

Committee:	Date:
City Bridge Trust (CBT)	14 th November 2018
Subject: Financial Position of CBT in respect of Periods 1-6 (April-September 2018)	Public
Report of: Chief Grants Officer and Director of City Bridge Trust Chamberlain	For Information
Author Clare Wand, Senior Accountant Charities	

Summary

This paper sets out CBT's spend against budget for period 1 April to 30 September 2018. CBT was allocated a total budget of £23.4m in the financial year 2018/19. £21.5m of this budget was allocated to the grants programme. The actual grant spend as at the end of period 6 is £3.7m below budget, but this is partly offset by a £1m commitment agreed by the Court of Common Council, on recommendation of this Committee for the Mayor's Fund for Young Londoners and a further £550k agreed in July for the Funder Plus offer. Officers regularly review the profiling of the grants budget and are working to ensure that it will be fully committed by the end of the financial year. There is also an underspend compared to the original budget profile in two other main areas of local risk expenditure: Employee Costs, and Supplies and Services. Further details on these variances can be found in the report below. These variances are considered to be timing related (for example a delay in recruitment of new posts). Detailed forecasting has now commenced and the expected year end result shows an additional spend of £599k which is mainly due to designated funds for grant-making being utilised.

Recommendation

- a) That the report be noted.

Main Report

Table 1: CBT Budget v Actual Spend, Month Ending September 30th 2018.

	ACTUAL YTD	BUDGET YTD	VARIANCE	VARIANCE	ANNUAL BUDGET	FORECAST
	£000s	£000s	£000s	%	£000s	£000s
Local Risk						
Employees	(797)	(944)	147	16	(1,913)	(1,853)
Transport	(3)	(3)	0	0	(6)	(6)
Supplies and Services	(140)	(337)	197	58	(509)	(500)
Total Expenditure	(940)	(1,284)	344	27	(2,428)	(2,359)
Income	55	55	0	0	196	196
Total Local Risk	(885)	(1,229)	344	27	(2,232)	(2,163)
Central Risk						
Grants	(6,990)	(10,697)	3,707	34	(21,495)	(22,163)
Depreciation	-	-	-	-	(25)	(25)
Social Investment Income	90	123	(33)	(27)	400	400
Total Central Risk	(6,900)	(10,574)	3,674	35	(21,120)	(21,788)
Recharges	(1)	0	(1)	-	(106)	(106)
Total Net Expenditure	(7,786)	(11,803)	4,017	34	(23,458)	(24,057)

Further Explanation/Analysis of Table 1

Local Risk

Employee Costs

1. As a result of the implementation of Bridging Divides a new staffing structure was agreed which included some additional appointments. When the original budget was set in November 2017 we were hopeful that the new appointments would be in place from the start of the financial year 2018/19. The job evaluation process in respect of these new roles has now been completed (except for one role which is still ongoing) and recruitment has commenced with two permanent appointments being made (please see CGO

update report for further details). We are hopeful that all staff will be in post before the end of this financial year. The delay in these appointments will however result in CBT being under budget on salaries at the end of 18/19. Some of this underspend will be offset by the cost of temporary staff who are in place to fill some of the vacant posts. We will continue to monitor this budget and provide regular reforecasts.

Supplies and Services

2. At the end of period 6 supplies and services; which include consultancy, software maintenance and support, subscriptions and events and conferences, had an actual spend of £140k compared to a budget to date of £337k. Spending in areas such as staff training is less than expected due to the delayed recruitment process. Consultancy costs in the second half of the year will increase due to work being undertaken to guide CBT through the process of updating their current grants systems and supporting staff in the implementation of Bridging Divides and change management. The remaining underspend is timing related.

Income

3. The budget includes income from the Central Grants Programme and the Wembley National Stadium National Trust (WNST) contract.

