

Committees:	Date:
City Bridge Trust (CBT)	28th November 2019
Subject: CBT High Level Summary Business Plan & Budget Estimates 2020/21	Public
Report of: David Farnsworth, Chief Grants Officer & Director of City Bridge Trust (CGO)	For Decision
Report author: Scott Nixon, Head of Director's Office Nathan Omane, Senior Accountant Charities (Interim), Chamberlains	

Summary

This report presents for approval the CBT high-level summary Business Plan and budget estimates for 2020/21.

To reflect CBT's position as the centre of philanthropic and charitable excellence within the City of London Corporation (the Corporation), the business plan and budget cover all areas of CBT activity and associated costs. This includes the delivery of:

- the Philanthropy Strategy;
- the Bridge House Estates (BHE) charitable funding strategy, Bridging Divides (BD);
- the BHE Social Investment Fund;
- the Central Grants Programme;
- the Wembley National Stadium Trust contract; and
- the BHE and wider Charity reviews.

In governance terms, it is highlighted in the paper which areas the CBT Committee is responsible for within its agreed terms of reference.

Recommendations

Members are asked to:

- i) approve, subject to the incorporation of any changes sought by this Committee, the final high-level summary Business Plan for 2020/21 in respect of those areas within the CBT Committee terms of reference;
- ii) review and approve CBT's proposed revenue budget for 2020/21 in respect of those areas within the CBT Committee terms of reference for submission to Finance Committee;

- iii) authorise the Chamberlain, in consultation with the CGO, to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme;
- iv) agree that minor amendments for 2019/20 and 2020/21 budgets arising during budget setting be delegated to the Chamberlain.

Main Report

Background

1. As part of the new framework for corporate and business planning, CBT and Corporation departments were asked to produce standardised high-level, 2-side Business Plans for the first time in 2017 for the 2018/19 year. Members generally welcomed these high-level plans for being brief, concise, focused and consistent statements of the key ambitions and objectives.
2. For 2020/21, the high-level summary Business Plan has been further evolved to make use of the information now available and give a better overview of CBT's work and where it may contribute to the Corporate Plan. It provides an overview of CBT's activity and resources, mainly but not limited to the forthcoming 12 months. As a high-level summary, this document does not capture the granularity of work but gives the overall picture of CBT's activity, customer feedback, trends where applicable and direction of travel.
3. For the first time in 2020/21, high-level summary Business Plans are being brought forward alongside budget estimates, pending full integration of the processes for 2021/22, to inform medium-term financial planning and the development of spending priorities. This report therefore presents the budget estimates and draft final high-level summary Business Plan together as appendices.
4. This report presents, at Appendix 1, CBT's draft high-level summary Business Plan for 2020/21. This includes all areas of activity located within the CBT team to reflect CBT's position as the centre for charitable excellence within the Corporation. Whilst it is important for the CBT Committee to be aware of the full scope of all the work and its inter-connections, the work which the CBT Committee is directly responsible for in governance terms is highlighted both in Appendix 1 and below at paragraph 10.
5. It is important to note that some of the work streams included in the draft high-level Business Plan may come to fruition during the course of the coming financial year, in particular the BHE and Charity reviews. These may have impacts on resourcing which are as yet not possible to predict.
6. It is also important to note that whilst additional resource requests have been built into the 2020/21 CBT Budget (namely additional grant funding, related operational capacity and additional resources to embed the communication and learning and impact work integral to the Philanthropy and BD strategies); there is more work to be done on the optimal configuration of this resource – this will be informed by the CBT Committee's discussions of relevant papers at this committee.

7. At your September 2019 CBT Committee you agreed in principle to there being an additional charitable funding resource request from BHE for a further £25m for the duration of the strategic period (i.e. the remaining 3 years from April 2020-2023). The 2020/2021 proportion of the additional £25m request in this respect is included in the budget below. (Please see paragraph 13)
8. Whilst CBT is guided by the Corporation's Corporate Plan and will align wherever feasible, governance requirements (namely the Corporation being the sole corporate trustee of BHE) mean that CBT is required to follow the charitable funding strategy approved by the Court of Common Council, on recommendation of the CBT Committee. This strategy is currently BD.

Draft high-level summary Business Plan for 2020/21

9. At Appendix 1, this report presents the draft CBT high-level Business Plan for 2020/21 (the Plan).
10. The Plan reflects the key areas of CBT's activity, namely the delivery of:
 - a. **the Philanthropy Strategy;**
 - b. **the BHE charitable funding strategy, BD;**
 - c. **the BHE Social Investment Fund (operational budget);**
 - d. the Central Grants Programme;
 - e. **the Wembley National Stadium Trust contract;** and
 - f. the BHE and wider charities reviews.

