now falling. Note: the table gives data for CofE support posts, not others.

88. Support officer are very widely recognised to have been successful in helping congregations find new ways forward for their buildings, obtain funding, and manage the various stages of their projects, and I will not trouble to repeat here the evidence for this.

89. Table 13 shows the number of Support Officers part-funded by Historic England (HE). The number *confirmed* to be in post from April 2017 onwards is four, a reduction from the current ten, and the number *confirmed* for April 2018 is smaller still. HE often have conversations with potential partners about such posts and this might increase their future number: however many dioceses are under financial pressure, and the ability of HE itself to fund such posts will of course depend on its settlement in the next spending round (the last spending round substantially reduced HE's grant).

90. In some cases, dioceses have continued to fund a Support Officer, and there is at least one diocese that fully funds two full time equivalents. In other cases, however, the Support Officer role disappeared when HE part-funding ceased, and some dioceses never took up the offer in the first place.

91. How large is the funding gap for support officers? To provide two support officers per diocese would require 86 people, and (based on informed guesswork) my guess as to the total cost would be £4m per annum. If public money supported half this cost, then the cost to the public purse £2m per year. I should say that other models of support officer might perhaps be considered – for example, funding congregations to buy in their own support.

92. The Rural Affairs Group of the General Synod of the CofE has expressed a desire for rather more support, namely 'the employment of appropriately skilled officers (for benefice, deanery or diocese in conjunction with ecumenical partners), who could then assist volunteers with the day to day management of church buildings and exercise the legal functions pertaining to the maintenance of buildings and graveyards'.[42]

93. This could take various forms, but as an extreme example it is interesting to speculate how much it might cost to centralise and professionalise the entire care of churches. If the CCT model were followed (essentially the professionalisation of a good many – though by no means all – of the voluntary activities currently which are, or should be, undertaken in looking after churches and making them accessible, and the management of volunteers for other roles), then I estimate that it would require 140 full-time equivalent staff and more than 5,000 volunteers per one thousand churches.[43] The evidence suggests that repairs costs would not fall.

2.6 Infrastructure organisations and partnerships

94. Funders typically offer grants for projects with a specific life-span, usually (but not always) three years. There is a shortage of private and public funders willing to support infrastructure organisations over the long term. To take two imaginary examples, I am fairly sure that if someone wanted to set up a Churchwardens' Support Society or a Federation of Friends of Churches, they would find it virtually impossible to obtain long-term core funding.

95. Those of us working in the sector have seen how this regime operates in practice with the excellent work done by the SPAB in encouraging maintenance; this has had to take the form of two separate and differently defined projects funded by HLF, each with distinct objectives and different infrastructures. When I explain this to people not familiar with the world of grants and grant-aid, they think it is somewhat odd.

96. The size of this funding gap is, of course, difficult to assess, but it would be good if some major funders could dip their toe into the water of long-term funding for infrastructure organisations and partnerships.

2.7 Buildings which were once parish churches but no longer are

97. The paper has thus far concentrated on buildings which have one particular type of owner (the parishes and dioceses of the CofE), and has ignored large numbers of buildings of the same type which, having been closed for regular worship, are now under the care of different owners or leaseholders. These have varying heritage value, and different levels of public access.

98. More than 1,900 church buildings have been closed since 1969 (Table 15), with the number of closures per year slowing down in recent decades. Of these buildings, 25% have been demolished and the site disposed of. The remaining 1,450 still stand, and have a wide variety of uses (see table). Many of the finest examples (18% of all closed buildings, which means 24% of all surviving closed buildings) are looked after by the CCT, a special case which is discussed below.

