

Evaluation of the Pen y Cymoedd Wind Farm Community Fund

2020 annual report

Introduction

An independent evaluation of the way in which the Pen y Cymoedd (PyC) Wind Farm Community Fund (hereinafter referred to as the Fund) is being managed and delivered, as well as what it is achieving, is being undertaken alongside the delivery of the Fund.¹ This is the 2020 iteration of annual reports that will be produced by the team undertaking the evaluation. Its purpose is to share the findings of the evaluation as they emerge, as well as the recommendations that have been made to the Board of the Community Interest Company (CIC) set up to manage the Fund.

A brief overview of the Fund

When energy company Vattenfall were awarded the contract by the Welsh Government to develop the PyC Wind Farm, they agreed to establish an independently managed Community Fund to benefit those communities most directly affected by the development. Set up in 2018, the Fund has a guaranteed income of £1.8 million per year until 2043 and is split into two main components, i.e. a Micro Fund and the larger-scale Vision Fund.

The Micro Fund offers one-off grants of up to £5,000 to support important aspects of community life and enterprise development. These could include, for example, buying small items of equipment, minor capital works, supporting activities, events and projects within communities, business development support, and pilot projects. The Micro Fund includes two strands: Micro Fund: Communities is intended for voluntary and community organisations, social enterprises, community and town councils, and school PTAs, while Micro Fund: Micro Businesses is intended for businesses in that category seeking support for their development or start-up as an enterprise.

The Vision Fund offers grants or loans of over £5,000 (capital and/or revenue) to support activities that help to deliver one or more of the priorities set out in the Fund Prospectus.² New and developing businesses, voluntary sector organisations and community groups can all apply. The Vision Fund is designed to support projects that:

- are visionary, bold and ambitious;
- involve partnership working with others to deliver greater benefits to people and communities within the area of benefit;
- are sustainable in the longer term — maximising local value and benefits; and
- represent value for money.

¹ The evaluation is being undertaken by independent social and economic research company Wavehill: www.wavehill.com

² Funding priorities for the Fund are set out within the Prospectus, a copy of which can be found here: <https://penycymoeddcic.cymru/our-funding-priorities/>

A new fund was introduced during 2020 in response to the COVID-19 pandemic, described as emergency, fast-track funding available for organisations in the area. It includes two strands: a Survival Fund to provide emergency cash flow funding for organisations at risk of closure, and a Project Fund to support additional services that meet immediate community needs. The fund was introduced after the fieldwork for the 2020 report was undertaken and, therefore, is not part of the analysis in this report.

Analysis of monitoring data

As of March 2020, the Fund has awarded:

- 36 Micro Fund: Business grants (having received 104 applications);
- 178 Micro Fund: Community grants (having received 378 applications); and
- 47 Vision Fund grants (having received 60 applications)

Of the £5 million awarded to date, the largest proportion has been through the Vision Fund, accounting for £4.24 million (or 84%) of the funding. The Micro Fund accounts for the remaining £771k (or 16%).

A range of monitoring data is collected by the PyC team. A review of the data for the 2020 report finds that:

- Whilst there was a substantially higher number of applications for support from Micro Fund: Communities in the first year (not unexpected when a new fund is introduced), since then the number of applications and awards for the Micro Funds per year has been relatively consistent. There has, however, been an increase in the proportion of applications for the Vision Fund being approved in Year 3 (84%) in comparison to Year 2 (63%).
- The number of applications being received from the Afan and Cynon Valleys has increased in Year 3 in comparison to Year 2. The number of applications has, however, declined from the Neath and Rhondda Valleys.
- The average score given to applications for the Micro Funds has increased, suggesting that the quality of applications being received is increasing.

Feedback from grant applicants

An online survey is being distributed to organisations that have applied for support from the Fund on an annual basis. To date, over two waves,³ the questionnaire has been distributed to a total of 408 contacts (provided by the PyC team), with 218 responses being received (174 for Wave 1 and 44 for Wave 2),⁴ representing a response rate of 54%.

³ The survey is distributed towards the end of every year, with Wave 1 responses being collected in late 2018/early 2019 and Wave 2 in late 2019/early 2020.

⁴ The number of responses to Wave 1 of the survey is higher because the number of 'new' applicants was higher in that wave, as it was the first time that the survey was undertaken.

