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Welsh Government

## Consultation Document

# Consultation on options for the future of the Community Facilities and Activities Programme

Date of issue: **8 August 2012**

Action required: Responses by **31 October 2012**

## Overview

This consultation document seeks views on the future operation of the Community Facilities and Activities Programme – a capital grant programme which aims to provide funding of last resort for organisations seeking to provide or improve community facilities.

## How to respond

The consultation response form is available for completion at <http://wales.gov.uk/consultations/housingcommunity/cfap>

Alternatively responses to this consultation should be e-mailed/posted to the address below to arrive by **31 October 2012**.

If e-mailed, please enter 'Consultation on options for the future of the Community Facilities and Activities Programme' in the subject line.

## Further information and related documents

Large print, Braille and alternate language versions of this document are available on request.

## Contact details

For further information:

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**e-mail:** [cfaphelp@wales.gsi.gov.uk](mailto:cfaphelp@wales.gsi.gov.uk)

## Data protection

### How the views and information you give us will be used

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

## Introduction

1. The Community Facilities and Activities Programme (CFAP) is a successful and popular Welsh Government programme which has helped to create and renew over 860 community facilities in every part of Wales since it began in 2002. Much has changed in that time and a review of the programme is now needed to ensure that it continues to meet the needs of Welsh communities and delivers the best possible value for public money. Proposals to meet these aims are set out below. We welcome your comments on the proposals and, in particular, your views on the questions at the end of each section.

2. In addition to the main CFAP scheme, CFAP provides funding for small grants schemes which are administered in each local authority area by County Voluntary Councils. The Welsh Government is considering options for future development of small grant schemes and will be consulting separately about this in the near future.

### Working together to tackle poverty in Wales

3. Tackling poverty is a priority for the Welsh Government. It is important to ensure that grants awarded under CFAP contribute strongly to this agenda. CFAP funded projects provide access to vital service in the local community and can make a positive difference in all sorts of ways, including stimulating **Prosperity**, encouraging **Learning** and improving **Health**,

### Prosperous Communities

4. Our communities are more prosperous when more people are in jobs. CFAP funded facilities host job clubs and training activities and they create employment and volunteering opportunities. It is becoming increasingly difficult for young people to find jobs: Being able to access skills based training or volunteering opportunities locally can make an important difference to their chances of success.

5. Social and community businesses are often based within local community facilities. These businesses, such as community cafes, can provide employment, work placements and volunteering opportunities for local people: They can also generate income to ensure the future sustainability of the host community facility.

### Learning Communities

6. Our communities learn better where facilities exist to allow them to access learning opportunities locally. CFAP funded facilities all over Wales can provide local access to parenting classes, parent and toddler groups, basic skills training, computer based learning, Welsh language skills courses and many other excellent opportunities for learning.

7. CFAP funded facilities provide space for local groups to learn from each other and establish a variety of activity based learning such as arts classes, dance classes, music or drama groups: everything from flower arranging to learning a foreign language.

## **Healthy Communities**

8. Health and wellbeing are important in thriving communities. Local facilities offer a meeting place which prevents social isolation and can provide access to exercise classes such as yoga or Zumba. Facilities can provide sporting facilities such as local football or rugby clubs – or host activities for all ages, including healthy eating cafes and healthy cookery classes.

9. Community facilities are the ideal places for groups which help people to lose weight, stop smoking or simply to meet people and improve the quality of lives. CFAP funded facilities provide space for activities to improve the health and wellbeing of the whole community.

## **Providing Sustainable Facilities**

10. The current economic climate and shrinking capital budgets mean that we must ensure that we use our limited resources in a way which gives the best value for public money. The Welsh Government wants to ensure that CFAP funding helps to provide facilities that are sustainable in the long term and are not grant dependant. By this we mean, we want to fund facilities which will be self sustaining once the capital works are complete. These facilities will have income streams to help to maintain the buildings, pay the staff (if appropriate) and ensure the continuation of services.

11. There are a number of ways in which facilities can develop income streams; some use ongoing fundraising, some develop social enterprise activities such as cafés or charge a small amount for the services they provide like a room hire charge to hold a children's party. It is important that CFAP funded facilities are planning for a long term future. This is one way to ensure we get the most out of our limited public funds.

12. In the past CFAP has chosen not to fund community facilities in circumstances where individuals will benefit from profit making activities. An example of this would be a community business or social enterprise, possibly a share based CiC (Community Investment Company) or an IPS (Industrial and Provident Society), which has sold community shares in order to raise funds for its development. The business' primary purpose would be to direct any profits back into the community facility, it should also have an asset lock to protect any assets such as buildings for community use. The individual investors would be entitled to a dividend (a share of the profits) as a result of their investment. We believe that it is time to reconsider CFAP funding for this type of community organisation where real community benefit is supported by a genuine desire to develop sustainable sources of income rather than personal profit.

## **Key Facilities**

13. Another way in which community facilities can become sustainable is by community organisations working together. The co-location of community services in one facility can aid all partners. Examples of this are:

- a community centre renting an office to the local credit union, providing income for the community centre and ease of access for the credit union members
- a community health project hosting exercise classes, a complementary counselling service or a mother and toddler group;
- an established social enterprise sub-letting space to a smaller start-up business.

