



Committee: Funding Committee of the City Bridge Foundation Board	Date: 4 March 2024
Subject: Budget Monitoring Report for CBF Funding Activities: Period Ended 31 January 2024	Public
Report of: The CBF & Charities Finance Director (representing the Chamberlain) and the Chief Funding Director	For Information
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Summary

This report provides a financial update on City Bridge Foundation (CBF) Funding activities to 31 January 2024 and an updated forecast for the financial year ending 31 March 2024.

CBF Funding's approved budget is £105.58m comprising of £101.5m allocated to grant commitments, £3.75m to operational costs, and £0.33m to recharges. Revised grants forecast for the year is £90.94m. Further details are provided at paragraphs 4 to 6 of this report.

Recommendation

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

- i) Note the contents of the report.

Main Report

Background

1. In support of the budget monitoring oversight responsibilities of the Funding Committee of the CBF Board, this report presents a financial update on funding activities and the latest financial forecast for the year.
2. CBF holds a designated fund which represents surplus income set aside for funding grant-making activities. At the beginning of the 2023/24 financial year, the grant-making designated fund was £179.9m. Grant expenditure is forecasted to be £90.94m alongside a £30m transfer from unrestricted reserves, leaves the grant making designated fund forecast balance of £118.96m.
3. CBF Funding's Actual Spend v Budget and Latest Forecast is appended to this report and provides an overview of CBF Funding's financial results as at 31 January 2024, and a forecast position for the 2023/24 financial year as compared to the latest approved budget.



Grants

4. At the end of January 2024, grant commitments were £67.79m, an underspend of £11.9m in comparison to the year-to-date budget.
5. Following review, grant commitments forecast for the year is revised to £90.94m, against a budget of £101.50m. The reduction is primarily due to cancellation of some expected areas of new delivery, as these will now be considered as part of the Future Funding Direction work. Funding has been allocated to future financial years, primarily towards responsive grant making. Some of the major changes are highlighted below:
 - a. A revision in Propel programme design timeline has led to some of the proposed spend reallocated to future financial years reducing the forecast to £4.91m from a budget of £12.5m at the start of the financial year. The £7.9m reduction has been reallocated to a future financial year and the full £30m original allocation will be spent over 4-5 financial years as planned.
 - b. A small amount of planned expenditure on London's Giving was cancelled following a programme revision, as it was no longer required.
 - c. Test and Discover (development projects) programme was cancelled to be integrated into the development of the future funding direction. £5.5m was budgeted for this programme. This funding is now reallocated to responsive grant-making.
 - d. Every Voice Counts programme was cancelled to be integrated into the development of the future funding direction. £5m was budgeted for this programme. This funding is now reallocated to responsive grant-making.
 - e. Responsive grant making saw an increase in forecast to £61.25m from a budget of £49m. This aligns with a forecasted increase in demand due to the cost-of-living crisis, reopening of Bridging Divides and a new user-friendly website.
6. Detailed analysis of the grants can be found within the Grant Funding Activity Report (Item 10 on the agenda).

Operational Costs

Employee Costs

7. The year-to-date underspend of £181k on employee cost arises due to vacancies, to which some are currently being recruited.

Professional Fees

8. The Professional Fees underspend as at 31 January 2024 was £381k. Due to the focus on the new funding direction, work on Alliance Partnerships, user voice



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outreach for Every Voice Counts, and Bridge Programme connector (a role undertaken by Cranfield Trust and Locality, who diagnose and allocate support as part of the programme) has been deferred, awaiting the outcome of the review. Some of the underspend is also as a result of the reduction in grant commitment.

Supplies and Services

9. Supplies and Services is overspent year to date due to the invoicing pattern for the new software for grants management system. With the new system in place, the forecast reflects the full year expected spend.

Depreciation

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

Recharges

11. Recharges include activities undertaken by the City Corporation on behalf of Funding, including recharges for human resources, digital services, committee administration and premises costs. These are accounted for at year-end. These are being reviewed.

Conclusion

12. This updated financial forecast reflects underspends arising out of deferred grant programmes as the funding review and consultation process continues. The review is evaluating the current *Bridging Divides* funding policy to inform the new funding direction.

Appendix

- Appendix 1 - CBF Funding's Actual Spend v Budget and Latest Forecast

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