

<b>Committee:</b>	<b>Date:</b>
The City Bridge Trust Committee	9 January 2014
<b>Subject:</b>	<b>Public</b>
Proposed Revenue Budgets – 2014/15	
<b>Report of:</b>	<b>For Decision</b>
The Chamberlain The Town Clerk	

### Summary

This report provides the annual submission of the revenue budgets overseen by your Committee. In particular it seeks approval to the proposed budget for 2014/15, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Town Clerk and are summarised in the table below.

Table 1 Summary Revenue Budget for the City Bridge Trust Committee	Latest Approved Budget 2013/14 £000	Original Budget 2014/15 £000	Movement £000
Expenditure	23,400	16,881	(6,519)
Income	(75)	(77)	(2)
Support Services and Capital Charges	79	74	(5)
<b>Total Net Expenditure</b>	<b>23,404</b>	<b>16,878</b>	<b>(6,526)</b>

Overall, the budgeted net expenditure for 2014/15 is estimated to be £16.878m, a decrease of £6.526m compared with the budget for 2013/14. The main reasons for this net decrease are:-

- 2013/14 includes two one-off grant programmes, the first for £3.2m towards young people Not in Employment, Education or Training (NEETS) and the second for £280,000 for City Carers Open House; and
- budgets carried forward from 2012/13 to 2013/14 of £2.966m have been removed.

City Bridge Trust's overarching aim is to maximise its use of all the resources at its disposal, including opportunities offered by the City of London Corporation, for the benefit of disadvantaged Londoners. During the forthcoming year priorities include promoting and implementing the Trust's Investing in Londoners programmes; the continued development of 'City Philanthropy: A Wealth of Opportunity strategy'; the continued development of the City Corporation's Social Investment strategy; and the implementation of the Trust's 'Sharing Learning and Knowledge' strategy.

### **Recommendations**

The Committee is requested to:

- review the provisional 2014/15 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to Finance Committee; and
- authorise the Chamberlain to revise these budgets to allow for any necessary realignment of funds resulting from corporate projects.

## **Main Report**

### **Introduction**

1. A cy près scheme agreed by the Charity Commission in 1995 enabled Bridge House Estates to distribute the Estate's surplus income for charitable purposes across Greater London. The amount available for grants from the surplus income is determined each year by the Policy and Resources Committee.
2. This report sets out the proposed revenue budget for 2014/15. The revenue budget management arrangements:
  - provide a clear distinction between local risk, central risk and recharge budgets;
  - place responsibility for budgetary control on departmental Chief Officers; and
  - apply a cash limit policy to Chief Officers' budgets.

## **Business Planning Priorities**

3. The City Bridge Trust's priorities include:
  - The promotion and implementation of the Trust's Investing in Londoners programmes, ensuring that the annual grants budget is allocated in full and that the City Bridge Trust Committee receives timely, accurate and high quality reports.
  - The continued development of the City of London Corporation's strategy on philanthropy through 'City Philanthropy – A Wealth of Opportunity' initiative, which aims to encourage City professionals to engage with philanthropy earlier in their careers.
  - The continued development and implementation of the City Corporation's Social Investment Strategy, with particular focus on its £20m Fund investing in activities that generate a social as well as a financial return.
  - The implementation of the Trust's 'Sharing Learning and Knowledge' strategy which enables it to share and disseminate the learning it derives from its grant-making and related activities.

## **Proposed Revenue Budget for 2014/15**

4. The proposed Revenue Budget for 2014/15 is analysed between:
  - Local Risk budgets – these are the budgets deemed to be largely within the Chief Officer's control.
  - Central Risk budgets – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of his/her control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).
  - Support Services and Capital Charges – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
5. The provisional 2014/15 budgets, under the control of the Town Clerk being presented to your Committee, have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees. These include a general cash limit allowance of 2% covering both employee and non-employee budgets, as well as the proper control of transfers of non-

staffing budget to staffing budgets. These budgets have been prepared within the resources allocated to the Town Clerk.

