

ARCHITECTS BENEVOLENT SOCIETY

AGENDA

Finance, Audit and Risk Committee

Meeting to be held at on Wednesday 4 September 2024 at 10.00am at 6 Brewery Square, SE1 2LF

Agenda Item #	Agenda Item	Annex	Main Speaker
1	Welcome and Apologies To welcome and note apologies for absence	Verbal	Chair
2	Declaration of Interest To declare any prejudicial interests in items on the agenda and their nature	Verbal	All
3	Minutes of the last meeting To approve the minutes of the last meeting held on Wednesday 8 th May 2024	Annex A	All
4	Matters arising from the minutes To update on matters arising from the minutes of the last meeting	Verbal	All
5	Finance <ul style="list-style-type: none"> a. To review the July 2024 Management Accounts b. To review Draft Budget 2024/25 pack: <ul style="list-style-type: none"> • Budget Assumptions; • Consolidated budget; • Alternative scenario; • Staff structure; • Draft Welfare Budget 2024 • Welfare Budget Controls 2024-25 • Development Income Forecast detail 	Annex B Annex C	All All Welfare Lead Dev. Mgr.

	c. Change of capitalisation threshold from £500 to £2500 d. To receive an update on Business Planning	Verbal Verbal	CFO ABS Chair
7	Property e. To receive a property update f. Discussion on asset distribution options Investments v Property Performance Comparison	Verbal Annex D	Acting CEO CFO
9	AOB To note any other business Date of next meeting	Verbal	All

Date of next meeting: Jan 2025 (date to be confirmed)

ARCHITECTS BENEVOLENT SOCIETY

Finance, Audit and Risk Committee

Minutes of the Meeting held on Wednesday 8 May 2024 at 10.00am (6 Brewery Square, SE1 2LF)

Present: Mark Hodgkinson (MH), Trustee
John Moakes (JM), Trustee
Simon Still (SS), Committee Member

In Attendance: Tricia Johnstone (TJ), CFO
Sue Powell (SP), Minutes

Apologies: Nigel Thorne

1. Welcome and Apologies

- 1.1 JM and SS opened the meeting at 9.57am and welcomed MH to the Committee.
- 1.2 In the absence of Nigel Thorne (Committee Chair), JM and SS nominated MH to chair the meeting - with Chair's prior approval.

2. Declaration of Interest

- 2.1 No conflicts of interest pertaining to this meeting's business were noted.

3. Minutes of the last meeting

- 3.1 The minutes of the last meeting held on Wednesday 31st January 2024 were approved.

4. Matters arising from the minutes of the 31 January 2024 meeting (not covered elsewhere on the agenda).

- 4.1 (minute 5.2.3): Mark Grzegorzcyk (ABS Chair) spoke with Jonathan Aiken at Moore Kinston Smith (ABS auditors) to discuss the additional charges that they intended to apply to the audit fee. A compromise position was reached. *Action complete.*
- 4.2 (minute 5.3.1): The Trustees Annual Report was received and signed off by the Board of Trustees. *Action complete.*
- 4.3 (minute 5.3.3): in absence of KV, discussion of the fundraising budget is to be carried forward to the September 2024 Committee meeting. *Action ongoing.*
- 4.4 (minute 5.3.4): prior year budget versus actual budget has been added to the management accounts summary for comparison, as requested by the Committee. *Action complete.*
- 4.5 (minute 5.3.5): a process has been put in place to ensure that income and expenditure for the Wellbeing Programme is accurately reflected in the management accounts. *Action complete.*
- 4.6 (minute 5.5.4): Investment Managers have been informed that investment reports should be sent directly to Tricia Johnstone (CFO). *Action complete.*
- 4.7 (minute 5.5.5): the Committee agreed that the committee paper reviewing planning of withdrawals for next year/eighteen months was deemed unnecessary. Decision to be reviewed after discussion with Investment Managers. **New action** - invite Investment Managers to the next FAR Committee meeting scheduled for 4 September 2024.

4.8 (minute 5.6.1): the trustees financial planning decision meeting was rescheduled and held prior to the Board meeting. *Action complete.*

4.9 (minute 5.6.2): amend the timeline for production of ABS Business Plan from June 2024 to September 2024. *Action in progress.*

4.11 (minute 8.2): the Board approved that Trustees would use their personal email addresses going forward. *Action complete.*

5. Committee Membership

5.1 The Committee received and approved the nomination of Mark Hodgkinson as a new member of the Finance, Audit and Risk Committee.

6. Finance

6.1 March 2024 Management Accounts

6.1.1 The Committee reviewed the Quarter 2 management accounts [Annex B].

6.1.2 Income overall for the year to date is £547K versus a budget income of £645K (negative variance of 98K). This is in part due to legacy income to date which is £80K under budget.

6.1.3 It was noted that the full year forecast for legacy income was reduced from £250K to £30K. Legacies are difficult to predict, and it is prudent not to overestimate the year-end result.

6.1.4 Expenditure overall for the year to date is £1.318m v budget expenditure of £1.240m (negative variance of £78K). This is in part due to year-to-date Welfare beneficiary spend which is £75K over budget due to continuing unexpectedly high need for financial support.

6.1.5 The forecast on grants payable to year end were reviewed and it is predicted that there will be a year-end negative variance on budget on welfare beneficiary spend of £340k based on continuing high levels of need. This has been discussed by the Welfare Committee and a paper will be going to the Board to notify trustees of the implications on the overall budget and outlining next steps.

6.1.6 It was noted that Rent forecasts were not included in Q2 management accounts due to an issue with pre-payments that is being investigated. Members were made aware that this will impact on the next set of management accounts.

6.1.7 The Committee recognised the importance of the current position of the management accounts and reforecast, noting that this highlights the need for urgent focus on presentation of the draft Business Plan.

6.2 Investment Reports

Cazenove Investments.

6.2.1 The return on the Cazenove main investment portfolio for the year April 23 to March 24 was 9.4% and the fund stood at £4.19m.

6.2.2 The smaller investments portfolio had an overall return of 3.7% for the same period and stood at £402k.

Investec/Rathbone Investments

6.2.3 The return on the Investec main portfolio was 9.4% for the year April 23 to March 24 and the fund stood at £4.05m.

6.2.4 The Endowment Fund investments portfolio had an overall return of 8.2% for the same period and stood at £751k.

6.2.5 The Committee noted that Environmental, Social and Governance (ESG) (ethical screening) reports are not being received in a timely manner. This will be reported to the Fund Managers and steps taken to ensure they are received in time for the Committee papers.

6.2.6 The Board will be notified that an Investment Fund Management Review is expected to be undertaken in 2025.

6.3 Business Planning

6.3.1 In the absence of the Acting CEO, members agreed that the business planning update would be deferred to the next FAR Committee meeting.

6.3.2 Members stressed the importance of the executive team preparing a paper with their proposals for a Business Plan ready to present to Trustees for discussion at the 5th June 2024 Board meeting.

6.4 Draft Reserves and Investment Policy

6.4.1 Members noted the first draft of the Reserves and Investment Policy.

6.4.2 It was agreed that comments on the draft policy would be deferred until the Business Plan had been received. The Committee is aware that the policy would need to be in place by year end for inclusion in the Trustee's Annual Report.

