

# Community Asset Development Fund

*Sharing the risk, sharing the reward*



## What is the Community Asset Development Fund (CADF)?

- A fund that uses blended finance to allow organisations to bring an asset into community ownership - either by;
  - purchasing the asset
  - purchasing and renovating the asset
  - renovating an existing asset that is not in full use
  - equipping an asset
- The fund aims to help organisations achieve
  - Positive shift in income
  - Positive shift in social impact

## What is blended finance?

In the case of CADF blended finance means that the funding award is split between traditional grant and repayable financial assistance.

- 40% - traditional grant
- 60% - repayable financial assistance

## Available funding

European Funding is split into two areas:

- **West Wales and the Valleys** (Anglesey, Blaenau Gwent, Bridgend, Caerphilly, Carmarthenshire, Ceredigion, Conwy, Denbighshire, Gwynedd, Merthyr Tydfil, Neath Port Talbot, Pembrokeshire, Rhondda Cynon Taff, Swansea, Torfaen)
- **East Wales** (Cardiff, Flintshire, Monmouthshire, Newport, Powys, Vale of Glamorgan, Wrexham).

Up to £150k of support is available in WWV at a 60% intervention rate.

Up to £100k support is available in EW at a 50% intervention rate.

The intervention rate is the maximum amount CADF can contribute to the total cost of your proposed activity. This means you will need to match fund the remaining amount as below:

- WWV = minimum 40%
- EW = minimum 50%

For example:

- WWV - Total project cost - £250,000  
CADF Award - £150,000  
Required Match @ 40% = £100,000
- EW - Total Project cost - £200,000  
CADF Award - £100,000  
Required Match @ 50% = £100,000

Where the project spend is higher CADF can still be used up to the maximum available, however higher levels of match funding will be required.

For example:

WWV - Total project cost - £500,000  
CADF Award - £150,000  
Required Match = £350,000 (70%)

Match funding must be cash match (i.e. it cannot be staff time, volunteer time or match in kind).

Match funding can come from your own resources or other grant or loan funders (including a loan from Social Investment Cymru).

The match funding you use must be clean i.e. not from an EU funding source.

Further guidance on match funding will be provided during the application process.

## General eligibility requirements

You need to be a social business, by that we mean one of the legal forms below -

- Limited by Guarantee
- Charitable Incorporated Organisation (CIO)
- Community Interest Companies (CIC) (Inc those limited by shares)
- Industrial and Provident Society (IPS) in the form of a Community Benefit Society (BenCom)
- Financial Mutuals
- Limited by shares where all shares are held by one of the above (i.e. wholly owned social enterprise subsidiary of a charity)

You need to be either:

- purchasing the asset
- purchasing and renovating the asset
- renovating an existing asset that is not in full use
- equipping an asset

You will need to demonstrate:

- a positive shift in income
- a positive shift in social impact

## How will we demonstrate a positive shift in income?

The shift in income relates only to the activity that we are funding and will be demonstrated through the changes shown in income in your management accounts or annual accounts.

If the activity is new activity or the organisation itself is new, we will take any increase in income as the positive shift.

If the activity already exists and CADF funding helps increase income from that activity we will measure the amount it has increased. The information we collect in the application will help us agree a calculation with you to set a formal baseline for the activity from the outset.

