

# Paper G4

## Churches' Energy Crisis Fund

### Finance Committee

#### Basic information

<b>Contact name and email address</b>	Ian Hardie, Treasurer ianzhardie@googlemail.com
<b>Action required</b>	For information.
<b>Draft resolution(s)</b>	<b>None.</b>

#### Summary of content

<b>Subject and aim(s)</b>	URC response to the rising energy costs facing churches.
<b>Main points</b>	<p>It is intended to establish a fund in response to the energy crisis facing churches.</p> <p>While some of the fund will be used to help churches with general energy bills in Synods which are unable to provide that type of support on their own, most of the fund will be used to support energy saving projects being undertaken by mission-oriented churches.</p> <p>The URC Trust has contributed £2 million to the fund, but contribution levels from most Synods are not yet known.</p> <p>A working group is looking at qualifying criteria for accessing the fund and the process required.</p>
<b>Previous relevant documents</b>	Paper G2 for 2022 Assembly Executive.
<b>Consultation has taken place with...</b>	The URC Trust; Synod Moderators and treasurers; Synod representatives.

#### Summary of impact

<b>Financial</b>	In November 2022, Assembly Executive agreed that £2 million be taken from the URC Trust reserves to “pump prime” the new fund. Contributions from the Synods are expected, but most have not yet indicated their intended level of support.
<b>External (eg ecumenical)</b>	

1. During 2022, it became clear that many churches faced dramatic increases in the costs of the energy they use, in many cases of the order of 200% or more. When Finance Committee considered this challenge facing churches, we recognised that such cost increases had the potential to push some otherwise viable congregations towards closure. The committee called for a round-table discussion involving Synod Moderators and Synod finance people to explore the scope for establishing a fund to help with energy costs and/or energy saving projects of otherwise viable and mission-oriented churches. It was recognised that although many Synods were in a position to react to this crisis on their own, that was not true of them all.
2. The committee suggested to the URC Trust that an appeal for help in setting up such a fund would be best received by the Synods if there was a clear signal that the Church centrally was fully behind the idea of the fund. Accordingly, the URC Trust agreed that the sum of £2 million be made available from its reserves as 'seed' money for the new fund. When Assembly Executive met in November 2022 it approved that decision by the Trust.
3. The round-table meeting took place in December 2022 at which there was enthusiastic endorsement for the establishment of such a fund, with each Synod agreeing to identify a representative to take consideration of the nature and scope of the fund forward.
4. It took some time for all the representatives to be chosen but, following the appointment of the final Synod representatives, the group met online on 3 March 2023.
5. The group felt that the denomination needs to take a strategic view on how it uses its buildings for mission: but that this was beyond our remit.
6. On balance, the group concluded that the bulk of the fund should be used for support of those Synods which were not able to offer energy project funding to their own churches or which were not able to do so at the level they would wish. Although there might be a case for extending the scope of the fund to cover manses, this was seen as being too difficult – especially given the potential tax implications for ministers.
7. However, some money (15% was mentioned, but that is still to be finally determined) should be earmarked in the first instance for more general energy bill crisis support of churches in Synods where that might be required. (In fact, one Synod has already received some money for this purpose from the URC Trust 'seed' money.)
8. Although the idea of using the Inter-Synod-Resource-Sharing ('ISRS') mechanism and structure to administer the fund had its attractions, the majority of the group felt that, in practice, the ISRS system was unlikely to be able to take on that role. Consequently, it was thought likely that the fund will end up being held at the centre of the denomination, but will be overseen by a small group of people drawn from Synods, in the main.
9. At the meeting one person expressed the hope that the fund might reach £4 million or £5 million; but no decision was taken on that: with many wanting to

understand the scope of the what the fund would do more clearly. A working group to be coordinated by John Dennison of Southern Synod was identified and tasked with exploring what mechanisms or procedures might be required for accessing the fund and any qualifying criteria.

10. That working group gathered factual information about existing Synod efforts in this area and then met for the first time on 30 March. The working group's interim report is attached as an appendix to this paper.
11. Although it was recognised that final decision about the level of individual Synod contributions (if any) to the fund could not be made at that stage, group members were asked to attempt to get some early indication of the potential level of support for the fund from their Synod. At the time of writing only three Synods – Eastern, West Midlands and South Western – have suggested a ballpark figure. The group recognised that it was impossible to ensure 'fairness' in absolute terms, there was a hope that Synods might be willing to give (roughly) in line with their relative wealth. A second sub-group was formed to consider the initial offers from Synods in the first instance in terms of 'feel fair' contribution levels. In view of the low response rate from Synods to date, that group has not yet been called into action.

# Appendix

## **Report to the URC Finance Committee regarding procedure to access Energy Crisis Funding**

At the 3 March Synod representatives meeting, two sub-groups were established, the Procedure Group being one of them. On 13 March, a questionnaire was sent to all 13 Synods seeking information on their current provisions for immediate emergency energy crisis funding and for longer term energy project funding. Nine of the Synods responded with very helpful information. While several Synods provided a set amount of emergency funding to every church in its' Synod, most provided funds upon application. For the latter group, most had, at the time of the response, experienced a fairly low number of requests for assistance.

The first meeting of the Group was held on 30 March. The Group stated that:

- It was important that the Group worked closely with the Net Zero Task Group to ensure that the two groups' work did not overlap.
- The Fund should, initially, have a defined period of existence: two to three years for the crisis funding and three to five years for the energy project funding.
- The application process should be as simple as possible.
- Synod supporting information, which may reduce some of the committee's workload and recognises the Synods' primary responsibility.

Questions were raised as to linking funding to:

- a church's mission
- the church's potential longevity
- membership of the Eco-Church program to be encouraged.

The biggest questions related to:

- Equitable distribution of grants to those Synods seeking funding.
- Timing of the meetings of the grant-making body.
- Start date of the funding process. (Depends on response of every Synod to funding/use of Fund).

We will be scheduling a further meeting shortly.

*John Denison  
24 April 2023*