

<b>Committee:</b>	<b>Date:</b>
City Bridge Trust (CBT)	28 <sup>th</sup> November 2019
<b>Subject:</b> Financial Position of CBT in respect of the period ended 30 <sup>th</sup> September 2019	Public
<b>Report of:</b> Chief Grants Officer and Director of CBT The Chamberlain	For Information
<b>Author</b> Nathan Omane, Senior Accountant (Charities) - Interim	

### Summary

This paper sets out CBT's financial position against budget for the period ended 30<sup>th</sup> September 2019. CBT's latest approved budget is £23.459m, made up of an allocation of £21.338m to the grants programme and £2.121m (net of income) to operational costs (split across local risk, central risk and recharge budget lines).

At the halfway point of the year, there is an underspend in Local Risk of £293k. This is mainly from Supplies and Services and Employee Costs. This is timing related with costs expected for the remainder of the financial year.

There is an overspend in Central Risk of £4.732m, utilising funds previously allocated to support the delivery of the Bridging Divides funding strategy (2018-2023). The overspend in Central Risk is due to an increase in grant applications and is explained in detail in section 6 below.

Overall the net spend is over budget by £4.439m for the six months to 30<sup>th</sup> September 2019.

### Recommendation

- a) That the report be noted.

## Main Report

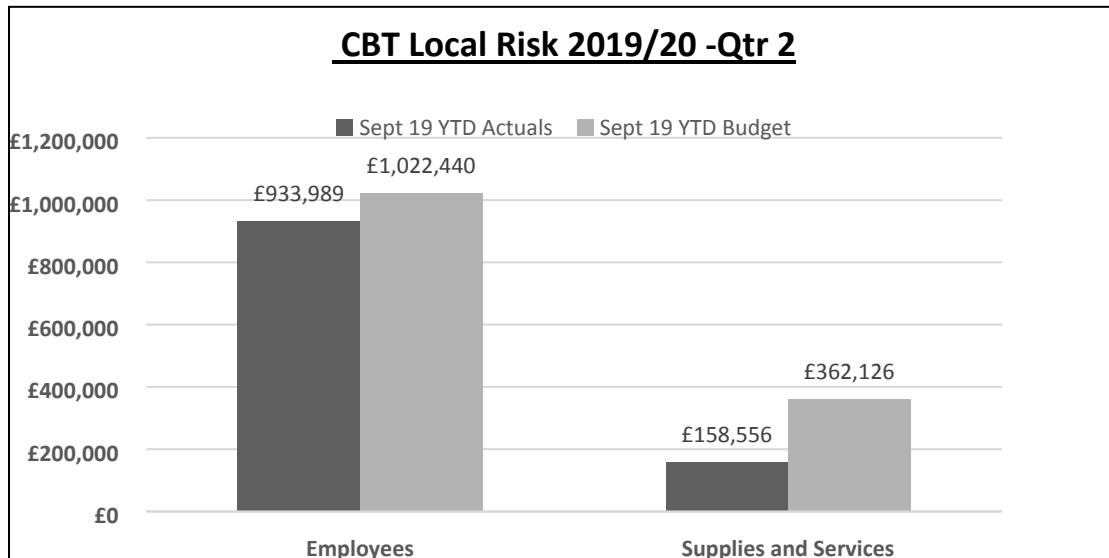
**Table 1: CBT Budget v Actual Spend, Period Ended 30<sup>th</sup> September 2019.**

	ACTUAL YTD	BUDGET YTD	VARIANCE YTD	VARIANCE YTD	FORECAST OUTTURN	ANNUAL BUDGET	FORECAST VARIANCE	FORECAST VARIANCE
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
<b>Local Risk</b>								
Employees	(934)	(1,022)	88	9	(2,090)	(2,090)	0	0
Transport	(2)	(4)	2	47	(9)	(9)	0	0
Supplies and Services	(159)	(362)	203	56	(670)	(629)	(41)	(6)
<b>Total Expenditure</b>	<b>(1,095)</b>	<b>(1,388)</b>	<b>293</b>	<b>21</b>	<b>(2,769)</b>	<b>(2,728)</b>	<b>(41)</b>	<b>(1)</b>
<b>Income</b>	<b>57</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>198</b>	<b>198</b>	<b>-</b>	<b>-</b>
<b>Total Local Risk</b>	<b>(1,038)</b>	<b>(1,331)</b>	<b>293</b>	<b>22</b>	<b>(2,571)</b>	<b>(2,530)</b>	<b>(41)</b>	<b>(2)</b>
<b>Central Risk</b>								
Grants	(15,071)	(10,353)	(4,718)	(46)	(26,464)	(21,338)	(5,126)	(24)
Depreciation	(15)	(15)	-	-	(31)	(31)	-	-
Social Investment Income	234	248	(14)	6	475	530	(55)	10
<b>Total Central Risk</b>	<b>(14,852)</b>	<b>(10,120)</b>	<b>(4,732)</b>	<b>(47)</b>	<b>(26,020)</b>	<b>(20,839)</b>	<b>(5,181)</b>	<b>(25)</b>
<b>Recharges</b>	<b>(53)</b>	<b>(53)</b>	<b>-</b>	<b>-</b>	<b>(103)</b>	<b>(103)</b>	<b>-</b>	<b>-</b>
<b>Total Net Expenditure</b>	<b>(15,943)</b>	<b>(11,504)</b>	<b>(4,439)</b>	<b>(39)</b>	<b>(28,694)</b>	<b>(23,472)</b>	<b>(5,222)</b>	<b>(22)</b>

## **Analysis of Table 1**

### **Local Risk**

The graph 'CBT Local Risk 2019/20 – Qtr. 2' shown below, compares the year-to-date (YTD) spend and latest approved budget for Local Risk.



