

FUNDING AGREEMENT

between

**THE DEPARTMENT FOR CULTURE, MEDIA AND
SPORT**

and

THE CHURCHES CONSERVATION TRUST

for 2003-2006

1. Introduction

- 1.1 This agreement is between the Department for Culture, Media and Sport (“the Department”) and The Churches Conservation Trust (“the Trust”) after consultation with the Church Commissioners.
- 1.2 The agreement is for the three-year period April 2003 to March 2006.
- 1.3 The Trust’s principal objective is:

“the preservation, in the interests of the nation and of the Church of England, of redundant churches and parts of churches of historic and archaeological interest or architectural quality vested in the Trust, together with their contents so vested.”
- 1.4 The Trust aspires to ensure that what are some of the finest buildings in England become better known, better appreciated, better understood and even more widely loved by a growing proportion of the population.
- 1.5 This Agreement takes account of the requirements placed upon Trustees under the Pastoral Measure 1983, as amended (presently under review).

2. Strategic context

- 2.1 *The Historic Environment: A Force for Our Future* (2001), was the Government’s response to English Heritage’s report to the Government, *Power of Place*, published in December 2000, which confirmed the widespread degree of public interest in the historic environment. *A Force for Our Future* outlined the Government’s commitment to see the full potential of the historic environment harnessed as a lifelong learning resource for all and made accessible to the whole of society.
- 2.2 The Department and the Trust enter into this Agreement at a time when the Government is involved in a major review of policies relating to the historic environment. The Government needs to ensure that its policies address these issues, putting much more emphasis on social and ethnic inclusion, breaking down barriers and developing new awareness of the heritage.
- 2.3 The Trust exists to preserve Anglican churches of heritage importance which are no longer required for regular worship and for which no suitable new uses can be found. It currently has 331 churches in its care and receives around 4-5 new ones each year as decided by the Church Commissioners. Virtually all buildings are listed – mainly Grade I or II*. Churches generally form an important feature of the built heritage, and many are especially important to local communities. Even if they are no longer used for worship, their existence often contributes strongly to a local “sense of place”.
- 2.4 The Trust’s resources are wholly devoted to the repair, maintenance and public presentation of its churches. It is increasingly confronting the challenge of receiving major churches in unpromising inner-city locations and increasing access to and educational material about its churches.
- 2.5 Thus the Trust is well placed to support not only the Government’s policies towards the protection of the historic environment, but also other Government initiatives in which the Department is involved, concerning urban and rural regeneration, education, combatting social exclusion, promoting tourism and the action in the community initiative: in this respect, the Trust makes significant use of voluntary assistance.

2.6 The Trust is a small organisation and will continue to focus its efforts. It will concentrate on the following strategic priorities, which may be revised in the light of progress during the period of this agreement following consultation with the Church Commissioners:

- (a) to repair, maintain and preserve its churches to the most appropriate standards
- (b) to encourage the use of its churches so that they are used and valued as a community, cultural and Christian resource
- (c) to encourage the fullest possible public access, including for those with disabilities
- (d) to achieve value for money throughout the range of its activities
- (e) to promote its churches as an educational resource
- (f) to contribute to local regeneration where this is possible

2.7 **Risks associated with needs and opportunities**

- (a) loss of key personnel
- (b) lack of trained architects and surveyors
- (c) excessive increase in repair and conservation costs
- (d) unforeseeable repairs greatly exceeding contingency budget
- (e) inaccessibility of the churches (e.g. caused by foot and mouth disease)
- (f) serious increase in number of churches being vested
- (g) damage to the churches caused by flood, subsidence, earthquakes and other natural causes, and by acts of vandalism, theft and arson
- (h) major damage arising from increased use of the churches
- (i) failure of accounting and computer systems and consequent loss of records
- (j) major third party claims
- (k) failure to achieve access objectives due to poor weather, public transport, fuel strikes etc.
- (l) failure to achieve education objectives due to poor weather, lack of funding for school visits, public transport, fuel strikes, inaccessibility of churches, unforeseen occurrences at the churches (e.g. discovery of asbestos)

2.8 In particular, the Trust is concerned that access to its churches situated in rural areas will be severely constrained by unforeseen events such as the outbreak of foot and mouth disease in 2001. This could affect its own repairs programme, as well as visitor numbers and educational visits. The Department appreciates these concerns and the targets/indicators set out in this Agreement can be reviewed if such events occur.

3. The Department's aim and objectives

3.1 The aim of the Department is:

"To improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence and champion the tourist, creative and leisure industries."

