

Churches and Faith Buildings: Realising the Potential

A paper to help faith groups identify sources of funding that could develop places of worship to make them better able to deliver public services, and to build the capacity of faith groups to engage strategically at local and regional levels around the delivery of local priorities and access to funding allocations.

This paper has been produced by a working group comprising officials from Her Majesty's Treasury, Communities and Local Government, Office of the Third Sector, the Department for Culture, Media and Sport and Defra in conjunction with representatives of the Church of England.



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Foreword

Ministerial Foreword

'Realising the Potential' began life with a commitment from the Prime Minister, then as Chancellor of the Exchequer, in the 2007 Budget to look more closely at what support Government can give to the churches and other faith buildings at the heart of so many of our communities. This came in response to concerns raised by the Church of England about the future of its huge network of 16000 buildings across the country and reflected a growing recognition of the role of faith buildings both as a fundamental part of our national heritage but also as highly valuable community resources.

The Government is grateful to the Church of England for raising these issues. This has been a catalyst for bringing together for the first time in one paper a list of all the relevant Government funding streams, as well as capacity building resources. It has also led to a much clearer articulation of the valuable, and often unrecognised, role our faith communities, and the networks and buildings which they support, can play as part of the voluntary and charitable sector – the third sector.

Faith communities bring distinctive resources to local communities, supporting and empowering individuals, embracing a rich diversity of experience, skills and people motivated to change their communities for the better. Typically deeply rooted, they are there 'for the long term', having unusual qualities of resilience and commitment, particularly in deprived areas. This paper seeks both to affirm their value and to look more closely at how they can best be supported and developed.

Last year Government published *Face to Face & Side by Side*¹, and in partnership with CLG and NAVCA, the Church Urban Fund published *Believing in Local Action*². Both were launched by the Rt Hon Hazel Blears MP, Secretary of State for Communities and Local Government, and both are aimed at supporting partnership working with faith communities in order to maximise their potential to contribute to local priorities.

The Church of England has a special role to play, as *Face-to-Face & Side-by-Side* acknowledges³. The Bishop of London's preface to this paper makes clear that the Church of England has a unique legal status, as the Established Church. It has also been described as 'largest voluntary organisation in the country', with a wealth of assets in its unrivalled stock of buildings and its local congregations in almost every place through the parish system.

¹ www.communities.gov.uk/publications/communities/facetofaceframework

² www.cuf.org.uk/Believing_in_Local_Action.aspx

³ See *Face-to-Face & Side-by-Side*; pp.69–70


But buildings are liabilities as well as assets and this report is aimed at showing what support is available to help release the full potential of church and faith buildings as community resources without all of the burden falling on the local congregation or worshipping community. This support may be straightforwardly in the form of grants – but it is equally important that it can be in the form of capacity building, guidance or skills for working in partnership with other local agencies, in the public, private or third sectors.

The paper also lists some of the wide range of guidance documents available from a variety of sources which are designed to equip local organisations to find their way through the world of Local Government and local partnerships, in order to be effective partners in their own right. We hope it will also help non-faith-based partners in the public, private and third sectors to see more clearly the benefits of engaging with faith communities.

Although the paper focuses mainly on the Church of England, we do not regard this as a disadvantage. On the contrary, it has enabled the working group to provide information and advice in a detailed way, so that the whole document is a kind of case study applicable to the full diversity of the faith sector as a whole, as well as to the community sector as part of the wider third sector.

Indeed we regard the paper as an essential step in the process of developing a comprehensive body of resource and advice for faith communities and the community sector for their work as local partners. In the meantime we hope that all faiths will make use of this paper as a source of information and advice about funding, capacity building and partnership working. Nothing in the paper is specific to a single faith tradition – in fact most of the material is applicable to any third sector organisation.

We would like to commend the paper for wide use and to thank the working group, in particular the Church of England representatives, for the time and effort they have given to producing this important paper. We want it to make a real difference to the way in which churches and faith communities get involved locally and so help to meet local priorities.



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Foreword from the Bishop of London

The UK ceased to be a confessional state in 1829 and thereafter successive governments have been committed to a free market in religious ideas. Frequently, however, where public policy and the aspirations of the communities of faith have coincided, partnerships in achieving defined social goals have been possible.

At the same time, buildings owned by faith communities are often places which serve a wider constituency than that of regular worshippers. A good example of this is the tradition of hospitality observed in Sikh Gurdwaras⁴. So it goes without saying that everything in this paper applies to all faiths.

The parish churches of England, however, offer special opportunities because of their distinct legal position. Parishioners who are not worshippers have legal rights to service from the parish church; for example the right to be married. The election of Churchwardens by voters qualified by residence and not necessarily members of the congregation is another aspect of a relationship with the whole of a local community which is enshrined in law.

There are about 16,000 parish churches in England which constitute a countrywide network which endures in the inner city and rural areas where places of public assembly and service are in short and often diminishing supply. There are now more parish churches than post offices and indeed there are already some 12 post offices which operate from church buildings. This is an example of a growing trend to return church buildings to their original function as places of worship and also places of assembly and celebration for the whole of the local community. This ancient tradition has in more recent times been overlaid by a distaste for mixing the sacred and secular but this dichotomy is increasingly being challenged. Encouragement from Government and from Regional Authorities would be a powerful incentive for the individual Parochial Church Councils responsible for parish churches to enhance their usefulness as community hubs with appropriate modern facilities such as kitchens and lavatories.

At a time of financial stringency when the green agenda is growing in significance it obviously makes sense to maintain and develop such a significant national asset. It would cost billions to replicate the country wide social infrastructure which already exists in the network of buildings the Church of England manages on behalf of the

⁴ i.e. the 'langar' – see case study on p22

whole community. Any assistance would of course depend on a proven determination to equip the churches for wider community access but a relatively modest investment could yield large dividends.

A handwritten signature in black ink, reading "Richard Chartres". The signature is written in a cursive style with a long, sweeping underline that extends under the word "Chartres".

The Rt Revd and Rt Hon Richard Chartres DD FSA

Executive summary

Faith groups, including the Church of England (CofE), share many objectives with Government, including that of providing communities with high quality public services. The CofE, for example, has an estate of church buildings that gives them a presence in every community in England, with the potential to act as a service delivery point for all those who live within the parish, whether they are churchgoers or not. However faith buildings are not always suitably adapted for wider community use.

Following dialogue with the Bishop of London, the Prime Minister agreed that whilst there would be **no new funding following the agreement of CSR settlements, there should be consideration of how faith buildings might be better plugged in to existing Departmental programmes**. HM Treasury has co-ordinated work amongst DCMS, CLG, OTS and DEFRA to identify such programmes.

This paper **does not consider the funding of the general upkeep of historical** buildings for activities such as worship. However, a range of funding sources have been identified that may be appropriate for the physical alteration and modification of faith buildings to ensure that they are fit for community use. In particular, the work of the group has identified:

1. the **Empowerment fund**: CLG have created a £7.5 million fund over 3 years (from 08/09–10/11) to support existing third sector organisations operating across England which are helping local communities turn key proposals into practical action on the ground in such areas as community leadership, community involvement in planning and social enterprise. The purpose of the support is to help selected third sector organisations, which includes churches and faith-based organisations to achieve to a greater extent than otherwise their own goals, and those selected to receive assistance will be organisations that have, and are pursuing, goals that further the empowerment of local communities;
2. the **Community Infrastructure Levy (CIL)**: a proposed new charge which local authorities in England and Wales will be empowered, but not required, to levy on most types of new development in their area. CIL will provide local authorities with extra resources to be spent on local and sub-regional infrastructure to support the development and sustainability of an area. The detail for the setting, delivery and operation of CIL remains under

consideration and will be set out in draft regulations on which the Government will consult in Spring 2009;

3. the **Communitybuilders Programme**: a £70m programme being led by CLG supported by OTS. Informed by wide consultation exercise undertaken in 2006 and published in February 2007, the aim is to create long-lasting sustainable community led organisations delivering a range of services to the whole community based around a building. It will be launched in June 2009.

Whilst there are many good examples of faith groups accessing existing funding streams, discussion has identified two barriers that may be hindering access to funding streams by faith communities in some cases:

- 1 **clarification amongst funders** of the role of faith groups in delivering public services, and their eligibility for public funding; and
- 2 the **limited capacity of faith groups** to engage directly at a strategic level with the local and regional structures within which funding priorities and decisions are made.

To overcome these barriers, a number of actions have been identified by the working group, including:

- work aimed at clarifying the eligibility of faith groups for funding, including by **addressing any ‘squeamishness’¹ that funding providers may have in allocating public funds to faith groups** and other third sector groups; and
- **action points** to be taken forward by both Government departments and faith communities to develop their capacity to engage with the delivery of local priorities and to access funding allocations at local and regional levels.