6.4.3 It was noted that ABS has a separate Investment Policy in place. As such, it was agreed that the draft title would be updated to 'Reserves Policy' and sections relating to investments within the draft would be removed.

6.5 Finance Software

6.5.1 The Committee noted a proposal to explore new finance software.

6.5.2 QuickBooks is currently being considered. This is more user friendly and suited to charities than the existing Sage software system.

6.5.3 TJ informed members that costs would be incurred for implementation and initially running the two systems concurrently. However, the ongoing cost would be similar to existing costs.

7. Property Update

7.1 In KV's absence, the property update was delivered by TJ.

7.2 An agreement has been reached to let the third floor of 43 Portland Place to the current ground floor tenants. The lease should be in place shortly.

7.3 ABS senior managers visited 43 Portland Place and considered the fourth floor suitable for ABS staff to move back to when the 6 Brewery Square tenancy expires in December 2024. A plan for the move will be put in place by the management team in due course.

7.4 A quote amounting to £87k for upgrade of the lift at 43 Portland Place has been received. Further quotes are being sought as a comparison.
8. Risk Policy and Register
8.1 It was confirmed that the following updates have been made to the Risk Policy and Register: <ul style="list-style-type: none"> - Risk Policy: updated according to JM's comments following October 2023 Board meeting - Register: long-term sickness and cybercrime added to the Register
8.2 The latest version of the Risk Policy and Register will be presented to the Board in June 2024.
9.AOB
9.1 It was agreed that the next FAR meeting would be held on Wednesday 4 September 2024.
9.2 MH thanked members for their participation in the meeting and for welcoming him to the Committee.
The meeting closed at 11.32am.

Date of next meeting: Wednesday 4 September 2024.

AGREED ACTIONS

#	Item Number (Minutes)	Action	Person Responsible
1	4.3	Review fundraising budget at end of Quarter 2 [action carried forward from May 2024 meeting].	Development Manager/CEO/ Board of Trustees
2	4.7	Invite Investment Fund Managers to September 2024 FAR Committee meeting.	TJ
3	4.9	Create Business Plan by September 2024 [deadline extended from June 2024].	Board of Trustees/CEO/ Senior Managers
4	6.2.5	Inform Fund Managers that ESG (ethical screening reports) must be received in timely manner.	TJ
5	6.2.6	Notify Board that an Investment Fund Management review is expected to be undertaken in 2025.	FAR
6	6.3.1	Deliver business planning update to FAR Committee at September 2024 meeting. [action carried forward from May 2024 meeting].	Acting CEO

7	6.4.3	Update <i>Reserves and Investment</i> Policy title to <i>Reserves Policy</i> and remove sections relating to investments.	TJ
8	7.4	Angela Muhammad (AM) to request additional quotes for upgrade of 43 Portland Place lift for comparison with £87k quote already received.	AM

ABS Management Accounts 31 July 2024

Year to date analysis

Income

Overall: Income for the year to date is £810k v budget income of £1.1mk. The negative variance of £310k is mainly due to:

Legacies: Actual income to date is £200k under budget (following adjustments to in-year income recognition). We have reduced the full year forecast to £30k.

Commercial rent: Is under budget by £90k but includes prepaid amounts of £36k (a negative net variance of £126k to date). We have reduced the full year forecast to £550k (a negative variance of £135k), further to a CFO review of all balance sheet items identifying an accounting error in 2022 that was never corrected and also to recognise rental income this year in line with the Charity SORP

Investment income: Is close to budget.

Wellbeing programme income: Is under budget by £27k due to lower than predicted delivery of workshops and we have revised the expenditure forecast to year-end downwards to reflect this.

Gains on Investment: Nothing was included in the budget for realised and unrealised gains on the financial investments. At year-to-date, this total is £800k

Expenditure

Overall: Expenditure for the year to date is £2.1m v budget expenditure of £1.9m The negative variance of £310k is mainly due to:

Welfare beneficiary spend: Is YTD £214k over budget due to continuing unexpectedly high need for financial support.

Student hardship fund: Nothing was included in the budget for this expenditure. As it is from a restricted fund, it does not impact on the general reserves of the Society.

Wellbeing programme costs: Are £25k under budget due to less activity than planned.

Commercial property costs: Are £10k over budget at year-to-date.

Marketing Costs: Are £29k under budget.

Full Year Forecast:

We have included forecasts to year-end based on the current position and what we now know about any future activity up to year-end.

The main changes to the full year income forecast are:

- the reduction of legacy income from £250k to £30k as legacies are difficult to predict and it is prudent to not overestimate the year-end result;
- the reduction in rental income as detailed above;
- the inclusion of £1m gain on investments not included in the budget.

The main change to the year-end expenditure forecast is the welfare beneficiary spend. We have reviewed the forecast on grants payable to year end and predict a year-end negative variance on budget of £290k based on continuing high levels of need.