3.2 The Department will:

- (a) work to bring quality and excellence in the fields of culture, media and sport;
- (b) make these available to the many, not just the few;
- (c) raise standards of cultural education and training;
- (d) help to develop the jobs of the future in the creative industries.

3.3 The aim of the Trust, in fulfilling its principal objective at paragraph 1.3 above, is to:

- (a) ensure that churches vested in it are properly preserved and that necessary repairs are undertaken as part of a continuing programme; and
- (b) maintain and enhance public access to and increase learning and understanding of its churches.

Relationship with the Department's objectives

3.4 To achieve its aim the Department has developed the following strategic priorities:

Strategic Priority 1

- Enhancing access to a fuller cultural and sporting life for children and young people, and giving them the opportunity to develop their talents to the full

Strategic Priority 2

- Opening up our institutions to the wider community, in order to promote lifelong learning and social cohesion

Strategic Priority 3

- Maximising the economic contribution which the tourism, creative and leisure industries can make

Strategic Priority 4

- Modernising delivery by ensuring our sponsored bodies are set, and meet, targets which put the consumer first

Efficiency

3.5. In carrying out these objectives, the Department will seek maximum value for money in using its human and financial resources, through applying the principles of efficiency and effectiveness in its sectors and in encouraging partnership with others.

4 Summary of planned activity in relation to the Department's strategic priorities, and associated key performance indicators

- 4.1. In contributing to the achievement of these strategic priorities, the Trust activities are particularly relevant to strategic priorities 2 and 3. The Trust's performance targets for the three-year period are set out below, presented underneath as many of the Department's strategic priorities as are relevant to the Trust's work and making use of the Department's Key Performance Indicators (KPIs) where relevant. All indicators relate to the end of the period of the Agreement unless otherwise stated.

Strategic Objective 1

Priority: Enhancing access for children and young people

Outcome: Maximise the number of Trust churches open on a daily basis and by appointment for educational group visits. Exploit to the fullest the potential of Trust churches to be used for community activities particularly geared towards the attraction of children and young people.

KPI: The number of organised school and educational visits

Key target: 275 organised school and educational visits per year

Milestones: To achieve 220 organised visits in 2003-4 and 250 in 2004-05

Report on progress: this will be included in supporting documentation submitted to the Department on a bi-annual basis

Plans for review mechanisms: to be discussed at each 6-monthly performance review meeting

Name of principal contact at the Trust: Education Officer (Virginia Johnson)

Strategic Objective 2

Priority: opening up to the wider community

Outcome: Promote the attractions of the Trust's churches to the wider community, targeting those sectors of the community who would not normally visit a church (e.g. by participating in Heritage Open Days).

KPI: 90% of churches open to the public

Key target: To achieve by 2005 a 10%, rising to 15% annual incremental increase in the numbers of people visiting Trust churches, representing an annual visitor figure of 1,436,621 in 2005.

Milestones: Achieve an increase in visitor numbers to the entire Trust estate of 1,110,432 in 2003, 1,249,236 in 2004 and 1,436,621 in 2005. Achieve also an increase to 17,800 in 2003, 20,000 in 2004, and 23,000 in visitor numbers on Heritage Open Days.

Report on progress: this will be included in supporting documentation submitted to the Department on a bi-annual basis

Plans for review mechanisms: to be discussed at each 6-monthly performance review meeting

Name of principal contact at the Trust: Head of Public Affairs (Constance Barrett (*pro tem*))

Strategic Objective 3

Priority: maximising economic contribution

Outcome: Target those Trust churches which can play a positive role in attracting visitors to their locale, guaranteeing spin-offs for the local economy. Encourage the local community to make use of Trust churches in both rural and urban areas for the staging of cultural events, which will help promote a good image for the community and, if in an economically deprived area, assist with regenerating the local community.

KPI: The number of organised events held each year which are open to the public

Key target: By 2005 to achieve a 10%, rising to 15% annual incremental figure in the number of organised events

Milestones: 2002 figure (to be confirmed) plus 10% in 2003; 2003 figure plus 12.5% in 2004

Report on progress: this will be included in supporting documentation submitted to the Department on a bi-annual basis

Plans for review mechanisms: to be discussed at each 6-monthly performance review meeting

Name of principal contact at the Trust: *pro tem*, the Director (Catherine Cullis)

Strategic Objective 4

Priority: modernising delivery

Outcome: Introduce a reform programme to facilitate a more streamlined and resource effective delivery of the Trust's work

KPI: Move to team-based working pattern in the five designated regions

Key target: Create five regional teams, each comprising a caseworker and field officer (and full-time custodian where applicable), with the caseworker responsible for the historic fabric and contents of the building and the field officer responsible for outreach and publicity activities.