6. The budgets are set out in Table 2. Income and favourable variances are presented in brackets. Only significant variances (generally those greater than £100,000) have been commented on in the following paragraphs.

Analysis of Service Expenditure	Local or Central Risk	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Para-graph Ref
<b>EXPENDITURE</b>						
Employees	L	721	793	728	(65)	7 & 8
Transport Related Expenses	L	3	4	4	0	
Supplies & Services (note i)	L	216	281	199	(82)	
Supplies & Services (note ii)	C	14,606	22,322	15,950	(6,372)	
<b>Total Expenditure</b>		<b>15,546</b>	<b>23,400</b>	<b>16,881</b>	<b>(6,519)</b>	
<b>INCOME</b>						
Customer, Client Receipts (note iii)		(39)	(75)	(77)	(2)	
<b>Total Income</b>		<b>(39)</b>	<b>(75)</b>	<b>(77)</b>	<b>(2)</b>	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		<b>15,507</b>	<b>23,325</b>	<b>16,804</b>	<b>(6,521)</b>	
<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>						
Central Support Services & Capital Charges		241	243	238	(5)	
Recharges within Fund		(164)	(164)	(164)	(0)	
<b>Total Support Services and Capital Charges</b>		<b>77</b>	<b>79</b>	<b>74</b>	<b>(5)</b>	
<b>TOTAL NET EXPENDITURE/(INCOME)</b>		<b>15,584</b>	<b>23,404</b>	<b>16,878</b>	<b>(6,526)</b>	

Notes

- (i) Supplies and Services – Equipment, furniture, materials, uniforms, printing, stationary, professional fees, grants & subscriptions.
- (ii) Supplies and Services – This relates entirely to the grants budget.
- (iii) Customer, Client Receipts – Relates to the contract income for administering the Wembley National Stadium Trust.

7. Overall there is a decrease of £6.526m between the latest 2013/14 budget and the 2014/15 proposed budget. This movement largely relates to a decrease in the central risk grants budget of £6.372m, from £22.322m to £15.950m, which is due to:
- i) the removal of the following one-off additional grants initiatives:
    - £3.2m for NEETS (young people Not in Employment, Education or Training); and
    - £280,000 towards the expansion of the City Carers Open House programme.
  - ii) removal from the budget of a one-off carry forward of £2.892m from 2012/13 to 2013/14.
8. The grants budget for 2014/15 of £15.950m comprises £14.950m for the standard grants programme and £1.0m towards the Employability Partnership with Central London Forward to provide pre-employment training and mentoring for young people (£2.0m in total split equally over 2013/14 and 2014/15).
9. Analysis of the movement in manpower and related staff costs is shown in Table 3 below.

Table 3 Manpower Statement	Latest Approved Budget 2013/14		Original Budget 2014/15	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Administrative Staff – CBT (see paragraph 10)	14.4	733	13.4	663
Administrative Staff – WNST	0.9	48	0.9	52
Training and Recruitment Advertising		12		13
<b>TOTAL EMPLOYEE COSTS</b>	<b>15.3</b>	<b>793</b>	<b>14.3</b>	<b>728</b>

10. The decrease of one FTE between 2013/14 and 2014/15 is due to the end of a one year fixed term contract which was funded by a carry forward in 2013/14.

## **Potential Further Budget Developments**

11. The provisional nature of the revenue budgets particularly recognises that further revisions may arise from the necessary realignment of funds resulting from corporate projects including;

- savings arising from the on-going PP2P reviews; and
- central and departmental support service apportionments.

## **Revenue Budget 2013/14**

12. The forecast outturn for the current year is in line with the latest approved budget of £23.404m.

Contact Officers:

Town Clerks Department:

Jenny Field (Deputy Chief Grants Officer): [Jenny.Field@cityoflondon.gov.uk](mailto:Jenny.Field@cityoflondon.gov.uk)

Chamberlain's Department:

Steven Reynolds (Group Accountant): [Steven.Reynolds@cityoflondon.gov.uk](mailto:Steven.Reynolds@cityoflondon.gov.uk)