Architects Benevolent Society
Draft Management Accounts
31 July 2024
Month 10

INCOME & EXPENDITURE	MTH			MTD			YTD			YTD			Full Year			Full Year			YTD			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Budget	Variance	Actual	Prior	Variance	Actual	Prior	Variance	Actual	Prior	Variance	Actual	Prior	Variance
Income																								
Fundraising	5,777	15,761	(9,985)	155,145	155,747	(603)	196,600	196,600	-	155,145	120,281	34,864												
Legacies	-	20,833	(20,833)	7,861	208,333	(200,472)	30,000	250,000	(220,000)	7,861	77,500	(69,639)												
Commercial rent	6,380	61,797	(55,416)	471,139	560,882	(89,743)	549,645	684,475	(134,830)	471,139	573,189	(102,050)												
Investment income	-	15,705	(15,705)	164,745	157,053	7,692	188,463	188,463	-	164,745	209,043	(44,298)												
Wellbeing programme income	1,358	2,235	(877)	11,307	38,350	(27,044)	11,400	42,820	(31,420)	11,307	5,000	6,307												
Student hardship fund income	-	-	-	-	-	-	-	-	-	-	71,090	(71,090)												
Total Income	13,515	116,331	(102,816)	810,195	1,120,365	(310,170)	976,108	1,362,358	(386,250)	810,195	1,056,103	(245,908)												
Expenditure																								
Welfare beneficiary spend	(91,526)	(67,377)	(24,150)	(1,101,831)	(887,774)	(214,057)	(1,317,000)	(1,027,282)	(289,718)	(1,101,831)	(1,104,304)	2,473												
Student hardship fund	-	-	-	(38,500)	-	(38,500)	(40,000)	-	(40,000)	(38,500)	-	(38,500)												
Wellbeing programme costs	(3,414)	(5,597)	2,183	(36,959)	(61,881)	24,922	(42,000)	(73,074)	31,074	(36,959)	(17,151)	(19,808)												
Staff costs	(50,393)	(56,685)	6,291	(575,817)	(577,220)	1,403	(690,590)	(690,590)	(0)	(575,817)	(555,887)	(19,930)												
Office costs	(20,697)	(22,706)	2,009	(106,973)	(113,852)	6,879	(119,828)	(119,828)	-	(106,973)	(107,750)	777												
Insurance	-	-	-	(10,909)	(11,348)	439	(11,348)	(11,348)	(0)	(10,909)	(12,664)	1,755												
Commercial property costs	(2,449)	(833)	(1,616)	(79,578)	(69,214)	(10,364)	(90,000)	(70,880)	(19,120)	(79,578)	5,989	(85,567)												
Service charge rebate	-	-	-	-	-	-	-	-	-	-	-	-												
Governance costs	(15)	(170)	155	(716)	(6,660)	5,944	(2,000)	(7,000)	5,000	(716)	(783)	67												
Marketing costs	(228)	(3,234)	3,006	(3,199)	(32,337)	29,138	(7,000)	(38,804)	31,804	(3,199)	(13,424)	10,225												
Event costs	(2,156)	(146)	(2,010)	(9,230)	(1,458)	(7,772)	(12,000)	(1,750)	(10,250)	(9,230)	(3,902)	(5,328)												
IT costs	(3,907)	(4,079)	172	(46,698)	(49,646)	2,948	(57,804)	(57,804)	(0)	(46,698)	(44,045)	(2,653)												
Professional fees	(8,457)	(1,117)	(7,340)	(54,199)	(44,431)	(9,768)	(70,000)	(46,664)	(23,336)	(54,199)	(36,700)	(17,499)												
Investment management fees	-	(5,262)	5,262	(47,879)	(52,627)	4,748	(63,151)	(63,151)	-	(47,879)	(53,138)	5,259												
Loan interest & Bank charges	(106)	(30)	(76)	(1,812)	(300)	(1,512)	(2,200)	(360)	(1,840)	(1,812)	(78,927)	77,115												
Property Amortisation	-	-	-	-	-	-	-	-	-	-	-	-												
Depreciation	-	-	-	-	-	-	(5,000)	-	(5,000)	-	-	-												
Total expenditure	(183,349)	(167,234)	(16,114)	(2,114,299)	(1,908,747)	(205,552)	(2,529,921)	(2,208,535)	(321,386)	(2,114,299)	(2,022,686)	(91,613)												
Net profit / (loss) before investment gains / (losses)	(169,834)	(50,903)	(118,931)	(1,304,104)	(788,382)	(515,722)	(1,553,813)	(846,177)	(707,636)	(1,304,104)	(966,583)	(337,521)												
Realised gain/(loss) on investments	-	-	-	283,447	-	283,447	500,000	-	500,000	283,447	(72,406)	355,853												
Unrealised gain on investments	-	-	-	515,709	-	515,709	500,000	-	500,000	515,709	276,630	239,079												
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-	13,700	-												
Net profit / (loss) after investment gains / (losses)	(169,834)	(50,903)	(118,931)	(504,947)	(788,382)	283,434	(553,813)	(846,177)	292,364	(504,947)	(748,659)	257,412												

Architects Benevolent Society
Draft Management Accounts
31 July 2024
Month 10

INCOME & EXPENDITURE	WELFARE			DEVELOPMENT			WELLBEING			PROPERTY			INVESTMENT			SALARY SPLIT			TOTAL			
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
Income																						
Fundraising	-	-	-	155,145	155,747	(603)	-	-	-	-	-	-	-	-	-	-	-	-	155,145	155,747	(603)	
Legacies	-	-	-	7,861	208,333	(200,472)	-	-	-	-	-	-	-	-	-	-	-	-	7,861	208,333	(200,472)	
Commercial rent	-	-	-	-	-	-	-	-	-	471,139	560,882	(89,743)	-	-	-	-	-	-	471,139	560,882	(89,743)	
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	162,778	157,053	5,725	1,966	-	1,966	164,745	157,053	7,692	
Wellbeing programme income	-	-	-	-	-	-	11,307	38,350	(27,044)	-	-	-	-	-	-	-	-	-	11,307	38,350	(27,044)	
Student hardship fund income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Income	-	-	-	163,006	364,081	(201,075)	11,307	38,350	(27,044)	471,139	560,882	(89,743)	162,778	157,053	5,725	1,966	-	1,966	810,195	1,120,365	(310,170)	
Expenditure																						
Welfare beneficiary spend	(1,101,678)	(887,774)	(213,904)	-	-	-	(153)	-	(153)	-	-	-	-	-	-	-	-	-	(1,101,831)	(887,774)	(214,057)	
Student hardship fund	(38,500)	-	(38,500)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38,500)	-	(38,500)	
Wellbeing programme costs	-	-	-	-	-	-	(36,959)	(61,881)	24,922	-	-	-	-	-	-	-	-	-	(36,959)	(61,881)	24,922	
Staff costs	(1,144)	(2,083)	939	(411)	-	(411)	(1,032)	-	(1,032)	-	-	-	-	-	-	(573,230)	(575,137)	1,907	(575,817)	(577,220)	1,403	
Office costs	(148)	-	(148)	(13)	-	(13)	-	-	-	(40,115)	(8,033)	(32,081)	-	-	-	(66,696)	(105,819)	39,122	(106,973)	(113,852)	6,879	
Insurance	-	-	-	-	-	-	-	-	-	(7,463)	(2,948)	(4,515)	-	-	-	(3,446)	(8,400)	4,954	(10,909)	(11,348)	439	
Commercial property costs	-	-	-	-	-	-	-	-	-	(79,578)	(69,214)	(10,364)	-	-	-	-	-	-	(79,578)	(69,214)	(10,364)	
Service charge rebate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Governance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(716)	(6,660)	5,944	(716)	(6,660)	5,944	
Marketing costs	-	-	-	(3,199)	(10,887)	7,689	-	-	-	-	-	-	-	-	-	-	(21,449)	21,449	(3,199)	(32,337)	29,138	
Event costs	-	-	-	(9,230)	(1,458)	(7,772)	-	-	-	-	-	-	-	-	-	-	-	-	(9,230)	(1,458)	(7,772)	
IT costs	(5,633)	-	(5,633)	(6,656)	(3,281)	(3,375)	-	-	-	-	-	-	-	-	-	(34,409)	(46,365)	11,956	(46,698)	(49,646)	2,948	
Professional fees	(604)	-	(604)	(377)	(3,840)	3,463	-	-	-	-	(1,667)	1,667	-	-	-	(53,218)	(38,924)	(14,294)	(54,199)	(44,431)	(9,768)	
Investment management fees	-	-	-	-	-	-	-	-	-	-	-	-	(47,879)	(52,627)	4,748	-	-	-	(47,879)	(52,627)	4,748	
Loan interest & Bank charges	-	-	-	(1,464)	-	(1,464)	(49)	-	(49)	-	-	-	-	-	-	(300)	(300)	-	(1,812)	(300)	(1,512)	
Property Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total expenditure	(1,147,707)	(889,857)	(257,849)	(21,350)	(19,467)	(1,883)	(38,193)	(61,881)	23,688	(127,155)	(81,861)	(45,294)	(47,879)	(52,627)	4,748	(732,015)	(803,054)	71,038	(2,114,299)	(1,908,747)	(205,552)	
Net profit / (loss) before investment gains / (losses)	(1,147,707)	(889,857)	(257,849)	141,656	344,614	(202,958)	(26,886)	(23,531)	(3,355)	343,983	479,021	(135,037)	114,899	104,426	10,473	(730,049)	(803,054)	73,005	(1,304,104)	(788,382)	(515,722)	
Realised loss on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrealised gain on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net profit / (loss) after investment gains / (losses)	(1,147,707)	(889,857)	(257,849)	141,656	344,614	(202,958)	(26,886)	(23,531)	(3,355)	343,983	479,021	(135,037)	114,899	104,426	10,473	(730,049)	(803,054)	73,005	(1,304,104)	(788,382)	(515,722)	

check

Assumptions

Income:

Investments					
Per Investment Manager (Investec) assumptions (for reasonable but prudent forecasts):					
	Income	Capital	Total	Fees	Risk
Total portfolio £9m	2.80%	3.50%	6.30%	0.60%	Medium Risk
Total portfolio £15/20m	2.40%	4.40%	6.80%	0.40%	Medium/High Risk

Commercial Property	
Weymouth Mews	Lease renewed for one more year at £181k p.a.
Portland Place:	
Garden - One Fifty	Break clause (Feb 2025) not exercised - full year's rent
Ground - Poppins	Break clause (Aug 2025) not exercised - full year's rent
1st - Together We Are Powerful	Full year's rent (break clause Sept 2026)
2nd - Broadcast Revolution	Assume lease is renewed from end Jan at £120k p.a. (currently £110,500 p.a.) and 4 mths rent free
3rd - TBC	Assume occupied from 01 Jul 24 £97k p.a., 6 mths rent free period (to be recalculated per new lease when agreed)
4th - ABS	

Expenditure:

Welfare	Per Welfare papers
Wellbeing	Wellbeing Programme Lead role redundant from end Oct 24
Staff Costs	Per structure document with 5% increase on existing staff member salaries
	Two temp roles (Executive Assistant and Welfare Assistant) costs not included. If included, additional staff costs (including on-costs) of £45k to be added, but professional fees would reduce by £13k as temporary roles are included in professional fees until the end of November 2024. Net difference would be an additional £32k bottom line.
Office Costs	Assumes £30k costs for office move and dilapidations
Commercial Property Costs	Only include costs that cannot be recovered via service charges.
	No cost for lift works included - awaiting decision on works to be carried out.
vents Costs	Events costs have previously been included in the Marketing Costs budget line.

ABS Budget 2024-25

Draft V1

Comparison to budget for 24/25 originally agreed by trustees 2023

INCOME & EXPENDITURE	24/25 Budget	Budget			Cost	Comment
	Agreed 2023	24-25	Variance	% Variance	Less Extraordinary	
Income						
Fundraising	228,760	237,300	8,540	4	237,300	Similar assumptions
Legacies	250,000	30,000	(220,000)	(88)	30,000	Reduced to prudent forecast rather than ten year average
Commercial rent	738,440	735,435	(3,005)	(0)	735,435	Similar assumptions
Investment income	133,282	316,864	183,582	138	316,864	New assumption based on advice from investment manager*
Gain on Investments	-	308,324	308,324	100	308,324	New assumption based on advice from investment manager*
Wellbeing programme income	71,110	-	(71,110)	(100)	-	Review of Wellbeing Programme
Student hardship fund income	-	-	-	-	-	
Total Income	1,421,592	1,627,924	206,332	53	1,627,924	-
Expenditure						
Welfare beneficiary spend	1,018,295	1,198,116	(179,821)	(18)	1,198,116	
Student hardship fund	-	32,500	(32,500)	(100)	-	Student hardship income and expenditure were not included in version produced 2023
Wellbeing programme costs	78,400	12,000	66,400	85	12,000	Review of Wellbeing Programme
Staff costs	718,646	648,713	69,933	10	648,713	Similar level of spend in both versions
Office costs	72,693	79,200	(6,507)	(9)	49,200	Excluding office move costs, move to Portland Place reduces office costs
Insurance	11,915	14,380	(2,465)	(21)	14,380	New assumption based on current year spend
Commercial property costs	81,689	60,700	20,989	26	60,700	New version based on up-to-date knowledge and forecast
Governance costs	7,350	13,100	(5,750)	(78)	13,100	Some governance costs included in professional fees in original version
Marketing costs	40,464	8,275	32,189	80	8,275	Some costs allocated elsewhere (office costs), some not included in new version including advertising, videos, photography and annual report
Event costs	1,838	10,395	(8,557)	(466)	10,395	Due to expansion of events programme
IT costs	56,498	73,172	(16,674)	(30)	73,172	Based on up-to-date knowledge and forecast
Professional fees	45,090	59,500	(14,410)	(32)	59,500	Similar level of spend in both versions
Investment management fees	52,738	64,000	(11,262)	(21)	64,000	Based on advice from investment manager in new version
Loan interest & Bank charges	360	2,400	(2,040)	(567)	2,400	Based on this year's costs in new version
Depreciation	-	5,000	(5,000)	(100)	5,000	Not included in previous version
Total expenditure	2,185,976	2,281,451	(95,475)	(1,241)	2,218,951	-
Net Surplus/(Deficit)	(764,384)	(653,527)	110,857	(1,188)	(591,027)	-

Investment Return and Fees Assumptions: Income 2.8%; Capital Growth 3.5%; Fees 0.6%

INCOME & EXPENDITURE	Budget	Forecast	Budget	Variance	% Variance	Cost Less Extraordinary	Comment
	YE 2024	YE 2024	24-25	YE 2024 act v YE 2025 budget			
Income							
Fundraising	196,600	196,600	237,300	40,700	21	237,300	24/25 v prior year budget: Corporates up £24k; Events up £30k; Ind giving down £18k
Legacies	250,000	30,000	30,000	-	-	30,000	To provide prudent forecast
Commercial rent	684,475	549,645	735,435	185,790	34	735,435	YE24 includes void units plus a negative adjustment to income to amend FY 22 error
Investment income	188,463	188,463	316,864	128,401	68	316,864	Very prudent budget for 24/25 compared to current performance
Gain on Investments	-	1,000,000	308,324	(691,676)	(69)	308,324	Very prudent budget for 24/25 compared to current performance
Wellbeing programme income	42,820	25,000	-	(25,000)	(100)	-	Review of Wellbeing Programme
Student hardship fund income	-	-	-	-	-	-	Restricted fund, no further income expected
Total Income	1,362,358	1,989,708	1,627,924	(361,784)	(47)	1,627,924	-
Expenditure							
Welfare beneficiary spend	1,027,282	1,317,000	1,198,116	118,884	9	1,198,116	Based on calculation of long-term grantees and estimate of future need. GGP changes: reduced maximum grant terms and reduced MIS levels.
Student hardship fund	-	40,000	32,500	7,500	19	-	Assume balance of restricted fund will be spent FY 25
Wellbeing programme costs	73,074	42,000	12,000	30,000	71	12,000	Review of Wellbeing Programme
Staff costs	690,590	690,590	648,713	41,877	6	648,713	Assumes 5% cost of living increase Oct 24; new CEO in place Jan 25; F/R vacant post refilled Jan 25; Wellbeing post redundant from end Oct 24
Office costs	119,828	119,828	79,200	40,628	34	49,200	Rent costs reduced due to moving back to Portland Place Dec 24; office relocation costs extraordinary
Insurance	11,348	11,348	14,380	(3,032)	(27)	14,380	
Commercial property costs	70,880	90,000	60,700	29,300	33	60,700	Lift refurbishment costs not yet included, awaiting quote
Governance costs	7,000	2,000	13,100	(11,100)	(555)	13,100	Committee costs not incurred this year, forecast to include dinners, overnight stays and travel
Marketing costs	38,804	7,000	8,275	(1,275)	(18)	8,275	Marketing budget underspent current year due to resources
Event costs	1,750	16,000	10,395	5,605	35	10,395	New structure to events programme means less costs incurred
IT costs	57,804	57,804	73,172	(15,368)	(27)	73,172	Website development costs mainly unspent 23/24
Professional fees	46,664	70,000	59,500	10,500	15	59,500	Temp staff only included for two months
Investment management fees	63,151	63,151	64,000	(849)	(1)	64,000	Based on similar portfolio
Loan interest & Bank charges	360	2,200	2,400	(200)	(9)	2,400	
Depreciation	-	5,000	5,000	-	-	5,000	
Total expenditure	2,208,535	2,533,921	2,281,451	252,470	(415)	2,218,951	-
Net Surplus/(Deficit)	(846,177)	(544,213)	(653,527)	(109,314)	(462)	(591,027)	-