These include successful applicants (159 responses) as well as some that have been withdrawn at some point in the application process or have been unsuccessful (73 responses).⁵

The Net Promoter Score (NPS) is an index ranging from -100 to +100 that measures customer satisfaction via their willingness to recommend an organisation's products or services to others.⁶ It is widely used as an indicator of customers' overall satisfaction with a product or service. The NPS for the Fund, over both waves of the survey, is a very positive +51.5 (198 responses), reflecting a generally positive perception of the Fund amongst respondents to the survey. Views on the Fund also seem to be improving, with the NPS of respondents in Wave 1 being +43.6 (157 respondents) and that of respondents in Wave 2 being +80.5 (41 respondents). The difference in the number of respondents in both waves of the survey does, however, need to be considered.⁷

The survey has found that the most common way in which applicants heard about the Fund was via 'word of mouth' or by meeting a member of the PyC team. This suggests that the social network⁸ that people and organisations have is very important in terms of finding out about the Fund. If your social network is not familiar with the PyC Fund or does not have links to the team operating the Fund, you may not be familiar with it. This underlines the importance of promoting and marketing the Fund in a wide range of ways and to a wide range of groups and organisations.

Feedback on the support and advice that applicants received from the PyC team was generally very positive, with Micro Fund applicants in particular finding the advice that they received to be useful. Discussions with stakeholders did, however, suggest that some applicants perceived the application process to be difficult, and that there was some inconsistency in terms of the amount of detailed information that some were being asked to provide, which should be noted. In the main, however, the feedback was positive, suggesting that no significant changes in approach are necessary.

The survey found that whilst 21% of applicants had extensive experience in applying for funding to deliver projects that they had developed, for a large proportion (37%) this was the first time that they had done so. This suggests that the Fund is supporting organisations in engaging with this kind of fund/support for the first time. Furthermore, it was found that in the majority of cases (73%) their experience with the Fund had a positive impact on their future plans, with a large proportion actively developing new projects and ideas.

⁵ The total number of successful and unsuccessful responses is higher than the total number of responses because some respondents were both successful and unsuccessful applicants.

⁶ The NPS is based on responses to the following question: On a scale from 0–10, how likely are you to recommend the Pen y Cymoedd Community Fund to a friend or colleague? Respondents give a rating between 0 (not at all likely) and 10 (extremely likely) and, depending on their response, fall into one of three categories used to calculate an NPS: (a) 'promoters' respond with a score of 9 or 10 and are typically loyal and enthusiastic customers; (b) 'passives' respond with a score of 7 or 8 — they are satisfied with your service but not happy enough to be considered promoters; and (c) 'detractors' respond with a score of 0 to 6 — they are unhappy customers and may even discourage others from using you. The score is calculated by subtracting the percentage of 'detractors' from the percentage of 'promoters'.

⁷ The number of responses in Wave 1 was higher because the number of applicants was higher, covering the first two years of the Fund, whilst Wave 2 included only Year 3 applicants.

⁸ A social network is a social structure composed of a set of social actors (including individuals and organisations) and the social interactions between those actors.

The survey found that one of four applicants believed that they would definitely have submitted their application for support, regardless of whether they received support and advice from the PyC team; a further 27% stated that it was likely. This is not to suggest that those applications were not better because of the support they received during the application process. It does, however, possibly suggest that there may be scope to target the advice and support, which come from a limited amount of resources, towards groups who would struggle to develop and submit an application within the support that is being provided.

Project outcomes

It remains too early to be making judgments on the outcomes generated by the funding invested by the Fund, although some data is emerging. ‘Engaging local people’ and ‘raising aspirations’ continue to be the common outcomes identified by the majority of projects responding to the survey, suggesting an emphasis on those types of activities.

The types of outcomes generated by projects are clearly dictated by the types of projects/activity being funded. As noted previously, the majority of the grants awarded to date (68%) are Micro Fund: Community grants, meaning that the majority of activity has been of the type supported by that funding strand. The majority of the funding (84%) has, however, gone to the Vision Fund grants that are smaller in number but larger in scale.

The evaluation has started to explore the outcomes being achieved by categorising each of the funded projects as shown in the table below, which also shows the funding allocated to them both in total and as a proportion of the grand total. We find that the largest proportion of funding to date has been invested in economic activity, albeit through a minority of projects (i.e. Vision Fund grants). Little investment has been made to date in the ‘facilities’ or ‘environment’ categories.

