CABINET - INFORMATION REPORT

Date Written | 20th January 2016
Report Author | Sarah Mee
Service Area | Community Regeneration
Exempt/Non Exempt | Non Exempt
Committee Date | 10th February 2016

To: Chair, Ladies and Gentlemen

Welsh Church Act Fund - Review of Fund Criteria and Implementation Arrangements

1.0 SUMMARY OF THE REPORT

1.1 This report provides details on the current operation of the Welsh Church Act Fund and proposed changes to future funding thresholds.

1.2 The fund is administered by Rhondda Cynon Taf County Borough Council on behalf of Merthyr Tydfil, RCT and Bridgend and has until recently only operated under two categories:
- Capital grants up to £2,000; and
- Capital grants from £2,001 and £10,000.

1.3 RCT is proposing to introduce another category to include grants that will range from £10,001 - £50,000. The requirements for match funding against the grant will also be reduced.

1.4 It is anticipated that the proposed changes to the programme will make it easier for organisations to access capital funds that are currently limited.

2.0 INTRODUCTION AND BACKGROUND

2.1 The Welsh Church Act 1914 is an Act of Parliament under which the Welsh part of the Church of England was separated and disestablished. The Welsh Church Act Fund was established from the proceeds and assets, which were then distributed
amongst the former County Councils in Wales and further divided between the Unitary Authorities following their establishment in 1996.

2.2 The Fund operates across the county borough areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil. It is a charitable trust and is managed by Rhondda Cynon Taf Council, with all Councillors of Rhondda Cynon Taf acting as trustees.

2.3 The Welsh Church Act states that income from the funds should be devoted to charitable or alms giving purposes and as such applications are accepted from places of public worship, community organisations and charities.

2.4 The Fund supports expenditure of a capital nature including building works and purchase of items of equipment. It cannot be used for retrospective expenditure or to support organisations that hold an alcohol license.

3.0 CURRENT FUND CRITERIA AND IMPLEMENTATION ARRANGEMENTS

3.1 The Fund is operated on a rolling programme basis, which means there are no set deadlines and projects are assessed as and when they are fully developed.

3.2 There are currently two levels of grant available:

<table>
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<tr>
<th>Category</th>
<th>Maximum Grant</th>
<th>Match Funding Contribution</th>
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</thead>
<tbody>
<tr>
<td>Small</td>
<td>Up to £2,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Large</td>
<td>Up to £10,000</td>
<td>Minimum 50%</td>
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3.3 The current annual budget is £250,000 per annum. This is managed as a single pot across the 3 County Borough areas and there is no separate allocation for small and large projects.

3.4 The majority of projects supported have been in the small category where a match funding contribution is not required. There appears to be two main reasons for this, the difficulty for applicants in accessing match funding in the current economic climate and the more favourable grant thresholds and less onerous match funding requirements, of other funders including the Big Lottery and Heritage Lottery Funds, as well as the Welsh Government's Community Facilities Programme.

3.5 Feedback received from grant recipients by the team at RCT involved in the management and administration of the fund has identified the following issues:

- A higher threshold of grant support would be beneficial, particularly for schemes involving building works.
- Securing the required level of match funding can be very difficult as well as the issues associated with timing, as all funders require a secured match funding package. Community groups often have cashflow pressures to pay staff and rarely have sufficient levels of unallocated reserves.
3.6 As at 31st March 2015 the fund held total investment assets of £8.9M, comprised of £5.7M in the Charities Official Investment Fund, £1.9M in the Charities Official Fixed Interest Fund, and £1.3M of UK Government Gilts. Cash balances stand at £3.2M and are invested on the short-term money markets in line with Rhondda Cynon Taf Council’s Treasury policies.

3.7 The income generated from investments is currently around £300-350k per annum. The priority for the Fund’s investments is security, not return, in order to maintain sufficient capital to generate enough income to continue to fund grants for the foreseeable future.

4.0 PROPOSED REVISIONS TO THE FUND CRITERIA

4.1 To address these issues and ensure that the Fund has a greater positive impact in local communities, RCT have proposed the following revisions.

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<tr>
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<tbody>
<tr>
<td>Small</td>
<td>Up to £2,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Medium</td>
<td>£2,001 - £10,000</td>
<td>Minimum 10%</td>
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<tr>
<td>Large</td>
<td>£10,001 - £50,000</td>
<td>Minimum 20%</td>
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4.2 The detailed assessment criteria will be finalised shortly, but it is proposed that in addition to the standard eligibility criteria, applicants will need to meet the following requirements:

- **Small**
  - demonstrate the benefit to the local community
  - demonstrate an ongoing benefit to the activity of the organisation.

- **Medium**
  - *same requirements for small grants and;*
  - addresses an identified need
  - appropriate consultation and engagement has been undertaken
  - takes into account the work of other groups or organisations in the community.

- **Large**
  - *same requirements for small and medium grants and;*
  - takes into account local priorities/existing services or plans
  - involves collaborative working with key partners
  - demonstrates the wider community benefit/impact
  - demonstrates longer term economic sustainability beyond the lifetime of the proposal.

4.3 In addition to the changes of grant thresholds, there have been on-going discussions regarding the option of indicative allocations per authority areas. However, indicative allocations have yet to be agreed.

4.4 The large category proposals will be assessed through an initial Expression of Interest and subsequent full application and Merthyr Tydfil County Borough Council’s External Funding team will be required to have an input during the assessment stage.
4.5 The proposed revisions to the Fund will ensure that it is more appropriate to the current climate that organisations are operating within. The increase in the grant available and the reduction in the match funding requirements will bring the Fund more in line with the opportunities offered by other funding providers such as the National Lottery.

5.0 FINANCIAL IMPLICATIONS

5.1 There are no financial implications for Merthyr Tydfil County Borough Council as a result of the proposed changes to the Welsh Church Act Fund.

6.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

6.1 The Single Integrated Plan & Sustainability Impact Assessment has been completed and the proposals positively impact on all aspects of the Corporate Plan and Single Integrated Plan. No negative impacts have been identified.

7.0 EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council’s website/intranet via the ‘Equality Impact Assessment’ link.

ELLIS COOPER
CORPORATE DIRECTOR, PLACE & TRANSFORMATION

COUNCILLOR CHRIS BARRY
CABINET MEMBER FOR REGENERATION, PLANNING AND COUNTRYSIDE

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<th>BACKGROUND PAPERS</th>
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<tr>
<td><strong>Title of Document(s)</strong></td>
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<td>Welsh Church Act 1914</td>
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<th>Does the report contain any issue that may impact the Council’s Constitution?</th>
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<tr>
<td>No</td>
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Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.