

Committee:	Date:
City Bridge Trust (CBT)	25 th July 2019
Subject: Financial Position of CBT in respect of the quarter ended 30 th June 2019	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 financial position against budget for the quarter ended 30th June 2019. CBT was allocated an annual budget of £23.272m with £21.338m of this budget allocated to the grants programme and £1.9m (net of income) to operational costs (split across local risk, central risk and recharge budget lines). At the end of the first quarter, the net spend is under budget by £9k.

This underspend is comprised of:

- a) an underspend in Local Risk of £105k and
- b) an overspend in Central Risk of £96k

The Local Risk underspend is mainly from Supplies and Services and Employee Costs. This is timing related with costs expected during the rest of the financial year. Similarly, the overspend in Central Risks is also timing related and is explained in detail below in section 5.

Recommendation

- a) That the report be noted.

Main Report

Table 1: CBT Budget v Actual Spend, Quarter Ended 30th June 2019.

	ACTUAL YTD	BUDGET YTD	VARIANCE	VARIANCE %	ANNUAL BUDGET
	£'000	£'000	£'000	%	£'000
Local Risk					
Employees	(464)	(499)	35	7	(2,065)
Transport	(1)	(2)	1	65	(9)
Supplies and Services	(100)	(169)	69	41	(450)
Total Expenditure	(565)	(670)	105	16	(2,524)
Income	28	28	-	-	198
Total Local Risk	(537)	(642)	105	16	(2,326)
Central Risk					
Grants	(3,439)	(3,357)	(82)	(2)	(21,338)
Depreciation	(8)	(8)	-	-	(31)
Social Investment Income	112	126	(14)	11	530
Total Central Risk	(3,335)	(3,239)	(96)	(3)	(20,839)
Recharges	(27)	(27)	-	-	(107)
Total Net Expenditure	(3,899)	(3,908)	9	-	(23,272)

Analysis of Table 1

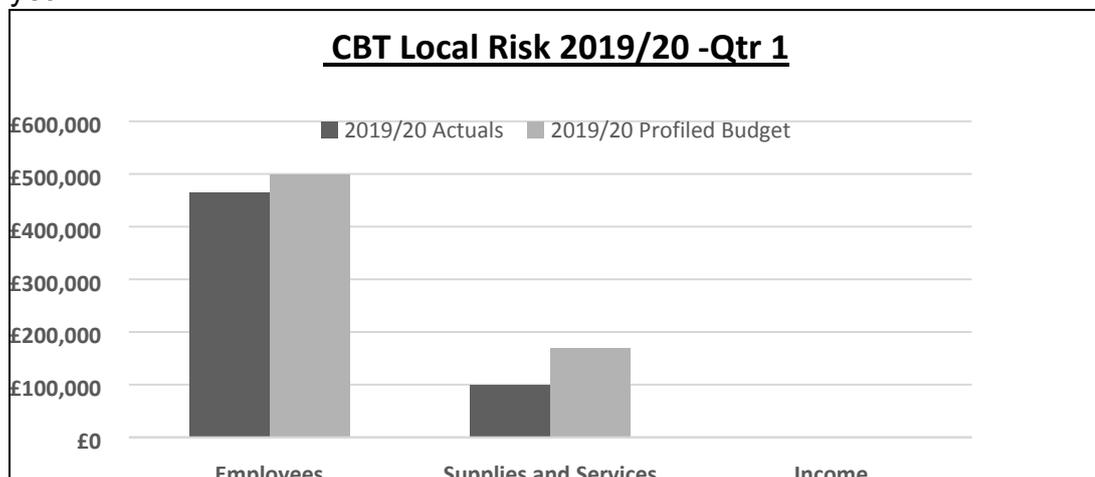
Local Risk

Employee Costs

1. At the end of the first quarter, staff costs were underspent by £35k against budget. Full time equivalent (FTE) headcount was 27.9 compared to a budgeted FTE headcount of 29.8 Some vacancies, notably the Data Analyst and Funding Officer are yet to be recruited, with the Senior Accountant Charities role currently covered by an interim.

Supplies and Services

2. Supplies and Services, which include consultancy, software maintenance and support, subscriptions, and events and conferences, were underspent by £69k. Of this underspend £55k relates to fees and services to the Philanthropy House (PH) project. The delay in this expenditure is due to the need to generate a detailed comparative assessment of the relative merits of different properties prior to taking final recommendations to the relevant committee to approve. The breadth of committee oversight required for this project has also constrained progress. It is expected that spend in relation to the PH project will be incurred across the last two quarters of the financial year 2019/20.
3. Some of the underspend also relates to the delay in the procurement and installation of the new CRM database. This was due to a more detailed and complex procurement exercise than originally anticipated with budget now confirmed as carry forward from 2018/19. The expectation is that the new system will be in place in September 2019 with costs to be incurred in the second quarter of the financial year.
4. The graph 'CBT Local Risk 2019/20 – Qtr 1' shown below, provides a snapshot of the £105k underspend on the budget for the first quarter of the year.



