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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

YMDDIRIEDOLAETH
ELUSENNOL YNYS MON
ISLE OF ANGLESEY
CHARITABLE TRUST

8 Rhagfyr/December, 2016

At : Aelodau Cyngor Sir Ynys Môn fel ymddiriedolwr
Ymddiriedolaeth Elusennol Ynys Môn

Annwyl Aelod,

CYFARFOD O'R YMDDIRIEDOLAETH ELUSENNOL YNYS MÔN

Gofynnir i chwi fod yn bresennol mewn cyfarfod o'r Ymddiriedolaeth Elusennol Ynys Môn ar **ddydd Iau, 15 Rhagfyr, 2016 yn Siambr y Cyngor, Swyddfeydd y Cyngor, Llangefni am 10.00 o'r gloch y.b.**, i ystyried y materion a nodir yn y rhaglen atodol.

Yr eiddoch yn gywir,
Dr. Gwynne Jones

YSGRIFENNYDD

To : Members of the Isle of Anglesey County Council as Trustee
of the Isle of Anglesey Charitable Trust

Dear Member,

MEETING OF THE ISLE OF ANGLESEY CHARITABLE TRUST

Your attendance is requested at a meeting of the Isle of Anglesey Charitable Trust on **Thursday, 15 December 2016 to be held at the Council Chamber, Council Offices, Llangefni at 10.00 a.m.**, to consider the matters noted in the attached agenda.

Yours sincerely,
Dr. Gwynne Jones

SECRETARY

Ysgrifennydd/Secretary : Dr. Gwynne Jones

Trysorydd/Treasurer : Mr. Marc Jones

Swyddfya'r Sir/County Offices,
Llangefni, Ynys Môn. LL77 7TW. Tel: (01248) 750057

A G E N D A

1 DECLARATION OF INTEREST

To receive any declaration of interest by any Member or Officer in respect of any item of business.

2 MINUTES (Pages 1 - 4)

To submit, for confirmation, the minutes of the previous meeting of the Isle of Anglesey Charitable Trust held on 13 September, 2016.

3 REPORTS OF SUB-COMMITTEES OF THE CHARITABLE TRUST (Pages 5 - 10)

General Grants Committee

To submit, for confirmation, the minutes of the meeting of the General Grants Committee held on 13 October, 2016.

Investments and Contracts Committee

To submit, for confirmation, the minutes of the Investments and Contracts Committee held on 1 November, 2016.

4 LARGER GRANTS - PROGRESS REPORT (Pages 11 - 12)

To submit a report by the Treasurer in relation to the above.

5 EXCLUSION OF THE PRESS AND PUBLIC

“Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item as it may involve the likely disclosure of exempt information as defined in Schedule 12A (Category 16) of the said Act.”

6 GOVERNANCE REVIEW OF THE ISLE OF ANGLESEY CHARITABLE TRUST (Pages 13 - 56)

To submit a report by the Secretary in relation to the above.

Isle Of Anglesey Charitable Trust Committee

Minutes of the meeting held on 13 September 2016

PRESENT: Lewis Davies, R Dew, Jim Evans, K P Hughes, T.V. Hughes, Vaughan Hughes, Llinos Medi Huws, Carwyn Jones, R LI Jones, G O Jones, Richard Owain Jones, R.Meirion Jones, Alun W Mummery, R G Parry OBE, Dylan Rees, P S Rogers, Alwyn Rowlands and Dafydd Rhys Thomas

IN ATTENDANCE: Secretary,
Treasurer.

Officers from the Isle of Anglesey County Council (herein referred to by their IOACC job titles)

Solicitor (Corporate Governance & Contracts,
Committee Officer (MEH).

APOLOGIES: Jeff M. Evans, John Griffith, T LI Hughes, H E Jones, A M Jones, Raymond Jones, J A Roberts and Ieuan Williams

ALSO PRESENT:

1 ELECTION OF CHAIRPERSON

Mr. T. Victor Hughes was re-elected Chairperson for the Isle of Anglesey Charitable Trust.

Mr. Hughes thanked the Charitable Trust for their confidence in him.

2 ELECTION OF VICE-CHAIRPERSON

Mr. T.LI. Hughes was re-elected Vice-Chairperson for the Isle of Anglesey Charitable Trust.

3 DECLARATION OF INTEREST

No declaration of interest received.

4 MINUTES

The minutes of the meeting held on 15 March, 2016 were confirmed.

5 SMALLER GRANTS ALLOCATION 2016/17

Submitted – a report by the Treasurer in relation to the above.