Table 14: Destination of closed church buildings, 1969–2015[44] (see note)				
Alternative use				
Residential	307		16%	
Worship by other Christian bodies	172		9%	
Monument	153		8%	
Civic, cultural or community	151		8%	
Parochial or ecclesiastical	81		4%	
Office or shopping	59		3%	
Educational	37		2%	
Arts, crafts, music or drama	35		2%	
Private and school chapel	26		1%	
Storage	18		1%	
Museums	16		1%	
Sports	13		1%	
Other	20		1%	
		1088		**56%**
Preservation				
by CCT	347		18%	
by diocese or Secretary of State	9		0.5%	
		356		**18%**
Demolition and site disposal		**482**		**25%**
Total		**1926**		**100%**

Note: During the past fifty years the proportion of buildings going to each type of destination has changed. For example, the proportion being demolished has seen a sharp fall.

Comment: There is a wide variety of destinations, some of them providing public access.

99. The Sustainability Review is addressing issues which arise not only from *the type of building*, but specifically from *the nature of the particular organisation (dioceses and parishes of the CofE) which owns most of these buildings*.

100. Some closed churches are used for ‘worship by other Christian bodies’ (9% of the total), and these will no doubt be included in any of the Review’s recommendations which apply to denominations other than the Church of England, along with those owned by the Friends of Friendless Churches, and other Trusts whose primary purpose is preservation (not shown separately in the above table).

101. But most of the other surviving buildings are now owned by rather different types of organisation – for example many (16%) are in use as residences – and though there may be a public interest case for assessing how well such buildings are looked after, this would need to take into account the particular mode of ownership. They would appear to be well outside the scope of the Review.

102. In the remainder of this brief section I briefly explore the ‘leakage’ of churches in poor condition from the care of parishes, and finish with a brief note on the CCT.

‘Leakage’ of poor-condition churches from the care of parishes

103. As background, the decision to close a church for regular worship and take it out of the parish system involves many stakeholders, but in essence it is made on pastoral grounds, not on the basis of the heritage value of the building. In contrast, decisions about what to do with the building after closure do allow for its heritage value, though do not, as I understand it, take into account the future accessibility of the building to the public.

104. Anecdotal evidence suggests that many church buildings have not been kept in good repair before closure. Their closure thus represents a ‘leakage’ of poor condition buildings out of the parish system. The failure to keep them in good condition indicates a repair funding gap for some years before closure, a particular manifestation of the repair funding gap already identified in section 2.1.

105. In passing, there is a surprising side-effect of closing a church: when a church which is on the Heritage at Risk register is closed, it is removed from the register, thus reducing the number of Places of Worship formally at risk. (The building is then re-assessed using different criteria and may or may not be placed back on the register, but under a different category, called ‘Buildings or Structures’.)

106. A recipient of historically important closed churches is the CCT. It is of course directly affected by any *previous* repair funding gap in those churches, and it has a ring-fenced budget for repairs to these buildings. This stands at £2m for the current three year period. This might suggest it is able to take on just 8 new churches over this three years (using the average figure of £230k per church quoted earlier, and not adjusting for inflation).

107. However, some 80 churches might be expected to close in this time. [45] It seems to me unlikely that only 8 (10%) of these will fulfil the statutory criteria for being placed with the CCT, but the CCT would currently appear not to be in a financial position to accept more than this. Anecdotal evidence certainly suggests that the CCT does not at present have the financial capacity from its core grant to take on some important church buildings with large repair needs.

108. To put it another way, there was a serious repair funding gap for these churches in the years *before* they were closed; and the long-stop arrangement for the care of these buildings set up in 1969 (the CCT) currently appears not to have sufficient core funding to undo the difficulties this repair gap has caused.

Sustaining CCT church buildings

109. The CCT’s approximately 350 churches forms an important part of the overall system by which church buildings are kept available for public enjoyment and use.

110. The CCT has a core grant which has been diminishing for a number of years, and it has increasingly been diversifying its sources of income, and the range of its partnership working, to reduce its reliance on this grant. Its expenditure can change greatly year-on-year according to its investment during that year in very large repair and regeneration projects. For these reasons and others the question of whether there is a funding gap in sustaining these buildings is complex, and not addressed here.

Appendix 1: Rural / urban split

A1.1. This appendix discusses the difference in repair expenditure for rural and urban churches.

