

Standing Committee Report to PCC on budget, building condition and associated actions

Purpose: this paper sets out for PCC the impact upon the budget of the condition of St Nicolas and the further subsidy of St Nicolas Place. Immediate actions to reduce losses and to begin to tackle long term building costs are set out for consideration and approval.

Summary: Each section has decisions highlighted in red and these are all set out in a decision table at the end of the paper

1.0 Routine maintenance

1.1 We have sought to standardise our approach to routine maintenance, We have had great help from the new Diocesan Parish Building Surveyor and are establishing a clear system of oversight that has

- A clear rota of standard maintenance tasks
- An overview of routine maintenance requirements and annual costs (giving a forward programme and a checker)
- We have been introduced to MaintenanceBooker.com for the identification and selection of approved traders

1.2 We will be able to estimate that the costs of annual maintenance (without any repair) and build our budget accordingly. These costs are unavoidable if we wish to exercise proper oversight of the church building

1.3 We have agreed a system for oversight via Standing Committee

1. PCC agreed to note the maintenance systems now in place for St Nicolas Church

2.0 Urgent and immediate repairs

2.1 The position is now critical as the result of three main issues which require expenditure:

- The baptistry has scaffolding at a cost of £1000 per month – this is simply to prevent further harm until we can afford repair.

- Urgent electrical work required to sustain our insurance cover is £3068.16 (one off although there is substantial non urgent work)
- The urgent work identified on the spire is estimated at £12,000 (one off for the urgent category, assumes no further deterioration)

2.2 These items of expenditure are unavoidable if the Church building is to remain open, insured and as safe as we can make it.

2.3 There are a growing list of 'category two works' which will move into this unavoidable costs category over time.

2. PCC agreed to note the position on urgent repairs and the budget implications

3.0 Impact on budgeted position

3.1 These issues compound our budget position. By July 2019 our position has become critical:

- Our deficit in year is running as an estimated £56,674 with further scaffolding costs, and urgent repair and a deficit from SNP all going to make that figure substantially worse by the end of this year.
- Our budget already assumed that we would not pay all our Common Fund. We are substantially below even our target of 50% of contribution.

3.2 The position is extremely serious. Despite all the best efforts we have reached a point where:

- The church of St Nicolas is in an extremely fragile state, with significant repair costs to be met to keep the church in use
- Setting aside the costs of the church building, the parish is not paying its way. Common Fund is an expression of our membership of the body of the Church and our meagre contribution over recent years shows the unviable nature of our budget

3.3 Standing Committee in reviewing the position suggest that the PCC considers adopting the principle that its main duty is to the parish church as the venue for baptisms, weddings, funerals and worship within Kings Norton. Standing Committee has considered both how to reduce costs and to improve income based upon this principle

3. PCC agreed to note its understanding that it is running a deficit budget that is worsening and to approve the principle that its primary duty is the work and fabric of the church of St Nicolas.

Proposals to reduce costs and losses

4.0 St Nicolas Place

4.1 Over the last eighteen months, significant effort has been made to relaunch and revitalise St Nicolas Place and the staff team, led by Becky have worked tirelessly. In the 2019/20 budget the PCC agreed to underwrite a further deficit from SNP on the basis that the position would be moving to balance by 2020.

4.2 This balance will not be achieved. By July the contributions from SNP are £8433 behind expectation meaning that with the salary costs, the PCC will be underwrite a loss estimated at £72k (at least £12k worse than our budget)

4.3 To summarise the implications for the PCC

- The PCC is underwriting annual losses for SNP: this directly limits the ability of the PCC to pay for the work and building of the church of St Nicolas
- SNP has not had a year where it has made a surplus: consequently over the last decade the PCC has committed at least £500k to support every endeavour to make a success of SNP
- The deficit position means that there is neither a reserve nor sinking fund for any major repairs at SNP. A decade on from restoration, building repair costs are beginning to occur. This adds further liability to the PCC.

4.4 With both SNP and St Nicolas Church the financial position of this PCC is unviable: we have a deficit budget that is worsening, liabilities and repair costs that are mounting.

