

## Diocese of Leicester

### Capital Fund Guidance Notes

**Please read these notes carefully before submitting an application form.**

#### 1. Vision for the Fund

1.1. The purpose of the Capital Fund is to help Churches and Fresh Expressions of Church who are seeking to undertake building development projects as part of responding to the Three Key Questions as set out in the leaflet 'Our Vision, Purpose & Three Key Questions' (<https://www.leicester.anglican.org/wp-content/uploads/2010/09/Vision-and-Purpose-web.pdf>) So we look for growth in three dimensions, in the numbers of those coming to and returning to faith, in deepening faith, and faith leading to service of the world.

1.2. The Capital Fund is focused on supporting projects which promote mission and growth and is primarily a buildings development fund, not a maintenance fund. It is recognized that a badly maintained building can inhibit mission and growth, but only in the most exceptional cases will grants be made for projects which simply repair existing fabric.

1.3. The Capital Fund also takes into consideration the 'five lenses' which Bishop Martyn has identified as informing the way in which priorities are established in the Diocese. These five lenses identify themes through which we want to reshape our work as follows:

- Children and young people
- Black, Asian and minority ethnic people
- Rural areas
- Areas of deprivation
- 'Setting God's People Free' (which is about how churches will use their resources to develop Christian vocation and discipleship in the world.)

It will be rare for one church to be working in all of these areas, but Capital Fund applicants are asked to identify at least one of these 'lenses' which is relevant.

#### 2. Priorities for the Fund

2.1 With limited funds available it is important to make choices and be strategic about priorities and consequently the fund is subject to limitations as to its use which only the Diocesan Synod has the authority to vary.

2.2 Therefore:

- the first question to be considered in relation to the use of the fund is how it can further the mission and growth of the Church;
- the fund will be applied to support work in parishes (or clusters of parishes) including Fresh Expressions of Church, work established under Bishop's Mission Orders and ecumenical work where there is strong Anglican involvement;

- priority will be given to projects and work where a contribution from the fund will act as 'leverage' or 'seed funding' to release significant funds from external sources. (Churches are therefore encouraged to consider using a Capital Fund grant as leverage to access other funding);
- grants may be given for work on churches, church halls and other buildings in the church's ownership;
- Resourcing Churches are able to apply for grants in the normal way;
- the fund does not include the Cathedral, chaplaincies, church schools, St Martins House, Launde Abbey or the St Philip's Centre.

### 3 Types of financial support

3.1. Small grants of up to £5,000 to fund 'minor' projects and feasibility studies. Minor projects must demonstrate that they respond to at least one (preferably more than one) of the Key Questions referred to in 1.1 above. The Committee will consider applications for items such as audio-visual equipment: a project does not always have to be 'bricks and mortar' to qualify for a grant.

3.2. Larger grants as part-funding of larger schemes. The Capital Fund will normally only fund up to 25% of the total project cost. The maximum grant sum that can be awarded is no more than 20% of the total funds available to the Capital Fund in the year. Currently this means that the maximum grant amount is £20,000.

3.3. Particular interest will be shown in supporting projects where a grant from this fund will help to leverage money from other sources such as trusts, local authorities and heritage bodies. Where a grant of more than £5,000 is requested the applicant must demonstrate *either* that the project responds to all three Key Questions (referred to in 1.1 above) *or* that it focuses primarily on one of the Five Lenses (referred to in 1.3 above) and also addresses at least one of the Key Questions.

3.4. It is possible for a capital project to receive a loan from the Church Extension Fund and a grant from the Capital Fund. For information about the Church Extension Fund contact John Orridge, Director of Finance.

3.5. Micro grants of £250 are available under a streamlined application process for projects to improve access to church buildings for people with disabilities or mobility issues. These grants are limited to one per church per year.

### 4. Criteria for grants

4.1 The Capital Fund is specifically focused on projects which promote mission and growth. The Capital Fund Committee will not seek to assess the aesthetic qualities of the work proposed or its impact on historic buildings. Instead it will be looking for evidence that the project supports the mission of the local church and that the church is committed to following up on the mission opportunities which result from the project.

4.2 It is also recognized that a significant source of funding for work on church buildings is the Heritage Lottery Fund which focuses on issues of heritage not mission. PCCs should not be discouraged from seeking funding from the Capital Fund for HLF projects so long as such projects will also create opportunities for mission and growth and the local church is alive to these and committed to pursuing them. The Committee will not, however, give grants for routine maintenance and repairs resulting from Quinquennial Inspection reports.

4.3 Applications will therefore need to be supported by a Mission Plan which sets out the kinds of mission in which the applicant intends to engage, the intended outcomes and how these outcomes relate to the plans for the building. This plan may be a separate document, or it may be incorporated in the responses to the questions about growth in the application form, or it may feature as part of another document which is supplied (eg Statement of Need). The mission plan must have the support of the PCC. Where possible, evidence should be given of recent growth upon which the project will build.

4.4 Where a Statement of Need has been produced for the DAC or another body, this may already contain the kind of information requested in 4.3 above, particularly if the Statement of Need is set out according to the Church Buildings Council Guidance (2010 revision). Applicants should always submit a Statement of Need where one is available and need then only add such information requested under paragraph 4.3 as is not already contained in the Statement of Need. The Church Buildings Council Guidance can be found at

<http://www.churchcare.co.uk/churches/guidance-advice/statements-of-significance-need>

4.5 Other documents may be provided in support of the application where these are helpful. An indicative list of other documents which may be helpful and those which would not normally be needed can be found on the last page of the application form. Documents will not be circulated to committee members where it is felt that they add nothing to the application.

