# Cathedral Sustainability Fund

## Application criteria

1. The principles set by the Board of Governors provide the framework for assessing grant applications and are summarised as follows:
   1. Grants or loans will only be given in support of proposals that are likely to make the cathedral more financially sustainable or provided transitional funding for staffing posts that will provide a greater foundation for financial stability in the future.
   2. It is a limited fund so approval will only be given when all other feasible financing options have been exhausted and cathedrals would be expected to contribute some of their own resources first.
   3. Proposals should explain how the grant will support the financial sustainability of the cathedral and bids should be developed in consultation with the NCIs finance team.
   4. There must be clear governance in relation to managing the project funding.
   5. Proposals must have the explicit support of the diocese and the bishop and an element of financial contribution must be explored.
   6. Applicants must show a clear commitment to reviewing governance arrangements to ensure they are fit for purpose. This must include the completion and review of the AEC Self Evaluation Framework, taking part in the Peer review process and complying with Charity Commission governance requirements.
2. The aim of the fund is to support proposals that are likely to make cathedrals more financially sustainable and provide transitional funding to aid implementation of the Cathedral Working Group recommendations on staffing and governance. It should not be used to fund capital works or plug structural deficits. The proposed project should demonstrate that it will result in reduced operating deficit and improve the balance sheet position including reserves.
3. The cathedral would need to demonstrate a clear financial need for this funding and that they have made a commitment of staff and / or financial resources to it. This will include the necessity to:
   1. Demonstrate that they have borrowed against their asset base or that it is not economically feasible to do so.
   2. Provide some resource (Chapter/staff-time and / or funding) towards the proposed expenditure
   3. Where possible the proposal must demonstrate that the grant will act as ‘seed money’ that will leverage other sources of funding. For transitional funding the cathedral must provide an ongoing financially sustainable business plan which will be monitored.
4. A demonstration of how the grant will improve the cathedral’s financial sustainability. This will include:
   1. The clear involvement from the NCI finance team and, if deemed necessary, engagement with a consultant commissioned by them.
   2. A financial appraisal, including cash flow forecasts, of the expected impact of the grant and demonstration of how it will support financial sustainability compared with the situation if the project did not proceed.
   3. The financial benefits must be clearly identified. The proposal must be financially realistic and demonstrate that the long-term staff appointments supported by the fund can be sustained after the grant has expired.
   4. Measurable, time defined outcomes that will form the basis of project review with project milestones for grant drawdown.
   5. Key risks must be identified together with an assessment to demonstrate that these have been mitigated to a reasonable extent.
   6. A governance plan which may include the structure of a project board (or other group with direct responsibility), proposals for grant draw down and reporting framework.
   7. Evidence that the proposal has the support of Chapter and that it is consistent with the cathedral’s strategic plan
   8. For transition funding the cathedral must demonstrate that once this funding is paid out that there is a sustainable business plan going forward
5. Evidence of the collaborative partnership with the diocese and Bishop, including:
   1. Evidence of support from the diocese and Bishop. Details of collaboration with the cathedral including joint working (e.g. sharing of services and functions)
   2. Details of financial commitment from the diocese and/or Bishop.
6. Greater sustainability should include regard for missional growth.
7. The cathedral has undertaken an AEC peer review or has one organised in the next 2 years.
8. Grant awards will be made available to non-cathedral bodies and NCI central costs for resources that will achieve the objectives of implementing the Cathedrals Measure and the ongoing financial sustainability of cathedrals, where such power is available.
9. The cathedral would need to provide clear evidence that the governance model at the cathedral is strong. Whilst it is accepted that the governance of a cathedral may not be perfect at the outset, evidence is required that:
   1. The cathedral has reviewed their governance\* and have demonstrated that they have identified any weaknesses, including skills gaps.
   2. A plan is in place to strengthen governance and the necessary changes will be made in line with the recommendations of the Cathedrals Working Group
   3. The cathedral shall register with the Charity Commission (once the new Cathedrals Measure comes into effect) and meet Charity Commission governance requirements.

\*The AEC self-evaluation audit on governance is a good starting point and should be the basis for any governance review. This should be completed by Chapter within [three] months of the grant award if it has not been completed within the past [two years].

13th January 2020