

Meeting	Trustee Board meeting
Date	24 th March 2022
Title	2022/23 budget
Agenda item	9
Paper by	Victoria Southwell

1.0 Purpose of paper

Propose Triangle Trust 1949 Fund budget for 2022/23 for approval.

2.0 Summary

Trustees will recall that at the October 2021 meeting a discussion took place about the current value of the investment portfolio and increasing the annual grant spend to reflect the capital increase of £5.4m since 2018/19. After discussion with Trustees with financial oversight of the Trust, the Chair and Vice Chair it was agreed that an increased annual grant spend of £1m would be recommended for this financial year. This would mean that;

- Expenditure for 2022/23 is budgeted at £1,022,184 against expected income of £710,000. The increased grants budget of £1m would be spread equally between young carers/young adult carers and young offenders. With the maximum grant award being £60,000 over two years this would allow for approximately six additional grants to be awarded.
- Support costs have increased to manage the higher number of grants and linked expenditure and this is represented in an increase in the hours of the Director. Salary costs including NI and pension contribution linked to this have increased by approximately £10,000.
- Income for 2022/23 is estimated by Sarasin to be £660,000 plus a rebate of approximately £50,000. This means that expenditure will exceed income received via interest from the value of the portfolio.
- The shortfall in income will be covered via cash held in the bank, the Liquidity Portfolio or in the event there is nothing in the liquidity fund by selling units in the Sarasin Endowments Charity Authorised Investment Fund.
- The budget for 2022/23 has been developed on the assumption that we will be incurring more costs in some areas, such as travel (for staff and Trustees), than

we have in the past two years, due to the relaxation of current Covid restrictions. This will mean we can do face to face assessments but also that project visits can take place to grantees who were assessed via Zoom.

- Due to the rising cost of living it is also recommended that the annual gift be increased by £100 to £950. This will represent an overall increase of £800 in the gift recipient element of the grant budget when applied to the eight remaining gift recipients.
- The expenditure figure for 2021/22 is estimated to be £613,183 against income of £697,488. Office equipment costs for 2021/22 are anticipated to be significantly overspent as we have needed to move office and furnish the new office space (before the financial year end) and purchase a new desktop computer. An additional £5,160 was also incurred in consultancy costs to pay for the external Investment Manager Review which did not appear in the original budget. Spending continued to be lower than expected in some areas due to the ongoing pandemic restrictions which impacted travel costs. Despite expenditure being higher than estimated when the budget was developed a surplus of £84,305 is predicted.

3.0 Recommendations

Trustees are asked to:

- i. Approve the Triangle Trust 1949 Fund budget for financial year 2022/23 as outlined in Appendices 1 and 2.

4.0 Notes to budget

For comparison I have included the proposed budget and actual expenditure for the last financial year in the proposed support costs expenditure table in Appendix 2.

Key points to note in the budget are as follows;

- The budget has been developed on the basis of an increased annual grants spend of £1m. This will enable approximately six additional grants to be made in 2022/23.
- This will incur additional staffing costs which equate to five extra hours a week for the Director. This will provide additional time for assessments, reporting and ongoing grant management.
- Staff costs also show an increase due to the annual cost of living salary increase adjustment for the Director and Grants Assistant which has been budgeted at 5.5% and an increase in National Insurance contributions.
- Rent for 2022/23 has reduced slightly due to the need to relocate to different desks.
- Continued partnership with Cranfield Trust is also budgeted for. The work done to date with 2021/22 grantees has been very positive and added significant value to the support that we are able to give alongside our funding (see separate paper outlining work that has been undertaken so far). This has been costed at £30,000 which is consistent with the value of the current Cranfield Trust funding to run the Spark Programme and will equate to costs of around £1,650 per grantee.
- Database costs of £1,500 have been budgeted to bring in some external expertise to resolve current database issues and make Salesforce more compatible with the new strategy.
- Staff travel costs reflect greater amounts of travel for assessments, project visits and meetings/conferences.
- Trustee travel costs have been increased to reflect the fact that meetings are likely to be in person again and that face-to-face project visits will be able to take place.
- Inclusion of a fee for an external facilitator links into overall strategy development and Trustee meeting content for June 2022.

The overall proposed costs are just under 11% of the budgeted grant expenditure of £920,986. It should also be noted that some of the support costs – such as the external consultant and database support – are one off costs that could be viewed as falling outside of the definition of core support costs.

We have worked hard to keep costs down whilst at the same time investing in areas that will support the ongoing development of the grant strategy. During 2022 we will be reviewing areas such as the database, which has not seen any investment in for a considerable period of time, and will be looking at the financial implications of improving this vital function to make grant management easier at all points.

Appendix 1 - Overview of proposed Budget 2022/23

2022-23 budget			
		(ESTIMATED based on spend to date)	(ACTUAL)
Budget Heading	2022-23	2021-22	2020-21
Grants			
Hardship grants	£9,600	£8,800	£8,800
Carers	£12,500	£108,837	£218,337
Rehab of offenders	£159,132	£287,073	£284,727
Young Carers	£197,254 (current) £250,000 (new)	£98,480	£0
Young Offenders	£250,000 (new)	£0	£0
Strategic Grants	£42,500	£25,000	
Total	£920,986	£528,190	£511,864
Support Costs			
Staff costs	£74,321	£60,460	£56,166
Office costs	£5,485	£6,062	£6,100
General support costs	£9,542	£6,571	£6,336
Governance costs	£11,850	£11,900	£11,300
Total	£101,198	£84,993	£79,932
Total Expenditure	£1,022,184	£613,183	£591,796

	2022-23	2021-22	2020-21
Income	£710,000*	£697,488	£680,816
Expenditure	£1,022,184	£613,183	£591,796
Surplus/deficit	(£312,184)	£84,305	£89,020

* This income figure was estimated by Sarasin on 06/01/22 so is the most up to date figure we currently have for budgeting purposes and includes the rebate of c.£50,000.

Appendix 2 - Detailed breakdown of proposed support costs 22/23

Staff costs	2022/23	2021/22 (estimated)	2021/22 (budgeted)
Salaries (Director and GA)	£68,473	£57,078	£53,334
NI contributions	£3,567	£1,436	£933
Employer Pension contributions	£1,981	£1,687	£1,599
Recruitment	£0	£0	£0
Payroll fees	£300	£259	£300
Total staff costs	£74,321	£60,460	£56,166
Office costs			
Rent and services	£4,810	£5,217	£5,425
Insurance	£675	£645	£675
Office move	£0	£200	£0
Total office costs	£5,485	£6,062	£6,100
General support costs			
Office equipment	£500	£3,198	£500
IT support/license fees	£1,452	£1,002	£900
Grants database	£1,500	£0	£0
Website	£500	£390	£500
Printing/post/stationery	£480	£51	£600
Affiliation fees (ACF etc)	£1,400	£1,276	£1,500
Staff training/conferences	£1,000	£159	£1,000
Staff travel/expenses	£2,600	£400	£1,250
Bank charges/fees	£110	£95	£116
Total General support costs	£9,542	£6,571	£6,366
Governance costs			
Auditor's fee	£4,500	£4,200	£4,500
Trustee Meetings	£2,400	£1,596	£2,000
Trustee training	£500	£25	£500
Trustee travel/expenses	£3,000	£919	£1,500
Trustee Recruitment	£250	£0	£300
Consultancy/Facilitator	£1,200	£5,160	£2,500
Total Governance costs	£11,850	£11,900	£11,300
Total support costs	£101,198	£84,993	£79,932