



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

Revised Third Sector Grant Scheme – Consultation Draft (July 2026)



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1. Introduction and status of the Scheme

Neath Port Talbot County Borough Council is proposing a revised Third Sector Grant Scheme for implementation from 1 April 2027. The Scheme has been developed following a review of the existing Third Sector Grant Scheme, involvement and engagement with third sector organisations, Members and officers.

This document should be read as a consultation draft and not as final application guidance. Detailed application forms, assessment methodology, frequently asked questions and grant agreement documentation will be developed separately.

2. Why the Scheme is changing

The current Scheme was approved in 2015. A review has been undertaken to ensure that the Council's investment in the third sector is transparent, fair, sustainable, aligned to strategic priorities and capable of demonstrating value for money.

The revised Scheme is intended to address issues identified through the review and subsequent engagement, including the need for clearer purpose, longer-term funding stability, more transparent criteria, improved communication and proportionate monitoring.

3. Scheme purpose and principles

The proposed purpose of the revised Scheme is to provide strategic, longer-term support to eligible third sector organisations whose work contributes to Council priorities, strengthens community infrastructure, reduces inequality, improves health and wellbeing, and supports prevention.

The proposed Scheme is underpinned by five principles:

Principle	What this means for the Scheme
Stability	The Scheme's primary purpose is to contribute to the sustainability of the day-to-day operation of organisations through core funding of at least three years as the default.
Strategic alignment	Funded activity should be explicitly linked to Council priorities and should contribute to a coherent picture of provision across the borough.
Accessibility	The process should be equitable, simple and proportionate, with expectations and criteria published upfront.



Principle	What this means for the Scheme
Meaningful and structured engagement	Organisations should receive responsive communication during the process and timely, confidential communication about decisions, regardless of outcome.
Building toward sustainability	The Scheme should help organisations diversify income and reduce dependency over time, rather than only covering immediate funding gaps.

4. Operating model: 3+2 Year Stability Grant

The proposed operating model is a 3+2 Year Stability Grant. This means an initial three-year award, with the option to extend by a further two years where performance and compliance are satisfactory and where funding remains available.

The model responds to the third sector's key priority of greater long-term funding stability. It is intended to support organisational planning, staff retention, sustainability and the ability to secure additional funding from other sources.

Feature	Scheme position
Grant type	Stability grant focused predominantly on core/running costs and organisational sustainability.
Award length	Initial three-year award with potential two-year extension, subject to performance review.
Eligible cost focus	Core/running costs, with limited provision for capital costs and innovation where these strengthen delivery and sustainability.
Application route	Two-stage process: expression of interest followed by full application.



5. Strategic priorities

Applicants must demonstrate clear alignment with at least one of the Scheme's strategic priorities. Applications may align with one, two or all three priorities where this reflects the work being delivered.

Priority	Title	Focus	Distinctive emphasis
1	Strong and Sustainable Community Organisations	Supporting local community organisations, centres, volunteer groups and hubs that provide essential services and activities within a neighbourhood or community.	This priority focuses on organisations themselves and the local networks they create, rather than targeting a specific issue or group of people.
2	Reducing Inequality and Supporting Vulnerable People	Supporting organisations working with people facing the greatest disadvantage, including disabled people, older people, carers, children and families, and people experiencing poverty or financial hardship.	This priority focuses on who is being supported and the barriers or inequalities they experience.
3	Improving Health, Wellbeing and Prevention	Supporting activities and services that help people stay healthy, connected and independent, preventing problems from escalating into crisis.	This priority focuses on outcomes: improved health and wellbeing and reduced demand on public services.

6. Who can apply

Eligibility	Requirement
Organisation type	Constituted, not for profit organisations operating in the voluntary, community or social enterprise sector in Neath Port Talbot. Organisations must demonstrate sound governance, financial management arrangements and a commitment to community benefit.
Minimum track record	Applicants must have a minimum two-year track record of operation, with at least one year of filed accounts.
Geography	Applicants must be based in, or predominantly deliver services within, Neath Port Talbot.
Governance and compliance	Applicants must be able to demonstrate appropriate safeguarding, equalities, financial control and governance arrangements proportionate to the scale and nature of their work.

7. What the Scheme will and will not fund

The Scheme is intended to support organisational sustainability and delivery aligned to the Council's strategic priorities. It is not intended to become a broad, all-purpose funding programme.

The Scheme may support	The Scheme will not support
Core/running costs such as staffing, premises-related costs, utilities, insurance, management and governance costs; proportionate capital costs where directly linked to longer-term sustainability; innovation where it directly supports improved sustainability, reduced cost or increased income; and full cost recovery where budgets reflect genuine delivery costs.	Retrospective costs; political activity; purely religious activity; standalone one-year project funding; and innovation-only bids.