4. PCC agreed the recommendations:

- *to withdraw the PCC subsidy from St Nicolas Place on 31st December this year,*
- *to make staff redundancies*
- *to partially close the building: we will look to mitigate the effect upon Emmanuel Church and the Uniformed Groups only*
- *in light of the decision to withdraw subsidy, the only alternative offers that the PCC can consider for SNP are ones which create long term financial sustainability*

5.0 Hawkesley Hub

5.1 We have terminated Barnardo's lease as they were not using the building . There are no likely new tenants able to pay a market rent. We have a duty to maintain the building currently lying empty.

5.2 The PCC needs to reduce its liabilities and maximise its capital: the building will require substantial renovation costs for alternative uses but will have value if sold.

5. PCC agreed , subject to Diocesan approval, the sale of the Hawksley Hub

6.0 Other Buildings

6.1 These decisions would mean that the PCC retains Hawkesley Church Centre as an asset for community use and the retention of the Old Grammar School.

6. PCC agreed the retention of the Hawkesley Church Centre and the Old Grammar School

Improving the income for St Nicolas

7.0 A “Friends” Charity

7.1 We have received significant specialist support from the Diocese over recent months have strongly advised to set up a Friends of St Nicolas Charity and separate bank account (A charity needs £5k to be set up, which we propose as a movement from the existing roof fund). This has the following advantages:

- people can give to the building as an entity, which will increase donations from people with other or no faith
- It allows for two lots of gift aid (that given to the church and that given to the building)
- It communicates more clearly the need to both sustain the building and the Parish: it's both not either/or.
- It helps to provide long term sustainability for the fabric

7.2 The charity's sole purpose would be to sustain, maintain and improve the fabric of St Nicolas, the Old Grammar School (as it sits within the Churchyard) and the Churchyard. We will want to ensure that the purpose of the charity does not in worsen the Parish funding position and that there is flexibility to support the perilous nature of the building. The PCC will need to register with the Listed Places of Worship Fund to reclaim the VAT as this counts towards match funding requirements of grant funders

7.3 Standing Committee suggest an initial minimal number of appointments reflecting the responsibility of the Parish and then drive an open recruitment process to bring in new skills, talents and ideas. Standing Committee is recommending the appointment of The Rev Larry Wright, Peter Hay and another (who we have not yet spoken to) as initial Trustees

7.4 The Diocese has also helped start the process of identifying and applying to Trust Funds. Although we would expect to achieve major funding from these sources we will have to have elements of match funding, be able to meet the costs of survey and preparatory work and also show that we have a solvent and viable plan for the future

7 PCC agreed

- *to setting up of a friends charity and initial trustees*

- *to including The Old Grammar School and the Churchyard within the scope of the Friends*
- *the bank transfer and the amount to transfer.*
- *a commitment to complete this by Christmas 2019*

8.0 Fundraising by Parish and Friends

8.1 We need to use the launch of the friends to drive a major fundraising and profile campaign for both regular giving to the Parish and the building fabric of the church . A fundraising campaign for the Parish needs to include a range of activities which raise income and would show major donors for the building that we are sustainable. Ideas which the PCC are asked to endorse include:

- A regular programme of events – a first draft is appendix one
- The sustained focus upon regular giving to the Church and adding the use of card payments
- Adding new ways of regular giving – a list of options that can help people raise or give money is appendix two. Having reviewed these we recommend that we promote Easygiving – and that we will link this to the Parish work
- A ‘compulsory’ donation for the repair of the building to weddings at a fee to be agreed This can be waived at the discretion of the clergy for hardship and special circumstances only (which we expect to be few in number). This will be introduced for all new weddings as a charge to the Friends.
- Such others as the PCC or members of the congregation would like to add

8.2 A Friends campaign needs to include:

- A clear launch based around simple messages that are easy to communicate. “Save our Spire” is the current strongest proposal, including a photo-shopped St Nicolas minus a spire.
- We need to get beyond the church goes into those who see and appreciate the spire whether locally, from the road, from the canal and cycle paths. We need to communicate to different groups
- A targeted mailshot to all who have had weddings, funerals, baptisms in St Nicolas over recent years
- We also need to create a ‘legacy scheme’ for large donations and a similar legacy scheme for those who make sustained smaller contributions