Backlog of applications

5. Following a detailed review of the current Local Risk staffing budget £60k was identified to cover the cost of employing a 12-month fixed term Funding Manager. However, an additional £41k will be needed to fund the engagement of freelance grant assessors. A detailed report and recommendation for an uplift in Local Risk budget can be found elsewhere in your papers.

Income

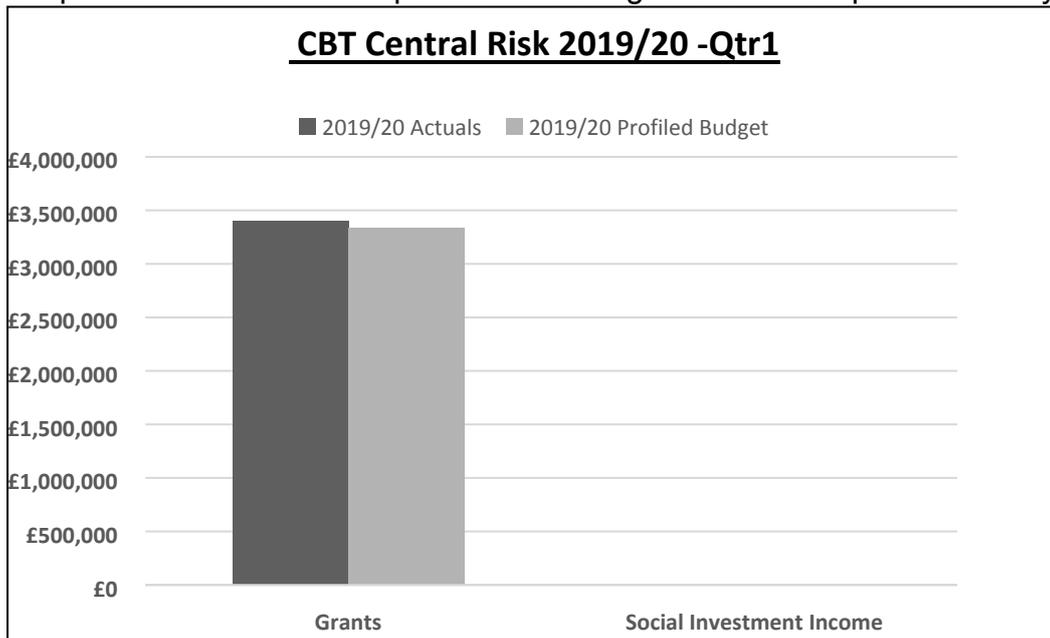
6. Income of £28k is on target to budget and relates to the Wembley National Stadium Trust contract for the first quarter.

Central Risk

Grants

7. Grant expenditure as recorded in CBT's financial records for the quarter ended June 2019 was £3.4m against a budget of £3.3m, being grants approved from the first committee of the year. There was an underspend on the core grants programme of £376k with an overspend on Anniversary Programme Infrastructure Support grant expenditure of £442k. Both variances arise from the timing of the grant commitments. The core grants programme is budgeted to be spent in six equal instalments over the year to reflect the CBT Committee meetings cycle. Anniversary Programmes Infrastructure Support grant commitment was originally budgeted to be spent towards the end of the year. However, applicants were able to submit Stage 2 applications earlier than originally anticipated
8. Anniversary Programmes Infrastructure Support of £1.8m and Employability Programme of £0.8m were carried forward from 2018/19 into 2019/20 within the grant-making designated fund. These represent funds already agreed by Committee for specific purposes
9. A more detailed analysis of the grants budget can be found within the Grants Budget and Applications report.

10. The graph 'CBT Central Risk 2019/20 – Qtr 1' shown below provides a snapshot of the £96k overspend on the budget for the first quarter of the year.



Depreciation

11. The charge for depreciation represents a general allocation of depreciation on the Guildhall facility.

Social Investment Fund

12. Income on Social Investments for the quarter ended 30th June 2019 was £112k against a budget of £126k. The returns on some of the investments were less than budgeted due to market conditions. Further investments are due to be deployed later in the financial year.

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