ABS Budget 2024-25
Draft V1
Departmental Summary

INCOME & EXPENDITURE	WELFARE			WELLBEING			DEVELOPMENT			INVESTMENT PROPERTY			INVESTMENTS			SUPPORT COSTS		
	Forecast	Budget		Forecast	Budget		Forecast	Budget		Forecast	Budget		Forecast	Budget		Forecast	Budget	
	YE 2024	24-25	Variance	YE 2024	24-25	Variance	YE 2024	24-25	Variance	YE 2024	24-25	Variance	YE 2024	24-25	Variance	YE 2024	24-25	Variance
Income																		
Fundraising	-	-	-	-	-	-	196,000	237,300	41,300	-	-	-	-	-	-	-	-	-
Legacies	-	-	-	-	-	-	30,000	30,000	-	-	-	-	-	-	-	-	-	-
Commercial rent	-	-	-	-	-	-	-	-	-	549,645	735,435	185,790	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	164,675	316,864	(152,189)	-	-	-
Gain on Investments	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	308,324	691,676	-	-	-
Wellbeing programme income	-	-	-	11,400	-	(11,400)	-	-	-	-	-	-	-	-	-	-	-	-
Student hardship fund income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	-	-	-	11,400	-	(11,400)	226,000	267,300	41,300	549,645	735,435	185,790	1,164,675	625,189	539,486	-	-	-
Expenditure																		
Welfare beneficiary spend	1,317,000	1,198,116	118,884	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Student hardship fund	40,000	32,500	7,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wellbeing programme costs	-	-	-	42,000	12,000	30,000	-	-	-	-	-	-	-	-	-	-	-	-
Staff costs*	-	269,558	(269,558)	-	11,046	(11,046)	-	246,894	(246,894)	-	59,547	(59,547)	-	11,267	(11,267)	690,590	50,400	640,190
Office costs	-	-	-	-	-	-	-	-	-	-	2,500	(2,500)	-	-	-	119,828	76,700	43,128
Insurance	-	-	-	-	-	-	-	600	(600)	3,500	3,780	(280)	-	-	-	7,848	10,000	(2,152)
Commercial property costs	-	-	-	-	-	-	-	-	-	90,000	60,700	29,300	-	-	-	-	-	-
Governance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	13,100	(11,100)
Marketing costs	-	-	-	-	-	-	7,000	6,075	925	-	-	-	-	-	-	-	2,200	(2,200)
Event costs	-	-	-	-	-	-	12,000	10,395	1,605	-	-	-	-	-	-	-	-	-
IT costs	-	5,872	(5,872)	-	-	-	-	5,500	(5,500)	-	-	-	-	-	-	57,804	61,800	(3,996)
Professional fees	-	-	-	-	-	-	-	500	(500)	-	-	-	-	-	-	70,000	59,000	11,000
Investment management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	64,000	(64,000)	63,151	-	63,151
Loan interest & Bank charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	2,400	(2,200)
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000	-
Total expenditure	1,357,000	1,506,046	(149,046)	23,046	18,954	19,000	269,964	(250,964)	-	126,527	(33,027)	19,000	75,267	(75,267)	-	280,600	735,821	
Net Surplus/(Deficit)	(1,357,000)	(1,506,046)	(149,046)	11,400	(23,046)	7,554	207,000	(2,664)	(209,664)	549,645	608,908	152,763	1,145,675	549,921	464,219	-	(280,600)	735,821

*Staff Costs: Until current budget, all staff cost were included in Support Costs in the budget and allocated out in the statutory accounts. In this budget, staff cost (Salary, N.I & Pension) are charged to the relevant dept. for direct costs. Support staff salary, N.I & Pension are allocated across the activity department based on the ratio of total direct staff costs as a percentage of the total for each dept. The costs remaining in Support Costs are the other staff costs - Group Life & Income Protection; Medical Insurance; Travel; Training.

Budget 2024-25

Draft V1

Scenario - Investment Properties are both sold for their holding value and funds invested in managed funds.

INCOME & EXPENDITURE	Forecast	Budget	Variance	% Variance	Cost	
	YE 2024	24-25			Less Extraordinary	
Income						
Fundraising	196,600	237,300	40,700	21	237,300	24/25 v prior year budget: Corporates up £24k; Events up £30k; Ind giving down £18k
Legacies	30,000	30,000	-	-	30,000	To provide prudent forecast
Commercial rent	549,645	-	(549,645)	(100)	-	Remove rental income
Investment income	188,463	875,992	687,529	365	875,992	Based on assumptions provided by investment manager
Gain on Investments	1,000,000	1,223,608	223,608	22	1,223,608	Based on assumptions provided by investment manager
Wellbeing programme income	25,000	-	(25,000)	(100)	-	Review of Wellbeing Programme
Student hardship fund income	-	-	-	-	-	Restricted fund, no further income expected
Total Income	1,989,708	2,366,900	377,192	208	2,366,900	
Expenditure						
Welfare beneficiary spend	1,317,000	1,198,116	118,884	9	1,198,116	Based on calculation of long-term grantees and estimate of future need. GGP changes: reduced maximum grant terms and reduced MIS levels.
Student hardship fund	40,000	32,500	7,500	19	-	Assume balance of restricted fund will be spent FY 25
Wellbeing programme costs	42,000	12,000	30,000	71	12,000	Review of Wellbeing Programme
Staff costs	690,590	662,792	27,798	4	662,792	Assumes 5% cost of living increase Oct 24; new CEO in place Jan 25; F/R vacant post refilled Jan 25; removes property admin post
Office costs	119,828	82,700	37,128	31	49,200	Assumes paying rent for 4th Floor at previously marketed rate
Insurance	11,348	10,600	748	7	10,600	Remove insurance for Weymouth Mews
Commercial property costs	90,000	-	90,000	100	-	Lift refurbishment costs not yet included
Governance costs	2,000	13,100	(11,100)	(555)	13,100	Committee costs not incurred this year, forecast to include dinners, overnight stays and travel
Marketing costs	7,000	8,275	(1,275)	(18)	8,275	Marketing budget underspent current year due to resources
Event costs	12,000	10,395	1,605	13	10,395	Expansion of events programme 24/25
IT costs	57,804	73,172	(15,368)	(27)	73,172	Website development costs mainly unspent 23/24
Professional fees	70,000	59,500	10,500	15	59,500	Temp staff only included for Oct & Nov 24
Investment management fees	63,151	111,237	(48,086)	(76)	111,237	Based on assumptions as advised by investment manager
Loan interest & Bank charges	2,200	2,400	(200)	(9)	2,400	
Depreciation	5,000	5,000	-	-	5,000	
Total expenditure	2,529,921	2,281,787	248,134	(416)	2,215,787	
Net Surplus/(Deficit)	(540,213)	85,113	625,326	(208)	151,113	