8. Financial criteria and funding controls

The Scheme includes financial controls to promote value for money, reduce over-dependence on Council funding and support fair access across the available budget.

Control	Proposed Scheme position
Maximum grant award	The proposed maximum grant award is £50,000 per organization, per annum.
Grant-to-income ratio	Individual awards will be capped at 30% of an organisation's average annual income, calculated over the most recent three years.
Capital costs	Capital funding may be eligible where it directly supports longer-term sustainability without adding significant servicing costs. The proposed maximum proportion of the total award that can be used for capital funding is 20%.
Innovation	Applicants may make a case for innovation where it directly supports sustainability, increases income or reduces cost. The proposed maximum proportion of the total award for innovation is 20%.
Match funding	Match funding is not mandatory. Any match funding identified will be considered as one of a range of factors during assessment and will not, in itself, determine the outcome.
Budget realism	Budgets should reflect the true cost of delivery, including appropriate overheads and management costs.



9. How applications will be assessed

The application process will use weighted scoring. Eligibility will be considered first. Applications that pass the eligibility stage will be assessed against published quality criteria.

It is proposed, the highest weights will apply to evidence of need and added value, and to financial health and capacity. Strategic alignment and outcomes approach will carry medium-high weight. Governance and sustainability will carry medium weight. Geographic equity will be considered at both individual application level and across the overall portfolio of awards.

Assessment area	Indicative emphasis	What assessors will look for
Evidence of need and added value	Highest	Clear evidence of local need, distinct contribution, value for money and avoidance of duplication.
Financial health and capacity	Highest	Realistic budget, financial resilience, ability to manage the grant and evidence of proportionate controls.
Strategic alignment and outcomes	Medium-high	Strong contribution to one or more Scheme strategic priorities and clear outcomes for residents or communities.
Governance and sustainability	Medium	Safeguarding, equalities, financial control policies and a credible approach to reducing reliance on a single funding stream.
Geographic equity	Portfolio consideration	Overall distribution of funding across Neath Port Talbot and consideration of under-served communities where evidence supports this.



10. Grant agreements, monitoring and review

Successful applicants will be required to enter into a grant agreement. Grant agreements will set out funding conditions, monitoring requirements, reporting obligations, review arrangements and the circumstances in which funding may be varied, suspended or recovered.

Monitoring and performance review arrangements will apply throughout the funding period. A formal review will take place before any two-year extension is agreed under the 3+2 model. The review should consider delivery against agreed outcomes, financial compliance, governance and safeguarding requirements, sustainability progress and any risks to delivery or public funding.

11. Communication, feedback and support

The Scheme is designed to support clearer, more structured communication with applicants and funded organisations. This includes publishing criteria and monitoring expectations upfront, keeping applicants informed during the process and providing timely confidential communication about decisions.

All applicants will receive clear communication about the outcome of their application. Feedback arrangements will support transparency and help organisations understand how decisions were reached. Where applications are unsuccessful, feedback will be proportionate and constructive.

The Council will also develop webpages, application documents, criteria and guidance, FAQs and a dedicated route for queries as part of implementation planning.

12. Governance, risk and statutory considerations

The revised Scheme introduces a transparent framework for assessment, award, monitoring and review of grant funding. This is intended to strengthen accountability and ensure public funding is allocated in a way that supports Council priorities and value for money.

The Scheme will be implemented with due regard to relevant statutory duties, including equality duties, Welsh Language Standards, and the Well-being of Future Generations (Wales) Act 2015.

Appropriate due diligence will be undertaken in relation to successful applicants, including safeguarding, equalities, governance, financial management and other relevant legal requirements. Records of assessment and decision-making will be retained to support accountability and reduce the risk of challenge.

Welsh language Impact(s)

An impact assessment has been undertaken which included consideration of the potential impact of the revised scheme on opportunities for people to use the Welsh language, and on ensuring that the Welsh language is not treated less favourably than the English language.

The assessment concluded that there will be a neutral impact in terms of the application process as application materials, guidance and communication will be bilingual, and applications received in Welsh will not be treated less favourably than applications submitted in English; ensuring that Welsh speaking applicants may participate and apply on an equal basis.

Furthermore, there may be positive impacts if successful applications are received from organisations that support community activity, inclusion, wellbeing and access to services in Welsh-speaking communities or for Welsh speakers.



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The consultation will invite respondents to identify any impact(s) that they foresee. The Welsh Language Impact Assessment will be reviewed following consultation, taking account of any feedback received about potential impacts on the Welsh language or Welsh-speaking communities.