Table 1: Categorisation of funded projects

Category	Description	Spend	Proportion
Economy	Projects that were directly associated with supporting a business or providing training and skill development, such as start-up capital for a cafe or training for people to become qualified swimming coaches.	£1,941,212	39%
Infrastructure	Projects that were to fund the construction or redevelopment of a physical building or space of some description, such as a new roof for a church or floodlighting for a tennis court.	£1,412,206	28%
Social	Projects in which the outcome was a social benefit or activity, such as a day trip for older residents or funding for a local sports team to attend an event.	£1,135,654	23%
Facilities	Projects that were providing equipment to community groups, such as instruments for music groups and toys for play groups.	£270,584	5%
Environment	Projects which had a direct environmental impact, such as activities to protect wildlife in a local river or planting flowers and plants.	£253,074	5%

Source: Analysis of PyC programme monitoring data

Review of how the Fund is being managed

Board members and staff complete an online survey which provides feedback on how the Fund is being managed and how the CIC is working on an annual basis. Moreover, they are interviewed annually by a member of the evaluation team who also attends Board meetings on a regular basis to observe discussions and how decisions are being made. Finally, interviews are undertaken annually with a range of stakeholders from the area of benefit, including Local Authority officers, Councillors, and other key local partners.

The interviews in 2020 focus in particular on the Micro Fund, with very positive views being expressed on how it was being managed as well as the impact that the grants were having. The 'doctrine of marginal gains' was frequently referenced — the impact of individual grants may be marginal but, collectively, could be significant.

Key points made as to the management and delivery of the Micro Fund included:

- There is awareness of the need to support 'good projects' — not just 'good applications' — and provide support for some applicants as they develop their ideas.
- The use of 'rounds' for applications (of which there are two per year) was supported, although the need to maintain flexibility in supporting projects outside of those rounds (if necessary) was also noted ('a reaction fund').
- A subgroup has been set up to review applications for Micro Fund grants during the last year (as opposed to all applications being assessed by the whole Board) and that approach was supported.
- The potential for a more thematic approach (alongside the standard rounds) was widely recognised.
- The potential to pilot different/innovative approaches to using the funding should be explored (including the thematic approach proposed above).

The clear view of both Board members and staff was that no significant changes needed to be made to the way in which the Micro Fund was being managed at the current time.

The introduction of subgroups to the Board (for the Micro Fund as noted above and an HR group) over the previous year was considered to have been a positive development. The need to minimise any duplication of discussions that had already taken place at subgroup meetings at the full-Board level was, however, also highlighted.

There had been a change in Board membership over the previous year, with one member departing and two new members being appointed. This increase in the total number of members was welcomed, with the benefits of 'refreshing' the Board being broadly recognised.

There remain some concerns surrounding diversity at the Board level, but also recognition of the constraints in terms of the number of members of the Board. The potential to use a range of approaches in order to ensure that the diversity within the area in which the Fund is working is reflected was, however, also recognised. For example, the potential to set up a 'young persons panel' as part of the Fund was already being considered.

The relationship between the Board and the Executive (i.e. PyC staff) was discussed during interviews, with the need to ensure that the relationship remained strong being emphasised. This included clarity with regard to the decision-making process, and the need to avoid unnecessary micromanagement.

Recommendations

- 1. Further, regular analysis of management information should be undertaken to inform the ongoing discussions of the Board, including further analysis of outcomes being achieved by projects.**
- 2. The analysis of the monitoring data has found differences in the number and types of applications being submitted from different parts of the area of benefit. The potential need for a different approach to activities such as the promotion of the Fund in different areas should therefore be considered in order to account for those differences.**
- 3. Word of mouth is the main way in which applicants state that they have found out about the Fund. On that basis, it is important that the marketing and promotion of the Fund engages with those in a range of different 'social networks' within the area of benefit.**
- 4. The potential to target the support being provided to applicants (during the application process) towards those that need it the most should be considered with a view to ensuring that a broad range of organisations have the opportunity to develop projects and apply for support.**
- 5. The evaluation has found that being involved with the Fund has a positive impact on the ongoing plans of organisations and encourages new projects/ideas to be developed. On that basis, the potential to actively target previous applications that have delivered successful projects (especially Micro Fund grant recipients) to encourage them to develop further (and more ambitious) ideas and projects should be considered.**
- 6. As our understanding of the outcomes that are being achieved by the Fund emerges, the Board should consider a more proactive/thematic/targeted approach to inviting applications for support designed to achieve specific outcomes or strategic priorities.**

- 7. There remain some concerns surrounding diversity at the Board level. Options should therefore be explored for engaging with different groups from within local communities that may not be represented on the Board, e.g. setting up groups or panels to examine specific issues or be representative of specific groups within the community.**
- 8. Steps should be taken to ensure that there continues to be an effective working relationship between the Board and the Executive.**

For further information on the evaluation, please contact Endaf Griffiths (01545 571711 | endaf.griffiths@wavehill.com), who is leading the team undertaking the evaluation, or Kate Breeze, Acting Executive Director of the Fund (01685 878785 | enquiries@penycymoeddcic.cymru).