# **Minutes of the Wales Committee Meeting**

**12th December 2023**

 **MS Teams**

**In Attendance:**

Simone Lowthe-Thomas Wales Committee Chair

Fadhili Maghiya Wales Committee Member

Trystan Pritchard Wales Committee Member

Kate Young Wales Committee Member
Gwenllian Lansdown Davies Wales Committee Member

**Officers**

John Rose The National Lottery Community Fund

Rob Roffe The National Lottery Community Fund

Andrew Owen The National Lottery Community Fund

Ruth Bates The National Lottery Community Fund

**Attendees**

Joe Redmond The National Lottery Community Fund (WBM 23.34)

Nia Hughes The National Lottery Community Fund (WBM 23.34)

Catherine Lindsey The National Lottery Community Fund (Minutes)

Nia Davies Nico (Translation)

1. **Welcome and Apologies**
	1. The Chair welcomed everyone to the meeting and confirmed that apologies had been received from Nicola Russell-Brooks.
2. **Review of Minutes from the Wales Committee meeting held on 14th September 2023.**
	1. The Committee AGREED with the Chair’s suggestion that it would be useful for meeting minutes to be circulated further in advance going forward.
	2. Noting that one amendment was required as text from the previous agenda had been included erroneously, the previous minutes were accepted as an accurate record of proceedings.
3. **Agreements by written procedure**
	1. Committee noted receipt of the following papers:-
		* WBM 23.27: An update on activity within the Wales Youth Voice Team.
		* WBM 23.28: Young People what next?
		* WBM 23:32: Climate Nature and Communities
4. **Declarations of Interest**
	1. No declarations were received.
5. **Wales Portfolio Update (WBM 23.33)**
	1. The report provided an update on activity within the Wales portfolio over the last three months, ending 30th November 2023. Highlights included:
		* The launch of the National Lottery Awards for All (NLAFA) refresh.
		* The portfolio’s continued Cost of Living (CoL) response.
		* Wales’ customer satisfaction rating being the highest of the Fund’s portfolios at 91%.
		* Completion of the Annual Report on Welsh Language Standards, with an accompanying blog and guidance for grantholders on bilingual projects.
		* Progress on Wales’ portfolio review and identification of future funding priorities.
		* Launch of the Dormant Assets consultation.
	2. In response to a query regarding whether a difference in process had resulted in Wales’ higher customer satisfaction rating, the Committee were advised that while the process for applicants was the same across all portfolios, Wales’ Funding team were able to provide enhanced support by working in small teams throughout regions. This resulted in more engagement prior to submission of applications, which likely resulted in higher success rates.
	3. Committee were provided with further detail regarding how the guidance on bilingual projects was being promoted via the grantholder newsletter and social media platforms. They were also advised that a paper on Community Assets would be forthcoming, while a historic report on the same could be circulated to members if interested.
	4. Committee thanked the team for their presentation, and were particularly grateful for the papers which had been circulated to them by the Knowledge and Learning team, noting that these had been key to informing recent decisions.
6. **Supporting Great Ideas (WBM 23.34)**
	1. The Committee were asked to consider two applications with a total of £494,032, which had both been recommended for funding.

	**Qualia Law CIC (SGI: Pro-Bono Court of Protection Deputyship***Joe Redmond joined the meeting.*
	2. The application proposed to pilot a new approach to Court of Attorney Deputyship cases, which supported adults who lacked mental capacity to deal with their own financial affairs. The proposal requested a grant of £351,542 over three years. Legal advice had been sought regarding the additionality principle in relation to the application. Legal had determined that the proposal did not contravene the Fund’s additionality policy and was therefore fundable. The policy would be circulated to Committee members for information.

**ACTION:** Rob Roffe

* 1. The Committee were supportive of the proposal and were comfortable with the Legal team’s determination regarding additionality. However, they noted that, given the current state of public services funding, the Fund needed to be clear on its boundaries regarding additionality and in its wording regarding the decision made, as funding this proposal could set a precedent going forward. Members also highlighted that a key requirement would be to ensure learning and evidence from the pilot was disseminated effectively to critical (public sector) stakeholders in order that it could be implemented and embedded on a wider scale.
	2. Noting the above points, the Committee AGREED to fund the proposal at the full amount.

