

Committee:	Date:
City Bridge Trust (CBT)	31 st January 2018
Subject: Financial Position of CBT in respect of Periods 1-9 (April-December 2018)	Public
Report of: Chief Grants Officer and Director of CBT The Chamberlain	For Information
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Summary

This paper sets out CBT's position against budget for period 1 April to 31 December 2018. CBT was allocated a total budget of £23.4m in the financial year 2018/19, with £21.1m of this budget allocated to the grants programme and £2.3m to operational costs (central risk plus recharges). At the end of period 9 CBT is overall underspent against budget by £3.1m on grants and £0.4m on operations. Full year forecast for grants at £23.3m is £139k higher than budget, utilising brought forward unspent funds, and for operations at £2.3m is £62k lower than budget.

Actual committed grant spend at the end of period 9 is below budget by £3.0m being £11.0m in total. January's committee will see the largest value of grants being committed during this year which will bring spend back in line with budget. For the full year net spend on grants is forecast to be £139k higher than budget due to an increase in net spend on Anniversary Programme Infrastructure grants utilising brought forward unspent funds from 2017/18.

At the end of period 9 Local Risk (operational) spend is under budget by £0.4m of which £185k relates to staff costs as new roles either haven't been filled or have been filled later than originally intended. For the full year staff costs are expected to be underspent by £77k as roles are filled on a more expensive temporary/agency basis in the final months of the year. The remaining underspend mainly relates to implementation of the new CRM system and its associated cost (£93k) commencing later than originally planned. These costs are intended to be in line with budget for the full year as procurement of the new system is in progress however this is dependent upon the successful progression of a procurement process not entirely within the control of CBT.

Recommendation

- a) That the report be noted.

Main Report

Table 1: CBT Budget v Actual Spend, Month Ending December 31st 2018.

	ACTUAL YTD	BUDGET YTD	VARIANCE	VARIANCE	ANNUAL BUDGET	FORECAST
Local Risk						
	£000s	£000s	£000s	%	£000s	£000s
Employees	(1,257)	(1,441)	184	13	(1,913)	(1,836)
Transport	(4)	(4)	-	-	(6)	(6)
Supplies and Services	(193)	(416)	223	54	(509)	(524)
Total Expenditure	(1,454)	(1,861)	407	22	(2,428)	(2,366)
Income	74	83	(9)	(11)	196	196
Total Local Risk	(1,380)	(1,778)	398	22	(2,232)	(2,170)
Central Risk						
Grants	(11,071)	(14,215)	3,144	22	(21,495)	(21,674)
Depreciation	-	-	-	-	(25)	(25)
Social Investment Income	210	254	(44)	(17)	400	400
Donation income	40	-	40	-	-	40
Total Central Risk	(10,821)	(13,961)	3,140	22	(21,120)	(21,259)
Recharges	(1)	-	(1)	-	(106)	(106)
Total Net Expenditure	(12,200)	(15,739)	3,539	22	(23,458)	(23,535)

Analysis of Table 1

Local Risk

Employee Costs

- At the end of period 9 staff costs are underspent by £185k against budget. Implementation of Bridging Divides created a new staffing structure with new roles to be recruited to. A combination of roles being recruited later than planned and some new roles being filled by existing staff members creating vacancies in their old roles has resulted in an underspend. Vacancies still to be filled on a permanent basis include Data Analyst, Volunteering Coordinator, a Funding Officer, and Communications Manager. We also now have a vacancy for a permanent Senior Accountant - Charities The forecast

full year underspend is £77k as in the short-term positions are being filled on an agency/contract basis at greater monthly cost.

Supplies and Services

2. At the end of period 9 supplies and services, which include consultancy, software maintenance and support, subscriptions, and events and conferences, is underspent by £223k. Of this underspend £93k relates to the project to implement a new grants CRM system which is behind the original schedule, and £73k is underspend on consultancy costs (excluding systems related costs).

Procurement and installation of the CRM system has been delayed due to a complex procurement process reflecting the relatively specialist nature of the system being purchased. Procurement is in progress and it is intended that the system will go live prior to the end of the year and that the costs will be incurred in line with budget. This is however dependent upon the successful progression of a procurement process not entirely within CBT's control and the timely delivery by the system supplier.

Consultancy is underspent year to date however significant spend is expected prior to the year-end relating to the Philanthropy House project where legal, finance, and architects' services have and will continue to be contracted for as the concept is assessed and the project progressed.

The remainder of the underspend is cumulative small underspends spread across various areas, where costs have yet to be incurred but are expected by the year end.

Income

3. Income relates to the Central Grants Programme and the Wembley National Stadium National Trust (WNST) contract. The variance between budget and actual at the end of period 9 relates entirely to timing of the raising of invoices over the Christmas period, income is expected to be on budget for the full year.

Central Risk

Grants

4. Grant commitments as recorded in CBT's financial records for the year to date are £11.0m (this excludes £1.0m relating to the Mayor's Fund for Young Londoners which has been approved by Committee but which won't be recorded as spend in the financial records until grant agreements have been agreed post the January committee). This is a £3.0m negative variance against budget, however this relates entirely to the timing of grant awards

across the year where the original budget had assumed the total allocation for the year is more evenly distributed between committee meetings, whereas in practice January will see a disproportionately large sum recommended for commitment. There is no reason to believe that the full allocation will not be awarded by the end of the financial year.