The Treasurer reported that there are inconsistencies in wording of the resolutions of the meetings of the Charitable Trust held on 27 January, 2016 and 15 March 2016 which arose from the wording of the reports prepared by the Officers which has resulted in delays in notifying organisations on the outcome of their application as it is now unclear whether the decision of the General Grants Committee requires approval of the full Trust. The Trust was requested to resolve whether the decision of the General Grants Committee in respect of Small Grants requires the approval of the full Charitable Trust or whether the decision is delegated to the General Grants Committee.

It was **RESOLVED** to delegate authority to the General Grants Committee to approve Small Grants applications and therefore the full Charitable Trust will only need to note the minutes of the General Grant Committee thereafter.

6 REPORTS OF SUB-COMMITTEES OF THE CHARITABLE TRUST - GENERAL GRANTS COMMITTEE

The minutes of the General Grant Committee held on 13 July, 2016 were noted.

7 GRANT AWARDING PROCESS

Submitted – a report by the Treasurer in relation to the above.

The Treasurer report that over recent years, the Trust has awarded larger grants as well as small grants to organisations working on Anglesey. In previous years grants were awarded on a case by case basis as requests were made to the Trust but in January 2016 a more formal process was introduced. A summary of the larger grants awarded recently was included within the report. The Treasurer said that a number of other organisations have now come forward asking how they can apply for larger grants, and questions have been asked regarding eligibility of grant applications to be used to cover running costs and if an organisation had received a small grant previously did this stop them from making an application for a larger grant and vice versa. If it is the Trust's intention to make annual awards of larger grants by using the growth in the capital value of the investments then a more formal, clearly defined process is required to ensure that grants are awarded in a fair and equitable manner, where the opportunity is open to all.

In 2016 a sum of £200,000 was allocated by the Trust as the sum available for larger grants. The decision was taken at a full meeting of the Trust based on a recommendation made by the Treasurer who had been in consultation with the HSBC Investment Managers. The figure was based on allocating 20% of the expected growth in the capital value of the fund during 2016. In order to allow sufficient time for a formal application process to be undertaken the decision as to the amount available for larger grants needs to be taken earlier in the financial year. At its meeting held on 27 January, 2016 the Trust resolved that a decision as to the sum available each year for larger grants is delegated to the Investments and Contracts Committee. It is proposed that the decision is taken at the November meeting of that Investment and Contracts Committee each year based on a recommendation from the Treasurer in consultation with the HSBC Investment Managers.

The Treasurer stated that no formal standard legal agreement has been drawn up and agreed by the full Trust; a draft legal agreement was attached to the report as Appendix 1 which sets out what the grant funding should be used for, what performance targets have been set, how the project will be monitored and sets out the rights of access for the Trust and allows for the recovery of the grant should it be deemed necessary to do so. It was noted that some parts of the agreement will change for each grant awarded. He noted that the Trust requires security in respect of each individual grant, in order that the grant can be recovered from an organisation should the need arise. However it was emphasised that the level of security can differ which was highlighted within the report.

For smaller grants, the monitoring of compliance with the grant conditions rests with an Officer within the Lifelong Learning Services assisted by staff of the Finance Service. The monitoring work for these smaller grants is normally straight forward and a visit may also be undertaken to confirm that the assets purchased are still in the applicant's ownership. However, projects funded by larger grants are more complex and may require scrutiny of the applicant's accounting records and may require monitoring over a longer period as the funded project progresses. The Treasurer noted that a decision is required as to whether the Trust needs to fund a resource in the short term to monitor and administer the larger grants afforded by the Charitable Trust.

Following deliberations by Members of the Trust it was **RESOLVED** :-

- **To delegate the decision to the Investment and Grants Committee to decide as to the level of funding available to fund the larger grants in November each year;**

- To invite applications for larger grants from organisations by means of public advertisement in local newspapers and the Council website, commencing in November with a closing date of late January;
- That the applications for larger grants be considered by the Regeneration Committee who will make recommendations to the full Trust in March each year;
- To confirm that organisations can make applications for assistance with running costs but the organisation must be able to clearly demonstrate in their application how the organisation will ensure the future financial viability of the project once the funding from the Trust ceases;
- That an organisation that has previously received a small grant can apply for a larger grant but an organisation cannot receive a small grant and a large grant in two consecutive years and that only one small grant and one large grant will be awarded in any rolling five year period;
- That the Trust accepts the standard grant agreement and delegates to the Council's Monitoring Officer and Head of Function (Resources)/Section 151 Officer the ability to amend the agreement as required to meet the individual circumstances of any grant;
- That the Trust delegates the power to the Council's Monitoring Officer and Head of Function (Resources)/Section 151 Officer to determine the level of security required with each individual grant awarded;
- To delegate authority to the Chair of the Charitable Trust and the Treasurer with regard to the funding costs of additional short term resources to assist in the monitoring of the 10 existing grants awarded and to deal with any further grants awarded pending the decision on the future governance of the Trust;

8 ITEM LIKELY TO BE TAKEN IN PRIVATE - EXCLUSION OF THE PRESS AND PUBLIC

It was **RESOLVED** to adopt the following :-

"Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item as it may involve the likely disclosure of exempt information as defined in Schedule 12A (Category 16) of the said Act."

