

Action For Hope - Funding

MC/24/6

Date of meeting	29-30 January 2024
Contact name and details	Matt Tattersall – Executive Director of Finance and Resources tattersallm@methodistchurch.org.uk
Action required	Decision
Resolutions	<p>6/1. The Council receives the report.</p> <p>6/2. The Council directs that £3m be allocated to districts from the Connexional Priority Fund for Action For Hope grants.</p> <p>6/3. The Council approves the draft connexional grant criteria and delegates oversight of the Action For Hope grant-giving process to the Strategy and Resources Committee.</p> <p>6/4. The Council supports a review of the replacement project criteria to ensure that they are consistent with the Church's net-zero aspiration.</p>

Summary of content

Subject of aims	The paper seeks to allocate funding for the Action For Hope (AFH) strategy
Main points	<p>Additional property levies above budget were received in 2022/23. Of this, £3m remains unallocated.</p> <p>Whilst the principle of allocating monies to AFH has already been agreed by the Conference, the mechanism for doing so has been worked on by the AFH implementation group.</p>
Background context and relevant documents (with function)	<p>Connexional Central Service Budget 2023/24</p> <p>CCSB 2023</p>
Consultations	<p>AFH implementation group.</p> <p>SRC in November recommended the paper to the Council.</p> <p>Council members are encouraged to discuss the paper at their DPCs to ensure district engagement with this process, in particular the proposed Connexional grant making criteria.</p>

Summary of impact

Financial	All parts of the Connexion are affected by the use of Connexional Funds.
Wider connexional	Demonstrates the Council is allocating resources to help meet a key priority for the Connexion.
Risk	Development of connexional criteria will mitigate against these funds being used on schemes of minimal benefit.

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- 1 A commitment to using the Connexional Priority Fund for work in support of the Church's net-zero aspiration has been included in the budget paper for the last two years. However, the specific proposals as to how much funding will be allocated and to what has been awaiting further consideration as part of the Action For Hope implementation process.
- 2 As a result of additional property levy income in 2022/23, the Connexional Priority Fund has additional unallocated balances that could be ring fenced for Action For Hope without impacting on any other commitments already included in the medium term budget. Of the £7m income in excess of budget in 2022/23, £2m had already been allocated to the Pension Reserve Fund in 2022/23 and the 2023 DAF allocations were £2m higher than planned. This leaves £3m unallocated.
- 3 It is proposed that £3m be made available to Districts from the Connexional Priority Fund for the purpose of providing grants to churches or circuits for the specific purpose of achieving the target of net zero by 2030. This is intended for making the existing activities of the Church more sustainable and for making carbon-reduction adaptations to existing assets. This is not a value judgement on new activities, which will be very important, but it is a recognition that if we are to achieve our net zero target we need to address our existing emissions as a matter of urgency.
- 4 It is proposed that this £3m be allocated to Districts using the existing District Advance Fund (DAF) allocation formula. It is recognised this is a modest allocation given the scale of the task and further funding will be required. However, it is also noted that the majority of the Church's funds (c£287m as at 31/8/23) are held in the Central Finance Board deposit fund by individual churches, circuits and districts.
- 5 Any additional costs for Districts would need to be found from the already enhanced DAF monies and any additional connexional costs would be covered from connexional funds.
- 6 Alongside this process would need to be a strict set of connexional criteria for districts to apply to ensure the grant monies are targeted appropriately at net-zero projects. Draft criteria and some questions for consideration are included at Appendix 1.
- 7 In addition to allocating grant money, it is necessary to review the replacement project criteria to ensure that the criteria are not favouring building projects at the expense of other projects that would be more consistent with the net-zero aspiration.

*****RESOLUTIONS**

- 6/1. The Council receives the report.**
- 6/2. The Council directs that £3m be allocated to districts from the Connexional Priority Fund for Action For Hope grants.**
- 6/3. The Council approves the draft connexional grant criteria and delegates oversight of the Action For Hope grant-giving process to the Strategy and Resources Committee.**
- 6/4. The Council supports a review of the replacement project criteria to ensure that they are consistent with the Church's net-zero aspiration.**

Appendix 1

Action for Hope – District Grant Making Proposal

Applications and Processes

Funding from this source will be supplied to districts with the application of certain criteria (see below). Churches or circuits wishing to receive funding will apply to the district, which will administer the grant giving process. The Methodist Conference noted that “a ‘one size fits all’ plan would not be beneficial”, and that responses to our net zero aspiration will look different in different contexts. For this reason it is felt that the district is in the best position to judge how this money is spent.