Investment Assumption: Properties sold at holding value of £19.5m less £0.5m costs. Increased portfolio brings Income 2.4%; Capital Growth 4.4%; Fees 0.4%

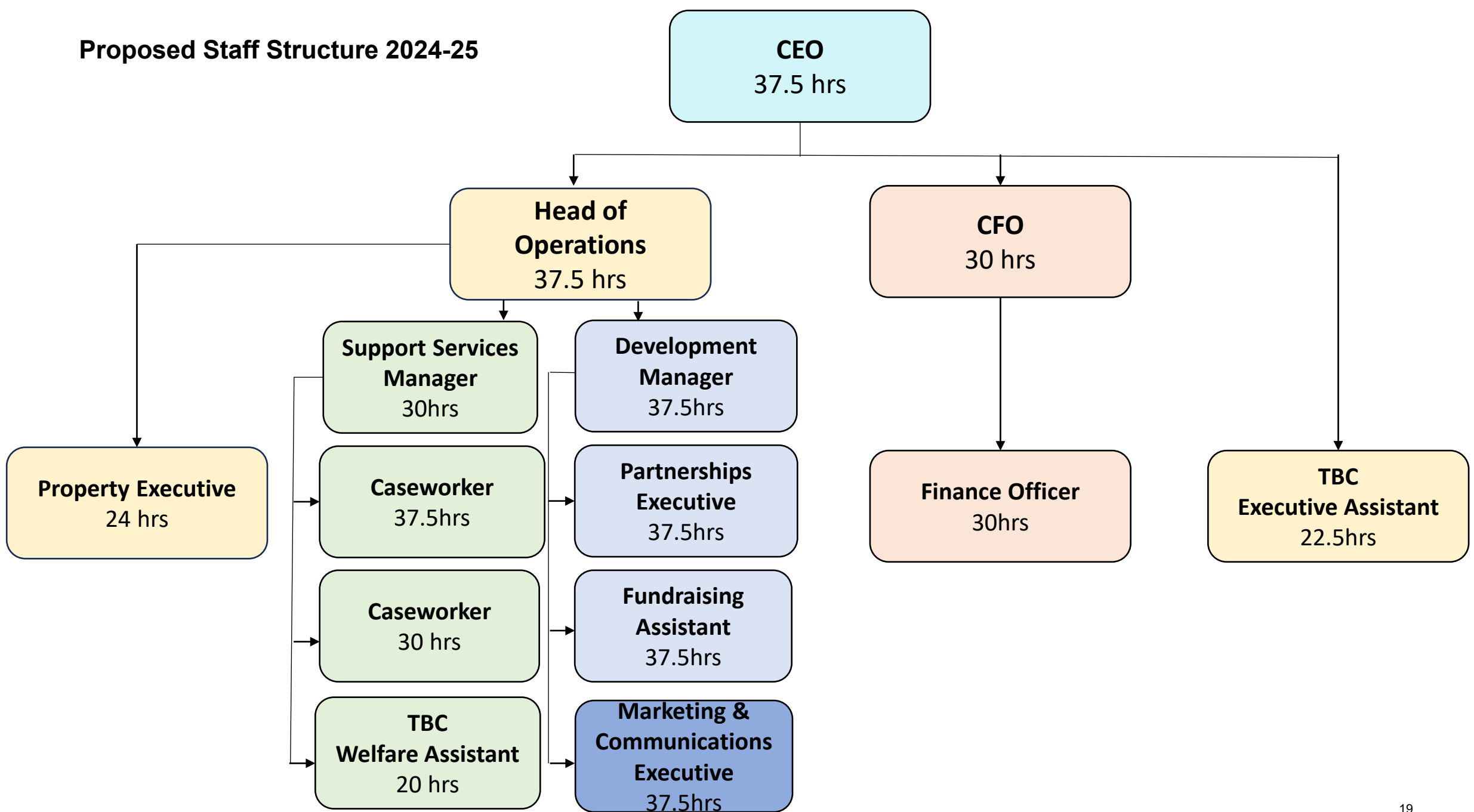
Budget 2024-25

Draft V1

Scenario - Investment Properties are both sold for their holding value and funds invested in managed funds.

INCOME & EXPENDITURE	WELFARE			WELLBEING			DEVELOPMENT			INVESTMENT PROPERTY			INVESTMENTS			OVERHEADS		
	Forecast	Budget	Variance	Forecast	Budget	Variance	Forecast	Budget	Variance	Forecast	Budget	Variance	Forecast	Budget	Variance	Forecast	Budget	Variance
	YE 2024	24-25		YE 2024	24-25		YE 2024	24-25		YE 2024	24-25		YE 2024	24-25		YE 2024	24-25	
Income																		
Fundraising	-	-	-	-	-	-		237,300	-		-	-		-	-		-	-
Legacies	-	-	-	-	-	-		30,000	-		-	-		-	-		-	-
Commercial rent	-	-	-	-	-	-		-	-		-	-		-	-		-	-
Investment income	-	-	-	-	-	-		-	-			875,992	(875,992)		-	-		-
Gain on Investments	-	-	-	-	-	-		-	-			1,223,608	(1,223,608)		-	-		-
Wellbeing programme income	-	-	-	-	-	-		-	-			-	-		-	-		-
Student hardship fund income	-	-	-	-	-	-		-	-			-	-		-	-		-
Total Income	-	-	-	-	-	-	-	267,300	-	-	-	-	2,099,600	(2,099,600)	-	-	-	-
Expenditure																		
Welfare beneficiary spend		1,198,116	-		-	-		-	-			-	-		-	-		-
Student hardship fund		32,500	-		-	-		-	-			-	-		-	-		-
Wellbeing programme costs		-	-		12,000	-		-	-			-	-		-	-		-
Staff costs		320,427	-		11,984	-		267,762	-			12,219	(12,219)				50,400	
Office costs		-	-		-	-		-	-			-	-				82,700	
Insurance		-	-		-	-		600	-			-	-				10,000	
Commercial property costs		-	-		-	-		-	-			-	-				-	
Governance costs		-	-		-	-		-	-			-	-				13,100	
Marketing costs		-	-		-	-		6,075	-			-	-				2,200	
Event costs		-	-		-	-		10,395	-			-	-				-	
IT costs		5,872	-		-	-		5,500	-			-	-				61,800	
Professional fees		-	-		-	-		500	-			-	-				59,000	
Investment management fees		-	-		-	-		-	-			111,237	(111,237)				-	
Loan interest & Bank charges		-	-		-	-		-	-			-	-				2,400	
Depreciation		-	-		-	-		-	-			-	-				5,000	
Total expenditure	-	1,556,915	-		23,984	-	-	290,832	-	-	-	-	123,456	(123,456)	-	-	286,600	-
Net Surplus/(Deficit)	-	(1,556,915)	-	-	(23,984)	-	-	(23,532)	-	-	-	-	1,976,144	(2,223,056)	-	-	(286,600)	-

Proposed Staff Structure 2024-25



Draft Welfare Budget 2024-25

While a new model of welfare support is being developed, it is proposed that the following changes are made from October 2024 to make savings within the next financial year.