### **Employee Costs**

1. At the end of the September 2019, staff costs were underspent by £88k against budget. Full time equivalent (FTE) headcount was 28.2 compared to a budgeted FTE headcount of 29.8. Some vacancies, notably the Data Analyst, now advertised is yet to be recruited to, with the Senior Accountant Charities role currently covered by an interim. The Charity Operations Manager role is also currently vacant.

### **Supplies and Services**

2. Supplies and Services, which include consultancy, software maintenance and support, subscriptions, and events and conferences, were underspent by £204k. Of this underspend £79k relates to fees and services to the Philanthropy House (PH) project. This underspend is due to a temporary pause on the PH project whilst awaiting conclusions of the Fundamental Review. These have implications for which property to recommend to the Policy and Resources (P&R) Committee to deliver the project. Once a

decision is made on the property to be progressed, associated spend will be initiated.

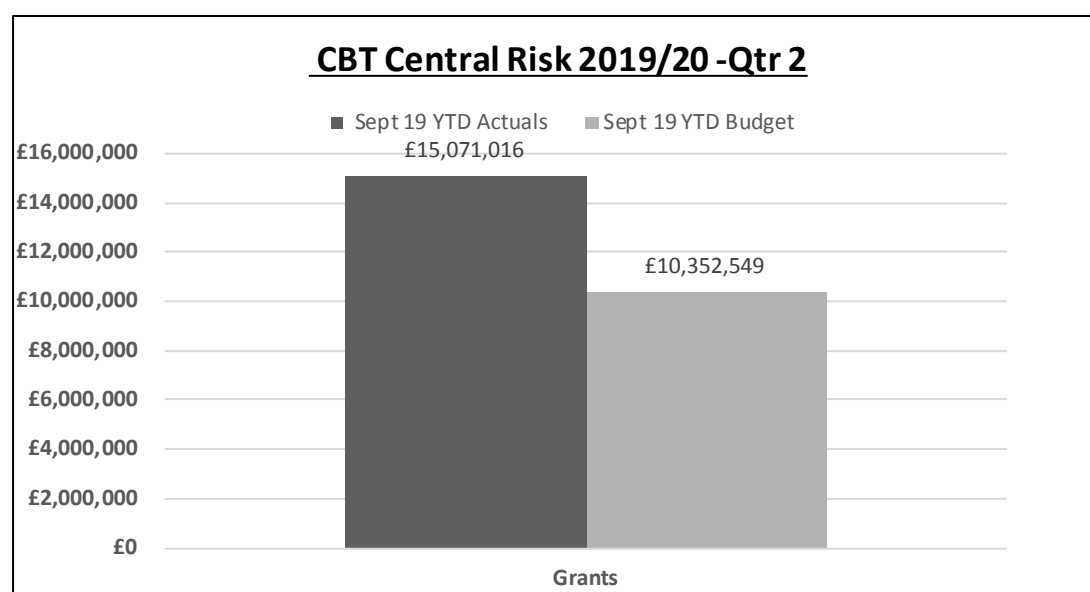
3. The late installation of the new CRM database, Blackbaud Grant Making (BBGM) accounts for £38k of the underspend. Due to the volume of data on the old system, Gifts Alta, CBT was advised to postpone the live date until early October. The system is in place now with costs expected to be incurred in the second half of the year.
4. Underspends in Legal fees (£60k), consultancy fees (£21k) and small cumulative small underspends spread across various areas, where costs were yet to be incurred as at the end of September 2019.

## Income

5. Income of £57k is on target to budget and relates to the Wembley National Stadium Trust contract for the first six months of the year.

## Central Risk

The graph 'CBT Central Risk 2019/20 – Qtr. 2' shown below compares the year-to-date (YTD) commitment and latest approved budget for Grants.



## Grants

6. Grant expenditure as recorded in CBT's financial records for the half-year ended September 2019 was £15.071m against a budget of £10.353m, being grants approved from the first three committees of the year. The £4.719m over delivery in grants was due to an increase in grant applications and the processing and approval of backlog of core grant applications. There is also a

timing difference for the Cornerstone/Anniversary Programme Infrastructure Support grant committed much earlier than originally anticipated.

7. Current full year grant commitments forecast is £26.464m which is above the original budget of £21.338m. With the over delivery in the current year, CBT will be utilising, in advance, some of the remaining funds allocated to the 5-year Bridging Divides funding strategy (2018-2023). This was £100m for the period. It should be noted that an increase in this budget is being sought in the 2020-21 budget paper elsewhere in your papers.
8. A more detailed analysis of the grants budget can be found within the Grants Budget and Applications report.

### **Depreciation**

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

### **Social Investment Fund**

10. Income on Social Investments for the six months ended 30th September 2019 was £234k against a budget of £248k. The £14k shortfall is due to an agreed rate reduction in the one investment and another investment not been made in the year.

Nathan Omane  
Senior Accountant (Charities) – Interim  
[Nathan.Omane@cityoflondon.gov.uk](mailto:Nathan.Omane@cityoflondon.gov.uk)  
020 7332 1455