14. The Welsh Government wants to identify established key facilities and to see them used to capacity; we want to see existing facilities develop into key facilities. Many community buildings are already used by a variety of different groups. We want community organisations to consider co-locating where appropriate possibly in existing CFAP funded facilities as an alternative to seeking to develop their own buildings.

### **Community Partnerships**

15. The Welsh Government has always advocated partnership working. CFAP guidance already encourages community organisations seeking funding to consider what type of facilities are already open in their area. We ask that groups do not duplicate provision already available, again this principal aims to help us use CFAP funding where it can provide the best value. We want CFAP to establish better working links with local umbrella organisations such as the County Voluntary Councils, local authorities and others such as Communities First Clusters and partnerships. Better use could be made of the CVCs local knowledge, including the availability of local premises/facilities.

16. We also intend to develop closer working with other departments of the Welsh Government, especially those which also provide funding for community groups. For example, our Regeneration teams are working in a number of priority areas throughout Wales and we intend to routinely ask them what they think about project proposals and how they fit with existing provision.

17. The questions following give you the opportunity to feed you views into the process and to influence the planned changes to the CFAP scheme. Please take the time to send us your views. You may also be interested in attending one of three planned stakeholder events to be held as follows:

Newtown - 20 September 2012

Llandudno Junction - 21 September 2012

Merthyr Tydfil - 1 October 2102

## **CFAP Consultation Questions**

18. The Welsh Government believes that new applications to CFAP should be able to demonstrate just how the project proposals would help to tackle poverty in the local community. This means helping the community to become more prosperous; encouraging life long learning; and/or seeing health and wellbeing improve.

**Q1. Do you agree that all new applications to CFAP should demonstrate how the project will help to combat poverty in the local community?**

### **The Name of the Fund**

19. CFAP is a capital only grant scheme which provides funds to organisations seeking to improve community facilities serving their local area. When CFAP was launched in 2002 it also provided revenue grants to support the community activities carried out at these community venues, but this has not been the case for several years. The Welsh Government would like the name of the fund to reflect the type of grants it offers now. We therefore propose to change the name of the fund to the Community Facilities Programme.

**Q2. The Welsh Government is planning to change the name of the Community Facilities and Activities Programme (CFAP) to the Community Facilities Programme (CFP) do you agree that this is a good idea?**

### **Project Development**

20. The Welsh Government recognises that community organisations invest a lot of time and often a significant amount of funding in the development of the plans to improve community facilities. We are also aware that the development of projects to provide or improve facilities are often held up because of a lack of funding to hire an architect, project manager, accountant, solicitor or other professional to help with the planning of the project. We are therefore considering the introduction of a development phase for CFAP. This could include a pre-application phase where an expression of interest could be submitted and feedback given on whether the project has potential and should be recommended for a full application.

21. We consider that, should development funding be made available, this should not exceed £25,000 per project. Providing this funding would we think improve the quality of projects submitted. This funding would come from the CFAP budget. ,

**Q3. Would you like to see a development phase introduced to CFAP with funding available to assist with the costs of project development? Do you consider £25,000 reasonable?**

### **When should an application be submitted?**

22. The CFAP scheme currently holds two funding rounds each year, which results in most applications being submitted at the same time. The assessment of the applications received in this way can take a significant amount of time, with applicants sometimes waiting up to six months before the outcome of their application is known.

23. In order to try to speed up the application process the Welsh Government is considering allowing applications to be submitted at any time, with assessment being undertaken on a rolling basis. We believe that this could reduce the maximum waiting time to between three and four months. Should we move away from rounds with fixed deadlines, it is likely that unsuccessful applications would be ineligible to re-apply within a set period of time, probably six months.

**Q4. Do you consider that allowing applications to CFAP to be made at any time rather than in rounds with fixed deadlines is a good idea? Do you think it is reasonable to expect unsuccessful applicants to wait for six months before re-applying to CFAP?**

### **Targeted Funding**

24. CFAP is an all Wales funding programme and the Welsh Government believes that this should remain the case; however, we know that some areas are more successful in attracting funding than others.

25. We are considering ways in which we could provide help and support to those areas which have proved less successful in submitting good projects for consideration. We could use the local knowledge of the local authorities, County Voluntary Councils (CVCs) and local partnerships such as Communities First Clusters to help us to identify communities in particular need of additional facilities, and potential projects in need of support. We could then provide support to help these projects develop.

26. We are also considering whether we should restrict applications in areas where many successful projects have already been funded. Applicants would then need to provide evidence that their project would not duplicate facilities already provided nearby. They could do this by contacting other facilities and gaining a letter of support for their project which confirms that different services/facilities/activities would be on offer.

**Q5. Should the Welsh Government consider targeting funding as outlined above?**

### **Eligibility and Project Sustainability**

27. CFAP does not currently allow applications from groups and organisations which are profit making and have the potential to distribute these profits. Social enterprises can (and do) apply to CFAP and many are successful. We do not, however, accept applications from community enterprises which are companies limited by shares; co-operatives; or from Community Interest Companies (CICs) with a share issue. This is because of the potential for individual investors to benefit from income generated by the project.