1. Maintain 2023 MIS budgets rather than using 2024 budgets, which are likely to be higher.
2. Reduce MIS levels from 80% to 75% for short term support, and from 90% to 85% for long term support.
3. Reduce maximum grant term for short term support from 6 months to 3 months.
4. Maximum grant term for long term support limited to 2 years.

2024-25 Budget		Notes
Monthly grants	£1,026,116	Includes £455,876 committed spend for long term and short term beneficiaries. £506,880 (60 new beneficiaries requiring long term support for 12 months) £63,360 (30 new beneficiaries receiving short term support) Based on average grant per person £704
One-off grants	£156,000	Based on £13,000 per month. Includes one-off grants for mental health support, physical health costs, employment support, professional membership fees, welfare benefits support.
Welfare services	£16,000	Includes AUK management fees, Law Express, Shelter contract.
Total	£1,198,116	

Budget tools – urgent spending brake options or ‘levers’

In the context of the current high level of ABS welfare provision, and its implications for the 2023/2024 budget ie, spending well in excess of the agreed budget, the Board have suggested that budgetary ‘levers’ might be used to manage spending in the next financial year, where there is a significant variance between the budget and expenditure.

Regarding these ‘levers’ or ‘brakes’, a good understanding of how grant-giving is operationalised at ABS is essential for informed decision-making and the following are relevant considerations:

- understanding the practicable options available
- the speed at which any options could be introduced
- the speed at which any changes might be reflected in the grant-giving
- extraneous factors (demand)

In addition to the above considerations, the Board is required to consider the following when spending a charity’s funds:

Charitable purposes

Equality Act

Reputation of the charity

Longer term and shorter-term financial management

This paper aims to increase understanding of the current situation and present options that the Board *could* consider in order to reduce spend at speed. Each option is explored in terms of risks and benefits, as well as the speed with which they can be reasonably be implemented.

Current situation

Committed spend of c. £450,000. This is based on beneficiaries having been informed that they will receive monthly grants (both living and housing costs in some circumstances) for a specific period of time.

Future Charitable Spend

In terms of future charitable spend the following are relevant factors:

1. Beneficiary numbers

There are no means of predicting the number of architectural professionals who will contact ABS in the future. We do not have a cap on number of beneficiaries receiving grants in any given month or year.

2. Grant levels i.e. spend per household

Given the current GrantGiving Policy (GGP) which uses Minimum Income Standards (MIS), there are no means of predicting with accuracy, the level of grants to be awarded i.e. the amount of money to be spent per individual. Levels of grants are determined by the difference between Minimum Income Standards (MIS, Joseph Rowntree Foundation) for living expenses grants and actual rent/mortgage costs or MIS for housing costs. Grant levels and timescales are communicated to beneficiaries, so that they understand that the determination of their grant (or determination of ineligibility) is equitable, consistent and transparent.

ABS currently uses figures of 80% of MIS and 90% for determining living expenses grants that are consistent the Joseph Rowntree Foundation's figures for a "reasonable acceptable standard of living". This means that currently, the level of grants provided by ABS is already below this threshold.

The assessment of financial need by the Welfare Team involves reviewing the full financial details of beneficiaries. A calculation is then made of eligible grants, with reference to the GGP and grants are awarded accordingly. Grants are agreed for a period consistent with the GGP, which can currently be for a period of up to 12 months. Further support is provided on an ad hoc basis to eligible beneficiaries in the form of one-off grants, e.g. specialist occupational therapy services, professional retention fees, and disability equipment.

In addition to the direct financial support provided, there are additional services provided by ABS which have a cost to the charity but which meet broader needs based on a holistic assessment. These include: access to therapy with a registered professional (mental health), specialist welfare benefits advice (income maximisation), housing advice (homelessness and prevention of) and access to telephone legal advice (employment law, contract law etc). These services are provided through our partners (AnxietyUK, Shelter, Law Express and welfare benefits advisors).

Welfare expenditure, in terms of grant giving, both direct and indirect is unpredictable due to demand and level of need. The significant factors are numbers of beneficiaries and in terms of monthly grants, the differential between the MIS figures as used in our GGP, and actual income and housing costs.

Changes to the Grant-giving Policy

Any attempt at reducing welfare spending at speed will need to involve changes to the Grant Giving Policy and any such changes will need to be communicated and justified (not just to existing and future beneficiaries) to all stakeholders. The reasons for this are as follows:

- existing beneficiaries have a good understanding of the criteria used for support
- our existing partnership arrangements may need to be reviewed
- principles and social outcomes articulated in our GGP are consistent with the charity's Vision, Mission, Objects and Values (ABS [Trustees Annual Report, 2023](#))
- any member of the public including beneficiaries and potential donors, as well as the architectural press and the Charity Commission has access to detailed information regarding the charity's asset base and charitable expenditure (Trustees Annual Report, 2023)

Options for reducing welfare expenditure (spending brakes).

The following are possible options which have the aim of a reduction in welfare expenditure at speed. Each option is explained in brief, timescales for implementation and potential reductions are detailed, then impact is detailed, defined as financial impact and risks. . Impact and risks are articulated in terms of financial, human, reputational and governance. The Board might consider using individual options or a combination of them.

The mechanisms that might be considered fall into two main categories:

1. Restricting beneficiary numbers
2. Restricting grant giving

Actions	Timescales for Implementation and Effect	Variables (Unknowns)	Potential financial impact	Risks
<p>Cease all direct grant-giving.</p> <p>AND</p> <p>Continue with welfare team support, signposting and referral to partners.</p>	<p>Immediate impact on grant spend.</p> <p>For existing beneficiaries, communication of changes would take at least 10 working days.</p> <p>Costs of partnership referrals will continue.</p>	<p>Spend fixed at £0 for direct grant-giving</p> <p>Demand for referrals to partners in absence of financial assistance, with accompanying spending increase</p>	<p>Significant reduction in welfare spend</p> <p>Potential increase in spend on partnership referrals</p>	<ul style="list-style-type: none"> - immediate, significant and substantial financial hardship for existing and prospective beneficiaries - reputational damage, especially within the professional and in relation to potential donors. - impact on welfare team dealing with distressed beneficiaries - difficulty demonstrating how ABS meets its charitable objects - requires a high level of resources to communicate this change to grant-giving (website, welfare team, ambassadors).