Clarifying the eligibility of faith groups for funding

- **CLG** has committed to **convene a panel of experts**, including representatives from faith communities, in 2009 to consider how faith groups can be better understood by funding providers and address squeamishness as outlined above. It is hoped that this will lead to a

¹ The term ‘squeamishness’ in this context was first used by the report of the Commission on Integration. See paragraph 3:11 on page 27.

Charter for Excellence in public service delivery by faith communities. Faith communities will be consulted about who will represent them on the panel;

- the **Local Government Association (LGA)**, in partnership with the Improvement and Development Agency (IdeA), CLG, the Inter Faith Network for the UK, the Faith-based Regeneration Network, the Community Development Foundation and the National Association for Voluntary and Community Action has already actively begun to review *Faith and Community* guidance, originally published in 2002 for local authorities and their local partners on how to work effectively with faith groups. Planning meetings have already taken place, as has a consultation with local authority chief executives. A small conference, mainly for the public sector, took place on 5 March. A further conference focused mainly on faith communities is likely towards the end of 2009;
- a **consortium of faith communities**, convened by Churches Together in England, is leading on work to develop a programme of '**religious literacy**' training² to improve the knowledge and skills of public agencies to work with faith communities. CLG is committed to supporting this work actively when the working group feels it is ready;
- the **Office of the Third sector** has commenced the **National Survey of Third sector Organisations**, which will be published in March 2009. This survey will include the identification of faith-based organisations and the types of activity they carry out in their community, as well as the funding and other support that is available to them in their local area. This will provide a clearer picture of the work of churches and other faith-based organisations throughout England.

At Regional level:

- **Government Offices for the Regions** will, in each of the 9 English Regions, convene a **network of local authority leads** by 2011 on faith and cohesion to share best practice and better equip them to work with faith communities. This will include the production of a toolkit which builds

² The terms 'religious literacy' and 'faith literacy' are often used interchangeably. However, the group working on the 'religious literacy' proposal has noted: 'It is recognised that there are other forms of belief [than religious belief] and other important factors in identity. However, this proposal focuses on religious belief and practice because religious communities have distinctive aspects of belief and culture which lead local authorities to need and wish to take these into account, both in the context of service delivery and consultation, and also in terms of partnership working for the good of the local community.' This paper on faith buildings therefore uses the term 'religious literacy' to ensure consistency with the practice of this parallel strand of work.

upon learning from successful approaches led by the Government Offices (GOs) in London and Yorkshire and the Humber;

- **North West Regional Development Agency (NWDA)**, as the recently appointed RDA lead on faiths on social action, is currently developing a work programme to support all RDAs in working effectively with faith communities. NWDA have recently commissioned **research from an independent consultancy on the added value of faith**, identifying the value which faith-based organisations bring to service delivery;
- **CLG** has begun a programme of investment in the **Regional Faith Forums (RFFs)** with £70,000 per annum being allocated over the three year comprehensive spending review period to each region. RFFs will work with regional decision making bodies, including the RDAs and GOs to ensure that faith groups have a presence and effective say at the local and regional level. The investment has in part been made to help every RFF to focus on support for local faith-based action.

Further actions to help engage faith groups:

- a **series of visits by Civil Servants** to a range of faith-based projects will take place in 2009 to improve knowledge in Whitehall of what is happening on the ground. A programme of visits will be made by HMT, DCMS, OTS, CLG and DEFRA officials;
- the final meeting of the **working group for Local Area Agreements (LAAs)** and the community sector **included a faith representative**. At the time of writing it is not clear whether any further work in this area will be conducted through a formally convened working group;
- **English Heritage** launched **Historic Places of Worship Support Officers**³ in December 2008, offering part-funding to partner faith organisations for up to 30 officers who will help to build capacity in faith-groups to care for their historic buildings. The Minister for Local Government at CLG will write to Local Authorities to encourage them to support this initiative; this is open to any faith group with a role in using, managing or conserving numbers of listed places of worship. Ecumenical and multi-faith projects are welcomed;

³ For more information, see www.english-heritage.org.uk/inspired/

- CLG has produced a **short guide to guidance**, which explains the wealth of guidance available to small community organisations, and suggests websites and publications explaining how to access relevant resources;
- **in 2009 DCMS** will consider the **value of places of worship** in the cultural life of England and as tourist attractions, and explore how places of worship could be further supported in the provision of such activities;
- **DCMS** will examine, with its partner bodies, the **support that could be given to places of worship which are considering adaptations** and alternative uses, to facilitate access to appropriate advice on good design, sustainability and funding;
- DCMS is part funding a member of staff seconded to the Churches Tourism Association to **help faith groups to make the most of secular tourism resources**, including websites, helping to draw visitors to their buildings;
- both the Heritage Lottery Fund and English Heritage have made grants to support the development of the Sacred Britain Tourism Partnership's 'ASPIRE' (Audience Development for Sacred Places in the Regions of England) project. The objective is to **take the experience of recent successful faith-based tourism projects and apply best practice methods and resources across other areas within a sustainable network model**. Starting with five 'Pathfinder' areas, this is supported by national coordination, communication and marketing activity.

Action to be taken specifically by the Church of England which other faith communities may wish to take forward in similar ways:

The CofE is taking forward a number of work streams to ensure that dioceses have the skills, expertise and guidance to build the capacity of parishes to work at a sub local level and enable parishes to think more strategically. In particular, the CofE will:

- explore the potential for CofE Officers to act strategically with the regional consortiums for Capacitybuilders;
- determine the most effective way to disseminate the note provided by CLG, 'a guide to guidance'⁴ to their dioceses and parishes. It will also appear on the www.churchcare.co.uk website under the section on How to Develop your Church Building;

⁴ See appendix A

- review its involvement in LSPs across the country and examine what positive benefits these have brought churches working with and for their local communities;
- review its involvement with Rural Development Programme for England (RDPE) Leader Local Action Groups to see whether they can contribute to, and thus benefit from, the Local Delivery Strategies;
- continue to engage with ACRE and the Rural Community Buildings Network (convened by DEFRA), as an effective means of building alliances with other community-level partners and of sharing experience and best practice in rural communities;
- review how effectively it is engaged with the county level Rural Community Councils, so that they might share experience and best practice;
- review its current engagement with RDAs to see whether they can play into their Regional Economic Strategies;
- consider whether there are any cases where it would wish to make use of DEFRA's Rural Community Buildings Loan Fund to meet particular needs;
- respond to the public consultation to be run by CLG in Spring 2009 on the Community Infrastructure Levy.

1

Introduction

The contribution of faith groups to the local community

1.1 Faith groups, including the Church of England (CofE), have shared objectives with Government in the field of delivering public services, and although it is clear and understood that Government has no role in funding such activities as worship, faith buildings represent a great stock of assets in every community which have the potential to contribute to Government outcomes.

1.2 At the same time, it is recognised that faith-based organisations can be well positioned to act in the best interests of communities and deliver services. The CofE and other faith groups engage through social networks which allow them to connect with their local communities including hard to reach individuals who might not engage with other members of society. Case studies that illustrate this point will be discussed below.

1.3 Many faith-based groups have expressed a desire to use their capital assets to provide services for broader public good, but two factors have been identified which limit the potential of faith buildings for delivering services. First the physical suitability of their buildings can limit their use for delivering services and local groups, in most cases, lack the resources to make the necessary adjustments to enable this to happen. This might be as simple as the installation of toilets and kitchens, but also the creation of meeting rooms and improved lighting and heating. Secondly, most local faith organisations do not have the capacity to engage strategically, which can limit their ability to access funding.

Dialogue between the CofE and Central Government

1.4 Following dialogue with the Bishop of London, the Prime Minister clarified that whilst there would be no new funding following the agreement of CSR settlements, there should be consideration of how faith buildings as resources might be better plugged in to existing Departmental programmes.

1.5 Subsequently, the Chief Secretary chaired a meeting with the Bishop of London and relevant ministers, where it was agreed that an interdepartmental working group would convene to examine the issues discussed by ministers. The working group has met to consider existing sources of funding that faith groups might be

better plugged into, to identify any obstacles that may currently prevent them from accessing these sources; and to consider proposals for overcoming any such obstacles.

1.6 This paper brings together the findings of the working group discussions, with four main aims, namely to:

- identify sources of funding that may be appropriate for the physical alteration and modification of faith buildings to ensure that they are fit for community use;
- identify any barriers to accessing existing funding streams;
- consider how these barriers can be overcome and set out specific action points to be taken forward by departments and recommendations faith communities; and
- set out the funding streams available to faith groups and the third sector more generally.

1.7 It is important to note that this paper does not consider the funding of the general upkeep of historical buildings for activities such as worship or preserving heritage for the benefit of education and leisure.