A1.2 Data is available for spend per parish on major church repairs, but not for spend per church building. But many parishes have more than one church building, as the approximately 12,500 parishes support about 16,000 church buildings. Thus the data for spend per parish cannot be compared with spend per church building shown elsewhere in this document.

A1.3. Table A1.1 shows the data available to me. As explained in paragraph 24, as rather little other relevant data is available to me on the rural/urban split, this paper does not make any use of that distinction.

Table A1.1: Spend per CofE parish on major church repairs, by rurality, 2014 [46]
All figures rounded. Note this is spend per parish, not spend per church building.

Rurality	Spend per parish on major church repairs	Percentage of parishes falling into this category	Percentage of spend falling into this category
	£k	%	%
Rural hamlets	6.5	35	29
Rural village	5.2	23	4
Rural town	6.0	5	15
Urban city & town	9.4	21	25
Urban conurbation	13.0	17	27
Total		100% = 12,500	100% =£108m

Comment: Rural parishes spend less per parish than urban ones. The total spend for rural parishes is 48% of the whole (sum of first three rows).

Appendix 2: The repairs pipeline

A2.1 This appendix discusses the value of all repairs in the repairs pipeline (for which see paragraphs 55–58).

A2.2 Since the millennium there have been three estimates of the cost of all repairs in the repairs pipeline. None of them are reliable, and they certainly cannot be compared with each other to assess a trend. But for the record, here is a brief account of the three attempts.

A2.3 In 2003, the annual return collected by the CofE from each parish asked parishes for their estimate of outstanding repairs. The total for all churches in money of the time was £370m.[47] This was presumably based on parish QI reports, which are known from other sources to be incomplete and to understate costs, meaning that the figure cannot be relied upon.

A2.4 In 2005 English Heritage carried out a systematic and useful piece of work, called the *Fabric Needs Survey*.[48] A total of 102 churches were assessed. As one part of this project, the repair needs from these 102 churches were upscaled to apply to all the churches in the CofE, and the conclusion was that there was £925m of repair needs in the pipeline needing to be dealt with within the next five years, and a further £500m over the following five years, totalling £1,400m. This result depends on the sample of 102 being truly representative, which is horrendously difficult to achieve when dealing with a profile where a few large repair needs in the sample can have a significant effect on the final result. The report itself caveated the results by saying 'it should be stressed that they [the churches] are not necessarily a statistically representative sample', and that for this reason 'the national results need to be treated with some caution'. Sadly these caveats were forgotten, and the £925m figure is frequently quoted without comment or explanation, or even adjustment for inflation.

A2.5 There is a case for repeating the 2005 EH *Fabric Needs Survey* with the same set of churches: this would create an invaluable longitudinal study of how repairs needs are being met within the Church of England. But such a study must not attempt to upscale the average result for these churches to all the churches in the CofE, as the resulting figure could well could lead to mistaken conclusions about the state of our churches and how this has changed in the past decade, and thus to poor decisions about the use of public money going forward.

A2.6 In 2013 the CofE, with support from EH/HE, reviewed all Quinquennial Inspections (QIs) as part of an important project to assess the general state of the buildings and create a risk register. It was found that only about one in five of QIs had complete costings. From the QI figures which were available, the cost of the total repairs in the pipeline was calculated. However the authors recorded that 'it was noted that where churches had had work undertaken, the actual cost of repairs was significantly higher (often 2–3 times higher) than the original costing in the QIs', a margin of error which means it would be misleading to promulgate this as yet unpublished result. [49]

A2.7 The 2005 EH *Fabric Needs Survey* is the only result which can be taken seriously, though with great caution. It would suggest that in 2005, after allowing for building inflation, there were total repairs of £1850m in the pipeline, or about £115k per church. As a sense check, on a rolling nine years basis the Churches Conservation Trust assesses the state of each one of its entire collection of about 350 churches, and in 2014 estimated that the pipeline held about £100k of repairs per building on average, ignoring those which it has recently acquired in very poor condition.[50] But, as emphasised earlier, such a figure is of very little use unless it is measured routinely and on a strictly consistent basis, to see how it is changing – in my view, exceptionally difficult if not impossible to do uniformly for the CofE estate.

