

The following is an extract from the current draft of the 2024-25 Business Plan. It is a response to the projected cut to Cadw's budget and its potential impact upon Addoldai Cymru. It assesses three possible options, including a "standstill" 0% increase, a 10% cut, and a 20% cut. The conclusion is that even a 0% increase will necessitate a reduction in staff hours and a curtailment of many activities; a 10% cut will result in a severe reduction in staff hours including a probable resignation and a curtailment of most activities; and a 20% cut will mean the winding up of the Trust along with the disposal of our 11 chapels.

Revenue 2024-25

The Trust's costs are supported by a revenue grant from Cadw, which is then allocated between core running costs and building overheads. The current (2023-24) revenue grant is £77,322, which represents 88% of our income. However, due to the projected cut in its own revenue budget for 2024/25, Cadw has indicated that it is unlikely that the current (2023/24 financial year) grant of £77,322 will be maintained, and could be cut significantly.

Addoldai Cymru' financial position in 2023/24 is already fragile, and it is likely that our very limited reserves will need to be called upon to balance at this year-end. This has partly arisen because there was no increase in the grant awarded by Cadw, compared with the previous year 2022/23. This is in contrast to the 8.6% increase in Cadw's own revenue funding from Welsh Government during the same period.

Had Addoldai Cymru received 8.6%, the current year's grant would have been £6,650 higher at £83,972. Had we been able to expect a modest increase of say 5% for 2024/25, our grant might have been **£88,170**. This is a relevant "real-term" figure for comparisons with a potential grant award in 2024/25.

If our 2024/25 grant award flat-lines at **£77,322**, i.e. "0% cut", the real impact of the cut would be $£88,170 - £77,322 = 10,848 \div 88,170 \times 100 = \mathbf{12.3\% \text{ cut}}$.

If our 2024/25 grant award is cut by "10%", i.e. by £7,732 to **£69,590**, the real impact of the cut would be $£88,170 - £69,590 = 18,580 \div 88,170 \times 100 = \mathbf{21.1\% \text{ cut}}$.

If our 2024/25 grant award is cut by "20%", i.e. by £15,464 to **£61,858**, the real impact of the cut would be $£88,170 - £61,858 = 26,312 \div 88,170 \times 100 = \mathbf{29.8\% \text{ cut}}$.

This is reflected in our draft budget for 2024/25, which is largely based upon our 2023-24 budget plus an assumed 5% increase in the salary bill and a £2,000 increase in the cost of insurance, partly arising from the acquisition of three buildings since July 2023.

The predicted shortfall in the draft budget is

for a "0% cut" = £11,509

for a "10% cut" = £19,241

for a "20% cut" = £26,973

Some of this shortfall may be addressed by a determined drive to increase donations and through event sales, but this is unlikely to exceed £4,000. Addoldai Cymru is a lean organisation with no office rental costs, low admin costs, low utility bills and modest maintenance costs. The Trust has virtually no reserves that can be called upon and no

other source of core funding. Since we preserve our 11 buildings as found and unmodified and do not re-purpose them, there are only limited opportunities for raising revenue through them. There is therefore minimal scope for cost-saving other than through reducing staff hours.

To address the “0% cut” potential shortfall of £11,509, a possible reduction of a half day for each member of staff (i.e. Manager from 4 to 3½ days and Admin Officer from 3 to 2½ days) would save £7,403. This would have an adverse effect on our activities, in particular organising community events, and impose hardship on our two staff members at a time of rising prices.

To address the “10% cut” potential shortfall of £19,241, a possible reduction of a full day for each member of staff (i.e. Manager from 4 to 3 days and Admin Officer from 3 to 2 days) would save £14,808. This would almost certainly result in the resignation of the Admin Officer resulting in a recruitment hiatus and additional pressures upon the Manager at a time when activities would be severely curtailed. This and a possible reduction in the maintenance and travel budgets would impact upon the ability to supervise and maintain our 11 buildings, already constrained by their geographic spread and the resulting travel costs, which will put those buildings at increased risk.

To address the “20% cut” potential shortfall of £26,973, a possible reduction of a one and a half days for each member of staff (i.e. Manager from 4 to 2½ days and a newly appointed Admin Officer from 3 to 1½ days) would save £22,211. However, it is considered that such a deep reduction in staff hours would render the Trust unviable. There would be a loss of confidence regarding the sustainability of the Trust, resulting not only in trustee resignations but a loss of the credibility amongst the Nonconformist denominations that has taken years and much energy to build. It would be unlikely that the Trust would be offered any more buildings in the future, and it would instead be focussing on dissolution, and disposal of our current portfolio of buildings. A growing but long-term national collection of highly listed Nonconformist chapels would be under threat, and two Wales-based heritage jobs would be lost.