While decision-making is delegated to those best placed to understand context, it is important that we fulfil our obligations as good stewards of resources, and thus some criteria for funding are suggested, both for districts to receive the fund and for individual grants to be made. As well as affording a more contextual, local approach, this model will provide some ability to encourage and track progress towards the Conference-mandated target of net zero by 2030.

Criteria

A district will be able to receive money for grant giving from this fund if:

1. The district has an up-to-date environment policy.
 - This means that the environment policy has been agreed by the District Policy Committee within the last 5 years, with an agreed date to revisit the policy.
2. The district currently measures carbon emissions from (District funded) travel, or has plans to institute ongoing measurement of this nature before the end of 2024.
 - Online tools exist to support this eg 360carbon.org
 - It is suggested that this is accomplished by working with circuits to establish emissions and then aggregating the total.
 - The AfH Implementation Officer can help districts develop this plan.
3. The district is registered as an eco-district through the Eco Church programme.
 - This is free to do and does not require a particular ‘standard’ to have been reached. It is the first step on this journey.
4. The district has a nominated eco-lead/contact.
 - This does not need to be an individual appointed specifically, and can be a volunteer or one responsibility within a broader role.

Assessment against these criteria will be made by the Action for Hope Implementation Officer (in conversation with colleagues), who will work with district eco-leads to help them reach this point.

A circuit will be eligible for a grant if:

1. The circuit has a Mission Action Plan which includes a consideration of creation care and climate justice.
2. The circuit is registered with Eco Church
 - This is free to do and does not require a particular ‘standard’ to have been reached. It is the first step on this journey.
3. The circuit agrees to share the story of their improvements with the district (and the broader Connexion as appropriate) to inspire others.
4. The circuit has a project plan which includes the building(s) current carbon footprint and an estimate of the footprint once the project is complete, as well as a feasibility assessment (eg. Energy audit) to ensure that the proposed changes are appropriate to the context.

A church will be eligible for a grant if:

1. The church has a Mission Action Plan which includes a consideration of creation care and climate justice.
2. The proposal is consistent with the Circuit Mission Action Plan.
3. The church is registered with Eco Church
 - This is free to do and does not require a particular ‘standard’ to have been reached. It is the first step on this journey.
4. The church agrees to share the story of their improvements with the district (and the broader Connexion as appropriate) to inspire others.

- It isn't the responsibility of the church to actively share the story, the onus is on the district and/or Connexional Communications Team if they wish to share the story.
5. The church wishes to undertake a feasibility assessment but does not currently have the funds to finance this themselves.

OR

The church has a project plan which includes the church's current carbon footprint and an estimate of the footprint once the project is complete, as well as a feasibility assessment (eg. Energy audit) to ensure that the proposed changes are appropriate to the context.

- 360Carbon.org can be used to establish the current footprint, and can also be used to estimate the 'new' footprint using reasonable estimated data for after the project.
- The AfH Implementation Officer is working with a group of District Property Secretaries to develop guidance for energy audits.

Assessment against these criteria will be made at district level, with support available from connexional officers.

In line with other forms of grant funding, grants made to circuits or churches will be repayable (to the District net zero grant fund) if the property or land the grant relates to is disposed of within 5 years.

Notes

These criteria are proposed for this current funding only. If further rounds or sources of funding are made available in the future it is proposed that subsequent criteria build on those presented here, but may need to become more stringent as we approach the 2030 target.

The Action for Hope Implementation Officer is working with a small group, composed primarily of District representatives, to produce guidance around Energy Audits. Other guidance can be produced where this is beneficial.

Discussion Questions

This paper is designed to encourage engagement with this issue, and so feedback in all areas is welcome. Some particular questions which might be beneficial to discuss are:

1. Is the model of grant making largely administered by districts accepted as the best approach to contextual and missional net-zero efforts, while maintaining accountability?
2. Are the criteria presented here the 'correct' ask of churches, circuits and districts at this stage of the journey?
3. Are there areas of support the Connexional Team (primarily through the Action for Hope Implementation Officer) can offer to districts to ensure maximum uptake and appropriate use of resources?