Appendix 3: HLF GPOW spend on 'new works'.

A3.1 As discussed in paragraph 84 of the body of this paper, the HLF GPOW scheme can include grants for 'new works' for community use – for example, toilets. This appendix discusses the number and size of such grants.

A3.2 The HLF has kindly examined a sample of 264 successful grant applications.[51] It is not known whether these cases were a representative sample. Of these, 91 had received a grant for new works, representing almost exactly one third (34%), suggesting about 30 or 40 cases per year receive money for new works. The total awarded for new works averaged £25k per successful case.

A3.3 Assuming that these cases are representative, then it suggests that 4.6% of all GPOW grant money is spent on new works, and that grants for new works for CofE churches are totalling approximately £1m per year.

A3.4 To receive an award for new works 'the new works should cost no more than 15% of the total overall project costs'.[52] Table A3.1 final column (column e) shows that as expected, the larger the overall award, the larger the average grant for new works.

Table A3.1: Pattern of grants for 'new works' awarded by HLF under the GPOW scheme (see text)

All figures rounded

Award band (entire award, including repairs and any award for new works)	**Number of awards with new works**		**Number of successful CofE applications for a repair grant**	**Estimated percentage of successful CofE repair applicants who received a grant for new works**	**Average award for new works**
	In trial sample of 264 with new works	*Previous column uplifted for all CofE applications with new works*			
	a	b	c	d	e
10–49k	2	3	17	17%	£4k
50–99k	9	13	59	22%	£11k
100–149k	20	30	68	43%	£19k
150–199k	22	32	87	37%	£21k
200–249k	31	46	126	36%	£33k
250–299k	7	10	32	32%	£44k
Total	91	134			
	=34% of the sample of 264 awards	=34% of all 389 CofE awards			overall average = £25k

Comment: see text

A3.5 There is a side-effect to this restriction – the smaller the project cost, the less opportunity there is to find worthwhile things to do with 15% of the overall cost, and the less likely therefore that a grant for new works will be sought. Thus where the total award is less than £100k, only about 20% of successful applicants received (or, presumably, asked for) funds for new works (column d of Table 16). Above £100k, the percentage roughly doubles, to about 40%.

Technical note: column d is the proportion of column b over column c. Column b is an estimate of how many successful CofE repair-grant applicants also receive awards for new works. This is calculated from column a, the actual number of new works awards in the sample of 264 cases for which we have data uplifted to allow for the fact that there have been 389 successful CofE applications.