28. It is becoming more difficult for good projects to find revenue funding to support their activities. This means that any income that the project can generate could be the difference between continued success and closure. The Welsh Government would like to see more projects generating income where they can. We recognise that investors do not usually buy shares in local projects in order to make

money; rather they invest in such projects for more philanthropic reasons. We want to explore the potential for funding models like CICs limited by shares (which include an asset lock to protect the legacy for the community) as long as any dividend or other payment made to individuals is restricted.

**Q6. Do you agree that CFAP should accept applications from organisations with the potential for profit distribution as long as this is restricted to a minimum return on investment?**

### **Asset Transfer**

29. The Community Asset Transfer (CAT) Fund was created in partnership with the BIG Lottery Fund in Wales. The resulting £13 million fund provides up to £500,000 capital and £300,000 revenue to enterprising community groups which aim to transfer assets (land or buildings) from the public sector. Decisions on awards under the third and final round of CAT will be announced this summer. The Welsh Government is considering whether to continue to invest in asset transfer and development.

**Q7. Do you think that the Welsh Government should continue to support the transfer of assets to the third sector?**

### **Town and Community Councils**

30. CFAP does not currently accept applications from Town and Community Councils. This is because they are considered local authorities and have the option of raising funds through a precept which is a levy raised through local council tax payments to be used for the benefit of the town or community council. In most cases, however, Town and Community Councils could not in practice raise the amount of money needed to develop a community facility by this method. We are therefore considering allowing applications from such organisations where they are in partnership with another local group, for example as joint lease-holders of a community building, and where there is a clear community benefit to be gained.

**Q8. Do you agree that town and community councils should be eligible to apply to CFAP when they are in partnership with another community group in order to provide a clear community benefit?**

### **General Eligibility Criteria**

31. CFAP applicants are currently expected to have unrestricted funds of less than £150,000. We are considering relaxing this limit where organisations can demonstrate that they have committed all they can of their own funds to developing the project. We recognise that unrestricted funds can be ring-fenced for other planned activities e.g. the salaries of essential workers. We will expect organisations to commit their own resources to projects where this is appropriate and to do everything possible to gain support, including financial support, from their local communities as well as other funders.

**Q9. Do you agree that organisations with unrestricted funds of £150,000 should be allowed to apply to CFAP where they can demonstrate that they have committed as much of their own resources as they can to the project?**



## **Size of Grants**

32. CFAP does not currently have a minimum grant amount; we are considering changing this and setting a minimum grant level. We think that £10,000 would be a reasonable level for a minimum award. This will help us to manage the applications received and reduce the time needed for assessment.

**Q10. Do you think a minimum grant is a good idea? Is £10,000 a reasonable minimum?**

33. The maximum CFAP grant for any single application is currently set at £300,000 over a maximum of three years. We think that this is a reasonable maximum level and do not propose to change it. We are nevertheless willing to consider the views of stakeholders on this.

**Q11. Do you consider that £300,000 is a reasonable level for the maximum CFAP grant?**

## **Size of Projects**

34. CFAP should not be the sole funder for any community project. Applicants must be able to demonstrate that they have applied for, and ideally secured, the other funding required to complete the project. Alternatively they should be able to demonstrate that they have applied for funding elsewhere and been turned down. CFAP is also aimed at enabling local community organisations to provide facilities for everyone in the community to access and enjoy.

35. There is currently no restriction on the size of the project to which the application relates. We are considering whether there should be a maximum limit of £1.5 million on the size of projects eligible to apply to CFAP. We believe that this would help more local organisations to access CFAP funding.

36. This is in part because experience has shown that larger projects (especially those where other funding has yet to be secured) are much more likely to experience delays. This can result in CFAP funding remaining unspent in some years which, in turn, may mean that less grant is available to new projects in future years, if the grant awarded to existing projects is carried forward into a new financial year.

37. We could alternatively continue to allow bigger projects to apply - but only where they can demonstrate that all other funding to complete the project is in place. This would make it much more likely the projects would proceed on the intended timescale.

**Q12. Do you think that a maximum project size would help local organisations access CFAP?**

**Q13. Do you think that £1.5 million is a reasonable maximum project size?**

**Q14. Do you think that larger projects should be eligible only where they can demonstrate that all other funding is in place?**

## **Previous Applicants**

38. At the moment organisations can submit as many CFAP applications as they want to. This may be either for separate projects or, if larger projects are phased, then it is possible to submit an application for each phase. We are considering restricting both the number of applications each organisation can make and the maximum amount of funding they can gain from CFAP. This will allow more good applications from those organisations which have not previously received CFAP funding to be supported. We feel that restricting applicants to three successful applications is reasonable.

**Q15. Do you think that it is reasonable to restrict organisations to a maximum of 3 applications in total in any ten year period?**

## **Any other comment**

The Welsh Government is interested in your views. If you have any additional comment to make on CFAP funding, please include it in your response.