

Treasurer's AGM Update (September 2022)

The Charity's core funders at HCC have been extremely supportive again this year, in helping us operate play schemes and activities, in recognition of how vital our services are for our families.

We've once again been very fortunate in having such strong support from Helen our Development Manager in securing the grants that have been received and the income received through the work of the Fundraising Committee. It's extremely rewarding to see the fruits of their efforts in action and the children and families seeing the benefit.

We would also like to express our gratitude to the CHIPS office team for their ongoing efforts in managing the day-to-day financial affairs of the Charity.

The Charity will continue to adopt a prudent approach towards its funding requirements and have again targeted to increase our level of grants from HCC for this financial year.

In addition, we are proposing to revise the reserves policy for CHIPS to retain at all times a minimum of 12 months running costs in reserves (currently 6 months), the historical average of minimum balance held is around 9 months. The reason for this change is that it should support our fundraising efforts – it shows that we are aspiring to reach a certain minimum level as opposed to carrying a significant excess. It does not change the approach to managing the financial affairs of the Charity.

We opened a new banking relationship this year with the Nationwide in order to spread the Charity's funds across more banking providers and reduce risk. The Charity will continue to review the bank relationships that it maintains to ensure that we are getting both value for money and a good service from its banking providers.

Looking forward, there are challenging economic headwinds ahead, and the expectation is that donations and fundraising in general will be impacted by the significant increase in the cost of living. There is an unfortunate (yet understandable) correlation between the amount of money that people and companies are willing to donate to charity when the cost of living is so high and this will likely become more problematic over the coming months.

There is also a reality that the cost of living will likely impact staff retention. Whilst CHIPS are within the pay range for other charities, there is inevitably more chance of people moving on due to seeking more income - which in turn places pressure on the Charity to lift wages or implement temporary measures to retain staff or attract replacement staff.

With the above in mind, the CHIPS budget for 2022/23 was set with a deliberately prudent approach expecting an increase in costs for managing schemes and a general increase across the board for staffing and office costs. This approach and the performance against the budget will be reviewed and communicated to the Trustees on a regular basis.

As a final note, managing the Treasury and banking affairs of the Charity is very much a team effort in CHIPS and I once again thank Graham, Matt and Anita for their continued support.