

POLICY - GRANTS AND LOANS

This statement of policy for grants and loans replaces all previous policy statements concerning grants and loans.

1 Background

All the synods have committed to full sharing of financial resources in response to a resolution of the 2002 General Assembly that was proposed by the Wessex Synod:

“Assembly gives thanks for the new spirit of sharing which has arisen in the life of the United Reformed Church from the consultation between the synods. It asks the Resource Sharing Task Group to initiate a consultation between the synods on the advisability and possibility of a more complete sharing of the financial resources of the synods, with a view to a more radical and equitable distribution of such resources across the whole church.”

The average income for the synods in 2003 was about £200,000 per year. This is some £400,000 per year less than the amount of investment income regularly received by the Wessex Trust. As a result of the process of Synod Resource Sharing, this policy is therefore planned to cope with a net income that may be as low as the synod average figure of £200,000 per year by the year 2013. A long-range financial plan has been prepared to assist in coping with the very significant implications that this has for expenditure on grants and loans.

The Long-Range Plan includes provisions for the funding of the manse policy and for the payment of all grants awarded to date. It assumes that there is a continuing income from the sale of redundant properties of £500,000 per year.

An annual budget for grants will be presented to the Synod for approval at its autumn meeting. The use of the budget will be staged through the year to ensure that funds do not run out too soon.

2 Grants

In the past, grant-making was not significantly limited by the amount of money available and most applications were successful. Only in the case of potential grants exceeding £50,000 was an incisive evaluation made of the mission potential of the work for which the grant was requested. All future grant applications will be assessed on the single criterion of the potential effectiveness of the grant in terms of mission opportunity.

Grants will be directed to those situations that need an injection of funds to get them started. That is likely to entail significant grants, in percentage terms, but there will be relatively few of them and there will be even fewer small grants. Even so, churches will be responsible for raising a considerable proportion of the money required.

There will be no limit to the kind of ‘project’ that is supported, so long as the vision of the congregation and the perceived mission purpose is credible and achievable. This means that grants will be given to help pay for people; to make changes to the premises; to provide resources of all kinds.

A grant will not normally be made to a church that has reserve funds that, on completion of the work for which the grant is requested, are projected to exceed £10,000 or six months’ expenditure, whichever is the larger.

Grants and loans are not available for projects that receive money from the National Lottery.

Local churches can also apply for grants from other sources. If such grants include claw-back conditions the commitment to refund monies must be on a reducing scale achieving a zero sum after no more than ten years.

2.1 Feasibility Studies

Feasibility studies for building projects will be commissioned by the Synod Resource Team as and when they deem it appropriate. An annual budget of £10,000* will be made available to the Team for the purpose of paying for such feasibility studies.

2.2 Building Inspections

As agreed by the Synod in November 2005, for the time being, there will be no more synod-funded building inspections.

It is expected, however, that churches will arrange their own inspections by suitably qualified people and a good record for building maintenance will normally be a prerequisite for consideration of any grant application that uses church buildings as a tool for mission. Grants for repair and maintenance will be limited, as it is assumed that, following the building inspection programme, the buildings of viable and committed congregations are

now in good order.

2.3 Listed Buildings

Churches with Listed Buildings must, by law, have their buildings inspected by a qualified person at least once every five years. Copies of the inspection reports must be sent to the Secretary of the Listed Buildings Advisory Committee. The cost of the inspections is likely to be higher than that for other buildings and in view of this a grant of £300* once every five years will be allowed. Listed Buildings in Local Ecumenical Partnerships that are vested in the URC will be eligible for this grant in full.

2.4 Local Ecumenical Partnerships

Grants are available to Local Ecumenical Partnerships on the same basis that they are available to United Reformed Churches, with the exception that the grant is reduced to the proportion of the URC involvement in the LEP as indicated or implied by the Sharing Agreement.

2.5 Amalgamating churches

When two or more churches amalgamate and a property is sold, every effort will be made to be more generous than usual to enable the remaining property to be adapted to maximise the mission potential of the united church. The budget limits described above will not be applied in such cases.