2

Funding available to faith and other community groups

2.1 The frontline of public service delivery by faith groups and other third-sector organisations is at local or community level. There are, for example, over 13,000 CofE parishes, and a total of 16,200 church buildings, held for the benefit of the whole community and not just the congregation. The Government is committed to helping people and local organisations create strong and economically thriving communities and neighbourhoods, and to ensure that they are equipped to respond to challenging economic, social and cultural trends.

2.2 Surveying the funding landscape for faith groups, this chapter considers the interface between the Government and faith communities at three levels. It identifies existing funding streams at local, regional and national levels. To provide an example of how a faith group can relate to these, Annex B describes the organisation of the C of E as it operates at local, regional and national level.

General Funding

Local Government funding streams

2.3 Building on increases in grant of 39 per cent in real terms over the last ten years, the 2007 Comprehensive Spending Review gave an increase in resources for local government in England of an average 1 per cent per year in real terms over the three years from 2008/09 to 2010/11. Local government in England spent £92bn on revenue expenditure in 2007–08, £52bn (or 56%) of which was funded by Government grants. English local government spent £20bn of capital expenditure in 2007–08, £7bn (or 34%) of which was funded through grants from Central Government.

2.4 Recent reforms of Local Government in England have aimed to devolve decision-making and the allocation of resources to local authorities (LAs) and, in many cases, to Local Strategic Partnerships (LSPs). As a result, rather than being local implementers of centrally defined policies and programmes, LAs are answerable to a performance framework within which they set local priorities, identify partners to deliver on these and allocate resources. In practice the LSP will be directly involved in the process. Guidance, and in some cases statutory duties, also stress the need to engage local people and communities in decision-making. Part 1 of the Local Government Act 2000 provides local authorities with a discretionary power (the Well Being power) to undertake any action to promote or improve the social, economic

and environmental well being of their area (section 2). This includes the allocation of (financial) resources.

2.5 As is most clearly demonstrated in Local Area Agreements, much of Central Government funding to LAs is no longer ‘ring-fenced’, so local authorities are genuinely able to allocate this funding according to local priorities. Over the CSR period over £5bn of funding will be de-ringfenced. There is also a parallel tendency for fewer Central Government programmes to fund Third sector directly – rather the expectation is that Third sector organisations get involved locally and make the case for funding from local authorities in order to help deliver on local priorities.

2.6 Local authorities also have the powers to shape community infrastructure decisions related to planned developments. Although not a part of any grant programme, planning obligations, also known as “Section 106 agreements”, can be negotiated between authorities and developers (when getting planning permission) to do things that will lessen the site specific impact caused by development proposals (for example by providing funds for traffic calming measures, new play facilities, public art, tree planting, cycle paths, meeting places, affordable housing) and help make acceptable development which would otherwise be unacceptable in planning terms.

2.7 Similar to section 106, the Community Infrastructure Levy (CIL), is not a grant programme, but will be a proposed new charge which local authorities in England and Wales will be empowered, but not required, to levy on most types of new development in their area. CIL will provide local authorities with extra resources to be spent on local and sub-regional infrastructure to support the development and sustainability of an area. The detail for the setting, delivery and operation of CIL remains under consideration and will be set out in draft regulations on which the Government will consult in Spring 2009.

Regional Funding Streams

2.8 Government regional policy aims to enhance economic growth in all regions of England and reduce the gap in economic growth between the most and least prosperous regions. It is committed to enabling the regions to take a strategic long-term approach to planning, housing and economic development. Given that conditions and challenges vary within and between each of the nine regions, any solutions, whether they are economic, social or environmental have to be tailored to meet the needs of a particular area.

2.9 To deliver those aims, Central Government works with a number of regional bodies including Regional Development Agencies (RDAs) and the nine Government Offices for the Regions (known as GOs).

RDA general funding

2.10 There is an RDA in each of the nine English regions. RDAs are responsible for developing and delivering, with regional partners, a Regional Economic Strategy which sets out the economic aspirations of the region and how they are going to achieve them. Each RDA writes its own strategy to make sure that it is focusing on specific regional priorities, supporting business development and connecting people to economic opportunity.

2.11 RDA funding decisions are consequently made in line with the economic strategies of each region. The structural nature of RDA objectives make it unlikely to be suitable to fund the community level activities that a parish group would engage in. Where the church, for example through coordination at diocese or regional level, is well placed to contribute to the delivery of the priorities of RDA's specific regional priorities, it would be eligible to apply for funding from the RDA, alongside other delivery organisations.

Box 2.A: Opportunity: Impact of Cathedrals on the regional economy

A survey commissioned by the Association of English Cathedrals and English Heritage in 2004 found that visitors to cathedrals generate £91 million in spend per annum and directly support 2600 jobs. The same survey suggested that £150 million could be linked to their procurement spend, their impact on visitor spend and associated multiplier effects. Gloucester Cathedral attracts around 300,000 visitors a year, and employs around 50 staff and York Minster attracts around 900,000 visitors a year.¹

European Funding

2.12 The European Union supports poorer regions of Member States by providing funds to help them regenerate their economies and create new jobs. The four most important funding programmes are known collectively as 'Structural Funds'. These are administered in England through the regional Government Offices. The Structural and Cohesion Funds are the European Union's main instruments for supporting social and economic restructuring across the EU. They account for over one third of the European Union budget and are used to tackle regional disparities and support regional development.

¹ These figures have been taken from: 'The Economic and Social Impacts of Cathedrals' (report by Ecotec for English Heritage and the Association of English Cathedrals, June 2004). http://www.english-heritage.org.uk/upload/doc/economic_and_social_impacts_of_cathedrals_study.doc

Rural Development programme

2.13 The EU Rural Development Regulation forms the second pillar of the EU Common Agricultural Policy. In England, this regulation is implemented by DEFRA through the Rural Development Programme for England (RDPE). This is a seven year programme of support (over 2007–2013) and is jointly funded by DEFRA and the European Union. The RDPE, which is administered in each region by the Regional Development Agency, provides support to improve the competitiveness of agricultural and forestry sectors; improve the environment and countryside; and contribute to quality of life in rural areas and diversification of the rural economy.

2.14 A significant part of the RDPE budget (around 5% or £140m) will be delivered through the Leader approach: a bottom-up, community led approach. Leader provides support at a community level for Local Action Groups (LAGs). The selection of LAGs has now taken place in all regions of the country, and although not all rural areas will have a LAG, faith groups can discuss with LAGs the scope for funding being made available.

2.15 Regional priorities for funding, and the approach to delivery in each region, are set out in individual Regional Implementation Plans. Activity agreed with LAGs as part of their Local Development Strategies potentially provides measures under which faith groups might obtain funding and therefore make a contribution to RDPE objectives.

2.16 The social and economic elements of the Rural Development Programme for England have only been implemented since January 2008 and it is therefore not easy to make an assessment of how much funding is going to faith groups. Under the England Rural Development Programme 2000–2006, the Rural Enterprise Scheme provided just under £150k to four projects that contributed to alterations to church buildings to offer facilities for uses other than worship. In addition, the Leader+ programme funded two projects totalling £109k that involved the appreciation of churches as part of regional tourism initiatives.

Box 2.B: Leader+ scheme

The Norfolk Broads and Rivers Leader+ scheme funded approx 70% of the total costs of a three-year Open Churches Project, which worked with 150 churches to encourage them to open their buildings to all visitors, tourists and pilgrims. The Diocesan Board of Finance made a direct bid to their Local Action Group. Local schools and colleges were involved in educational activities based around the churches, and volunteers were trained in the promotion of their church and churchyard. It was estimated that by the end of the project, 100,000 visitors had been through the doors of Norfolk churches.

Specific Grant Funding

2.17 Since its launch in 1994 the National Lottery has awarded more than £258 million UK-wide to village and community halls, many of them church halls. The **Big Lottery Fund (BIG)** is the largest National Lottery distributor, responsible for the good cause of charities, health, education, and the environment, which makes up half of Lottery good cause funding. Moreover, it is currently committed to delivering at least 60–70% of its funding through voluntary and community sector organisations.

2.18 The Big Lottery Fund seeks to show flexibility in recognising the particular circumstances of faith-based organisations, such as the different ways in which property could be owned or managed in the various denominations.

2.19 The Big Lottery Fund takes an outcomes based approach to the funding of faith-based organisations (as with all organisations). Their primary concern is therefore the project and the difference it will make rather than the type of organisation running the activity. Whilst some programmes are currently closed to applications, the Big Lottery Fund has committed to ensuring it can make the best possible contribution to communities and people most in need. Due to the many competing demands on their funding Big Lottery Fund will need to make some tough choices, particularly in the period 2009–2012. As a result, they will not be in a position to run the kind of extensive portfolio they have done in the past. However, a recent public consultation will inform its new funding strategy and potential applicants are advised to obtain up-to-date funding information from the Big Lottery Fund website at www.biglotteryfund.org.uk.