NB a, b, c and e in bold above are within the direct governance oversight of the CBT Committee; d and f are all relevant and the inter-connections important for this Committee but are themselves subject to different governance oversight.

Departmental budget estimates for 2020/21

11. In line with the Plan, this report presents the budget estimates for 2020/21 in respect of all the activities undertaken/hosted by CBT. The only exception to this is the BHE review activity as this is supported by a dedicated BHE review fund which is separately budgeted and accounted for.
12. A summary of the 2020/21 budget is set out in Appendix 2.

Central Risk

13. The 2020/21 budget takes account of the September 2019 CBT Committee discussions in respect of next year's CBT 25th anniversary: a recommended uplift of £25m in the charitable funding to be spread over the remaining 3 years of the BD strategic cycle. This therefore equates to an additional £8.33m per year (i.e. one third of £25m).

Table 1: Grants Budget Analysis

	£000s	£000s
Main Grants Forecast Outturn 2019/20	(25,426)	
Anniversary Programmes/Employability 2019/20 Forecast Outturn	(195)	
Anniversary Funds/Infrastructure 2019/20 Forecast Outturn	(843)	
2019/20 Grants Outturn	(26,464)	
Main Grants Forecast Outturn 2019/20	25,426	
Main Grants Approved Budget 2019/20	(20,300)	
Main Grants Forecast Overspend 2019/20	5,126	
Main grants programme - Bridging Divides 2020/21	(20,000)	
Main Grants Forecast Overspend 2019/20	5,126	
Revised Main grants programme - Bridging Divides 2020/21		(14,874)
Grants uplift		(8,333)
The Prince's Trust		(3,000)
Existing Designated Fund Spend :		
Anniversary Programmes/Employability		(361)
Anniversary Funds/Infrastructure		(870)
Total		(27,438)

14. Table 1 sets out the expected grant commitments for 2020/21. This includes the already agreed £20m grant funding for 2020/2021, adjusted for the advance commitments made in 2019/20 of £5.126m, alongside the request for a further anniversary uplift over the next 3 years. Also, within this is £3m for The Prince's Trust - 2020/21 being the year for the next tranche of funding within the overall 10 year programme, as previously approved by the Court of Common Council.
15. Table 1 also sets out the existing Designated Fund spend: The Employability programme will continue to support a range of activities to help tackle unemployment amongst young disabled Londoners. Under this programme, bursaries of up to £4,000 per person on behalf of CBT will be awarded to London's small and medium sized companies and charities for paid work experience placements. A further initiative may be supported to provide opportunities for disabled young persons to train as access consultants. A second round of the Cornerstone Fund (Anniversary Funds/Infrastructure) is planned with the budgeted funding being approved during 2020/21. It will be launched following consultation with existing aligned funders, potential new funders, Round 1 grant-holders and potential beneficiaries for funding from Round 2.

Social Investment Fund Income

16. Income on Social Investments budget for 2020/21 is £409k, a decrease of £121k compared to the budget for 2019/20 because some current portfolio holdings are expected to mature in 2020/21. Informed by the BHE Review, the team are

currently working up proposals to better align the CBT grant-making and social investment fund.

Local Risk Budget 2020/2021

17. At Appendix 3, the Summary Budget by Committee sets out the elements of the budget for which the CBT Committee has responsibility for, alongside the split for other Committees.
18. At your September Meeting, you agreed that should the £25m uplift in charitable funding be approved, there would need to be a proportional uplift in CBT's operational budget. A request for an increase of £390k in the Local Risk budget 2020/2021 is included below. This comprises:

Employee Costs

19. The proposed employee budget for 2020/21 is £2,729k, an increase of £639k compared to the latest approved budget for 2019/20. Of the proposed employee costs £2,179k are direct employee costs where the postholder is either working exclusively for the CBT, the charitable funding arm of the BHE, or has a significant portion of their tasks and duties related to this work. Appendix 7 presents the split of employee costs across responsibilities.
20. Compared to the 2019/20 latest approved budget for similar posts, the proposed budget has increased by £296k. This increase comprises: additional Funding Manager/administrative capacity; additional dedicated capacity to implement the new learning and impact strategy and the new communications vision (both the subject of dedicated papers at this CBT Committee meeting); and to help support the increased level of grant funding reflected in this budget there is an enhanced Charity Finance team.
21. It should be noted that one of the proposed posts is to enable CBT to participate in the **2027 Programme** which aims to place people from a working-class background within grant-making organisations. It is not an internship – the individuals are expected to fulfil a role within the organisation on a par with other members of the grants team, following a rigorous selection process. This would be a valuable contribution to a funder collaborative aiming to improve the diversity of operational teams in the foundation world. It sits squarely within our values and will increase our capacity.
22. The balance of the proposed uplift in employee costs outside of the governance purview of the CBT Committee relate to: resources to support the expanded role of the Central Grants Unit to undertake the administration and distribution of the Community Interest Levy; continuing resources to support the wider Charity Review; and an enhanced Charity Finance function in support of efficiency and effectiveness improvements arising from both the BHE and wider Charity Review.

