

ISLE OF ANGLESEY CHARITABLE TRUST	
COMMITTEE:	CONTRACTS AND INVESTMENT COMMITTEE
DATE:	7 NOVEMBER 2017
TITLE OF REPORT:	ALLOCATION OF FUNDING FOR LARGER GRANTS
PURPOSE OF REPORT:	To agree a sum to allocate for larger grants for 2018
REPORT BY:	TREASURER – ISLE OF ANGLESEY CHARITABLE TRUST
ACTION:	Based on the information provided by the Trust's Investment Managers, to determine the sum that will be allocated to larger grants in 2018

## 1. BACKGROUND

- 1.1 In both 2016 and 2017, 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, £350,000 was allocated.
- 1.2 For 2017, the application process was widely advertised and resulted in the Trust receiving 31 applications from organisations requesting assistance, with the total of £1.6m requested. After assessment and consideration by the Regeneration Committee, 12 applications were successful with the full £350k allocated being awarded as grants.
- 1.3 Although it is a decision for the full Trust to determine whether they wish to allocate funding to larger grants in 2018, it is a decision for this Committee to determine the sum to be allocated.

## 2. METHODOLOGY TO DETERMINE THE VALUE OF THE FUND

- 2.1 The methodology used to determine the fund was determined last year as follows:-
  - 20% of the growth in the capital value of the investments in 2017;
  - less the forecast growth in the capital value of investments for 2017 (£56,000);
  - plus the forecast growth in the capital value of the investments in 2018;
  - plus any unallocated funding from 2017 (£0).
- 2.2 It should be noted that there is always a risk that the capital value of the investments can fall and allocating too high a sum in times when 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.
- 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.

## 3. ACTION REQUIRED

- 3.1 The Committee is requested to consider the advice of the Treasurer and the Investment Manager and to determine the sum to be allocated for large grants.