2.20 The Big Lottery Fund's **Community Buildings** programme (see Box 2.C), with a total budget of more than £50 million for 2006–2009, proved extremely popular. Faith groups were eligible and welcomed to apply, and many were successful. While the Community Buildings programme has now closed, organisations wishing to run community-driven projects which benefit those most in need in England can apply to Reaching Communities England for grants between £10,001–£500,000.

Although primarily a revenue programme, the Big Lottery Fund will consider up to £50,000 towards capital costs.

2.21 Other Lottery distributors including the **Heritage Lottery Fund** (see below) run funding programmes which can benefit faith organisations. Because these are operated by a range of distributors and through several different programmes, potential applicants should visit www.lotteryfunding.org.uk to find the latest information on closing dates and eligibility.

Box 2.C: Big Lottery Fund's Community Buildings Programme

This grant scheme was extremely popular with the Voluntary and Community Sector Groups who submitted 1594 (76%) of the 2098 applications. Faith Organisations submitted 298 applications (14%). Many applications required funding for improvements to existing facilities (63%). Big Lottery set up a stakeholders' consultation group (including a CofE representative) where representatives were able to provide feedback on criteria and process. This was especially relevant for faith groups for whom a set of Varied Terms and Conditions was produced to meet their specific needs around the legal ownership of their buildings, and was key to the success of the programme

Heritage and other funds aimed at maintaining, restoring or adapting places of worship

2.22 Listed Places of Worship Grant Scheme Grants equivalent to the VAT incurred in repairing listed church buildings in use as places of worship in the UK. The scheme has granted over £87m to almost 10,000 buildings UK wide since 2001. The scheme end date is currently 31 March 2011, and the Government will review these arrangements in due course, in line with its wider objectives. The Government regrets that a reduced VAT rate for such repairs has not been agreed with our European partners, and the Government's long-term objective remains to secure a reduced rate.

2.23 Grants for Cathedrals scheme for Cathedral Buildings, made up for the last three years of £1 million from English Heritage (EH), matched by £1m from the Wolfson Foundation. This scheme has given out £52 million since 1992, with the majority going to Church of England Cathedrals. The scheme's last grants were announced in January 2009 for works being undertaken in 2009/10. However, Cathedrals will remain eligible for other heritage funding streams. EH is currently working with CofE and the Roman Catholic Church to produce an up-to-date fabric needs assessment of cathedrals to help with prioritising work.

2.24 The joint English Heritage and Heritage Lottery Fund Repair Grants for Places of Worship scheme provides funding for urgent repairs to listed places of worship of all faiths and denominations. This programme is designed to help sustain and conserve heritage at risk, through urgent repairs to places of worship. Since the

scheme started in 2002 it has awarded £149million. The scheme is offering grants worth around £25 million in 2009/10 and it is anticipated that the scheme will continue at its current level for the foreseeable future.

Conclusions:

2.25 There is a large amount of public funding at local and regional level that is allocated to developing community infrastructure, with the objective of delivering excellent public services and improving the general and economic well being of communities. The vast majority of this is unringfenced, to allow local and regional strategies to shape and direct funding according to local priorities, and to allow applications for funding from a broad range of organisations including faith-based organisations.

2.26 There are a number of specific pots of money that could be applicable to faith groups. OTS is working in a number of ways to reduce the overall administrative burden on third sector organisations to ensure that funding application processes and reporting requirements are proportionate to the amount.

2.27 For faith buildings as community resources to benefit from these existing funding streams, faith groups need to engage with local and regional distributors through strategic decision making bodies such as LSPs, and LAGs. The rest of this paper discusses the challenges that have been identified by the working group in making those links, namely:

- clarifying the eligibility of the Church and other faith groups for such funding; and
- developing the capacity of faith groups to engage with community strategies and funding allocations.

Box 2.D: Case Study 1: St Peter's Church, Peterchurch, Diocese of Hereford

This is a partnership project led by the church with the local authority and the Local Strategic Partnership. The first stage is the development of the church building for delivery of Childrens Centre services. The second phase is the creation of a rural hub for a sparsely populated area, as a base for the delivery of a wide range of adult and community rural services at the heart of the village. Funding has been received from Rural Regeneration Zone (RRZ) Multi Use, Department of Children, Schools and Family and the local authority. It is being cited as a potential exemplar project and model of rural development by Advantage West Midlands (AWM).

Box 2.E: Case Study 2: The 'langar' – health checks for the Sikh community, Hounslow²

Places of worship are an important focus for faith communities. As well as providing a meeting place for formal prayers, they also offer opportunities for the members of a particular 'congregation' or for the wider community to meet for a variety of purposes, including straightforward socialising.

An initiative by the Sikh community in Hounslow takes advantage of this range of opportunities. Qualified professionals from the Sikh community give their time voluntarily to offer those who come to the temple (Gurdwara) for worship on Sundays a series of free health checks to monitor their general health and to promote healthy lifestyles. It is also possible to focus on conditions to which statistically members of the Asian community are particularly prone.

Those attending will also take part in the 'langar' – a free communal meal cooked by members of the community. It is worth noting that the langar is open literally to anyone and everyone and is an important expression of the Sikh tradition of service to the wider community. Every gurdwara maintains a regular langar.

Box 2.F: St Leonard's Church, Bilston

A grade II church in a town affected by the closure of nearby heavy industry. In 1995, the church began repairing and restoring the building and researching the needs of the local community. Vulnerable older people were found to be in need. Since then, the church is still a place of worship, but also a day centre hosting a range of activities for the local community and has its own cafe. Senior Citizens Link Line was set up (located within the church building) which contacts 1,500 elderly people a week offering support. Working with local Primary Care Trust, this initiative has been expanded across the Black Country, South Staffordshire, Wellingborough and Belfast. St Leonard's Church is now working with the Church Urban Fund to bid for money from the Department of Health's Social Enterprise Fund to develop a franchise network. Funding for the restoration and adaptation of the building came from many sources including Funding for Link Line and the Community projects has again come from a number of sources including the Big Lottery Fund and Wolverhampton City Council.

² This case study was originally published in 2002 in the LGA's 'Faith & Community'

Box 2.G: Hope Street Centre, Sheerness United Reformed Church

The church is in one of the most deprived areas in the UK. It was already working with a number of community organisations who were seeking to address the problems associated with that deprivation, low self esteem, lack of basic skills, unemployment. However the premises were in urgent need of refurbishment to both safeguard the fabric of the Grade II listed building and to comply with disability and health and safety regulations.

After much hard work by a core team and the development of a wide range of genuine partnerships an exciting new opportunity has been created.

A new foyer/ Social Enterprise provides a dynamic and exciting space for community interaction as well as an important advice and display point directing visitors to other services in the centre. This includes a Citizens Advice Bureau, 1st Byte IT Training Suite, craft rooms, two smaller meeting rooms, a semi-commercial kitchen for both general use and training purposes, and large meeting hall on the newly constructed first floor. The final phase will see the redevelopment of the sanctuary into a multi-use space for meetings, events as well as Christian worship.

Funding came from many sources including:

- the former Office of the Deputy Prime Minister (Community Enterprise Hub initiative);
- Big Lottery Fund;
- Guide Neighbourhood Programme (Home Office, Together We Can initiative); and
- the Learning and Skills Council.

3

Clarifying the eligibility of faith groups for funding

3.1 As the previous chapter indicated, there are substantial amounts of public money that are accessible to third sector organisations. While guidance exists from Central Government to ensure that all third sector groups are treated on an equal footing, discussions have suggested that there is a degree of uncertainty and squeamishness amongst individual funding providers about the role of faith groups in delivering services, and consequently about their eligibility for funding.

3.2 The Office for the Third sector (OTS) and the Department for Communities and Local Government (CLG) both lead on ensuring that in England faith groups and the third sector more generally are able to build constructive working relationships with local and regional funding providers.

3.3 A key issue raised by faith-based organisations is the uncertainty within funding and commissioning bodies of the services provided by these organisations, fearing that faith-based organisations may apply undue pressure on service users to accept the religious beliefs of the providers. There needs to be a clear understanding that if a faith-based organisation accepts funding for providing public services, those services should be open to all.

3.4 The 2007 Third sector Review also recognised that many faith-based organisations (in common with organisations serving specific ‘marginalised’ communities) feel disadvantaged in relation to accessing mainstream grant funding, and the Government stated its intention to ‘Ensure continued dialogue with these groups and that all of the measures announced in the third sector review will be as accessible as possible to a wide range of organisations’.

3.5 Government recognises, therefore, that there is an issue of relationship building and a need to ensure that all third sector organisations, including faith-based organisations who meet the criteria of various funding programmes are eligible to apply.