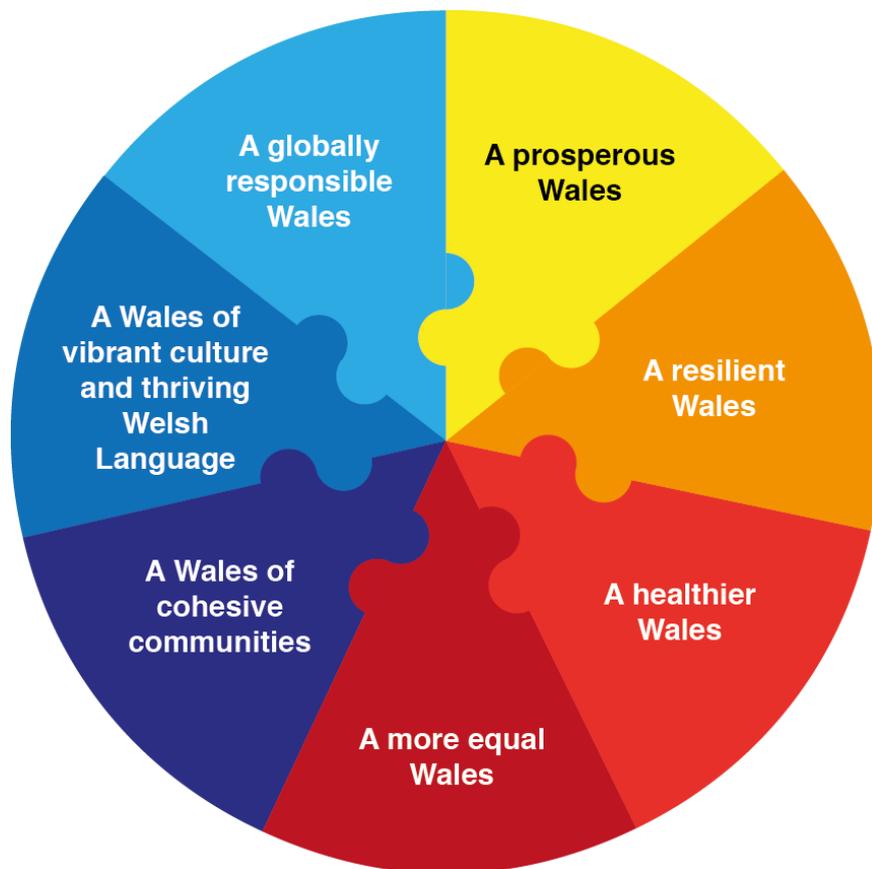
Further guidance will be provided on this during the application process.

## How will we demonstrate a positive shift in social impact?

The way in which organisations will evidence this is through the Wellbeing Goals detailed in the Well-being of Future Generations (Wales) Act.

Further information about the Act can be found on [WCVA's website](#). The page will provide you with information as to who and what the Act relates to as well as a [resource page for the third sector](#).

The Wellbeing Goals are shown in the diagram below.



When completing your application you will be required to complete a Wellbeing Goals Grid. In order to complete the grid you will need to understand how your organisation currently addresses the Wellbeing Goals, which goals will be directly addressed by the CADF funded activity and how.

An example of a completed Wellbeing Goals Grid is shown in [Annex A](#).

Further guidance will be provided on this during the application process.

## Eligible costs

CADF will fund capital costs only. Some examples of eligible costs are shown below.

Cost	Eligible / Ineligible
Purchase of asset for community use	Eligible
Purchase of asset for the use as organisation office space	Ineligible
Purchase of asset for primarily community use with an element of organisation office space	Eligible
Purchase of asset for community use including renting out office / floor space	Eligible
Purchase of vehicle	Ineligible
Purchase of vehicle for transporting users to a community asset included as part of a wider project	Eligible
IT equipment for staff	Ineligible
IT equipment for a community IT suite	Eligible
Refurbishment costs for a building (or part of) where the primary use will be by the community	Eligible
Refurbishment costs for a building where the primary use will be for the organisation	Ineligible
Refurbishment costs for a building where the primary use will be the delivery of community services with an element of organisation office space	Eligible
Purchase of a pub for the community to frequent	Ineligible
Purchase of a pub for the community to frequent as well as for the delivery of additional community activities and services	Eligible
Furniture / equipment for use by staff / organisation	Ineligible
Furniture / equipment for use by the community	Eligible
Furniture / equipment integral to the delivery of a community service	Eligible
Security / Safety Equipment	Eligible

\*This is not an exhaustive list

There is a minimum level of £50k of total cost that must be included in order for your proposed activity to be eligible.

