



Committee: Funding Committee of the City Bridge Foundation Board	Date: 4 December 2023
Subject: CBF Funding Grants Budget 2024/25	Public
Report of: Chief Funding Director and CBF & Charities Finance Director	For Decision
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Summary

This report presents the 2024/25 proposed grants commitments budget to the Funding Committee of the City Bridge Foundation (CBF) Board.

The proposed budget is lower than the 2023/24 forecast by £13.94m. With the winding down of the additional £200m uplift in grants, there is a reduction in responsive grant making. Further, the majority of commitments for two proactive strategic initiatives, Propel and Anchor, are being made in 2023/24.

Recommendations

It is recommended that the Funding Committee, in discharge of functions for the City Corporation as Trustee of City Bridge Foundation (CBF) and solely in the charity's best interests:

- i) Review and recommend the CBF proposed grants budget for 2024/25 for inclusion in the charity's overall Budget to be presented to the CBF Board in February 2024; and
- ii) Agree that minor amendments to the 2024/25 grants budget arising during the budget setting process be delegated to the CBF Chief Funding Director and CBF & Charities Finance Director.

Main Report

Background

1. To support the CBF Funding Committee in the discharge of its oversight responsibilities for the charity's grant-making activities, this report presents the 2024/25 CBF proposed grants budget for review and recommendation for approval to the CBF Board.
2. The proposals set out in this paper align with CBF's aims and objectives as set out in its overarching strategy, *Bridging London 2020 – 2045*. The proposed budget 2024/25 will support the delivery of the charity's funding strategy, currently *Bridging Divides*.
3. The 2023/24 forecast position as at October 2023 is £94.55m. The upward revision in forecast by £3.55m in comparison to the September 2023 figures is as a result

of revised consideration of grant commitments for the first half of the year, current assessments in hand and application trends across the last six months to produce an outturn position for the full year. The grants budget for 2024/25 is proposed to be £80.61m as shown in Table 1.

Grants Budget 2024/25

4. Table 1 below sets out the proposed budget for 2024/25 and forecast for 2023/24.

Table 1: Grants Budget

Bridging Divides	Proposed Budget 24/25	Forecast 23/24	Variance to Forecast
	£000s	£000s	£000s
Responsive Grant making	46,000	63,010	(17,010)
Bridge Programme	750	250	500
Responsive Grant-making	46,750	63,260	(16,510)
The Prince's Trust		1,000	(1,000)
London's Giving	-	973	(973)
LocalMotion	-	5,000	(5,000)
Alliance Partnerships		1,360	(1,360)
Propel	6,000	4,910	1,090
Anchor Projects	13,860	16,050	(2,190)
Test & Discover (Social Investment)	4,000	2,000	2,000
Suicide Prevention	10,000	-	10,000
Proactive Strategic Initiatives	33,860	31,293	2,567
Total Grants	80,610	94,553	(13,943)

5. The proposed grants budget for 2024/25 is £80.61m, a decrease of £13.94m compared to the forecast for 2023/24. Details of the proposed budget for the various funding programmes are explained in paragraphs 6 to 8.

Responsive Grant making & Bridge Programme

Responsive grant-making

6. Responsive grant-making are open grants rounds and account for the routine grant offer. The proposed grant budget for 2024/25 is £46m, £17m lower than 2023/24 forecast. The lower proposed grants offer for 2024/25 reflects the winding down of the additional £200m which has been allocated across multiple years. Expenditure is expected to reduce over the coming years, in line with funds available for grant-making.

Bridge Programme

7. This programme follows a Funder Plus approach. This connects grant-funded organisations with a range of free, non-financial support to help address a specific issue, whilst enhancing the organisation's capacity, resilience, and longer-term sustainability. With developmental work set to begin in the final quarter of 2023/2024, £0.25M is forecasted for the current financial year and £0.75m proposed for 2024/25

Proactive Strategic Initiatives

8. The proposed Proactive Strategic Initiatives budget for 2024/25 is £33.86m compared to the £31.29m forecast to be committed in 2023/24. Following confirmation of the new Supplemental Royal Charter and approval of CBF's social investment policy, the Test & Discover stream went live in 2023/24. The various grant programmes are explained below:

- a. Propel

A budget of £6m for 2024/25 is proposed for Propel. This is a funder collaboration focused on three areas which are children and young people, support to alleviate financial hardship, and provision to enable a more inclusive and equal city.

- b. The Anchor Programme

The Anchor Programme is a co-designed programme to provide long term funding to anchor organisations in London with a proposed budget in 2024/25 of £13.86m.