Ongoing policy work within Government

3.6 *Face to Face, Side by Side* is an inter faith framework for dialogue and social action published in July this year, which sets out how faith communities in England, Government and wider society can work together, at all levels, to encourage and

enable greater local activity which brings people with different religions and beliefs together. It makes reference to a number of relevant initiatives:

- work by LGA, in partnership with others, to revise guidance to local authorities for their relationships with faith communities. This may or may not take the form of written guidance but will tackle funding issues;
- a proposed programme of ‘religious literacy’ training to improve the knowledge and skills of officials in public agencies in dealing with faith communities; and
- publication of case studies and good practice guidance for partnership working between local faith groups and local third sector infrastructure organisations, such as CVSs. This has now been completed, published by the Church Urban Fund under the following title: ‘Believing in local action’.

3.7 The Third sector review¹, published in 2007, involved carrying out the most comprehensive consultation ever with the sector in England. Included among the different methods of engagement were specific events with faith groups including an event with CLG and the Faith Communities Consultative Council (FCCC) and another with CLG, the FCCC and Faithworks.

3.8 The final report of the review highlighted research on the contribution of faith groups (from the Young Foundation study commissioned for the review). It found that they can contribute to communities by acting as a catalyst for the formation of networks, as welfare service providers, as participants in partnership structures and as a basis for a community coming together around a particular issue.

3.9 All applicants to OTS funded programmes are subject to application processes relevant to the type and amount of funding offered. All applicants are assessed against clear and objective criteria. OTS wants to ensure a diverse and healthy third sector, and encourage applications from the broadest possible range of third sector organisations including faith groups.

3.10 OTS also has a **strategic partners programme** launched in October 2005, which represents long-term cooperation and support between Government and the third sector. Strategic partners were chosen by open competition. These relationships are subject to review and were initially for a minimum of three years. In August 2008 the OTS confirmed that it has extended the programme until 2011. The strategic partner organisations are funded to enable them to fairly reflect the views of their members to Government, through activities including events, conferences and

¹ http://www.cabinetoffice.gov.uk/third_sector/third_sector_review.aspx

research. OTS currently has a lead faith strategic partner: Church Urban Fund². They are tasked with enabling faith-based Third sector organisations to have the infrastructure and support to enable them to bid for public service delivery contracts, if they so choose.

Commission on Integration and Cohesion

3.11 A report by the Commission on Integration and Cohesion recommended that a set of clear guidelines should be developed to enable LAs and others to be able to award public service contracts to faith-based bodies without fear that there will be issues over whether this may lead to undue pressure on users of services to accept the religious beliefs of the providers. In response, CLG will convene a panel of experts to consider this question, including representatives from faith communities, the LGA, and Charity Commission. It is hoped that this will lead to publication of a standardised version of a Charter for Excellence in public service delivery by faith communities in 2009. The process of revising 'Faith and Community' guidance will also help to deal with funders' concerns.

3.12 In addition, further guidance has been issued concerning the need to understand the potential of faith groups as partners:

- **Strong and Prosperous Communities – The Local Government White Paper** highlighted the benefits of empowering local communities and the role of faith communities in supporting cohesion;
<http://www.communities.gov.uk/publications/localGovernment/strongprosperous>
- **Community Cohesion: Seven Steps – A Practitioners Toolkit** was published jointly by ODPM and the Home Office in March 2005. The toolkit advises local authorities that widening the traditional membership of the LSPs to faith communities (and voluntary and community groups) is important to help make the LSP more representative of the community it serves. The Community Cohesion practitioner's toolkit also highlights the importance of working with faith communities;
<http://www.communities.gov.uk/archived/publications/communities/sevenstepstool>
- The **LGA has published an action guide on community cohesion for local authorities**. The guidance emphasises that faith communities play an integral role in community cohesion and that they are a key part of the voluntary and community sectors. Guidance is given to local authorities

² Church Urban Fund (CUF) is a not-for-profit organisation supporting social action in the poorest parts of England. CUF supports local community projects by providing: Funding towards costs incurred by community projects, from building work to salaries and general running costs, as well as small grants for new projects; practical advice and information to help projects to be sustainable and to make a long-lasting difference to their communities and a platform from which to make themselves heard at national level.

on a number of practical steps that they can take to ensure this contribution is recognised and harnessed.

www.lga.gov.uk/lga/aio/21990

3.13 Both HLF and the Big Lottery Fund (BIG) have worked on making applications for funding easier for small groups and places of worship.

- **BIG's Guidance Notes** recognise the particular circumstances of faith-based organisations, noting the different ways in which property could be owned or managed in the various denominations. In addition, the way such organisations are established in law meant BIG has varied its terms and conditions to accept different arrangements. BIG's special sets of terms and conditions recognise the specific position of the CofE and some other denominations in law;
- **the Heritage Lottery Fund (HLF)** has made significant changes to the assessment of applications for its Heritage Grants and Your Heritage programmes under its new strategic plan. The assessment timetable has been shortened and for larger grants the amount of work applicants need to do before they know they have a reasonable chance of success has been lessened, in order to reduce the burden and cost of applying. Where appropriate, HLF has also introduced a mentoring process that allows applicants in need of assistance to be given the opportunity to receive guidance which will reduce risks in project development, improve overall quality and provide inexperienced applicants with extra help.

Summary of Government next steps

- **CLG** have committed to **convene a panel of experts**, including representatives from faith communities in England, in 2009 to consider how faith groups can be better understood by funding providers and address squeamishness as outlined above. It is hoped that this will lead to a Charter for Excellence in public service delivery by faith communities. Faith communities will be consulted about who will represent them on the panel;
- the final meeting of the **working group for Local Area Agreements (LAAs)** and the community sector **included a faith representative**. At the time of writing it is not clear whether any further work in this area will be conducted through a formally convened working group;
- the **Local Government Association (LGA)**, in partnership with the Improvement and Development Agency (IdeA), CLG, the Inter Faith Network for the UK, the Faith-based Regeneration Network, the Community Development Foundation and the National Association for Voluntary and Community Action has already actively begun to review 'Faith and Community' guidance, originally published in 2002 for local

authorities and their local partners on how to work effectively with faith groups. Planning meetings have already taken place, as has a consultation with local authority chief executives. A small conference, mainly for the public sector, took place on 5 March. A further conference focused mainly on faith communities is likely towards the end of 2009;

- a **consortium of faith communities**, convened by Churches Together in England, is leading on work to develop a programme of '**religious literacy**' training to improve the knowledge and skills of public agencies to work with faith communities. CLG is committed to supporting this work actively when the working group feels it is ready; and
- the **Office of the Third sector** has commenced the **National Survey of Third sector Organisations** which will be published in March 2009. This survey will identify faith-based organisations and the types of activity they carry out in their community, as well as the funding and other support that is available to them in their local area. This will provide a clearer picture of the work of churches and other faith-based organisations throughout England.

Further action points

- a **series of visits by Civil Servants** to a range of faith-based projects will take place in 2009 to improve knowledge in Whitehall of what is happening on the ground. A programme of visits will be made from HMT, DCMS, OTS, CLG and DEFRA officials;
- CLG have produced a **short guide to guidance**, which explains the wealth of guidance available to small community organisations, and suggests websites and publications explaining how to access relevant resources;
- During 2009, **DCMS** will consider the **value of places of worship** in the cultural life of England and as tourist attractions, and explore how places of worship could be further supported in the provision of such activities;
- **DCMS** will examine, with its partner bodies, the **support that could be given to places of worship which are considering adaptations** and alternative uses, to facilitate access to appropriate advice on good design, sustainability and funding;
- DCMS is part funding a member of staff seconded to the Churches Tourism Association to **help faith groups to make the most of secular tourism resources**, including websites, helping to draw visitors to their buildings; and
- both the Heritage Lottery Fund and English Heritage are making grants to support the development of the Sacred Britain Tourism Partnership's '**ASPIRE**' (Audience Development for Sacred Places in the Regions of

England) project. The objective is to **take the experience of recent successful church tourism projects and apply best practice methods and resources across other areas within a sustainable network model.** Starting with five 'Pathfinder' areas, this is supported by national coordination, communication and marketing activity.

4

Developing the capacity of faith communities to engage with community strategies and funding allocations

4.1 Chapter two established that there is a significant amount of public funding that is available for third sector groups that are engaged in delivering public services. It also set out that decisions over the levels and focus of funded activities are taken at a strategic level within local and regional structures. In this chapter the CofE is used as an exemplar of how faith communities more widely need to develop capacity to engage in partnership working.

4.2 CofE buildings are the responsibility of the parochial church council (PCC), which is made up of local volunteers, and operates at a community level (other faith groups will use other types of local management arrangements). Dependence on volunteers, working in autonomous units and in many cases located within small rural areas and deprived inner cities means that there can be a lack of capacity to bid for funds and to engage with the Local Strategic Partnerships (LSP) and regional structures where strategic policy and funding decisions are made.