Non-Employee Costs

23. The proposed 2020/21 budget for non-employee (supplies and services) costs is set out in Table 2 below:

Table 2 Non-employee costs – CBT and activities hosted by CBT

Supplies and services	Latest Approved Budget 19/20	Proposed Budget 20/21	Variance
Local Risk			
	£000s	£000s	£000s
Equipment, furniture, materials	(3)	(41)	38
Clothes, Uniforms	(1)	(1)	-
Printing, stationery, general office	(22)	(15)	(7)
Fees & Services	(342)	(413)	71
Communications & Computing	(157)	(208)	51
Hospitality/Events/Conference Expenses	(70)	(140)	70
Subscriptions	(34)	(31)	(3)
Total Local Risk	(629)	(849)	220

Of the proposed budget of £849k for non-employee costs, £706k are CBT specific with the remainder being budgets for the Charities Review legal costs and administrative and operational costs for the Central Grants Programme.

24. The proposed budget for 2020/21 for supplies and services has increased by £220k compared to the latest approved budget for 2019/20. This increase comprises:

- a. An estimate of £69k in support of a strengthened communications function to deliver the Communications Vision (included elsewhere in these Committee papers). This would include using the 25th Anniversary year to amplify our work, our profile and that of our grantees.
- b. Crucial to the delivery of the Communications Vision is a website that is fit for purpose. An estimate of up to £100,000 to undertake an upgrade of the CBT website and online application process – to make the most of digital and technological advances and to harmonise with the new grants database. This should ensure the easiest possible experience for applicants whilst also enabling the site to be a user-friendly, dynamic, interactive space conducive to learning, impact and communication in support of the strategies, including BD;
- c. An estimate of £40k to support the proposed reconfiguration of the office space and related IT upgrade (outside of Central Risk) to support modern, collaborative working and the proposed increased headcount;

- d. An estimate of £75k to support the next phase of the development of the Philanthropy Strategy's Philanthropy House project; and
 - e. minor increases and decreases across other areas.
25. Within the proposed Fees and Services element of this budget of £ 413k, there is £90k earmarked for legal fees relating to the wider Charities Review work, outside of the remit of the CBT Committee.

Corporate & Strategic Implications

26. The high-level Business Plan and estimated budget support the delivery of the Philanthropy and BD strategies. Within the bounds of the governance imperatives (set out above), the plan is mindful of the Corporation's own strategic plan and looks to align where feasible and appropriate. For example, CBT's work aligns with the Corporation's KPIs to:
- Promote and champion diversity, inclusion and the removal of institutional barriers and structural inequalities;
 - Provide inclusive access to facilities for physical activity and recreation;
 - Advocate and facilitate greater levels of giving time, skills, knowledge, advice and money.
27. The benefits for having the Corporation as trustee of BHE continue to be further reflected in the 'total assets approach' embedded in the BD funding strategy – using all our assets to achieve positive impact for London's communities.

Conclusion

28. This report presents the high-level summary Business Plan and associate budget for 2020/2021 for Members' consideration and approval. The plan and budget reflect the increased range of inter-related activities which position CBT as a centre of charitable excellence within the Corporation. The plan and budget prepares CBT for its 25th anniversary next year - responding to the needs of London with a proposed uplift of £25m in charitable grant spend; positions CBT to respond effectively to the outcomes of the BHE and Charity reviews; and it also supports high impact philanthropy (in line with the Philanthropy Strategy) through further embedding the digital, impact and learning and communications aspects of CBT's work.

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Appendices

- Appendix 1 – Draft high-level summary Business Plan 2020/21
- Appendix 2 – Budget estimates 2020/21 summary – CBT and activities hosted by CBT
- Appendix 3 – Summary Budget by Committee
- Appendix 4 – Summary Budget by Fund
- Appendix 5 – Original Budget 2019/20 to Latest Approved Budget 2019/20– CBT and activities hosted by CBT
- Appendix 6 - Latest Approved Budget 2019/20 to Original Budget 2020/21 – CBT and activities hosted by CBT
- Appendix 7 – Staffing Statement – CBT and activities hosted by CBT