

POLICY AND RESOURCES CABINET BOARD

28TH MAY 2015

REPORT OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

SECTION A – MATTERS FOR DECISION WARDS AFFECTED - ALL

MISCELLANEOUS GRANTS APPLICATIONS

Existing Policy Statement

- a) Each application will be considered on its merits.
- b) The Committee will only approve applications for financial assistance from voluntary or charitable organisations which are manifestly committed to voluntary endeavours of a local nature. This will not preclude the consideration of applications where the disposal of funds is outside the area but still provides significant benefits for the people from the Neath Port Talbot area.
- c) No applications will be considered from religious bodies except relating to church halls and other premises where there is significant community use of the property for non-religious activities.
- d) No applications will be considered from other public funded bodies such as community councils, hospital trusts, etc. or where the benefit may be in lieu of their contributions such as appeals for hospital equipment.
- e) Applications from individuals may be considered where both the person and the community derive a benefit.
- f) No grants will be made to any individual or organisation whose prime purpose is to distribute their funds to other charitable bodies.

Budget for 2015/16

The following grants are included and have been approved within this budget of £164,383:-

	Budget 2015/16 £
Citizen Advice Bureau	82,680
Neath Port Talbot Council for Voluntary Service	45,494
Swansea Bay Regional Equality Council	15,900
Maintenance of Mechanics Institute (in lieu of grant aid to Antiquarians & Archives)	14,280
West Glamorgan Association for the Blind	2,100
Port Talbot Horticultural Society	712
One-off grants budget	3,217
Total Budget	<u>164,383</u>

New Applications

Please see attached Appendix 1.

Recommendations

It is recommended that Members:

- Decide on the applications set out in Appendix 1.

Reason for Proposed Decision

To decide on the grant applications

List of Background Papers

Grant Applications

Appendix

Appendix 1 –Miscellaneous Grant Applications.

Officer Contact

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COMPLIANCE STATEMENT

MISCELLANEOUS GRANTS APPLICATIONS

(a) **Implementation of Decision**

The decision is proposed for implementation after the 3 day call-in period.

(b) **Sustainability Appraisal**

Community Plan Impacts:

Economic Prosperity	Positive
Education and Lifelong Learning	Positive
Better Health and Well Being	Positive
Environment and Transport	Positive
Crime and Disorder	Positive

Other Impacts:

Welsh Language	Neutral
Sustainable Development	Positive
Equalities	Positive
Social Inclusion	Positive

(c) **Consultation**

There has been no requirement under the Constitution for external consultation on this item.

MISCELLANEOUS GRANT APPLICATIONS

Applicant	Purpose	Amount Request/ Cost of "Project"	Previous Support	Comments
Abercregan United	Changing Rooms and Field at Red Field Cymmer	£1,050 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period.
Cwmafan Welfare Association	Lease of Land at Ebbw Vale Row Cwmafan	£300 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period.
Taibach Rugby Football Club	Lease of playing fields at Taibach Memorial Park	£1,250 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period
Gwynfi United FC	Gwynfi Welfare Ground and Changing room facilities	£1,200 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period
Cwmafan Boys and Girls Club, Cwmafan Football Club and Cwmafan Rugby Club	Pavilion and Changing Rooms at Parc Siencin Powell, Cwmavon, Port Talbot	£1,350 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period

Applicant	Purpose	Amount Request/ Cost of "Project"	Previous Support	Comments
Cimla Cricket Club and Football Club (one half of what will be the "Cimla Community Sports Association and Tonmawr AFC)	Lease of pavilion and playing field at Cefn Saeson, Cimla, Neath	£1,350 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period
Croeserw Athletic Football Club	Lease rent of Tudor Park Pavilion and Field	£1,050 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period
Afan Lido AFC	Vivian Memorial Park Playing Fields and Pavillion, Sandfields, Port Talbot	£1,350 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period
Pontardawe Community Sports and Recreation Association	Pontardawe Recreation Ground	£1,850 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period
Giants Grave Boys Club and Briton Ferry AFC	Wharf Playing fields Briton Ferry	£650 p.a.	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period

Applicant	Purpose	Amount Request/ Cost of “Project”	Previous Support	Comments
Community Ventures	Taibach Community Education Centre	£13,000	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period
Community Ventures	Baglan Community Centre	£6,500	None	Provide grant to fully cover rent for initial 5 year period in line with rent review period

Neath Port Talbot Credit Union Application

An application has been received from Neath Port Talbot Credit Union (NPTCU) for a grant or loan for £75,000 in order to increase the level of funds held in reserves. The current amount in the reserves total circa £100,000.

NPTCU is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The PRA/FCA have introduced capital adequacy requirements for all credit unions of at least 3%, which NPTCU is currently compliant with. However there is now an additional requirement that introduces higher rates of capital adequacy for larger credit unions. These requirements are:

5,000 members or £5m in assets	5% in reserves
10,000 members or £10m in assets	8% in reserves

The NPTCU is one of the most successful credit unions in Wales offering many more services than most other credit unions.

- Schools savings scheme – with over forty schools taking part to encourage young people to have a healthy relationship with money
- Mobile office – which enables provision to be made to the more remote and rural areas within the County Borough

- Payroll deduction savings schemes- encouraging people to save regularly and giving them access to the credit unions lowest loan rates
- Two branch offices in Neath and Port Talbot plus over twenty community collection points providing access to people across the County Borough

Potential Solutions

As NPTCU's has increased its membership to over 5000 adult members (with a further 2,500 junior members which are excluded from the calculation), there is a requirement to increase the reserves with a cash injection of £75,000 or reduce membership and services provided. The solutions considered are:

1. To seek a cash injection of £75,000.
2. Reduce costs through the closure of the schools scheme, community scheme and mobile office.
3. Close all inactive adult accounts and operate a waiting list for membership. However this will not enable NPTCU to meet the Welsh Government target for all credit unions to achieve 6% population penetration by 2020.
4. To seek a subordinate loan through a partnership agreement with the Council. NPTCU have confirmed that they will pay an interest rate of 1% per annum annually in arrears. Please see overview below.

Subordinate Loans – An Overview

To be included in the calculation of capital, subordinated loans must meet the following conditions:

- a) The maturity of the loan must be more than 5 years from the date on which the loan is made
- b) The subordinated loan ranks behind all other creditors including members shares
- c) Any amounts owed to the credit union by the lender cannot be offset by a subordinated loan
- d) The only events of default are non-payment of any interest or principal
- e) The remedies available in the event of default are limited to petitioning for winding up or proving any claim in a liquidation
- f) The subordinated loan must not become due and payable before its stated final maturity except in the event of default
- g) The terms of the loan must be set out in a written agreement that contains terms that provide for the conditions above
- h) It must be unsecured and fully paid

This is the portion of CRED 5 (the PRA/FCA regulation) concerning subordinated loans. It would appear to allow the following options:

1. Repay the loan on the maturity date from then existing resources
2. Place the funds in total on deposit in a higher interest rate account and leave them there until maturity
3. Make regular monthly payments into a higher interest account sufficient to repay the capital on maturity
4. Make irregular repayments, via the terms laid out below which would have to be from existing resources (this option is not fully covered by this CRED)
5. Negotiate a rolling contract where at any time the maturity date is at least 5 years and 1 day i.e. a non-repayable loan

Proposal

It is proposed that Members approve a subordinate loan of £75,000 at 1% interest per annum for a term of ten years to Neath Port Talbot Credit Union.