	*Joe Redmond left the meeting.*

	**People’s Economy (Growing Community Benefiting Enterprise in Wales***Nia Hughes joined the meeting.*
	3. The application proposed a research and action project that will demonstrate the role of Community Benefitting Enterprises to the Welsh economy and their ability to engage communities. The proposal requested a grant of £142,690 over two years.
	4. The Committee discussed the proposal, with some requiring clarity around the term ‘Community Benefitting Enterprises’, inclusion of local businesses such as agriculture and further detail regarding the aims of the project. Some concerns were raised that the project’s desired outcomes were not sufficiently clear at this stage, however the Committee were reminded that the context of the programme specified that it could accommodate higher risk projects where outcomes weren’t direct, or where longer-term outcomes might not be clear in the project’s shorter term funded period.
	5. Echoing points raised in relation to the previous proposal, regarding the importance of disseminating and embedding learning from the project, the Committee AGREED to fund the proposal at the full amount.

	*Nia Hughes left the meeting.*
1. **Cost of Living: Our Future Response (WBM 23.35)**
	1. The paper invited the Committee to consider the ongoing implications of the Cost of Living (CoL) and evidence from the Fund’s current CoL funding response, and to agree to set aside £1m for CoL responses through both People and Places and NLAFA.
	2. The Committee were supportive of the paper’s proposal, noting that in recent months many funding applications had included elements around CoL and resilience, and that it was sensible to retain some flexibility in the Portfolio’s responsive funding mechanisms. They suggested that, going forward, Funding colleagues could routinely discuss resilience and sustainability with applicants, given that the current economic situation was likely to continue for some time.
	3. Noting an intention to review the position late in financial year 2023/24 or early 2024/25, the Committee AGREED with the recommendation to set £1m aside for CoL responses as set out in paragraph 5.5 of the paper.
2. **The Fund’s Environment Strategy**
*Nick Gardner joined the meeting*
	1. Nick Gardner provided an update to the Committee regarding progress made on the Fund’s environment strategy, noting that the Welsh Portfolio was in a strong position and had an opportunity to lead in demonstrating how to the Fund could support communities to tackle issues around environmental sustainability. Nick also highlighted that this should not be viewed as a standalone mission as it intersected with many of the Fund’s other priorities, for instance young people and mental health.
	2. John Rose and Nick summarised the four headline goals as set out in the Fund’s environment plan, noting that they would be looking to Wales for learning on how to discuss the Fund’s environmental sustainability activities externally.
	3. In response to queries from Committee members, John advised that the Fund had working with Development Trusts Association (DTA) Wales to look at building the sector’s capacity for addressing environmental issues. The Chair added that this was also on the Climate Action Fund’s (CAF) radar, with toolkits being developed using learning from Wales and other Fund programmes.
	4. The Committee thanked Nick for his presentation and praised the work undertaken so far on progressing the environment strategy.

	*Nick Gardner left the meeting.*
3. **Wales Portfolio: confirmation of thematic funding priorities 2024 – 2026 (WBM 23.36)**
	1. The paper invited the Committee to formally endorse the thematic funding priority for 2024-2026, which had been previously agreed at the Wales Committee Strategy Day held on 8th November 2023 namely;
		* Support for Children, with an emphasis on improving health and engaging them in the natural environment to unlock its wellbeing benefits, promoting understanding of its importance in relation to sustainability and the environment.
	2. The Committee wished to formally thank all Fund colleagues who had been involved in this work for their preparation of the numerous papers and deep dives which had assisted members in their consideration of suggested themes. Members were pleased to ENDORSE the theme and thematic funding priorities as set out in the paper.
4. **Draft Wales Grant budget: 2024/25 and future indicative budgets (WBM 23.37)**
	1. The paper asked Wales Committee to approve the following recommendations:
		* Increase the NLAFA budget for 2023/24 to £9m.
		* Increase the NLAFA budget for 2024/25 to £11.25m.
		* Decrease the People & Places (P&P) budget for 2024/25 to £19m.
		* Decrease the Supporting great ideas budget for 2024/2025 to £2m.
		* Allocate £15m for the new ‘Children’ theme investment.
		* Allocate £1m to address the CoL crisis in 2024/2025.

Members were also asked to note the indicative budget for future years.

