

Committee:	Date:
City Bridge Trust (CBT)	30 th January 2020
Subject: Financial Position of CBT in respect of the period ended 31 st December 2019	Public
Report of: Chief Grants Officer and Director of CBT The Chamberlain	For Information
Author Nathan Omane, Senior Accountant (Charities) - Interim	

Summary

This paper sets out CBT's financial position against budget for the period ended 31st December 2019. CBT's latest approved budget is £23.472m, made up of an allocation of £21.338m to the grants programme and £2.134m (net of income) to operational costs (split across local risk, central risk and recharge budget lines).

At the end of December 2019, there is an underspend in Local Risk of £368k. This budget variance is from Employee Costs and Supplies and Services and is explained in detail in sections 1 to 5.

Of the over-delivery of £6.476m in Central Risk, £6.385m is due to grant commitments. This is utilising funds previously allocated to support the delivery of the 5-year Bridging Divides funding strategy (2018-2023). This is due to an increase in grant applications and is explained in detail in section 7 below.

Overall the net spend is over budget by £6.129m for the nine months to 31st December 2019.

Recommendation

- a) That the report be noted.

Main Report

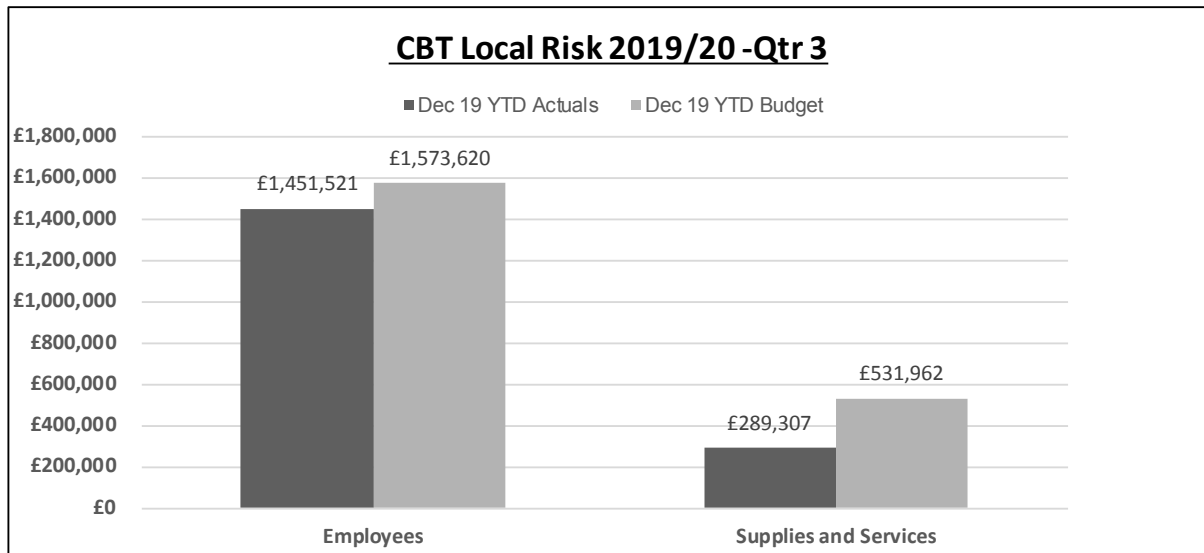
Table 1: CBT Budget/Forecast v Actual Spend, Period Ended 31st December 2019.

	Year to Date				Annual			
	Actual	Budget	Variance	Variance	Forecast	Budget	Variance	Variance
	£'000	£'000	£'000	%	Outturn	£'000	£'000	%
Local Risk								
Employees	(1,452)	(1,574)	122	8	(2,090)	(2,090)	-	-
Transport	(4)	(7)	3	47	(9)	(9)	-	-
Supplies and Services	(289)	(532)	243	46	(670)	(629)	(41)	(6)
Total Expenditure	(1,745)	(2,113)	368	17	(2,769)	(2,728)	(41)	(1)
Income	85	85	-	-	198	198	-	-
Total Local Risk	(1,660)	(2,028)	368	18	(2,571)	(2,530)	(41)	(2)
Central Risk								
Grants	(20,114)	(13,729)	(6,385)	(47)	(26,489)	(21,338)	(5,151)	(24)
Depreciation	-	(23)	23	100	(31)	(31)	-	-
Social Investment Income	377	389	(12)	3	406	530	(124)	23
Total Central Risk	(19,737)	(13,363)	(6,374)	(48)	(26,114)	(20,839)	(5,275)	(25)
Recharges	(1)	122	(123)	-	(103)	(103)	-	-
Total Net Expenditure	(21,398)	(15,269)	(6,129)	(40)	(28,787)	(23,472)	(5,316)	(23)

Analysis of Table 1

Local Risk

The graph 'CBT Local Risk 2019/20 – Qtr. 3' shown below, compares the year-to-date (YTD) spend and latest approved budget for Local Risk.