Central Risk

Grants

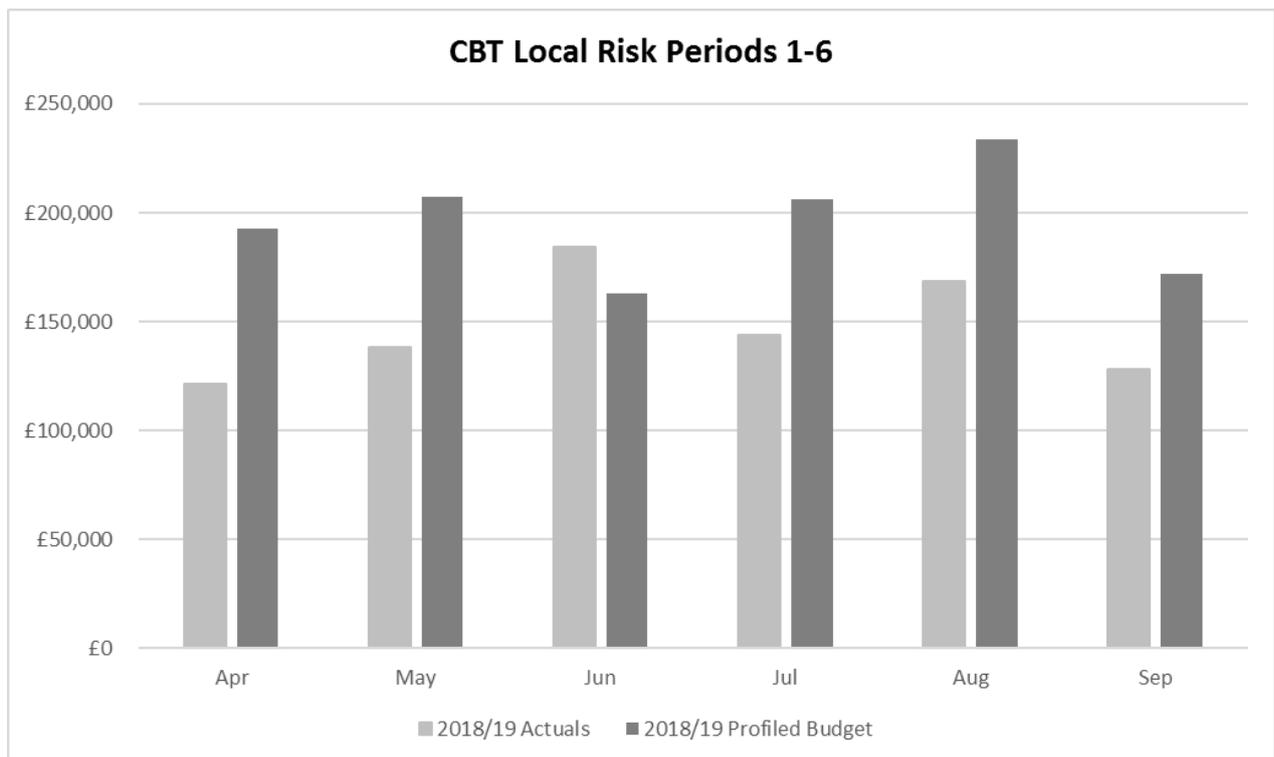
4. The actual grant commitment (which also includes directly related fees and services of £54k) as per the above table is £6.9m, resulting in a variance compared to budget of £3.7m. The 'actual' figure reported in the above table does not include the £1m for the Mayor's Fund for Young Londoners, it is envisaged that £700,000 of the £1m agreed will be committed within the next two months, with the balance retained until such time as the second round of grants are awarded by the GLA, probably late 2019. Your Committee also agreed to commit up to £500,000 of your 2018/19 grants budget, together with up to £50,000 non-grants expenditure, towards the first phase of its new Funder Plus offer, these funds are expected to be committed before the end of this financial year. This initiative will enable CBT grantees to access additional support, over and above their grant funding, to help make them stronger and more sustainable. Overall CBT expects to commit their full grants budget under the new core programme of 'Bridging Divides' as well as an element of the designated funds b/f from 2017/18.
5. A more detailed analysis of the grants budget can be found within the Grants Budget and Applications report.

Depreciation

6. The charge for depreciation will be made in period 12 and represents a general allocation of depreciation on the Guildhall facility.

Social Investment Income

7. As reported previously a change against the original budget in 18/19 sees income associated with the Social Investments Fund now being included within the CBT budget to match where the responsibility for generating this income lies. A budget of £400k has now been allocated. The variance at the end of period 6 is as a result of social investment interest receipts yet to be transferred from our external custodian account and an amount which was due to be received in period 6 actually being received in period 7.



CBT Central Risk Periods 1-6