---

[1] Church of England, *Parish Finance Statistics 2014*, Table 2.
[2] Church of England, *Parish Finance Statistics 2014* (London: Church of England Research and Statistics, Church House, 2016), Tables 4 and 5 <https://www.churchofengland.org/about-us/facts-stats/research-statistics/finance-statistics.aspx>.
[3] About £100m of this appears to be donations, based on comparison to Annex 2 of Church of England, 'Financial Overview 2004-13: A Summary of the Finances of the Church of England' (The Church of England, 2014) <https://www.churchofengland.org/media/1886486/financialoverview.pdf>.
[4] Donations to poorer dioceses totalled £46.2m (*Investing in the Church's Growth: The Church Commissioners Annual Report 2014*, note 4 to the accounts on page 46). <https://www.churchofengland.org/media/2229788/the%20church%20commissioners%20annual%20report%202014.pdf>.
[5] Church of England, *Parish Finance Statistics 2014*, Table 6.
[6] Church of England, *Report of the Church Buildings Review Group*, 2015, p. 7 <https://www.churchofengland.org/media/2383717/church_buildings_review_report_2015.pdf>.
[7] *Ex info* Research and Statistics Department, Church of England, summer 2016.
[8] Church of England, *Statistics for Mission 2014* (Archbishops' Council, Research and Statistics, Central Secretariat, 2016), Fig. 16 <https://www.churchofengland.org/media/2432327/2014statisticsformission.pdf>.
[9] Church of England, *Parish Finance Statistics 2014*, Tables 2 and 3.
[10] Church of England, *Parish Finance Statistics 2014*, Table 3.
[11] Church of England, *Parish Finance Statistics 2014*, Table 6.
[12] *Ex info* Research and Statistics Department, Church of England, summer 2016.
[13] Trevor Cooper, *How Do We Keep Our Parish Churches?* (Ecclesiological Society, 2004), Table 3.1 <http://ecclsoc.org/wp-content/uploads/2015/02/How-do-we-save-our-parish-churches.pdf>.
[14] *Ex info* Research and Statistics Department, Church of England, summer 2016.
[15] Sources: For Roof Repair Fund, the reports to the Historic Religious Buildings Alliance in June 2015 and June 2016 and *ex info* the Fund summer 2016; For HLF GPOW, Heritage Grants and Our Heritage Grants, *ex info* HLF summer 2016; for LPOWGS, *ex info* summer DCMS 2016; for County Trusts, Trevor Cooper, 'Who Will Keep Our Churches?' (Chester Cathedral, presentation to County Trusts, 2008); for the National Churches Trust, *ex info* the Trust, September 2016 and see also *The National Churches Trust Annual Review 2014 – 2015*, p.9 <http://www.nationalchurchestrust.org/publications/annual-review>; for Wolfson Foundation, Cathedral and Church Buildings Division of the Church of England, *Summary of Financial Activities: Grants Programme, 2015*, pp. 14, 22–24 < http://www.churchcare.co.uk/images/grants_and_funding_/CCB_2015_Grants_Report_web.pdf> and see also < http://www.churchcare.co.uk/churches/funding-and-grants/our-grants/fabric-repairs>.
[16] Heritage Lottery Fund, 'Grants for Places of Worship, England: Application Guidance', 2016, p. 6 <https://www.hlf.org.uk/looking-funding/our-grant-programmes/grants-places-worship-england>.