Employee Costs

1. At the end of the December 2019, direct employee costs were underspent by £102k against budget. This underspend is due to some vacancies. The Data Analyst and Charity Operations Manager roles are now advertised and should be recruited to by the end of the financial year. A revised charities finance team is currently progressing through the approval processes, with one role being covered by an interim.
2. There is also an underspend of £20k in indirect employee costs: training courses, conference expenses. This budget was based on anticipated training needs required for the new grant making database. With the functionality of the new system similar to Gifts Alta, the old system, extensive training has not been needed and hence the underspend.

Supplies and Services

3. Supplies and Services, which include consultancy, software maintenance and support, and subscriptions, were underspent by £243k. Of this underspend £90k 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. This underspend will be the subject of a budget carry-forward request.

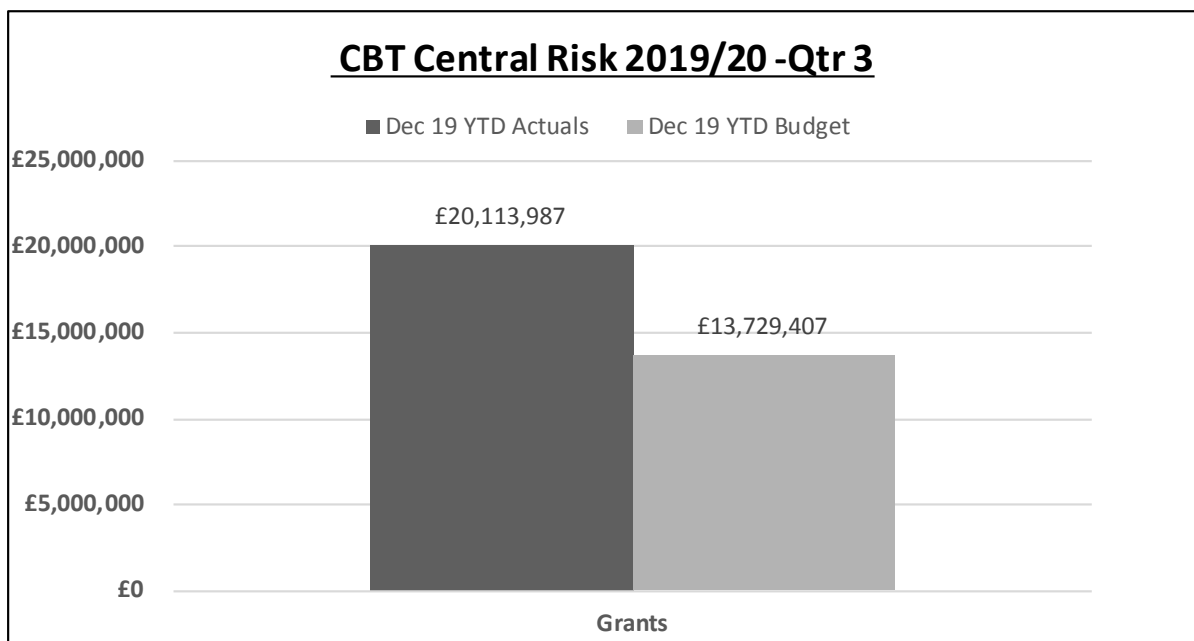
4. CBT has now migrated from its old grant making database to Blackbaud Grant Making (BBGM). There is an underspend of £32.8k at the end of December 2019 which was originally budgeted for the work of the consultant supporting the migration process. With the unexpected death of the consultant over the Christmas period, costs assigned for her work in the period January 2020 to March 2020 may not be required: a review is taking place to identify the extent of further support required for the new system.
5. There are also underspends in Legal fees (£65k), professional and consultancy fees (£42k). Costs in these areas were yet to be incurred.

Income

6. Income of £85k is on target to budget and relates to the Wembley National Stadium Trust contract for the first nine months of the year.

Central Risk

The graph 'CBT Central Risk 2019/20 – Qtr. 3' shown below compares the year-to-date (YTD) commitment and latest approved budget for Grants.



Grants

7. Grant commitments as recorded for the nine months ended December 2019 were £20.114m against a budget of £13.729m, being grants approved from the first five committees of the year. The £6.385m over delivery reflects the growing needs within London's charitable sector.
8. With the over delivery in the current year, CBT is utilising in advance some of the remaining funds of the initial £100m allocated to the 5-year Bridging Divides funding strategy (2018-2023).
9. An additional £25m allocation to this funding programme has been approved for recommendation by the September 2019 CBT Committee, and it being progressed through the normal Finance Committee budget approval process.
10. A more detailed analysis of the grants budget can be found within the Grants Budget and Applications report.

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 nine months ended 31st December 2019 was £377k against a budget of £389k. The £12k shortfall is due to agreed rate reductions on investments and the returns on some other investments being less than expected due to market conditions.

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