There is a 12 month spend period.

## How does the repayable finance element work?

Your award from CADF will be split into two parts:

- 40% of traditional grant
- 60% of repayable assistance

The amount of repayable assistance will depend on the level of award. However, as the maximum award for WWV is £150k the maximum amount of repayable assistance possible in WWV is £90k (60% of £150k). Similarly, the maximum award in EW is £100k with maximum amount of repayable assistance being £60k.

Repayments will be agreed based on growth in

- eligible income - trading income directly derived from the CADF activity (excludes grants)
- eligible savings - savings achieved as a direct result of the CADF activity. For example, an organisation purchasing a building they already lease which achieves an annual saving in rental expenditure

The information you provide in the application will allow us to identify the income lines that will be directly affected by CADF activity and to set a baseline. Annual reviews of these income lines will take place to ensure we are monitoring all appropriate income lines e.g. if a new unexpected income line comes in during Year 2.

There will be a two year payment holiday at the beginning of the project which will be followed by 10 years of repayment.

At the beginning of Year 3 we will request your management accounts that cover Year 2 and will compare these against the baseline figures we set during the application process. Where there is an increase in eligible income lines or eligible savings achieved we will calculate a total figure. The figure will then be set against the following bands to identify the annual amount to be repaid in Year 3 through 12 monthly payments by direct debit.

<b>Eligible Income and Savings Bands</b>			
<b>Band Start</b>	<b>Band End</b>	<b>% of Income to be Repaid</b>	<b>Maximum income in band</b>
£0	£25,000	0%	£0
£25,001	£99,999	4% on eligible income and savings within the band	£74,998
£100,000+	N/A	6% on all eligible income and savings	All income

This process will then be repeated each year to determine the annual amount to be repaid through to Year 12. Examples as to how repayments could work out for organisations is set out in Annex B.

The higher the funding award the greater the need to generate higher growth in income to repay the repayable element of the funding award.

There is no interest charged on the repayable assistance and an organisation will never repay more than the repayable element of the funding award.

## How will funding be paid?

Awards will be made in arrears against evidenced claims.

This means that you will need to pay for items or services before making a claim to us. Your claim will evidence that the full cost has been paid which will enable us to reimburse you the CADF contribution.

For example:

- You receive and pay an invoice for Eligible Cost 1 for £100
- You submit evidence to show that Eligible Cost 1 has been paid e.g. invoice & bank statement showing the £100 leaving your account
- Your intervention rate has been calculated at 60% during the application process
- We process your claim to check that all evidence has been submitted satisfactorily and reimburse you £60 based on your intervention rate

The intervention rate will be individual to your application and will be confirmed in your offer letter.

Applicants should be aware that payment in arrears, as well as the time taken to complete the claims process, can put pressure on cashflow and this should be taken into account with regards to your application.

Where applicants identify that the cashflow pressure is too great Social Investment Cymru are able to discuss a short term bridging loan to help alleviate the pressure. This loan request would be considered by a separate loans panel and there is no guarantee of approval. The information you supply in the CADF application will be sufficient for us to consider a bridging loan.

## What about job creation?

While job creation is not the focus of CADF it will form part of the monitoring process for all successful applications i.e. if you have created jobs we want to know about it.

Depending on the nature of your activity it can also form part of your response to the Well Being Goals and Cross Cutting Themes section.

## What about State Aid?

State Aid is applicable to CADF.

As part of the assessment process we will undertake an assessment of your activity which will determine whether there is State Aid or not.

Where State Aid is present we will use the de Minimis allowance to enable us to make an award. If this is the case you will be asked to complete a self-declaration of the amount of de Minimis aid you have received over the last 3 years. If CADF funding were to take you above the allowable threshold of €200,000 over a 3-year rolling period we will be unable to make the award.

## Support from Social Investment Cymru

We understand that CADF is not your normal funding and is not without its complications.