- c. Test and Discover (Social Investment)

This is a grant facility in support of the development of ideas and enterprise which might lend themselves to repayable finance. Plans would be subject to the approval of the Funding Committee. The proposed budget for 2024/25 is £4m.

- d. Suicide Prevention

The proposed budget for 2024/25 is £10m. This work would involve awarding funding following learnings from a series of roundtables and research undertaken in 2023/24.

Designated Fund – Grant-making

9. Table 2 shows the proposed movements on the CBF grant-making designated fund up to 2028/29. At the beginning of the 2023/24 financial year, the grant-making designated fund held £179.9m available for future commitments.

Table 2: Designated Fund – Grant-making

Designated Fund - Grant-making	Forecast 2023/24	Budget 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
	£000s	£000s	£000s	£000s	£000s	£000s
Balance brought forward	179,900	113,950	62,240	35,590	29,640	28,890
Grant commitments	(94,550)	(80,610)	(55,550)	(35,250)	(30,750)	(30,750)
Additional operational costs due to uplift in grants	(1,400)	(1,100)	(1,100)	(700)	-	-
Transfers as at 31/03	30,000	30,000	30,000	30,000	30,000	30,000
Cumulative grants balance	113,950	62,240	35,590	29,640	28,890	28,140

10. The proposed budget for 2024/25 would bring the cumulative balance in the CBF grant-making designated fund down to £62.24m as at 31/03/2025, as shown in Table 2 above.

11. For 2024/25 and subsequent years, the annual transfer of £30m is provisional and subject to return on investments generated, satisfying the needs of the primary object and hence what is available as surplus income. The transfer is confirmed within the budget report presented to the CBF and Court as at 31 March each financial year.

12. An additional £200m was approved by Court in March 2020, of which £50.2m has been committed in grants in the first two years alongside additional operational costs of £2m incurred in relation to this uplift in the same period. Illustrated in table 3 below.

Table 3: £200m Additional Uplift

£200m Additional Uplift	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Transition funding	-	4,250	-	-	-	-	4,250
Cornerstone	-	1,990	-	-	-	-	1,990
London's Giving	-	2,820	973	-	-	-	3,793
LocalMotion	-	-	-	-	-	-	-
Alliance Partnerships	5,317	10,400	1,360	-	-	-	17,077
Propel	-	5,720	4,910	6,000	13,300	-	29,930
Collaborative vehicle	-	-	-	-	8,500	-	8,500
Anchor Programme	-	-	16,050	13,856	-	-	29,906
Social investment test and discover	-	-	2,000	4,000	4,500	4,500	15,000
Suicide Prevention	-	-	-	10,000	-	-	10,000
Aumenting responsive grantmaking	-	19,740	26,623	26,879	-	-	73,242
Administration costs	728	1,285	1,400	1,100	1,100	700	6,313
Total	6,045	46,204	53,316	61,835	27,400	5,200	200,000

13. A new clearer website was launched and outreach activity was stepped up following the resumption of face to face activity in the funding team. Whilst at the time of reopening Bridging Divides the Committee acknowledged the challenge of predicting spend-rates going forward, due to the uncertain post- Covid landscape across the sector, the expanded programmes were nonetheless launched as any increase could be covered by uplift funds.

14. The expansion of priorities, an increase in demand in the sector due to increasing pressure in the voluntary sector, the continued closure of several significant funders, and the cost-of-living crisis, have been factored in forecasting the future spend by programmes in Table 3 above. These factors have led to adjustments in individual grant amounts during assessment (due to increased inflation) and led to an increase in demand for many of the services funded under our responsive programmes, which are significantly focused around reducing poverty.

Operational Costs

15. Operational costs associated with the various grant-making programmes are proposed to be £3.5m for 2024/25. Operational costs across CBF continue to be reviewed for consistency and appropriateness as the full budget for the charity is developed.

16. Table 4 below shows grant commitments and operational costs for the previous three years alongside the current year forecasts, the proposed budgets for 2024/25 and a forecast for 2025/26.

Table 4: Grant commitments and operational costs

	Actual 2020/21	Actual 2021/22	Actual 2022/23	Forecast 2023/24	Budget 2024/25	Forecast 2025/26
	£000s	£000s	£000s	£000s	£000s	£000s
Grant commitments	54,700	29,800	60,170	94,550	80,610	55,550
Operational costs	2,700	3,548	3,771	3,577	3,503	3,608

Conclusion

17. This report presents the 2024/25 budget for Members' consideration and recommendation to the CBF Board for approval to include within the CBF detailed budget. Members are to note the Grant-making Designated Fund and the requested budgets for the various grant spending programmes including the new Suicide Prevention programme. The budget request allows CBF to continue its core business of charitable funding in a flexible and yet impactful way.

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