

Committee:	Date:
The City Bridge Trust Committee	26 November 2015
Subject:	Public
Proposed Revenue Budgets – 2016/17	
Report of:	For Decision
The Chamberlain Chief Grants Officer	

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 2016/17, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated and are summarised in the table below.

Table 1 Summary Revenue Budget for the City Bridge Trust Committee	Latest Budget 2015/16 £000	Original Budget 2016/17 £000	Movement £000
Expenditure	20,920	21,374	454
Income	(104)	(107)	(3)
Support Services and Capital Charges	132	139	7
Total Net Expenditure	20,948	21,406	458

Overall, the budgeted net expenditure for 2016/17 is estimated to be £21.406m, an increase of £458,000 compared with the budget for 2015/16. The main reasons for this net increase are:

- an additional allocation of £1.0m from the surplus income of Bridge House Estates to the City Bridge Trust grants budget (£3.0m allocated to 2015/16, £4.0m allocated to 2016/17 and £5.0m allocated to 2017/18);
- an additional allocation of £215,000 from the surplus income of Bridge House Estates towards officer time relating to management and administration of the increased grants budget and a dedicated City Bridge Trust accountant.
- a decrease in the Supplies and Services budget of £146,000, which is largely due to 'one-off' budget adjustments in 2015/16 for the management costs of the Social Investment fund (comprising the investment analyst, administrative support and operational costs) and budgets carried forward from 2014/15; and
- 2015/16 included a one-off increase for the underspend of £618,000 carried forward from 2014/15.

City Bridge Trust's vision is for a fairer London. Its 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; marking the Trust's 20th anniversary as a grant-maker with a programme of strategic grants, learning events, and an enhanced 'funder plus' offer; the continued development of 'City Philanthropy: A Wealth of Opportunity strategy'; and the continued development of the City Corporation's Social Investment strategy.

Recommendations

The Committee is requested to:

- review the provisional 2016/17 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 enables 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 City Bridge Trust's business planning priorities and the proposed revenue budget for 2016/17 for approval and submission to the Finance Committee.

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.
 - Using its 20th anniversary as a grant-maker as a pivotal moment for reviewing and learning from its work; awarding some grants of strategic significance to London; launching a 'funder plus' offer, and raising the profile of the Trust's work and that of its grantees.
 - 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 available for investing in activities that generate a social as well as a financial return. As at September 2015, the Fund has committed over £7.9m of which £6.6m (84%) has been drawn down by the investees.

Proposed Revenue Budget for 2016/17

4. The proposed Revenue Budget for 2016/17 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, rent incomes from investment properties and in the case of City Bridge Trust, the grants budget).
 - 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 2016/17 budgets have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees, which include:
- an allowance of 1.5% towards any potential pay and price rises; and
 - an additional sum for employer’s national insurance contributions which have been increased due to employers no longer receiving a rebate from April 2016 on ‘contracted out’ workplace pension schemes.
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 2014-15 £'000	Latest Budget 2015-16 £'000	Original Budget 2016-17 £'000	Movement 2015-16 to 2016-17 £'000	Para- graph Ref
EXPENDITURE						
Employees	L	734	926	1,144	218	7(i)
Transport Related Expenses	L	2	4	4	0	
Supplies & Services (note i)	L	264	372	226	(146)	7(ii)
Grants	C	19,870	19,618	20,000	382	7(iii)
Total Expenditure		20,870	20,920	21,374	454	
INCOME						
Wembley National Stadium Trust		(42)	(104)	(107)	(3)	

TOTAL NET EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES	20,828	20,816	21,267	451
Support Services & Capital Charges	108	132	139	7
TOTAL NET EXPENDITURE	20,936	20,948	21,406	458

Notes

- (i) Supplies and Services – Equipment, furniture, materials, uniforms, printing, stationery and professional fees.

7. Overall there is an increase of £458,000 between the latest 2015/16 budget and the 2016/17 proposed budget. The budget movements are a result of:
- i) The Employees budget has increased by £218,000 from £962,000 to £1.144m. This is mainly due to an additional allocation of £50,000 in 2015/16, followed by an additional allocation of £215,000 in 2016/17, to provide a total increase of £265,000 from the surpluses of Bridge House Estates to fund officer time relating to the management and administration of the increased grants budget and a dedicated City Bridge Trust accountant;
 - ii) The Supplies and Services budget has decreased by £146,000, from £372,000 to £226,000. This is largely due to ‘one-off’ budget adjustments in 2015/16 for the management costs of the Social Investment fund (comprising the investment analyst, administrative support and operational costs) and budgets carried forward from 2014/15;
 - iii) The Grants budget has increased by £382,000, from £19.618m to £20.000m, as set out in the following table.

Table 3 Grants Budget Analysis	Latest Budget 2015-16 £000	Original Budget 2016-17 £000
Standard grants programme	15,000	15,000
Strategic grant towards the Princes Trust to continue for a period of 10 years.	1,000	1,000
Additional allocation from the surplus income of Bridge House Estates (£3.0m allocated to 2015/16, £4.0m allocated to 2016/17 and £5.0m allocated to 2017/18) to result in an average grants budget of £20.0m per year through to 2018.	3,000	4,000
Carry forward from 2014/15	618	
TOTAL GRANTS BUDGET	19,618	20,000

8. Analysis of the movement in manpower and related staff costs is shown in Table 4 below.

Table 4 Manpower Statement	Latest Budget 2015/16		Original Budget 2016/17	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Administrative Staff – City Bridge Trust (note i)	14.8	829	17.7	1,044
Administrative Staff – Wembley National Stadium Trust (note ii)	1.3	81	1.3	84
Training and Recruitment Advertising		16		16
TOTAL EMPLOYEE COSTS	16.1	926	19.0	1,144

Notes

- i) The increase in manpower of 2.9 FTE is the net effect of part-year vacancies in 2015-16, the additional posts relating to the management and administration of the increased grants budget, and a dedicated City Bridge Trust accountant.
- ii) Funding is provided by the Wembley National Stadium Trust through its contract payment to City Bridge Trust (see Income in Table 2).

Potential Further Budget Developments

9. 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;

- ongoing corporate efficiency projects; and
- central and departmental support service apportionments.

Revenue Budget 2015/16

10. The forecast outturn for the current year 2015/16 is in line with the latest approved budget of £20.948m.

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