8. PCC agreed to

- *the outline Fundraising events,*
- *the promotion of Easygiving for the Parish account*
- *the introduction of a Friend's Charge to weddings (with the exception criteria)*
- *the development of further proposals which will be reported back to PCC*

9.0 Impact on Parish Funding

9.1 We need to be clear that we are creating the Friends Charity to increase funding. It does however have an immediate impact upon the budgeted position of the Parish and our aim must be clear that we need both a Church building and a solvent viable Parish.

9.2 We need to be clear that any major funder of building works will want to see that we have a solvent Parish, an ability to pay for maintenance costs and a sinking fund.

9.3 As a PCC we have a triple whammy of ministry within some of the most disadvantaged communities in the UK; a legacy of historic non Church buildings within our estate and now a major crisis facing the church building itself.

9.4 We are preparing for the Archdeacon's Visitation in early October, and believe that we have a clear plan subject to PCC's decisions. We will report back on the position of the Diocese.

9 PCC agreed to note the Archdeacon's Visitation and to receive a report back at its next meeting.

10.0 What needs to give if we are to do this well?

10.1 Standing Committee is developing its approach to managing the key risks that we face. At present they relate to:

- the condition and risks posed by the state of the building, specifically the Spire. We believe this risk can be met by the immediate repair
- the Heritage Lottery Fund application process is very involved with a high level of detail and complexity making it more time consuming e.g. tenders for all work over 10K, environmental sustainability etc. (There are a number of Trust fund processes to be completed, but establishing a relationship with HLF will be the route to major funding)
- the requirement for specialist support for fundraising and the necessary programme expertise, but this would have additional costs.

10 PCC agreed to consider a further report on staffing matters which would help secure the necessary programme/ project input to the major grant programme.

Conclusions

- The PCC's current budget position is unviable and worsening
- The condition of St Nicolas Parish church is deteriorating rapidly and requires urgent actions to address its repair and to fund essential maintenance in the period up to that repair

- This paper has proposed actions which reduce the losses being sustained by the PCC through the operation of SNP
- The paper also proposes actions which set out the beginnings of a focus upon improving the financial position of both the ministry and condition of the church of St Nicolas which will require careful oversight by the PCC

Although these actions move the PCC towards a viable budget, the position in terms of financing mission and the fabric of the building remains extremely precarious.

Decisions Table

Number	Decision made by the PCC:
1	<i>noted</i> <ul style="list-style-type: none"> • <i>the maintenance systems now in place for St Nicolas Church</i>
2	<i>noted</i> <ul style="list-style-type: none"> • <i>the position on urgent repairs and the budget implications</i>
3	<i>noted</i> <ul style="list-style-type: none"> • <i>its understanding that it is running a deficit budget that is worsening</i> <i>agreed</i> <ul style="list-style-type: none"> • <i>the principle that its primary duty is the work and fabric of the church of St Nicolas.</i>
4	<i>agreed</i> <ul style="list-style-type: none"> • <i>to withdraw the PCC subsidy from St Nicolas Place on 31st December this year,</i> • <i>to make staff redundancies</i> • <i>to partially close the building: we will look to mitigate the effect upon Emmanuel Church and the Uniformed Groups only</i> • <i>in light of the decision to withdraw subsidy, the only alternative offers that the PCC can consider for SNP are ones which create long term financial sustainability</i>
5	<i>agreed</i> <ul style="list-style-type: none"> • <i>subject to Diocesan approval, the sale of the Hawksley Hub</i>
6	<i>agreed</i> <ul style="list-style-type: none"> • <i>the retention of the Hawkesley Church Centre and the Old Grammar School</i>
7	<i>agreed</i> <ul style="list-style-type: none"> • <i>to setting up of a friends charity and initial trustees</i>