9 GOVERNANCE REVIEW OF THE ISLE OF ANGLESEY CHARITABLE TRUST

Submitted – a report by the Secretary in relation to the governance review of the Isle of Anglesey Charitable Trust.

RESOLVED :-

- To agree, in principle, that a new Charitable Incorporated Organisation (CIO) be considered to take over the governance of the Isle of Anglesey Charitable Trust and to ask Browne Jacobson Solicitors to give detailed proposals for a CIO to the next meeting of the full Trust;
- That whilst the Council remains a Trustee of the Isle of Anglesey Charitable Trust, that it be given the 'benefit of trustee indemnity' insurance as advised by Browne Jacobson Solicitors. The Treasurer is therefore delegated to procure such insurance yearly on the best terms reasonably available and that the cost of such insurance be paid from the Isle of Anglesey Charitable Trust funds;
- That the Isle of Anglesey Charitable Trust agrees to reimburse the Council for the time spent by Officers of the County Council on work associated with the Charitable Trust.

10 ITEM LIKELY TO BE TAKEN IN PRIVATE - EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED to adopt the following :-

"Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item as it may involve the likely disclosure of exempt information as defined in Schedule 12A of the said Act and in the attached Public Interest Test."

11 YNYS MÔN ISLAND GAMES

Submitted – a report by the Treasurer in relation to the above.

RESOLVED to agree that the original funding agreement be revised to provide for a £10k allocation from the £210k grant award towards a Project Manager post for the Island Games 2025 Bid.

**T.V. HUGHES
Chair**

General Grants Committee

Minutes of the meeting held on 13 October 2016

- PRESENT:** Jeffrey M.Evans (Chair)
Lewis Davies (Vice-Chair)
- R Dew, Jim Evans, Victor Hughes, Llinos Medi Huws, Richard Owain Jones and Dylan Rees
- IN ATTENDANCE:** **Officers from the Isle of Anglesey County Council (herein referred to by their IOACC job titles)**
- Head of Function (Resources)/Section 151 Officer,
Administrative Assistant (CS),
Committee Officer (MEH).
- APOLOGIES:** None
- ALSO PRESENT:** None
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1 DECLARATION OF INTEREST

Mr. T.LI. Hughes declared a personal interest with regard to application 02 (Holyhead Hotspurs Football Club) and took no part during discussion of the item.

2 MINUTES

The minutes of the meeting held on 13 July, 2016 were confirmed.

3 ANNUAL GRANTS 2016/17

Submitted – a report by the Treasurer in relation to the above.

It was reported that at its meeting on 13th July, 2016 the Committee resolved to defer consideration of 8 applications so as to gather further information requested by the Committee. Details of the applications was attached as Appendix A and B to the report.

The Treasurer stated that the full Charitable Trust held on 13th September, 2016 resolved to delegate authority to the General Grants Committee to approve Small Grants applications and therefore the full Charitable Trust will only need to note the minutes of the General Grants Committee thereafter.

Following discussion on each application it was RESOLVED to approve the sums for Community Facilities – Capital Grants 2016/17 as follows :-

01 3D KIDS	To facilitate social activities for Children & Adults (0-25) and their families	£2,100
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02 Holyhead Hotspur Football Club	Refurbish spectator area	£3,900
		<i>(subject to the lease of the land be in place with the new owners)</i>
06 Parti Meibion Bara Brith	Funding to create a CD	Application withdraw
15 ADLAIS	Support to fund a 25 year Anniversary concert	NIL <i>(not eligible)</i>
17 PANTRI 6	Funding for signage, painting Lowering ceiling, insulation, insulate walls, central heating, install disabled toilet, web page and salary for one post	NIL <i>(organisation did not respond to offer of the Officers to discuss the application as requested by the General Grants Committee)</i>
20 Llannerchymedd Community Council	Make safe the Community Allotments in accordance with lease requirements and Health & Safety conditions	£1,850
<i>(Llinos M. Huws abstained from voting due to her attendance as a County Councillor at the Llannerchymedd Community Council)</i>		
26 Llanfaes Play Area Association	Equipment to create play area	£4,984
36 Anglesey Royal Sailing Club	Towards the purchase of a safety boat	£8,000

Application omitted from the original report.

37 Cwmni Cemaes Cyf.	To replace old windows, install fire glass in an exterior door, railings at the front of the building to prevent falls and fencing	£7,664
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**Mr. Jeff M Evans
Chair**

Investments & Contracts Committee

Minutes of the meeting held on 1 November 2016

PRESENT:	Messrs. T.Ll. Hughes, Aled M. Jones, G.O. Jones, H. Eifion Jones and Alun W Mummery
IN ATTENDANCE:	Treasurer, Committee Officer (MEH).
APOLOGIES:	Mr. Dafydd Rhys Thomas
ALSO PRESENT:	Mr. T. Victor Hughes – Chair of the Isle of Anglesey Charitable Trust Mr. Rupert Cecil, Director – HSBC Charities Team

1 ELECTION OF CHAIRPERSON

Mr. H. Eifion Jones was re-elected Chairperson.

Mr. Jones thanked the Members for their confidence in him.

2 ELECTION OF VICE-CHAIRPERSON

Mr. G.O. Jones was re-elected Vice-Chairperson.

3 MINUTES

The minutes of the meeting held on 26 November, 2015 were confirmed.

4 INVESTMENT MANAGEMENT

Submitted – the HSBC Global Asset Management (UK) Limited report up to October 2016.

The Director – HSBC Charities Team reported that the Investment Management reports on a quarterly basis on the performance of the Trust fund. The value of the portfolio was £19,417m at 30th September, 2016. The estimated yield was 3.5% giving an annualised forecast income of £680k. He stated that at 26 October, 2016 the value of the fund had risen a further 2.8% to £19,977m. The fund had outperformed the growth of the ARC Peer Group for similar types of funds which operate a similar level of risk.

There are has little change in asset allocation over the quarter. He noted that the equity markets preference is towards Japan and Europe rather than US and the UK. The Charitable Trust portfolio has gained following investment into the Charities Service UK Growth and Income Fund. He also explained that the fund had benefitted from the fall in the value of Sterling following the result of the EU referendum. The value of Sterling is predicted to continue to remain low and as a result interest rates will also remain low. Markets are expected to remain volatile into 2017.

For 2017, the long term yield was forecast to be between 3.0% and 3.5% which would generate income of £773k. Capital growth is forecast to be 4.75% which would give an increase in the capital value of £277k, although HSBC are confident that they will achieve growth of 5.75% over the period.

Further detailed information on the asset distribution and the performance of the various elements of the portfolio was provided to the Committee.

Members of the Committee wished to extend their appreciation to HSBC Investment Management for the exceptional performance of the Charitable Trust fund.

It was RESOLVED to thank the Director – HSBC Charities Team for attending the meeting and to accept the report.

5 ALLOCATION OF FUNDING FOR LARGE GRANTS

Submitted – the report of the Treasurer with regard to the allocation of funding for large grants.

The Treasurer stated that as the Trust fund has continued to grow through annual interest payments and dividends, Members of the Trust are keen to use some of the interest in the capital value of the fund to provide funding to award larger grants on a more formal basis. The Trust in early 2016 allocated a sum of £200k, which was equivalent to 20% of the growth in the capital value in the year to fund grants in 2016. It should be noted that there is always a risk that the capital value of the fund will fall and allocating too high a sum in times where the capital value of the fund is growing may have a detrimental effect on the future investment returns if the capital value of the fund begins to fall sharply.

At the full Trust meeting on 13 September, 2016 it was resolved to allocate funding towards larger grants and it delegated the decision on the sum to be allocated to the Investment and Contracts Committee. Following this meeting a formal bidding process will operate whereby organisations will be invited to submit applications for grant funding. It is intended that the process will be open between November 2016 and January 2017, with the decision on which organisations receive funding being made in February 2017.

The following methodology was used to determine the value of the fund allocated towards larger grants:-

20% of the actual growth from the previous year less 20% of the growth forecast in the previous year

Plus

The balance of the previous year's fund which was not awarded

Plus

Any funds allocated from surplus income.

For 2017 using this method, the fund allocated for larger grants was calculated as follows :-

Growth in 2016 = £2,300,000 * 20% = £460,000 - £200,000 (allocated in 2016) = £260,000

Forecast Growth in 2017 = £277,000 * 20% = £56,000

Balance of 2016 Fund Not Awarded £30,000

Use of Income £4,000

Mr. A.M. Jones considered that due to the continuing volatility of the financial markets following Brexit and the uncertainty over the future growth that it was more prudent to allocate a sum of £300k.

Following deliberations it was **RESOLVED** that an allocation of £350,000 be available for funding towards larger grants and that the methodology detailed by the Treasurer would form the basis to determine the value of the fund for larger grants in subsequent years.

Mr. A.M. Jones abstained from voting.

Mr. H. Eifion Jones
Chair

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ISLE OF ANGLESEY CHARITABLE TRUST	
COMMITTEE:	ISLE OF ANGLESEY CHARITABLE TRUST
DATE:	15 DECEMBER 2016
TITLE OF REPORT:	PROGRESS UPDATE
PURPOSE OF REPORT:	<p>To provide an update on the application process for the 2017/18 large grants.</p> <p>To provide an update on the status of the large grants awarded in 2016/17.</p> <p>To provide an update on investment income for 2016/17.</p>
REPORT BY:	TREASURER – ISLE OF ANGLESEY CHARITABLE TRUST
ACTION:	The Trust Members are requested to note the contents of the report

1. BACKGROUND

1.1 Five large grants were awarded during 2016/17 and the application process for 2017/18 has recently been launched.

1.2 This report also provides an update on income from investments.

2. 2016/17 GRANT AWARDS

2.1 The following large grants were awarded during January 2016:-

- Cwmni'r Fran Wen - £45,000
- Eisteddfod – £37,500
- Menter Iaith - £50,000
- Anglesey Showground - £60,000
- Llangefni Social Enterprise - £37,500

2.2 Following the approval of the proposed Grant Agreement by the Committee on 13 September 2016, formal grant agreements have been issued to Menter Iaith and Cwmni Fran Wen. There has been some slippage in the developments on the Anglesey Showground but a draft contract is currently with their Solicitors for review. The Llangefni Social Enterprise is still awaiting the outcome of their Lottery application and the contract will not be issued until confirmation of their match funding has been received.

2.3 Contact has been made with the Eisteddfod but a contract will not be issued until closer to the event in 2017. The Eisteddfod Organisers have indicated that there will be a slight change in the use of the grant awarded from what was outlined in their bid. The original bid stated that the grant would be used to help the Eisteddfod to reach its local fund target of £325,000 and the target for the corporate sponsorship fund of £450,000. As they have been very successful in reaching the target for the local fund, the Eisteddfod now intend to use more of the grant (£27,500) as corporate sponsorship with the Trust being a sponsor of the Eisteddfod on the opening Saturday and Sunday. This funding will allow admission prices to be reduced for the two days to give an opportunity for the public to attend at a lower price – a high proportion are usually local residents in the county hosting the Eisteddfod and will help encourage interest and attendance levels during the week. Further discussion will take place with the Eisteddfod Organising Committee on the best way for the Trust's contribution to be publicised.

3. 2017/18 LARGE GRANT APPLICATION PROCESS

- 3.1 A budget of £350K has been identified for the 2017/18 large grants. The application process was launched in November via the Council's website, Facebook and Twitter. Adverts have also appeared in the Mail and Chronicle with a closing date for applications of the 6 January 2017.
- 3.2 Applications are being invited for funding in excess of £8,000 to assist with large capital projects or the funding of specific services that will benefit the people of Anglesey. Applications must meet one of the following criteria:-
- Assistance to disadvantaged groups;
 - Regeneration of the local economy;
 - Improvement of skills;
 - Reduction of poverty;
 - Protection of heritage;
 - Protection of the environment;
 - Participation in activities relating to sport, health and the community good;
 - Development of community spirit and well-being.
- 3.3 The application form and checklist are available to download directly from the Council's website and an additional 30 applications have been sent out. Applications will be presented to the Regeneration Committee on 10 February 2017.

4. INVESTMENT INCOME

- 4.1 As at the 30 November 2016, the estimated Investment Income for 2016/17 is £640,358.48. This is based on the HSBC Private Bank Statement of Assets Report which manage the Investment Fund on behalf on the Trust. This figure is the forecast budget for the Grants to Voluntary Organisations for 2017/18. Please see the table below for a further breakdown.

	Market Value at 30/11/16	Estimated Income 2016/17	Estimated Annual Income yield 2016/17	Market Value Less Book Cost i.e. Unrealised Gain/(loss) at 30/11/16
	£	£	%	£
Cash and Cash Equivalent	1,331,658.55	0.00	0.00%	0.00
Fixed Income	595,207.05	24,837.87	4.17%	25,332.07
Total Equity	9,521,025.63	322,988.87	3.40%	1,286,826.68
Total Fund Investments	10,017,508.15	292,531.74	2.92%	1,082,161.45
	21,465,399.38	640,358.48	3.5%	2,394,320.20

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