* 1. Noting that there could be some flex for programme budgets at the mid review point, and that transition of the National Lottery to Allwyn could see some changes to available funds in future years, the Committee AGREED the recommendations as set out in the paper.
1. **Building Communities Trust Annual Update (WBM 23.38)***Chris Johnes and David Dallimore joined the meeting.*
	1. Chris Johnes and David Dallimore provided a progress report on the Invest Local (IL) Trust, and progress made since the endowment of £16.51m to Building Communities Trust (BCT).
	2. The update covered a broad range of topics, including:
		* Fluctuation of volunteer and community activism levels, particularly in a post-Covid context.
		* CoL pressures and a sense of ‘perma-crisis’ impacting IL areas as they tried to move towards more sustainable structures.
		* Publication of the second full evaluation of the programme in November 2023.
		* Launch of the Community Anchor Development Programme in June 2023, with 11 successful organisations to receive £150k over four years.
		* Initial consideration of a legacy strategy and what BCT would leave behind in terms of community capacity and policy influence work.
	3. The Committee acknowledged the importance of funding mechanisms which allowed communities to identify and fund their own needs, build skills and show potential, while recognising that this was high risk and might not always succeed. Members hoped that the evaluation element of this programme would be helpful in supporting the principle that communities could be trusted to control their funding and identify local priorities optimising impact whilst having agency.
	4. There was some discussion regarding the fluctuating levels of volunteers, and whether there was a quantifiable amount of time it might take to feel sufficiently involved with an organisation. Chris advised this hadn’t been evaluated as yet but BCT may look at sampling specific projects. He added that the level of support from volunteers was variable, acknowledging the impact of volunteer fatigue on community groups.
	5. Regarding the Community Anchor Programme and the allocation of unrestricted funding, Chris advised that, due to the level of support that would be offered during the bidding process, risks would be reduced as BCT had provided reflection and challenge to applicants where needed during the application process. Chris also clarified that while most organisations had a similar legal structure their backgrounds were varied, which aligned with BCT’s aim to fund organisations which were diverse in terms of their size, stages of development and geographic spread, which in turn would contribute to learning from the programme. A particularly important area of learning would be how applicants became trusted organisations and could reflect the needs of their communities.
	6. The Chair and Committee members thanked Chris and David for their presentation.

	*Chris Johnes and David Dallimore left the meeting.*
2. **Foundational Economy (WBM 23.39)**
	1. The paper provided an overview and examined the importance of the foundational economy in Wales, while considering what role the Fund could play in relation to this.
	2. The Committee welcomed the paper, acknowledging that the Fund needed to show more clearly how it was already contributing to the foundational economy given that many aspects were already significantly supported by the Fund’s work. It was noted that some of the challenge around this might lie in inconsistent use of language. The Committee SUPPORTED a suggestion from John Rose that he investigate whether there might be an opportunity to fund research regarding the Fund’s contribution to the foundational economy, using Wales as a sample.

**ACTION**: John Rose

* 1. Members discussed challenges around procurement, noting there was a tension between committing to procure locally while also attempting to mitigate cost pressures, with most organisations within operating against a backdrop of increasing costs and challenging budgets. Moreover, rules around procurement in the public sector, which had been put in place to ensure an even playing field, often excluded smaller local organisations which would not be able to attain the required standards for consideration.
	2. Noting there was a lack of best practice around procurement available from other public bodies that the Fund could learn from, the Committee SUPPORTED a suggestion that a representative from Welsh Government or the Wales Audit Office be invited to speak to them in order to provide a learning opportunity in this area.

**ACTION:** John Rose

1. **FORWARD WORK PLAN (WBM 23.40)**
	1. Acknowledging that the Chair and John Rose would need to discuss upcoming meeting locations further, the Committee NOTED the forward work plan.
2. **FEEDBACK FROM BOARD AND UK FUNDING COMMITTEE**
	1. The Chair reflected on recent activity, providing a summary of the Board meeting which had taken place the previous week and the November UKFC meeting, wherein membership had been discussed. The Chair thanked members for their response on this matter, noting that Nicola Russell-Brooks would become a member of the newly formed UK Funding Panel while she would remain a member of the Committee and the CAF Panel.
	2. There were plans underway to bring the Board and all Fund Committees together for a meet up in 2024, with more detail to follow in due course.
3. **ANY OTHER BUSINESS**
	1. Rob Roffe advised Committee members of some additional reading that would be circulated to them in the coming weeks.
	2. The Chair thanked all present for their work over the year and extended warm wishes to all ahead of the festive period.