Milestones: Achieve caseworker handover by 1 April 2004 and complete the staff National skills database by 1 September 2003

Report on progress: this will be included in supporting documentation submitted to the Department on a bi-annual basis

Plans for review mechanisms: to be discussed at each 6-monthly performance review meeting

Name of principal contact at the Trust: the Director (Catherine Cullis)

5 Summary of core business objectives

Business Objective 1

Ensure a smooth transition to the new office accommodation in Spring 2003 with minimum disruption to the work of the Trust. The move will be reviewed at the next ministerial meeting.

Business Objective 2

Review the terms and conditions of employment of staff, and their pay, by, for example, examining the possibility of a new analogue, *e.g.* the Department for Culture, Media and Sport. The new scheme is to be implemented by July 2004. Progress will be discussed in the July and December reviews in 2003.

Business Objective 3

Have a three-person panel, consisting of two experts in conservation and one interested member of the public, visiting two major conservation projects annually, and two further projects of their own choice, and reporting their findings to the Trust.

6 Disability access

6.1 In developing its work, within the constraints of the funding available, the Trust will aim to take account of the needs of people with disabilities and to ensure that its churches and their interpretation are as widely accessible as possible. In seeking to make such provision the Trust will follow relevant guidance on best practice. It will consider in consultation with its specialist advisers and English Heritage, how the provisions of the Disability Discrimination Act (DDA) can be further applied to Trust churches. The Trust has already obtained specialist DDA reports on 20 of its churches, has commissioned specialist reports for a further 30 churches, and has received approximately 200 architects' reports on this subject.

7 Levels of grant-in-aid for the period of the agreement

7.1 The Trust is funded by grant from the Department (70%) and from the Church Commissioners (30%). The Department's contribution is made under specific Parliamentary authority in the form of an Order, subject to affirmative resolution in the Commons, specifying the maximum level of funding for the coming three years.

7.2 In her letter of November 2002 to the Chairman, The Rt Hon Frank Field MP, the Secretary of State announced the Department's grant-in-aid allocations for the three years 2003-2006 as follows:

	Current expenditure	Capital expenditure
2003-04	£3m	0
2004-05	£3m	0
2005-06	£3m	0

7.3 The actual level of grant allocated is determined in accordance with Departmental spending review procedures within the limits of the maximum figure specified for the period.

7.4 If there are changes to the above figures variations to the agreement will need to be agreed and incorporated as necessary.

7.5 Levels of grant-in-aid are dependent upon progress by the Trust in achieving the agreed outputs. The Secretary of State, in consultation with the Church Commissioners, has the right to reallocate the grant if she is not satisfied with the progress achieved by the Trust.

8 Actions to improve efficiency, plus efficiency targets

- 8.1 In carrying out its objectives, the Trust will seek maximum value for money in using its human and financial resources, through applying the principles of efficiency and effectiveness. In the area of administration costs, the Trust will seek to keep this pegged at 9% of its total grant-in-aid following the one-off additional costs associated with its move to new office accommodation in the financial year 2002-03.

9. Respective obligations of the Trust and the Department

- 9.1 The Trust will notify the Department and the Church Commissioners of any major deviations of outturn from the targets and measures agreed in this document.
- 9.2 The Department will notify the Trust of any changes to the levels of grant-in-aid promised in section 4 above which may affect the Trust in achieving its targets. The Department will also notify the Trust if there is a change in Ministerial policy which affects the delivery of previously agreed targets.

10 Performance review

- 10.1 The Trust will produce an annual review which will form the basis of an annual discussion between a Minister of the Department, the Church Commissioners and the Trust, to be held in January/February. Officials from the Department and the Trust will meet annually in June/July to review performance in the previous financial year, and in November/December to carry out a mid-year review of progress under this agreement.

11 Departmental obligations

- 11.1 The Department will abide by the 6 Whitehall Service Standards and will aim to do the following:
- to answer all external correspondence including complaints within 18 working days;
 - to provide all of its sponsored bodies with a contact name and telephone number within the Department for any queries they may have;
 - give at least 10 working days for sponsored bodies to supply information requested, where this is possible. This may not be possible when deadlines have been imposed by central Whitehall departments, or in respect of Parliamentary Questions.

Signed by:

A Minister of the Department for Culture, Media and Sport
on behalf of the Department

Date:

Chairman, The Churches Conservation Trust

Date: