

ISLE OF ANGLESEY CHARITABLE ORGANISATION	
COMMITTEE:	INVESTMENTS AND CONTRACTS COMMITTEE
DATE:	5 NOVEMBER 2019
TITLE OF REPORT:	ALLOCATION OF FUNDING FOR LARGER GRANTS
PURPOSE OF REPORT:	To agree a sum to allocate for larger grants for 2020
REPORT BY:	ACTING TREASURER – ISLE OF ANGLESEY CHARITABLE ORGANISATION
ACTION:	Based on the information provided by the Trust's Investment Managers, to determine the sum that will be allocated to larger grants in 2020

1. BACKGROUND

- 1.1 Over the past four years, the Isle of Anglesey Charitable Trust set aside a sum of money to fund successful applications for larger grants (over £8,000). In 2016, £200,000 was allocated and, in 2017, 2018 and 2019, £350,000 was allocated.
- 1.2 For 2019, the application process was widely advertised and resulted in the Trust receiving 29 applications from organisations requesting assistance, with the total of £1.17m requested. After assessment and consideration by the Regeneration Committee and approval by the Full Trust Committee, 12 applications were successful with the full £350,000 allocated being awarded as grants. Grants were awarded to a range of organisations and projects, including community groups, sports clubs, groups which support the elderly in the community, arts and music festivals, a children's nursery and a project to support people from disadvantaged backgrounds.
- 1.3 Although it is a decision for the full Trust to determine whether they wish to allocate funding to larger grants in 2020, it is a decision for this Committee to determine the sum to be allocated.

2. DETERMINING THE SUM AVAILABLE FOR LARGE CAPITAL GRANTS FOR 2020

- 2.1 The large grants have always been funded from any increase in the capital value of the investment portfolio. Any revenue generated from the investments in terms of interest and dividends received have always been used to fund the smaller grants, the grant to Oriel Môn and the general running costs of the Trust.
- 2.2 The comparison of the capital value of the portfolio between 30 September 2018 and 30 September 2019 is shown in Table 1 below.

Table 1

Movement in the Capital Value of the Investment Portfolio between 30 September 2018 and 30 September 2019

	£
Value of the Investment Portfolio as at 30 September 2019	22,426,325
Less Value of the Investment Portfolio as at 30 September 2018	22,945,228
Movement in the Value of the Investment Portfolio	(518,903)
Add Cash Withdrawals from the Investment Fund	1,515,776
Less Income Credited to the Investment Fund	(657,077)
Increase in the Capital Value of the Investment Portfolio	339,796

- 2.3** The Committee must, therefore, take into account the advice of the Investment Manager before deciding what the sum allocated will be, ensuring that the fund is sufficiently large to enable the Trust, if it decides to do so, to help as many organisations as possible without putting at risk the future levels of income the fund will generate. The Investment Manager will be in attendance at the meeting of this Committee to provide the appropriate advice.
- 2.4** In November 2017, the Committee agreed to set the value of the funding at 20% of the increase in the capital value of the investment portfolio and in November 2018, the Investment Manager reported an increase in the capital value of the investment portfolio and the Committee resolved to keep the value of the funding at £350,000.
- 2.5** Allocating 20% of the increase in the capital value would only provide a fund of £70,000, which may be insufficient to meet the demand, whilst allocating £350,000, as in previous years would result in a reduction in the capital value of the investment portfolio, which is something that the Trustees may not wish to see.
- 2.6** It should be noted that the investment portfolio has now transferred across to the Charitable Incorporated Organisation, the Isle of Anglesey Charitable Organisation. This new Trust has yet to meet, and has not set out how it intends to use the funding in the future. It may be that the new Trust does not consider that requesting applications and awarding large grants on an annual basis is the best method of achieving the strategic objectives of the Association.

3. ACTION REQUIRED

- 3.1** The Committee is requested to consider the advice of the Treasurer and the Investment Manager and to determine:-
1. Whether they defer making a decision pending a decision from the Isle of Anglesey Charitable Organisation as to whether it wishes to continue with awarding large grants.
 2. If the decision is not deferred to recommend a funding figure to the Isle of Anglesey Charitable Organisation. The funding figure can range from £70,000 (20% of the increase in the capital value) to £340,000 (100% of the increase in the capital value).

R MARC JONES
TREASURER – ISLE OF ANGLESEY CHARITABLE TRUST

30 OCTOBER 2019