## 5. Grant conditions

5.1 All projects must have, where required by law or diocesan regulations, faculty or minor works permission, planning permission and/or listed building consent. The Capital Fund Committee will not seek to recreate the processes of the DAC, Chancellor or secular planning authorities, but it will work closely with the DAC and funding will not be released until all necessary approvals have been obtained. Applications will be seen by the DAC Secretary, who will update the Committee as necessary on the progress of a project through DAC procedures.

5.2 It will be a condition of grants that the relevant parishes have submitted their most recent annual accounts/financial statements to the diocese and that, taking the whole financial situation of the parish(es) concerned into account, appropriate parish contributions are being offered and made to the diocese. Other than in exceptional circumstances, grants will not be offered where the applicant holds more than 6 months of reserves. PCC assets which could be liquidated to fund the project will also be taken into account.

5.3 Funding is granted on condition that the applicant will respond to requests from the Committee or other diocesan bodies for information about the impact of the project which has received funding. This is so that the Committee can be assured that funding is going towards projects which will assist mission, but also so that results can be shared across the Diocese, as other churches may be able to learn useful things from your experience.

5.4 A list of the standard conditions stated in the award of grant letter is attached.

5.5 The Capital Fund Committee may put other conditions where it feels it is appropriate to do so.

## 6. Application process

6.1 Complete an application form. Please send your application by email if possible. Applications should be sent to: Wendy Dunnington, PA to the Archdeacons; telephone 0116 261 5309; email [wendy.dunnington@leccofe.org](mailto:wendy.dunnington@leccofe.org)

6.2 The application should be accompanied by enough information to enable the Committee to get a good understanding of what is proposed and what the impact is expected to be. To avoid generating additional forms and paperwork, applicants are encouraged to submit documents which have already been drawn up. The Committee will expect to see the following:

- Statement of Need, where one exists, preferably drawn up using Church Buildings Council guidelines;
- Mission plan (see para 4.1 above) where not already covered by other documents.

6.3 Applicants also need to provide a list of applications made to other funding bodies. There is space for this on the application form. There is no need to provide copies of application documentation, unless this is specifically requested by the Committee.

6.4 Dates of meetings and deadlines for applications and expressions of interest are published on the diocesan website: <http://www.leicester.anglican.org/shaped-by-god/capital-fund/>

6.5 The process for consideration of applications is as follows

Stage 1: Applications must be received by the deadline which is normally 2 weeks before the Committee meets.

Stage 2: Where time allows, the application will be subject to an initial read through by officers who may ask for further information to be provided. Applicants will be given as much time as possible to respond.

Stage 3: The application is considered by the Capital Fund Committee which may decide as follows:

- Approval of the grant (with conditions as outlined above);
- Referral back to the applicant for further work or information (possibly with the support of a critical friend);

- Refusal of the grant application.

6.6 Because the grant offer is only valid for 24 months, the application should not be submitted more than two and a half years before the anticipated project start date.

6.7 For certain projects there is the opportunity to approach the Capital Fund by making an expression of interest. This can provide the parish with the opportunity for support from a critical friend while the application is developed.

## 7. Other sources of funding

7.1 There is a diocesan funding directory, available from Gill Elliott, which contains a list of possible funding sources. Gill can be contacted on: [gill.elliott@leccofe.org](mailto:gill.elliott@leccofe.org) , 0116 261 5353

7.2 The VAT on repairs, maintenance and alterations to listed places of worship may be eligible to be claimed back through the Listed Places of Worship Grant Scheme. For full details of the work which is eligible visit the website: [www.lpwscheme.org.uk](http://www.lpwscheme.org.uk)

You are therefore expected to reclaim VAT on all works which are eligible for VAT reclaim from the project for which a grant is offered. You should enter amounts for reclaimable and non-reclaimable VAT in the boxes provided on the application form.

## 8. Further information

General enquiries about the Capital Fund and questions about completing the application form should be addressed to: Andy Brockbank; telephone 0116 261 5312; email [andrew.brockbank@leccofe.org](mailto:andrew.brockbank@leccofe.org)

We prefer to work by phone and email where possible, but if you need to send something by post, the address is Capital Fund, St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ

## **Standard Grant Conditions in Award of Grant letter**

- The grant offer is valid for 24 months from the date of the Award of Grant letter. If you are not in a position to call on the funds within this period, the grant will lapse.
- Funding is granted subject to all necessary permissions (eg faculty, planning permission) being in place. If it is subsequently found that all necessary permissions were not in place the DBF reserves the right to require you to return the grant.
- Funding is granted on the understanding that a positive response from the Capital Fund Committee does not in any way affect or prejudge the outcome of DAC or other diocesan procedures in respect of church buildings.
- Funds will not be released until the other funding required for the project is in place. Evidence may be requested to show that funding is in place.
- The Diocese reserves the right to examine the financial records of the PCC if it considers it necessary to do so.
- Funding is granted on condition that the applicant will respond to requests from the Committee or other diocesan bodies for information about the impact of the project which has received funding and will agree to share information about other funders from whom funding has been obtained so that this information can be shared with other churches in the Diocese. All grant recipients are required to provide to the Committee photos of the finished project.