

ISLE OF ANGLESEY CHARITABLE TRUST

COMMITTEE:	ISLE OF ANGLESEY CHARITABLE TRUST
DATE:	20 JANUARY 2015
TITLE OF REPORT :	PROVISIONAL OUT-TURN 2014/15 AND BUDGET 2015/16
PURPOSE OF REPORT:	OUTLINE BUDGET
REPORT BY:	INTERIM HEAD OF FUNCTION (RESOURCES) / S151 OFFICER
ACTION:	ADOPT BUDGET AND DELEGATE SUM TO BE ALLOCATED TO YEARLY GRANTS

1. Summary

- 1.1 This report is required to confirm funding allocations for 2015/16 and to delegate the funding powers for community and sporting facilities and minor grants to the General Grants Committee. The figures contained within this report are based upon projected outturn for 2014/15.
- 1.2 The projected outturn for 2014/15 means that revenue reserves at 31 March 2015 would stand at a £25k deficit. With the projected growth in investment income, and assuming a reduction in the Oriol Ynys Môn funding to £200k and a reversion to the 2013/14 (£50k) budget delegated to the General Grants Committee, revenue reserves are projected to increase to a surplus position of £7k in 2015/16.
- 1.3 The recommended grants budget for 2015/16 is:-
- Oriol Ynys Môn £200k;
 - Village Halls £80k; and
 - Community and Sporting Facilities & Minor Grants £50k (the General Grants Committee to have delegated authority to make these grant allocations).

2. Provisional Outturn

- 2.1 The provisional out-turn and revenue reserves for 2014/15 differ from the strategy and budget as follows:-
- Revenue reserves at the end of 2013/14 were £8k higher than projected at the time of the 2014/15 budget setting report; this was essentially due to consultancy fees for the administration of the Trust being £8k less than budgeted for (which will slip into future years);
 - Investment income net of minor miscellaneous expenditure was £4k higher than projected at the time of the 2014/15 budget setting report;
 - The investment management fee was £1k (2%) higher than originally budgeted;
 - Grant Expenditure was £398k (126%) higher than the forecast in June 2014 report. This was due to an increase of £54k (108%) in other grants, £15k (8%) in Oriol Ynys Môn, £14k (21%) in Village Halls. Also, there were a further four grants awarded during 2014/15. Anglesey Young Farmers and Urdd Gobaith Cymru were both awarded grants of £30k and £40k respectively, in the Isle of Anglesey Charitable Trust Committee meeting held on the 24 June 2014. Ynys Môn Island Games Association and 5 Towns CCTV Project Board were both awarded, subject to conditions, £50k and £195k respectively, in the Isle of Anglesey Charitable Trust Committee meeting held on the 11th November 2014; and

- Professional fees amounting to £3k are forecast in relation to advice on the administration of the Trust. An amount of £20k was set aside for this purpose and so it has been assumed in the projections below that the remaining £17k will be incurred in 2015/16.

2.2 The projected out-turn (which is summarised in the table below) means that revenue reserves as at 31 March 2015 will be £25k in deficit.

2.3 Grants are recognised in the revenue reserve when the commitment is made to a third party. In the case of grants which are drawn down over a period of years, these may be funded from future years' investment income. The reserves policy implied by the financial strategy implemented in 2009/10 may allow that the revenue reserve falls into deficit, provided that projections show that cash commitments can be met and revenue reserves will return to surplus over the period of the drawdown.

2.4 The forecast outturn for 2014/15 and projections for 2015/16, as reported to the Trust in June 2014, were as follows:-

	2014/15 £000	2015/16 £000
Investment Income*	514	529
Less standard investment management fee*	(43)	(45)
Available for spending	471	484
<i>* assumed to grow at 3% per annum</i>		

Spending on:-

Oriel Ynys Môn	(200)	(200)
Village Halls	(66)	(66)
Other grants	(50)	(50)
Total allocations	316	316
Professional Fees – administration of the trust	(12)	-
To/(from) reserves	143	168
Projected surplus / (deficit) at year end	353	521

2.5 The above forecast and projections can now be updated for the 2014/15, 2015/16 and 2016/17 projected out-turns. Investment income is projected forward at 3% trend growth from a higher baseline. The Oriel Ynys Môn funding was formally confirmed as a three-year agreement in December 2009 and, so, the figures up to and including 2011/12 did not change. As part of the 2012/13 budget setting the proposal for Oriel Ynys Môn was to reduce funding to £200k p.a. by 2014/15, it was decided to maintain the 2014/15 funding at £215k. This gives revised projections (ignoring possible allocations forgone) as follows:-

Investment Income	2014/15 £000	2015/16 £000	2016/17 £000
Investment Income	518	534	550
Less standard investment management fee	(44)	(45)	(46)
Available for spending	474	489	504

Grant expenditure

Oriel Ynys Môn	(215)	(200)	(200)
Village Halls	(80)	(80)	(80)
Other Grants	(104)	(50)	(50)
Anglesey Young Farmers	(30)	(30)	(30)
Urdd Gobaith Cymru	(40)	(40)	(40)
Ynys Môn Island Games Association	(50)	(40)	(40)
5 Towns CCTV Project Board	(195)	-	-
	(714)	(440)	(440)

Other expenditure

Professional fees – administration of the trust	(3)	(17)	-
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Movements in reserves

To/(From) Reserves	(243)	32	64
Projected Surplus / (Deficit) at year end	(25)	7	71

2.5.1 As can be seen, the latest projections show that investment income for 2014/15 has marginally surpassed initial projections. The projected reserves for 2015/16 are very close to break even and the Trust may wish to take this into consideration when deciding upon the appropriate budget for 2015/16.

3. The 2015/16 Funding Round

It is proposed that the advertisements for the annual grants to be awarded by the General Grants Committee are made in mid February 2015, with a deadline of mid May 2015 for applications to be submitted. See Section 4(a) for the recommended budget.

4. Recommendations

(a) To adopt a budget for 2015/16 as follows:-

Oriel Ynys Môn	£200k
Village Halls	£ 80k
Community and Sporting Facilities & Minor Grants	£ 50k

(b) To delegate to the General Grants Committee the sum of £50k to deal with applications.