4.3 While Chapter 3 set out work which is ongoing to encourage local and regional funders to reach out and “pull” faith groups into service delivery strategies, this chapter examines the ways in which the faith groups can be “push” themselves towards influencing funding decisions at local and regional level. For the CofE, for example, this will be done by developing capacity at both parish and diocese¹ levels.

4.4 It should be noted that all funding streams listed in this section are specifically targeted at capacity building, rather than investing in physical alterations to buildings.

Capacity within faith communities to engage with funders

4.5 Discussions with the working group have been helpful in establishing a mutual understanding of the interface between faith communities and government at the

¹What is a Diocese? In total there are 42 Church of England Dioceses which are administrative territorial units administered by a Bishop each of which has a Bishop and an office. Most of the English regions have four or more dioceses. Dioceses support and enable parishes in the undertaking their roles including their community and voluntary work. They have, however, no power to issue instructions to them. Each diocese has on average three archdeacons, responsible to the Bishop whose duties include supporting parishes in the care of their buildings. Archdeacons, and where they exist, diocesan strategic and development officers, often represent the church on LSPs and other local networks.

local level. Whilst LAs set funding and strategy at Local Strategic Partnership level, in the case of the CofE, for example, it is the local parochial church council (PCC) which is responsible for the maintenance and upkeep of the church building and are also responsible for developing and implementing (including fund-raising) their own policy for the greater community use of that building. More information about the organisation of the CofE is shown in (Annex B).

4.6 Many local faith groups will not have the capacity to engage at a strategic level.

4.7 However, to use the CofE again as an example, dioceses are increasingly engaging at strategic level both locally and regionally. Archdeacons, within dioceses, have the role of oversight on matters relating to church buildings within their parishes, although with an average of 250+ churches per archdeacon (higher in rural areas than urban), they are unlikely to be able to represent individual parishes. Many of them do participate in local networks where they are able to raise the profile of churches as potential partners in the delivering of community projects and services.

Some CofE dioceses have responded to this need by developing the role of a strategic and development officer (this is a generic name: in fact, such officers have a variety of titles for example: funding and development officer and development and partnership officer) at diocesan level who can assist in helping churches to think more strategically and provide guidance on developing and managing community projects and information on funding sources. These officers also participate in local and regional networks including LSPs, again promoting the huge potential community resource offered by church buildings and where possible helping to set up working partnerships. Many of these come from LA or CVS backgrounds bringing much needed expertise in these areas into dioceses.

4.8 English Heritage's recently launched Historic Places of Worship Support Officers scheme could help dioceses and *other faith groups and organisations by part-funding* similar roles to enhance the sustainability of places of worship as heritage buildings.

4.9 The CofE at national and diocesan level provides guidance on all aspects of looking after a church building, on developing church buildings and funding sources. The two main websites are www.churchcare.co.uk and www.parishresources.org.uk. Many dioceses, in partnership with others, are able to provide training days for their parishes on subjects such as maintenance, funding, and building partnerships, but this varies. Lack of capacity at diocesan level means that there are still large numbers of willing volunteers at local parish level across rural and urban areas, who could benefit from further training, for example to learn how to fill in application forms and how to effectively participate in meetings.

Government support to build capacity

4.10 There is no short-cut to involvement in the local processes of decision-making and securing resources – in other words, to working in partnership. Third sector organisations, including faith communities, are regarded as significant partners. Their buildings or other capital resources are regarded as potential assets, along with other invaluable human resources. There is developing evidence, which maps the size and range of the contribution of faith groups to their local communities. For example, surveys are undertaken by regional faith networks, supported by their RDA or GO. If an organisation is in principle in a position to help deliver a particular service or programme of benefit to the community, but is inhibited from doing so, for example, by limitations of its building, then the resource to address these limitations should be included as part of the overall resource needed to deliver the service (for example, installing toilets and kitchens).

4.11 There are resources available including funding programmes, to support in England faith groups and the third sector more generally in developing its skills and general capacity to engage in partnership. It is acknowledged by Central Government that otherwise the sector would often be at a disadvantage. These resources include:

- a number of funding streams, including capacitybuilders, grassroots grants, the community asset fund, future builders, the empowerment fund and faiths in action;
- Regional and local faith representatives;
- The Compact;
- the Rural Communities Building Network;
- English Heritage Historic Places of Worship Support Officers Scheme; and
- the Churches Conservation Trust's Community Regeneration Task Force.

In the context of the community and voluntary work undertaken by faith groups, they are best understood as a distinctive part of the third sector. The CofE, like all faith communities, is a third sector organisation. In this context the CofE dioceses should be understood to be the second tier level within the CofE structure, while the parishes are the front line deliverers.

Capacitybuilders

4.12 In the final report of the third sector review one of the key measures included over £85 million of new investment for third sector infrastructure development through Capacitybuilders, with new programmes on: voice and campaigning; social enterprise; and a focus on reaching down to the smallest community groups. This programme was designed to strengthen support services available to marginalised

communities. Under the 'Improving Reach' strand of this programme², Church Action on Poverty will receive around £400,000 over a three year period to provide support to frontline organisations.

Grassroots Grants Programme

4.13 The Grassroots Grants Programme seeks to access those organisations most in need, and with the most to offer, through local funders. The £80 million fund, to be distributed via local funders in each area, will give grants of between £250 and £5,000 to small community and voluntary organisations to be spent within the financial year. All third sector organisations with an income of £30,000 or less will be eligible to apply for this (which means that some faith-based organisations are not eligible to apply).

Real Help for Communities: Volunteers, Charities and Social Enterprises

4.14 Real Help for Communities: Volunteers, Charities and Social Enterprises, pledges up to £42.5 million to help volunteers, charities and social enterprises deliver extra real help to those that need it most, during the global economic downturn. The new programme will provide a targeted package of support that includes measures to help hundreds of voluntary organisations, charities, and social enterprises step up advice, support and volunteering in the areas that need it most across the country. This help will be for charities that are providing employment advice, mental health and family support services in the most deprived areas of England and Wales, plus millions extra to help those out of work start volunteering. Further information can be found using the link below.

http://www.cabinetoffice.gov.uk/third_sector/news/news_stories/090209_real_help.aspx

Communitybuilders Programme

4.15 Communitybuilders is a £70m programme being led by CLG supported by OTS. Informed by wide consultation exercise undertaken in 2006 and published in February 2007, the aim is to create long-lasting sustainable community led organisations delivering a range of services to the whole community based around a building in England. It will be launched in June 2009 with the aim of:

- improving governance, management and systems of community groups so they can deliver effective services;
- supporting community groups in moving to an asset-based development approach; and

² Funds are provided under this strand to help strengthen sector support services available to frontline organisations dedicated to working in and with disadvantaged and marginalised communities. Applications closed in on January 28th 2008.

- supporting community groups in developing enterprise roots for sustainability.

4.16 And will have three products to offer:

- capacity building for community groups;
- option of feasibility studies to bring forward investment proposals; and
- capital investment package for building.

It is hoped that programme as a whole will have a wider effect in setting examples and inspiring others to invest in other community groups and their projects. In line with ensuring that faith groups are not deliberately excluded from Government funds, faith groups that meet the criteria are encouraged to apply.

Futurebuilders

4.17 Futurebuilders provides loan and grant based finance to help charities, voluntary groups and other third sector organisations to develop the services they provide to the public. The fund totals £215m million between 2008–2011 and offers investment packages from £50,000 upwards to third sector organisations working across all areas of public service delivery. Futurebuilders England is preparing to launch a new fund to help charities bid for large-scale public sector contracts in coalitions. A list of Futurebuilders Christian Investees is given in (see Annex C). Full details of these and other projects are available on the Futurebuilders website: <http://www.futurebuilders-england.org.uk>

Empowerment Fund

4.18 The details of this fund are still subject to discussion (the public consultation ended on September 30th). It is proposed that the fund will provide support for existing national Third sector organisations operating across England to help local communities turn key proposals into practical action on the ground.

4.19 As described in the Empowerment White Paper, ‘Communities in control: real people, real power’, CLG has established a £7.5 million fund which will provide over the three years (2008–09, 2009–10, and 2010–11) support for existing third sector organisations operating across England which are helping local communities turn key proposals into practical action on the ground in such areas as community leadership, community involvement in planning and social enterprise.

4.20 The purpose of the support is to help selected third sector organisations to achieve to a greater extent than otherwise their own goals, and those selected to receive assistance will be organisations that have, and are pursuing, goals that further the empowerment of local communities.

Faiths in Action

4.21 Faiths in Action is a £4 million grants programme open to faith, inter faith, voluntary and community sector organisations at national, regional and local levels in England from 2009–2011. It is sponsored by CLG and administered by the Community Development Foundation (CDF). It supports the Government’s aspiration to help faith communities and others to promote understanding, dialogue and develop strong and sustainable partnerships.

