Trustees of South East Scotland Area Meeting

DRAFT Text for outline budget 2026-2028 – rev 4

Introduction

Trustees are presenting an outline budget for 2026-2028 to Area Meeting for approval.

Purpose

1) to agree a financial strategy for the next three years.

2) to make provision for short term projects which it would be right to fund from the recent legacy, and for which Friends are invited to submit proposals by the end of January.

3) to agree a financial framework for investment in our buildings to make them environmentally and financially sustainable over time so they cover day to day costs from income; this income includes internal transfers in recognition of Quaker use of our meeting houses and their outreach benefit.

4) to encourage Friends to consider increasing their contributions to SESAM and leaving legacies, knowing how these are likely to be used.

Columns

The left side of the sheet shows historical figures for context. The first two columns give results for 2018 and 2019 (the two years before COVID) in actual terms. The average of those two years is also shown adjusted to 2025 prices. Three columns then present actual results for 2022, 2023 and 2024. A forecast for 2025 follows, based on the year to date. The right side of the sheet is the proposed budget for 2026, 2027 and 2028, plus an expected long term balanced budget from 2029 onwards. The final three columns show the effect of 5% inflation on income and expenditure.

Blocks

The sheet is divided into three blocks, one for Edinburgh Meeting House, one for Kelso Meeting House, and one for Area Meeting (excluding buildings), with an unallocated line and then overall totals at the bottom.

Lines

The different lines show the categories of income and expenditure in a similar way to the annual accounts. Quaker use of our own buildings is shown both as income (to the two meeting houses) and expenditure (by Area Meeting). For Edinburgh the figure of £25k was calculated as part of the affordability review. Significant investment is envisaged from the recent legacy in order to increase income from lettings and decrease energy use. This is reflected in the relevant lines. Figures here should be regarded as the minimum required for the meeting houses, and assume continuing efforts to minimise costs and raise grants towards building improvements.

The third block is for activity other than meeting houses. Investment income has been based on a 3% return on reserves, so falls over the three years. One line provides for projects to be funded from the recent legacy, in addition to building work. Proposals are invited from Friends. These should state the intended benefits, project plan, how the project will be managed, and indicative costs. Employment of a part time youth worker and increased support for the Wiston weekend are given as examples. Projects must be fixed term, to suit the funding source, without creating future obligations or (as far as possible) expectations. The guidance of Area Meeting is sought on the balance between such projects and investments in sustainability of our buildings. Some money has been left unallocated and could be spent either on further enhancement of our buildings or on other projects, depending on proposals submitted.

The final lines show overall income and expenditure and the effect on reserves. Trustees advise keeping reserves sufficient to cover six months running costs and 2% of the insurance value of our buildings, i.e. a minimum of about £200k currently.

Key results by 2029

Highlighted in yellow are three key results by 2029 – Edinburgh Meeting House breaking even, Area Meeting as a whole breaking even, and reserves remaining above £200k.