Total forecast net grant spend for the year is £139k higher than budget as spend on the Anniversary Programme Infrastructure Support grants will be higher by £300k as funds have been carried forward from the previous year. This is partially offset by an extra £175k donation committed to CBT by the Greater London Assembly for the Anniversary Programme, however this is not expected to be granted onwards in the current year.

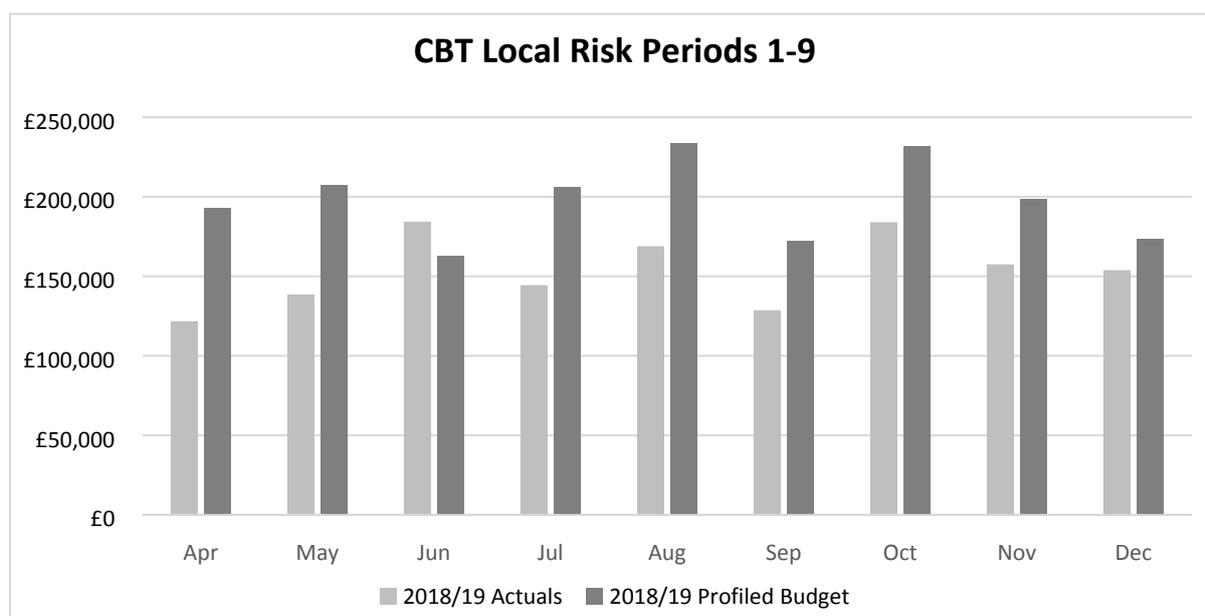
5. A more detailed analysis of the grants budget can be found within the Grants Budget and Applications report.

Depreciation

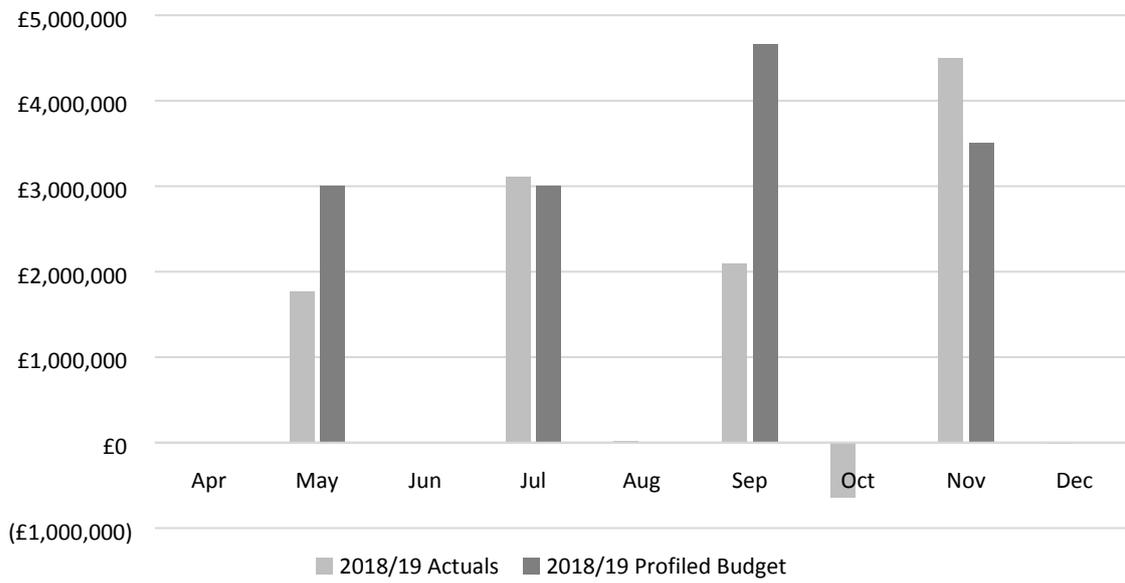
6. The charge for depreciation will be made in period 12 and represents a general allocation of depreciation on the Guildhall facility.

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 9 is as a result of social investment interest not yet received.



CBT Central Risk Periods 1-9



Net income in October relates to income within the Social Investment Fund being received out of line with budget profile.