Actions	Timescales Implementation and Effect	Variables (Unknowns)	Potential financial impact	Risks
<p>Close fund to new beneficiaries.</p> <p>AND</p> <p>Continue with welfare team support, signposting and referral to partners.</p>	<p>Can be carried out immediately with accompanying limit on additional spending.</p> <p>Grant costs for existing beneficiaries would continue.</p> <p>Costs of partnership referrals will continue.</p>	<p>Continued variability in existing grant costs, including referrals to partners</p>	<p>Increased predictability of spending within grant range parameters (existing beneficiaries).</p> <p>Potential increased spend on partnership referrals.</p>	<ul style="list-style-type: none"> - significant and substantial hardship for those approaching the ABS for support. - inequitable support being provided by the charity - reputational damage, especially within the professional and in relation to potential donors - requires a high level of communications and welfare team resources to explain differences in current and new provision. - impact on welfare team dealing with distressed beneficiaries

Actions	Timescales Implementation and Effect	Variables (Unknowns)	Potential financial impact	Risks
<p>Fixed grants for living and housing expenses by household type (all beneficiaries).</p> <p>AND</p> <p>Continue with partnership referrals</p>	<p>Could be applied immediately for new beneficiaries.</p> <p>For existing beneficiaries, communication of changes would take at least 1 calendar month.</p>	<p>Number of new beneficiaries</p> <p>Costs of partnership referrals will remain variable</p>	<p>Increased predictability of expenditure per household</p> <p>Impact depends on numbers and level of grants</p>	<ul style="list-style-type: none"> - immediate financial hardship - existing beneficiaries would not receive their expected grants if implemented immediately. Impact on financial planning for those households. - unequal impact on households due to existing income and housing costs - reputational damage

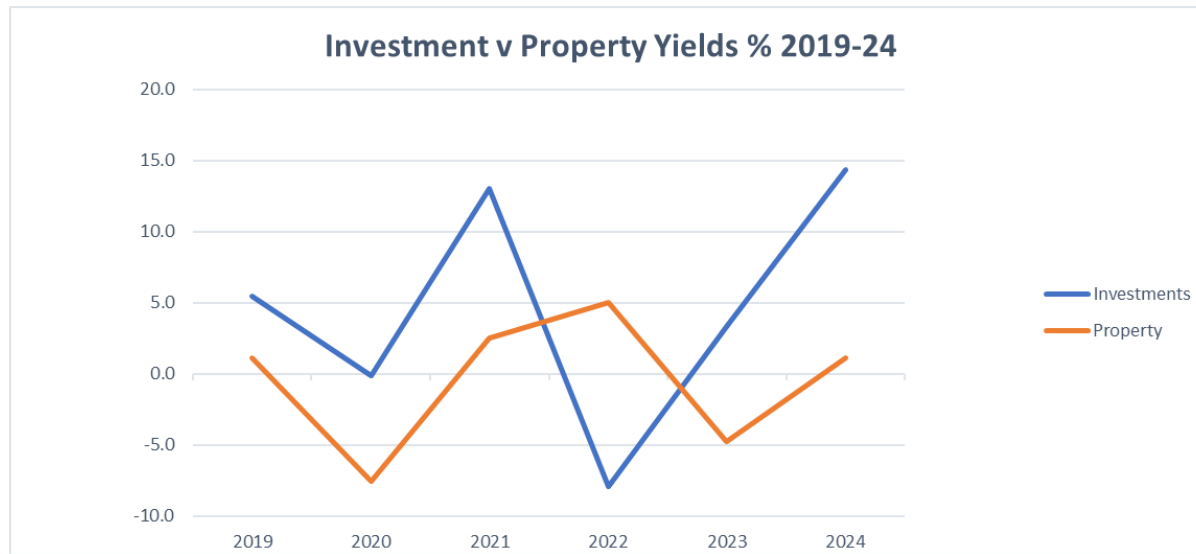
Actions	Timescales Implementation and Effect	Variables (Unknowns)	Potential financial impact	Risks
<p>MIS grant level to be significantly reduced (living and/or housing). Housing grants could be set at MIS level.</p>	<p>Requires recalculation of all grants and communication of changes. At least 1 calendar month to expedite.</p>	<p>Number of beneficiaries</p>	<p>Dependent upon MIS % used, whether housing costs are set at MIS or actual.</p> <p>Impact depends on numbers and level of grants</p>	<ul style="list-style-type: none"> - immediate financial hardship - existing beneficiaries would not receive their expected grants if implemented immediately. Impact on financial planning for those households. - unequal impact on households due to existing income and housing costs - reputational damage

Development Team 3 Year Income Forecast

Year	24/25	25/26	26/27
Individual Giving	£ 66,000	£ 79,200	£ 95,040
Corporate Giving	£ 72,000	£ 86,400	£ 103,680
Events	£ 69,300	£ 83,160	£ 99,792
Gift Aid	£ 20,000	£ 24,000	£ 28,800
Trusts	£ 10,000	£ 10,000	£ 10,000
Total income	£ 237,300	£ 282,760	£ 337,312
Growth	21%	20%	20%

Activity to grow income streams

	Previous target	Growth	Target	Detail
Individual Giving	84000	-18000	66000	
Existing income			60000	regular givers donor base
Additional income				
2 x mail appeal			4000	xmas appeal - summer appeal
Tele marketing			2000	canvas existing small donors
			6000	
Corporate Giving	48000	24000	72000	
Existing income			50000	Annual corp partnerships, regular corporate giving, membership bodies annual contributions and awards event collections
Additional income				
Upgrade 6 x existing			7000	Implement corp membership
Onboard 4 new			6000	CIAT & RIBA & GIA Appeals
Corporate apeal			5000	Topical corp drive - one off donations via membership news letters
2 x Corporate challenges			4000	Tough Mudder - Corporate relay
			22000	
Events	39600	29700	69300	
Existing income			35000	sponsorships
Additional income				
New challenge events x 8			16000	Ride London - Great north Marathon - Brighton Marathon - Edinburgh run festival - Big Half - Vitality 10k - London 2 Brighton - Hackney Half - London Landmarks
Expand Chicken Run			11000	Merchandise sales - collaboration with Foothold - Launch Birmingham - North&South park run launch
Bake the world			1300	Partner sponsor - increase in corp pledges
T2S			1000	Partner sponsor
Merchandise sponsorship			5000	Marketing opportunities
			34300	



Investments								
Year ended	NBV YE	Income	Gain/loss	Costs		Net outturn	Investments	Property
Sep-19	13,583,749	344,599	484,889	(88,025)		741,463	5.5	1.1
Sep-20	12,043,968	277,925	(175,482)	(115,930)		-13,487	-0.1	-7.6
Sep-21	12,053,651	239,095	1,448,092	(114,417)		1,572,770	13.0	2.5
Sep-22	10,379,005	203,412	(914,416)	(112,176)		-823,180	-7.9	5.0
Sep-23	9,060,165	257,256	144,275	(104,473)		297,058	3.3	-4.8
2024 forecast	9,000,000	188,465	1,000,000	100,000		1,288,465	14.3	1.1
							28.1	-2.7
Average yield							4.7	-0.4
Properties								
		Rental income	Gain/(loss) revaluation	Costs			Property	
Sep-19	18,247,305	315,075	0	(120,238)		194,837	1.1	
Sep-20	19,500,000	330,086	(1,589,789)	(214,830)		-1,474,533	-7.6	
Sep-21	20,087,483	273,258	410,639	(189,969)		493,928	2.5	
Sep-22	20,850,000	465,424	790,421	(210,940)		1,044,905	5.0	
Sep-23	19,500,000	659,184	-1,350,000	(240,147)		-930,963	-4.8	
2024 forecast	19,500,000	549,645	0	(330,000)		219,645	1.1	