Faith representatives at local and regional levels

4.22 The interfaith framework published by CLG in July; ‘Face to Face, Side by Side’, includes a number of initiatives which focus on building local capacity, notably:

- Regional Faith Links;
- a three year programme of investment in Regional Faith Forums; and
- appointment of the North West Development Agency as the RDA lead on faith and social action to help promote good practice on working with faith communities across the RDAs.

4.23 Every Government regional office (GO) will be asked to convene a network of local authority leads on faith and cohesion. These regional hubs are called Faith Links and a Faith Link will be established within each of the English regions by 2011. Faith Links will be coordinated by GOs and will help provide local authority faith leads with guidance, support and networking opportunities, building their capacity to work with local faith communities. To support this across GOs a toolkit that builds on successful pilots by the Government Offices for London and for Yorkshire and the Humber is currently under development.

Box 4.A: Faith Links

The London local authorities Faith & Community Cohesion Group is sponsored by the Government Office for London and comprises local government officers with responsibility for religion and belief from participating London Boroughs. The Group aims to improve the capacity of London Boroughs to work with and develop relationships with their local faith communities. It seeks to achieve this by:

- helping to interpret national and regional information and policy for faith communities and public service providers at borough level and providing feedback from the boroughs to Central Government to inform policy development;
- providing a forum for members to share information and best practice and learn from what has and hasn't worked, to add value to borough-level working and stimulate innovation;
- enabling the borough faith leads to provide each other with mutual support and advice, particularly where issues are urgent or sensitive, for example in response to the London bombings in July 2007; and
- promoting cross-borough working as appropriate.

The Group also acts a regional hub for faith issues and aims to become an exemplar for other regions, developing demonstration projects to facilitate this.

4.24 As noted above, it is intended that this network will also be linked to the RDA and other relevant regional structures. Notably it will be linked to each Regional Faith Forum (RFF). CLG is actively supporting the development of all RFFs through a programme of investment over three years in RFFs to support and build their capacity, in particular their interaction with local interfaith activity.

4.25 CLG recently asked that a Regional Development Agency should take the lead on faith communities (in the context of cohesion, social capital and social action, not in relation to the Religion and Belief strand of Equalities). North West Development Agency (NWDA) was appointed and is currently developing a work programme to take this forward. Its aim will be to promote good practice across RDAs in working with faith communities.

4.26 At the regional level, faith groups can approach/bid directly to RDAs at present. There are a number of examples of their having successfully done so. For example in the East of England Faiths Council has negotiated a contract with EEDA for the delivery of a range of outcomes.

4.27 All local community organisations, and this includes faith groups, are advised to engage with the LAG in their area so as to determine how they might help to contribute to delivery of the objectives of the Local Development Strategy, and thereby benefit from funding.

The Compact

4.28 Faith communities are being encouraged to network more effectively with the wider third sector. (Many of the barriers experienced by faith communities are to do with shortcomings generally in the way public authorities engage with the Third sector. Initiatives such as the Compact are designed to address these problems and faith communities need to derive maximum benefit from them). CLG has recently worked with the Church Urban Fund and the National Association for Community Action to produce 'Believing in Local Action'³, which promotes effective partnership working between faiths and the third sector at local level .

4.29 This is also a key factor in ensuring that faith groups are involved in the processes of decision-making for and the implementation of Local Area Agreements (LAAs). LAAs set out the 'deal' between Government and local partnerships to improve services and quality of life in a place. Local partnerships will need to decide how they will resource the delivery of these priorities, pooling their resources, where this is possible. An alliance of community sector organisations has been working with CLG to ensure that the sector is fully engaged in LAA processes. The final meeting of the working group included a faith representative. At the time of writing it is not clear whether any further work in this area will be conducted through a formally convened working group.

4.30 It is also worth noting that the Compact is about to be reviewed. There are currently important messages relevant to good practice in working with faith communities embedded in some of the Compact documents. The Compact review is an opportunity to strengthen the messages and promote them more widely.

The Rural Community Buildings Network

4.31 DEFRA established the 'Rural Community Buildings Network' in November 2006 to help those responsible for rural community buildings in England work more effectively with Government and each other. It works to improve communication on matters that affect rural community buildings; share information and best practice; and provide a unified voice to influence local and central government. Its goal is to enable key stakeholders, especially parish councils and village hall committees, to work together for more sustainable rural communities.

³ www.cuf.org.uk/Believing_in_Local_Action.aspx

4.32 The Network's members include a range of stakeholders including Action for Rural Communities (ACRE – see below) and The National Association of Local Councils (NALC) and also the following faith-based organisations: the CofE, the Methodist Church and United Reformed Church. The Network meets twice a year under the chairmanship of a rotating chair and is facilitated by DEFRA – the most recent meeting was on 25 November 2008. In recent meetings, they have discussed issues such as pooling buying opportunities, support for outreach Post Offices and the implications of the Community Empowerment White Paper and Communitybuilders programme for rural community buildings.

4.33 ACRE also runs the Village Halls Loan Fund VHLF (overall value £700,000) on behalf of DEFRA. This fund will be succeeded from 31 March 2009 by the new Rural Community Buildings Loan Fund (RCBLF), which ACRE will also administer. The aim of both the VHLF and the RCBLF is to provide unsecured loans to those looking to meet the costs of: providing a new building; extending or renovating an existing building; upgrading a building to meet fire standards, building regulations, security needs etc; and/or improving accessibility (e.g. for disabled people).

Box 4.C St Bega's, Eskdale Green, Cumbria

An outreach Post Office opened in this small rural church two mornings a week in October 2007. The village post office and shop had closed 18 months previously. The church also hosts the Discover Eskdale Centre – an illustrated view into the life, times and landscape of Eskdale throughout the ages. This was introduced during the Foot and Mouth outbreak as a way of encouraging tourism to the deprived rural area. www.eskdalebenefice.org.uk

Box 4.D ACRE – Support for Rural Communities

ACRE is the national umbrella organisation for the Rural Community Action Network (RCAN) – a network of 38 Rural Community Councils (RCCs) in England. As an OTS strategic partner, ACRE are involved in consultation and discussion on a regular basis. RCCs are county-based, independent, local development agencies that deliver on the ground support for rural communities to improve quality of life. They act as a strategic voice, allowing grassroots issues to be championed and solutions worked out in partnership between statutory, voluntary and private sector providers. Alongside this, RCCs provide a trusted support network for rural community groups, including dedicated expertise in arenas such as transport, housing, the management of community-owned facilities, social enterprise and rural services.

RCCs collectively employ around 1,000 staff throughout England and have a turnover that varies by county between £250,000 and £2.6 million per annum.

The total national network annual turnover is more than £40 million. Most RCCs administer local grant programmes, ranging from micro grant schemes that kick-start small local projects, to large delegated grant schemes that are part of national or regional programmes. In a number of regions, RCCs are involved in Local Action Groups under the Rural Development Programme for England (see above chapter 2).

DEFRA is investing £10.25m in the Rural Community Action Network under a three-year contract, administered by ACRE, to deliver strategic advocacy on behalf of rural communities.

English Heritage Historic Places of Worship Support Officers

4.44 As part of its Inspired! Campaign, EH has launched its historic places of worship support officers scheme. Under the scheme, EH will part-fund, with CofE dioceses and other partners up to 30 officers who will help to build capacity in congregations to care for their historic buildings so that they have a sustainable future as places of worship. Support Officers will engage with partner organisations to identify buildings most in need of support, create a local management strategy for historic places of worship and give advice to individual congregations on the care of their buildings. The CofE welcomes the English Heritage initiative which is offering part-funding for 30 historic places of worship support officers and is encouraging dioceses to apply for what will provide a much-needed additional resource at diocesan level enabling more capacity building at parish level.

Investment in skills for churches vulnerable to redundancy

4.45 The Churches Conservation Trust (CCT), part funded by DCMS to preserve the most historically or architecturally significant CofE churches no longer needed for regular worship, is using its uplift in Government funding from 2008/9 to launch a Community Regeneration Task Force, whereby the congregations of churches buildings that are vulnerable to redundancy and likely to be vested in CCT if made redundant will be helped to access the skills, funding and support needed to keep the church open.