[17] For RGPOW see Cooper, *How Do We Keep?,* Tables 3.3 and C1.
[18] Cooper, *How Do We Keep?*, Table 3.3.
[19] Cooper, How Do We Keep?, p. 30.
[20] Listed Places of Worship Roof Repair Fund, 'Application Guidance', October 2015 p. 4; Heritage Lottery Fund, 'Application Guidance', 2016, p. 4.
[21] For HLF, *ex info* HLF, summer 2016; for Roof Repair Fund, my analysis of Listed Places of Worship Roof Repair Fund, 'Successful Applicants 2015', and the same for 2016 <http://www.lpowroof.org.uk/?q=en/grantees>.
[22] Information from Table 6, and the paragraphs immediately before and after this table.
[23] As reported to the Historic Religious Buildings Alliance on 3 June 2015.
[24] First tranche 1375 CofE applicants as reported to the Historic Religious Buildings Alliance on 3 June 2015; second tranche 1124 CofE applicants, *ex info* the Fund, summer 2016. Estimate of CofE re-applicants to second round (599) made by assuming same proportion (800/1500) as for all applicants.
[25] Heritage Lottery Fund, 'Application Guidance', 2016, pp. 7, 28.
[26] Listed Places of Worship Roof Repair Fund, 'Application Guidance', October 2015 p. 5.
[27] For first tranche, as reported to the Historic Religious Buildings Alliance on 3 June 2015; for second tranche (for which all applications had to be for work to be carried out within two years) see Table 6.
[28] Heritage Lottery Fund, 'Application Guidance', 2016, p.4.
[29] Number of disappointed CofE applicants for first tranches 1003 as reported to the Historic Religious Buildings Alliance 3 June 2015; for second tranche 1124 CofE applicants (*ex info* the Fund, summer 2016), of which estimated 525 were first time applicants, my estimate made by assuming same proportion of CofE re-applicants (800/1500, see Table 6) as for all applicants. This gives an estimate of 1900 unique CofE applicants, of whom 659 received grants (same sources as above). Then assume average size of failed CofE applications is equal to average size of all successful applications (£54k) .
[30] The first column in Table 9 is from Cooper, *How Do We Keep?* Table A2. The second column shows the average for 1998–2003, lacking 2002; of this, the data for 2003 was published in Cooper, *How Do We Keep?* p.62, and the data for the others of these years *ex info* Church of England, 2003 but not at that time published. The data in the final column is from Table 4.
[31] Cooper, How Do We Keep? p.62.
[32] The Churches Conservation Trust, *Repair Liability Report 2014* (London, December 2014), *passim* <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=0ahUKEwim2NDf86fPAhXmCMAKHeaxC4gQFggrMAI&url=http%3A%2F%2Fwww.visitchurches.org.uk%2FAssets%2FConservationdocuments%2FConservationStrategicProgramme201518.docx%3F1423070613&usg=AFQjCNHCOye_uBYs5jI_rPiUvNSHU3uiVg>.
[33] Diana Evans (on behalf of Historic England), 'Places of Worship at Risk 2015', 2015, presented to the HE Places of Worship Forum 21 October 2015 and *ex info* Historic England, summer 2016.
[34] *Investing in the Church's Growth: The Church Commissioners Annual Report 2015*, p. 19 <https://churchofengland.org/media/2492846/churchcommissionersar2015.pdf>.
[35] BOP Consulting, Evaluating the Impact of the Churches Conservation Trust Model for Investment in Condition, Maintenance and Repair for Historic Places of Worship (Historic England (Project Number 6921), 27 March 2015), p. 17 <https://historicengland.org.uk/images-books/publications/evaluating-impact-of-cct-model-for-investment-in-condition-maintenance-repair-for-historic-places-of-worship/>.
[36] See <<http://www.nationalchurchestrust.org/yorkshire-maintenance-project; and http://www.nationalchurchestrust.org/Maintenancebooker> accessed September 2016.
[37] Church of England, *Church Buildings Review*, p. 56.
[38] Church of England, *Church Statistics 2010/11* (London: Archbishops' Council, Research and Statistics, Central Secretariat, 2012), Figure 13 (p.31) <https://www.churchofengland.org/about-us/facts-stats/research-statistics/statistics-for-mission.aspx>.
[39] *Ex info* Research and Statistics Department, Church of England, summer 2016.
[40] *Ex info* the Trust, September 2016; see also *The National Churches Trust Annual Review 2014 – 2015*, p. 11 <http://www.nationalchurchestrust.org/publications/annual-review>.
[41] *Ex info* HLF, summer 2016.
[42] Church of England, *Church Buildings Review*, p. 56.
[43] This is based on the fact that the CCT has fifty FTE staff and 1870 volunteers for about 350 churches (for staff, see http://www.visitchurches.org.uk/Aboutus/Whoweare/; for number of volunteers, see http://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/CharityWithPartB.aspx?RegisteredCharityNumber=258612&SubsidiaryNumber=0).

[44] Church Commissioners, 'Summary of Schemes made since 1969', available at <www.churchofengland.org/clergy-office-holders/pastoralandclosedchurches/closedchurches/stats.aspx> accessed September 2016.
[45] Based on the number of schemes 2011–2015 (Church Commissioners, 'Summary of Schemes made since 1969'). Schemes are not the same as closures, but the approximation is good enough for our purposes.
[46] *Ex info* Research and Statistics Department, Church of England, summer 2016
[47] Church of England, *Church Statistics 2003/4* (London: Church House Publishing, 2005), Table 65.
[48] English Heritage, *Fabric Needs Survey Summary*, 2005.
[49] Locus Consulting, 'National Church Fabric Survey', 2013.
[50] The Churches Conservation Trust, *Repair Liability Report 2014*, *passim*.
[51] All data in this appendix (including the table), *ex info* HLF, summer 2016.
[52] Heritage Lottery Fund, 'Grants for Places of Worship, England: Application Guidance', 2016, p. 5.