	<ul style="list-style-type: none"> • <i>to including The Old Grammar School and the Churchyard within the scope of the Friends</i> • <i>bank transfer and the amount to transfer.</i> • <i>a commitment to complete this by Christmas 2019</i>
8	<i>agreed</i> <ul style="list-style-type: none"> • <i>the outline Fundraising events,</i> • <i>the promotion of Easygiving for the Parish account</i> • <i>the introduction of a Friend's Charge to weddings (with the exception criteria)</i> • <i>the development of further proposals which will be reported back to PCC</i>
9	<i>noted</i> <ul style="list-style-type: none"> • <i>the Archdeacon's Visitation and to receive a report back at its next meeting.</i>
10	<i>agreed</i> <ul style="list-style-type: none"> • <i>to consider the staffing report</i> • <i>to secure the necessary programme/ project input to the major grant programme.</i>

Appendix One

Proposed calendar for fundraising activity

2019

24th October 7.45 pm Flicks at St Nics inaugural launch with the film 'Irene's Ghost'

9th November Eroica Orchestra play Haydn's Nelson Mass

4th, 11th and 18th December, 10.30am – noon, Wednesday Open Church for Advent - coffee, music and a soup lunch

12th- 14th December Christmas event

2020

4th January, 2 -4 pm Sponsored Carols singalong with teas

18th January tbc Eroica with a programme of Tchaikovsky and Berlioz

1st February 7pm Sinfonia Scintille with a programme of Beethoven

26th February – 8th April, 10.30am – noon, Wednesday Open Church for Lent - coffee, music and a soup lunch

Dates to be confirmed :

Curry night and auction of promises

Films from early 2020 (we will survey this side of Christmas for ideas)

“Celts and Belts” – an evening of the more rousing Celtic hymnal possibly with liquid gold and Brains.

And any other ideas people have...

Appendix Two

Fundraising – simple campaign ideas for all

Give whilst you shop on line options

What?	How much?	How does someone do this?	What do we have to do?
Easyfundraising (a charity aimed at giving money to charity – has raised £28m to date)	This works with over 4000 retailers who choose what % they give to the charity of the shopper’s choice, (includes Sainsburys, M&S, holiday companies etc.)	The shopper needs to install the app and remember to go through this to shopping sites, There is a widget that comes up automatically sometimes if you go direct to the retailer.	There is an online application form. Needs charity number and bank account. Each charity also gets a home page to tell people about its cause and try and encourage donations
Amazon smile	0.5% of your total spend goes to a charity of your choice	The shopper chooses the charity from a drop down menu and activates smile. This then automatically allocates	In order to register and receive donations, you must be an official representative of an eligible organization, and then follow these easy steps:

			<ol style="list-style-type: none"> 1. Search for your charitable organization by name or EIN number and then select the organization you represent. Be sure to confirm you are selecting the correct organization, as many charitable organizations have similar names. 2. Create an organization administrator account and accept the AmazonSmile Participation Agreement on behalf of your organization. 3. Verify your email address (we recommend that you use an email address that is associated with your charitable organization). 4. Submit your organization's bank account information. 5. Upload a copy of a voided check or bank statement to verify your organization's bank account information.
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			Note we also have to be registered with Guidestar and meet eligibility criteria
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Sell stuff and clear the clutter

What?	How much?	How does someone do this?	What do we have to do?
Ziffitt – buys CDs, books, games and donates the money to a chosen charity	Each item is priced individually- or not (I have tried this and there are items that it won't quote for)	You take a photo of the barcode of the item you wish to sell and get an immediate price per item. Once you agree to sell, you are sent a postage label, wrap your good and take to collection point. They are checked for quality and payment authorised. Seller can select a charity for payment	We need to contact the Charity Support manager by email and begin a process
WeBuyBooks	Same as above	Same as above	No mechanism for charity payments – would need to go through the individual

There are a multitude of donations sites, most charging an element of commission and/ or an annual membership fee. For a summary see <https://www.charitydigitalnews.co.uk/2019/02/21/the-best-free-online-fundraising-platforms-for-charities/>