

Meeting	Trustee Board meeting
Date	21 st March 2024
Title	2024/25 budget
Agenda item	6
Paper by	Victoria Southwell

1.0 Purpose of paper

Propose Triangle Trust 1949 Fund budget for 2024/25 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 allocation 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 allocation award of up to £1m would be recommended for the five-year period of the new strategy. This was subsequently agreed by Trustees. Despite the investment portfolio not performing as strongly over the past 18 months the gains since 2018 still felt sufficient enough to justify continued expenditure that exceeds income.

- Expenditure for 2023/24 was budgeted at £1,483,545 against expected income of £710,000. Once grant commitments had been agreed the expenditure was reforecast and the revised figure was £1,236,098.
- Based on month 10 management accounts, expenditure for the year is estimated to be less than projected for grants payable. This is due to grantees being late in claiming payments or restructuring their grant payment schedule. These payments will roll over into the next financial year and will be added to the budget once we hit year end. Support costs will broadly be in line with the budget.
- The shortfall in income in 2023/24 has been covered via cash held in the bank, the Liquidity Portfolio and by instructing the sale of units in the Sarasin Endowments Charity Authorised Investment Fund. This has amounted to an additional £297,000 of income.

- Expenditure for 2024/25 is budgeted at £1,391,135* against estimated income of £712,000. It should be noted however that at the time of writing a tendering process is taking place for the management of the endowment. This means that the returns we have generally received from Sarasin & Partners might differ should we change investment firm. *(this includes £60,000 worth of grant payments that were awarded in 2023/24 for strategic work alongside £200,000 that will be allocated for new work)
- Once the database costs in 2023/24 have been stripped out the budget for 2024/25 shows expenditure for support costs increasing by around 9%.
- The proposed £1m allocation for new grants approved for 2024/25 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. As per the strategy 80% of the new funding will be open grants and 20% will be strategic grants.
- CAF Bank balance at end of February 2024 is £190,000 and the Liquidity Portfolio valuation is £122,000.

3.0 Recommendations

Trustees are asked to:

- i. Approve the Triangle Trust 1949 Fund budget for the financial year 2024/25 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 2023/24 that was reforecast during the year. 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 allocation of £1m. (This does not mean that the £1m will be spent in that 12 months – it is actually spread across a 2-year period). 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 and a pay review which represents a 5.5% increase in staff costs.
- Rent for 2024/25 has increased due to an increase in our rent and service charges from our landlord, Ethical Property Company. These increases have been nominal to date due to the pandemic. These costs also include business rates payable which are also expected to increase.
- Travel costs have been increased to reflect the increased cost of rail tickets. Money has also been set aside to pay for a celebration event in October to recognise the 75th anniversary of the Trust's founding.
- The amount highlighted in strategic grants includes £60,000 that was approved in the 23/24 financial year but falls for payment in 24/25.
- The proposed expenditure will result in a shortfall in income of approximately £634,642. 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 from the portfolio. The investment valuation remains healthy, and the Investment Committee are closely monitoring the cash flow projections to ensure that additional capital can be drawn down on when needed.

The overall proposed support costs of £124,205 are just under 10% of the budgeted actual grant cash spend of £1,266,980.

We have worked hard to keep costs down whilst at the same time continuing to invest in areas that will support the ongoing development of the grant strategy such as attending meetings, visits, website support and memberships.

We will reforecast the budget after the October 24 meeting once we have actual figures of the value of the grants that have been allocated.

Appendix 1 - Overview of proposed Budget 2024/25

2024-25 budget		
	PROPOSED	AGREED FOR
Budget Heading	2024-25	2023-24
Grants		
Hardship grants	£10,500	£10,000
Carers		£0
Rehab of offenders	£0	£82,344
Young Carers	£130,030	£315,406
Young Offenders	£15,000 (agreed Mar 22) £246,952 (agreed Mar 23) £204,498 (agreed Oct 23) £200,000 (agreed Mar 24)	£218,363 (agreed Mar 22) £236,177 (Agreed Mar 23) £107,553 (Agreed Oct 23)
Young women funding	£200,000	£0
Strategic Grants	£260,000	£125,000
Total	£1,266,980	£1,094,843
Support Costs		
Staff costs	£86,020	£81,580
Office costs	£8,280	£6,915
General support costs	£12,985	£39,140
Governance costs	£16,920	£13,620
Total	£124,205	£141,255
Total Expenditure	£1,391,185	£1,236,098

	2024-25	2023-24 (estimated)	2022-23
Income	£696,543*	£1,027,000**	£701,798
Expenditure	£1,331,185	£1,236,098	£949,065
Surplus/deficit	(£634,642)	(£209,098)	(£247,267)

* This income figure was estimated by Sarasin on 01/03/2024 so is the most up to date figure we currently have for budgeting purposes and includes the rebate of c.£50,000.

** This figure includes £167,000 transferred from the Liquidity Fund and £150,000 worth of units sold from the Sarasin Endowments Charity Authorised Investment Fund.

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

Staff costs	2023/24	2022/23 budgeted
Salaries (Director and GA)	£79,956	£75,540
NI contributions	£3,340	£3,568
Employer Pension contributions	£2,340	£2,172
Recruitment	£0	£0
Payroll fees	£384	£300
Total staff costs	£86,020	£81,580
Office costs		
Rent and services	£7,630	£6,240
Insurance	£650	£675
Total office costs	£8,280	£6,915
General support costs		
Office equipment	£750	£500
IT support/license fees	£1,750	£1,500
Grants database	£1,500	£30,000
Website	£750	£500
Printing/post/stationery	£600	£480
Affiliation fees (ACF etc)	£2,500	£1,550
Staff training/conferences	£1,500	£1,000
Staff travel/expenses	£3,500	£3,500
Bank charges/fees	£135	£110
Total General support costs	£12,985	£39,140
Governance costs		
Auditor's fee	£4,800	£4,500
Trustee Meetings	£5,000	£2,400
Trustee training	£1,000	£500
Trustee travel/expenses	£3,000	£2,600
Trustee Recruitment	£0	£500
Temporary staff/Consultant	£0	£0
Book Keeping	£3,120	£3,120
Total Governance costs	£16,920	£13,620
Total support costs	£124,205	£141,255