Just to reassure you we are here to support you through the process and to explain any aspects of the funding ([sic@wcva.org.uk](mailto:sic@wcva.org.uk), 0300 111 0124).

# Community Asset Development Fund Wellbeing Goals Outcomes



	List the three main Wellbeing of Future Generations goals your project will address	Rate 1 -10 how well your organisation currently performs against those goals	List the activities that your project will undertake in addressing those goals	List the outcomes of those activities	Rate 1-10, as a result of the activities undertaken and outcomes achieved, how well your organisation will perform against those goals
1	A healthier Wales	3	<ul style="list-style-type: none"> <li>School fields to be partially made into a community garden</li> <li>Healthy eating classes will be delivered to families</li> </ul>	<ul style="list-style-type: none"> <li>XX volunteers and XX service users engage in gardening activities with XX% reporting an increase in wellbeing</li> <li>XX families will learn how to create nutritional meals on a budget with XX% reporting an increase wellbeing</li> </ul>	7
2	A Wales of Cohesive Communities	4	<ul style="list-style-type: none"> <li>Day care facilities will be created for older people and the local secondary school will engage with intergenerational project</li> </ul>	<ul style="list-style-type: none"> <li>XX pupils will engage with the intergenerational project with case</li> </ul>	6

Annex A

				studies created highlighting the relationships created with the older people	
3	A prosperous Wales	1	<ul style="list-style-type: none"> <li>Space in the building will be made available for local social businesses to utilise to either service the community or get their business up and running</li> </ul>	<ul style="list-style-type: none"> <li>XX social businesses will take up office space, XX social business will take up space to deliver services or sell goods with XX% reporting an increase in turnover as a result</li> </ul>	5

Annex B

Year	Income	Savings	Total	Annual Repayment	Monthly repayment	Balance
Year 1	£50,000	£5,000	£55,000	N/A	N/A	£90,000
Year 2	£65,000	£5,000	£70,000	N/A	N/A	£90,000
Year 3	£94,000	£5,000	£99,000	£1,800	£150	£88,200
Year 4	£120,000	£5,000	£125,000	£2,960	£247	£85,240
Year 5	£145,000	£5,000	£150,000	£7,500	£625	£77,740
Year 6	£170,000	£5,000	£175,000	£9,000	£750	£68,740
Year 7	£182,000	£5,000	£187,000	£10,500	£875	£58,240
Year 8	£185,640	£5,000	£190,640	£11,220	£935	£47,020
Year 9	£189,353	£5,000	£194,353	£11,438	£953	£35,582
Year 10	£193,140	£5,000	£198,140	£11,661	£972	£23,921
Year 11	£197,003	£5,000	£202,003	£11,888	£991	£12,032
Year 12	£200,943	£5,000	£205,943	£12,032	£1,003	£0
			<b>Total</b>	£90,000		

Year	Income	Savings	Total	Annual Repayment	Monthly repayment	Balance
Year 1	£50,000	£5,000	£55,000	N/A	N/A	£90,000
Year 2	£65,000	£5,000	£70,000	N/A	N/A	£90,000
Year 3	£85,000	£5,000	£90,000	£1,800	£150.00	£88,200
Year 4	£80,000	£5,000	£85,000	£2,600	£216.66	£85,600
Year 5	£91,000	£5,000	£96,000	£2,400	£200.00	£83,200
Year 6	£88,000	£5,000	£93,000	£2,840	£236.66	£80,360
Year 7	£100,000	£5,000	£105,000	£2,720	£226.66	£77,640
Year 8	£95,000	£5,000	£100,000	£6,300	£525.00	£71,340
Year 9	£105,000	£5,000	£110,000	£6,000	£500.00	£65,340
Year 10	£115,000	£5,000	£120,000	£6,600	£550.00	£58,740
Year 11	£102,000	£5,000	£107,000	£7,200	£600.00	£51,540
Year 12	£130,000	£5,000	£135,000	£6,420	£535.00	£45,120
			<b>Total</b>	£44,880		