2.6 Chaplaincies and industrial missions

Grants to chaplaincies and industrial missions are available up to the limit determined by the annual budget for the synod.

2.7 First-aid courses

The Child Protection Act requires child carers to be trained in First Aid. Grants for such training may be available from the Local Authority and St John Ambulance Brigade also provide free or subsidised courses. Where such grants of training are not available the synod will make grants of up to £40* per person for such courses for personnel working in church-sponsored organisations.

2.8 Manse maintenance grants

Local churches are wholly responsible for the care and maintenance of manses. Grants of up to £500* per year are available for the maintenance of manses. If a grant is not fully used it may be rolled over for one year only. Special rules apply to manses in Local Ecumenical Partnerships. Full details are contained in the Manse Policy.

3 Loans

3.1 Project loans

Loans of up to 50%* of the cost of a project are available for approved projects provided that the church can demonstrate the ability to repay the loan. Loans will normally be for five* years, repayable quarterly with interest added at the rate of 0.75%* per quarter.

3.2 Car loans

Loans are available to ministers for the purchase of a car. The maximum loan is the maximum loan that is not chargeable to tax under Inland Revenue restrictions, currently £5,000*. Interest is payable at 3%* per annum APR and loans are repayable over five* years. Only one loan can be outstanding to a minister at any one time. Loans will be made to non-stipendiary ministers only if it is necessary to purchase a car in order for the minister to perform his or her duties.

3.3 Loans for manse purchase in LEPs

Loans are available to Local Ecumenical Partnerships for the purchase of manses. The loans are repayable over a maximum of 25* years at 2.5%* interest per year.

4 Process

4.1 Project grants and loans

Before a grant or loan is considered, the project must receive the necessary recommendations and approvals as

described in the Report of the Structures Task Group presented to Synod in March 2007.

When the church applies to the Finance and Property Committee for approval of the project, the application must give details showing how the project will be funded.

1. If financial assistance is required the application to the Finance and Property Committee must include the church accounts for the last three years.
2. The Finance and Property Committee decides whether or not to recommend to the United Reformed Church (Wessex) Trust Limited that a grant and/or a loan be made.
3. The outcome of the application for a grant or loan will be reported to the next meeting of the synod.
4. At one or more appropriate intervals following completion of the project an assessment is made of the effectiveness of the work that has been done based on the criteria submitted with the application.

4.2 Cost increases

If the cost of a project increases after a grant has been awarded the Trust Financial Officer has the discretion to increase the grant pro-rata by up to 5% or £250*, whichever is the larger. If an increase greater than this is required a request must be made to the Finance and Property Committee.

4.3 Car loans

A minister wishing to receive a car loan must apply by writing to the Wessex Trust Financial Officer. The Wessex Trust Financial Officer will determine the minister's eligibility for a loan and will make arrangements for the payment of the loan. He will then report the loan to the Finance and Property Committee and the number of such loans, but not their recipients, will be reported to the next meeting of the synod.

4.4 First-aid courses

Grants for first-aid courses will be paid by the Trust Financial Officer on the basis of requests authorised by one of the Development and Support Officers.

* Within the policy above, each item marked by an asterisk may be changed as circumstances change and for convenience the current values are shown in the Schedule below.

SCHEDULE

Section 2.1: Feasibility studies - the annual budget for Synod Resource Team is £10,000.

Section 2.3: Grants for inspection of listed buildings - £300 once every five years.

Section 2.7: Grants for first-aid courses - £40 per person.

Section 2.8: Manse maintenance grants - £500 per year.

Section 3.1: Project loans - loans up to 50% of project cost; repayable over 5 years; interest rate 0.75% per quarter.

Section 3.2: Car loans to ministers - maximum loan £5,000; repayable over 5 years; interest rate 3% per annum.

Section 3.3: Loans for manse purchase in LEPs - repayable over 25 years; interest rate 2.5% per year.

Section 4.2: The discretionary limit for the increase of a grant is 5% or £250, whichever is the greater.