

Meeting	Trustee Board meeting
Date	23 rd March 2023
Title	2023/24 budget
Agenda item	9
Paper by	Victoria Southwell

1.0 Purpose of paper

Propose Triangle Trust 1949 Fund budget for 2023/24 for approval.

2.0 Summary

Trustees will recall that at the October 2021 meeting it was agreed that annual new grant expenditure would increase to £1m. This meant that;

- Expenditure for 2022/23 was budgeted at £1,022,184 against expected income of £710,000. The increased grants budget of £1m was spread equally between young carers/young adult carers and young offenders.
- The shortfall in income would 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 expenditure figure for 2022/23, based on 10 months' worth of management accounts and predicted spend up until year end, is estimated to be £906,403.
- Expenditure for 2023/24 is budgeted at £1,483,045 against expected income of £710,000. This includes new grants approved of £1m that will be paid to grantees over a two-year period.
- The proposed £1m of new grants approved for 2023/24 will be spread across two rounds of young offender grants and strategic grants and be paid in four grant instalments over the two-year period. A detailed cash flow is being developed to understand when income will be needed to meet these payments.
- CAF Bank balance is currently £530,000 and the Liquidity Portfolio valuation is £313,000.

3.0 Recommendations

Trustees are asked to:

- i. Approve the Triangle Trust 1949 Fund budget for the financial year 2023/24 as outlined in Appendices 1 and 2.

4.0 Notes to budget

For comparison I have included two appendices. Appendix 1 shows the proposed budget alongside the agreed budget for 2022 and the actual spend for 2021. Appendix 2 shows the agreed budget and estimated expenditure for the current financial year alongside the detailed breakdown of proposed support costs.

Key points to note in the budget are as follows;

- The budget has been developed on the basis of an annual grants spend of £1m. This will enable us to make 10-12 grants with a maximum value of £40,000 per year over two years.
- Staff costs show an increase due to the annual cost of living salary increase adjustment for the Director and Grants Assistant which has been budgeted at 8.8%.
- Rent for 2023/24 has increased due to an increase in our rent and service charges from our landlord, Ethical Property Company. Business rates are also now payable since moving from our previous office at the end of March 2022 as we now have an actual unit rather than renting desk space in a shared office.
- Continued partnership with Cranfield Trust is also budgeted for. The work done to date with 2022/23 grantees has been very positive and added significant value to the support that we are able to give alongside our funding. 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 £3,000 per grantee maximum. This has been costed to the strategic grants budget but can also be costed to any underspend in the open grants budget to maximise the amount of funding we can allocate to achieving our strategic objectives.
- Database costs of £30,000 have been budgeted for to purchase a new version of Salesforce that has been developed for grant makers.
- The proposed expenditure will result in a shortfall in income of approximately £782,045. This would 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 investment valuation remains healthy and a detailed cashflow is being developed to forecast when additional capital will need to be drawn down. The Investment Committee will be tightly managing this

The overall proposed support costs of £141,255 are just under 10.5% of the budgeted grant cash spend of £1,341,790. It should also be noted that some of the support costs – such as the database – are a one-off cost that could be viewed as falling outside of the definition of core support costs. With this stripped out then support costs come in around 8.3% of grant expenditure. Whilst there will be small ongoing costs linked to the database the proposed level of expenditure will provide long term value for upcoming years.

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.

Appendix 1 - Overview of proposed Budget 2023/24

2023-24 budget			
	PROPOSED	AGREED FOR	ACTUAL
Budget Heading	2023-24	2022-23	2021-22
Grants			
Hardship grants	£10,000	£9,600	£8,800
Carers	£0	£12,500	£57,862
Rehab of offenders	£48,375	£159,132	£284,727
Young Carers	£97,774 (agreed Oct 21) £230,678 (agreed Oct 22)	£197,254 (agreed Oct 21) £250,000 (agreed Oct 22)	£98,480
Young Offenders	£233,363 (agreed Mar 22) £421,600 (Agreed Mar 23) £200,000 (Agreed Oct 23)	£250,000 (agreed Mar 22)	£114,940
Strategic Grants	£100,000	£42,500	
Total	£1,341,790	£920,986	£564,809
Support Costs			
Staff costs	£81,580	£74,321	£62,046
Office costs	£6,915	£5,485	£5,852
General support costs	£39,140	£9,542	£5,554
Governance costs	£13,620	£11,850	£11,715
Total	£141,255	£101,198	£85,167
Total Expenditure			
	£1,483,045	£1,022,184	£649,977

	2023-24	2022-23	2021-22
Income	£701,000*	£710,000	£700,675
Expenditure	£1,483,045	£1,022,184	£649,977
Surplus/deficit	(£782,045)	(£312,184)	£50,698

* This income figure was estimated by Sarasin on 09/02/23 so is the most up to date figure we currently have for budgeting purposes and includes the rebate of c.£50,000. Bank balance is currently £530,000 and Liquidity Portfolio valuation £313,000 but around £150,000 of expenditure from the current financial year still needs to be paid from this amount with £55,000 of income still to be received from Sarasin for this year.

Appendix 2 - Detailed breakdown of proposed support costs 23/24

Staff costs	2023/24	2022/23 (estimated)	2022/23 (budgeted)
Salaries (Director and GA)	£75,540	£71,133	£68,473
NI contributions	£3,568	£3,420	£3,567
Employer Pension contributions	£2,172	£1,950	£1,981
Recruitment	£0	£632	£0
Payroll fees	£300	£260	£300
Total staff costs	£81,580	£77,395	£74,321
Office costs			
Rent and services	£6,240	£6,079	£4,810
Insurance	£675	£682	£675
Office move	£0	£0	£0
Total office costs	£6,915	£6,761	£5,485
General support costs			
Office equipment	£500	£449	£500
IT support/license fees	£1,500	£847	£1,452
Grants database	£30,000	£1,500	£1,500
Website	£500	£192	£500
Printing/post/stationery	£480	£391	£480
Affiliation fees (ACF etc)	£1,550	£1,356	£1,400
Staff training/conferences	£1,000	£0	£1,000
Staff travel/expenses	£3,500	£3,500	£2,600
Bank charges/fees	£110	£110	£110
Total General support costs	£39,140	£8,345	£9,542
Governance costs			
Auditor's fee	£4,500	£4,200	£4,500
Trustee Meetings	£2,400	£1,458	£2,400
Trustee training	£500	£0	£500
Trustee travel/expenses	£2,600	£1,300	£3,000
Trustee Recruitment	£500	£0	£250
Temporary staff/Consultant	£0	£1,444	£1,200
Book Keeping	£3,120	£3,084	£0
Total Governance costs	£13,620	£11,486	£11,850
Total support costs	£141,255	£103,987	£101,198