Summary of Government next steps

- **Government Offices for the Regions** will, in each of the 9 English Regions, convene a **network of local authority leads** by 2011 on faith and cohesion to share best practice and better equip them to work with faith communities. This will include the production of a toolkit which builds upon learning from successful approaches led by the Government Offices (GOs) in London and Yorkshire and the Humber;

- **North West Regional Development Agency (NWDA)**, as the recently appointed RDA lead on faiths on social action, is currently developing a work programme to support all RDAs in working effectively with faith communities. NWDA have recently commissioned **research from an independent consultancy on the added value of faith**, identifying the value which faith-based organisations bring to service delivery;
- **CLG** has begun a programme of investment in the **Regional Faith Forums (RFFs)** with £70,000 per annum being allocated over the three year comprehensive spending review period to each region. RFFs will work with regional decision making bodies, including the RDAs and GOs to ensure that faith groups have a presence and effective say at the local and regional level. The investment has been made to enable every RFF to focus on support for local faith-based action.

Further Actions

4.46 The CofE is taking forward a number of work streams to ensure that dioceses have the skills, expertise and guidance to build the capacity of parishes to work at a sub local level and enable parishes to think more strategically. In particular, the CofE will:

- explore the potential for CofE Officers to act strategically with the regional consortiums for Capacitybuilders;
- determine the most effective way to disseminate the note provided by CLG, 'A guide to Government guidance' to their dioceses and parishes. It will also appear on the www.churchcare.co.uk website under the section on How to Develop your Church Building;
- review its involvement in LSPs across the country and examine what positive benefits these have brought churches working with and for their local communities;
- review its involvement with Rural Development Programme for England (RDPE) Leader Local Action Groups to see whether they can contribute to, and thus benefit from, the Local Delivery Strategies;
- continue to engage with ACRE and the Rural Community Buildings Network (convened by DEFRA), as an effective means of building alliances with other community-level partners and of sharing experience and best practice in rural communities;
- review how effectively it is engaged with the county level Rural Community Councils, so that they might share experience and best practice;

- review its current engagement with RDAs to see whether they can play into their Regional Economic Strategies;
- consider whether there are any cases where it would wish to make use of DEFRA's Rural Community Buildings Loan Fund to meet particular needs; and
- respond to the public consultation to be run by CLG in Spring 2009 on the Community Infrastructure Levy.

A guide to guidance

A guide to advice – finding your way through the local labyrinth

A.1 For community groups local structures can look opaque. They may be highly motivated to work in their neighbourhoods and communities, but still feel frustrated in finding their way to where the decisions are made and the resources allocated which might enable them to translate their intentions into practical outcomes that really benefit the people they want to work with.

A.2 This note sets out a list of publications which are designed to help local groups. In some cases the organisations publishing the guides are themselves a source of information more generally. If knowledge is power, these guides are about empowerment – building the capacity of local groups to get involved in an informed and intelligent way and to make the system ‘work for them’ in terms of access to resources.

A.3 The **Urban Forum** (see www.urbanforum.org.uk) is a national umbrella organisation for the community sector (not only urban) in England. Its publications are almost always free to download and are specifically designed to offer simple, accessible information. Key publications are:

- How Your Council Works: A Handy Guide for Community Groups
- The LSP Guide (third edition)
- The Handy Guide to Planning

A.4 The National Association for Voluntary and Community Action (NAVCA) is the national voice of local third sector infrastructure in England. It has been closely involved in supporting voluntary and community sector organisations in getting involved in Local Area Agreements (LAAs). These are a main source of funding at the local level. They have published:

- What are local area agreements?
- LAAs – what’s it got to do with me?
- Getting involved in LAAs

A.5 These can be found at www.navca.org.uk/publications/laas/ . CLG provides an online database of local priorities relating to LAAs at www.localpriorities.communities.gov.uk

A.6 The main faith-based organisation involved in this kind of support is the Faith-based Regeneration Network (FbRN). Key FbRN publications which can be found at www.fbrn.org.uk/publications are:

- Tools for Regeneration: Practical Advice for Faith Communities
- Keeping It Together: a toolkit for faith-based community development practitioners

A.7 The Church Urban Fund has published a number of relevant guides over the years. The most recent is “Believing in local action” www.cuf.org.uk/Believing_in_Local_Action.aspx . “Building on faith” www.cuf.org.uk/page23752912.aspx deals specifically with faith buildings, though it is now a little old.

A.8 On developing buildings as community assets, the Development Trusts Association (DTA), offers advice and consultancy. It has also published a number of very useful guides, in particular:

- To have and to hold – provides a broad range of information, resources and contacts that you can use to develop a land or building project that is an asset for your organisation and local community.
- It is worth looking at their webpages on community assets too. Importantly DTA has a regionalised structure, as well as a central office in London. See: www.dta.org.uk

A.9 Although it is a little dated and is currently being revised, the Local Government Association’s ‘Faith and Community’ is still an important general source of information and advice on local government/faith community relations. It can no longer be downloaded from the LGA website, but copies can be obtained from the Faith Engagement team at CLG, and a short summary is available from:

- www.faithnorthwest.org.uk/assets/_files/documents/dec_07/faith__1196948925_4_The_changing_role_of_the_chu.pdf

A.10 Other general guidance which gives important information about the local context is available on the CLG website. The most relevant are probably:

- Preparing community strategies See: www.communities.gov.uk/publications/localGovernment/preparingcommunitystrategies
- The Well Being Power See: www.communities.gov.uk/localGovernment/localregional/localcommunity/wellbeingpower/

A.11 It could be argued that much of the above relates predominantly to an urban or suburban context. The organisation which perhaps offers the best resources in ‘translating’ all of these policies and programmes directly to a rural setting is Action with Communities in Rural England (ACRE). This has a section on community assets, with pages dedicated specifically to churches. The CofE has already worked with ACRE in this field and there is a link to the Churchcare website from ACRE’s website. There may be scope for further development of this linkage. See: www.acre.org.uk/communityassets_index.html

B

Organisation of the C of E

Organisation of the CofE at a national, regional and local level

B.1 In order to consider the interface between the church and the strategic and decision-making structures of local and regional government, an explanation of the organisation of the CofE is given below.

B.2 At the **national level**, the Archbishops' Council and General Synod set overall national policy and the financial strategy for the CofE as a whole within a strategic framework set out by the House of Bishops. General Synod debates and votes on measures which go through Parliament and require Royal Assent before becoming part of the law of England. For example, the Pastoral (Amendment) Measure, which enables parishes to lease parts of their church buildings for community use. The Archbishops' Council consists of a policy-making body which takes strategic decisions on policy and resources supported by a secretariat of professional staff based in Church House.

B.3 At the **regional level**, dioceses support and enable parishes but have no power to issue instructions to them. In total there are 42 English Dioceses each of which have a Bishop and an office. Most of the English regions have four or more dioceses. Each diocese has on average three archdeacons, responsible to the Bishop whose duties include supporting parishes in the care of their buildings. Archdeacons and where they exist, diocesan strategic and development officers, often represent the Church on LSPs and other local networks.

B.4 At the **local level**, the CofE has an extensive estate which could be used to deliver services for the community. In total there are 16,200 church buildings, held for the benefit of the parish as a whole and not just the congregation. There are over 13,000 parishes across England. The parish develops its own policy and strategy, which includes how buildings will be used to the benefit of the community and it is at community level that parishes are responsible for initiating, developing and funding proposals. If successful, they then take these proposals forward and take responsibility for delivering outcomes.

Parish Characteristics

A number of common characteristics exist amongst parishes, namely:

- rurality – 60% of churches are in rural areas (9,600). A number of the smallest communities support a disproportionately high number of churches, many of which are listed;
- dependence on volunteers – to manage, repair and maintain each individual church building, all denominations rely on the efforts of small, independent groups of volunteers from their congregations. More formally, responsibility rests with the Parochial Church Council (PCC) and Churchwardens. In addition, the Diocesan Advisory Committees (DACs) advise on alterations and work to churches. Apart from expenses, members of the 42 DACs receive no payment from the Church for their services (although the DAC Secretary is a paid diocesan official);
- responsibility for the maintenance of grade-listed buildings – There are 14,500 places of worship in England listed for their special architectural or historic interest, 12,200 (85%) of which belong to the CofE;
- working at a sub local level – Parishes' work at a sub local level as this is the level at which capital assets are managed, whilst the Dioceses work at the local and regional level. Consequently, it is the role of the archdeacon and/or diocesan strategic and development officer, where they exist, to sit on the board of the Local Strategic Partnership and liaise with local and regional decision makers.

C Futurebuilders Christian Investees

- Pecan. Region: London. Amount: £124,750
- InSpire at St Peter. Region: London. Amount: £19,000
- Total Healthcare. Region: London. Amount: £90,700
- Love and Joy Ministries Group. Region: Northwest. Amount: £6,000
- NOAH enterprise. Region: Eastern. Amount: £20,000
- Birkenhead YMCA. Region: Northwest. Amount: £1,150,500
- Trinity Winchester. Region: Southeast. Amount: £500,000
- Circles UK. Region: London. Amount: £225,975
- John Grooms (now liveability). Region: Eastern. Amount: £570,000
- West Ham Central Mission (WHCM). Region: Southeast. Amount: £20,000