

Committee(s):	Date(s):
The City Bridge Trust Committee Resource Allocation Sub Committee	24 November 2016 15 December 2016
Subject: Proposed Revenue Budgets – 2017/18	Public
Report of: The Chamberlain The Town Clerk	For Decision
Report author: Karen Atkinson, Chamberlain's Department	

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 2017/18, for subsequent submission to the Finance Committee. The budget prepared seeks an uplift of £142,000 in comparison to the resources initially allocated and is summarised in the table below.

Table 1 Summary Revenue Budget for the City Bridge Trust Committee	Latest Budget 2016/17 £000	Original Budget 2017/18 £000	Movement £000
Expenditure	22,936	22,529	(407)
Income	(107)	(108)	(1)
Support Services and Capital Charges	158	171	13
Total Net Expenditure	22,987	22,592	(395)

Overall, the budgeted net expenditure for 2017/18 is estimated to be £22.592m, a decrease of £395,000 compared with the budget for 2016/17. The main reason for this net decrease is:

- 2016/17 included a one-off increase for the underspend of £1.552m carried forward from 2015/16, offset by an additional £1.0m added to the grants budget from the surplus income of Bridge House Estates.

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 undertaking the 5 year Strategic review, promoting and implementing the Trust's Investing in Londoners programmes; the continued development of the Trust's work to encourage more philanthropy; and the continued development of the City Corporation's Social Investment strategy.

Recommendations

The Committee is requested to:

- a) review the provisional 2017/18 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget (which includes an additional £142,000 over the local risk resource base and is subject to a bid for further resources) for submission to the Finance Committee;
- b) agree a proposal for an uplift to the 2017/18 budget of £142,000 noted within this paper, which would then be submitted to the Policy and Resources Sub Committee for final approval. Members are requested to note that these figures are derived from an initial review of operational expenditure which took place following the appointment of the Head of Charity & Social Investment Finance; and
- c) 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 2017/18 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.
 - The 5 year strategic review, currently underway, which aims to develop Trust's next funding strategy from 2018-2023. This is due to be finalised and agreed in July 2017.
 - The further development of work to encourage more philanthropy in the City and beyond (taking account of a recent external review of this area).
 - 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 October 2016, the Fund has committed over £11.1m of which £8.2m (74%) has been drawn down by the investees.

Proposed Revenue Budget for 2017/18

4. The proposed Revenue Budget for 2017/18 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 2017/18 budgets have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees, which include:
 - an allowance of 1% towards any potential pay and price rises.
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.

Table 2 Revenue Budget for the City Bridge Trust Committee						
Analysis of Service Expenditure	Local or Central Risk	Actual 2015-16 £'000	Latest Budget 2016-17 £'000	Original Budget 2017-18 £'000	Movement 2016-17 to 2017-18 £'000	Para-graph Ref
EXPENDITURE						
Employees	L	806	968	1,180	212	7(i)
Transport Related Expenses	L	3	3	4	1	
Supplies & Services (note i)	L	338	455	345	(110)	7(ii)
Grants	C	18,342	21,510	21,000	(510)	7(iii)
Total Expenditure		19,489	22,936	22,529	(407)	
INCOME						
Wembley National Stadium Trust		(74)	(107)	(108)	(1)	
Contribution from UBS		(235)	-	-	-	
TOTAL NET EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		19,180	22,829	22,421	(408)	
Support Services & Capital Charges		145	158	171	13	
TOTAL NET EXPENDITURE		19,325	22,987	22,592	(395)	

Notes

- (i) Supplies and Services – Equipment, furniture, materials, uniforms, printing, stationery and professional fees.
7. Overall there is a decrease of £395,000 between the latest 2016/17 budget and the 2017/18 proposed budget. The budget movements are a result of:
- i) The Employees budget has increased by £212,000 from £968,000 to £1.180m. This is mainly due to a number of vacancies in the department in 2016/17 which were covered by consultants, which it is anticipated will be filled by 2017/18, and an uplift to the salary of two senior members of staff which reflects the required experience levels of the City Bridge Trust;
 - ii) The Supplies and Services budget has decreased by £110,000, from £455,000 to £345,000. This is largely due to: a reduction in fees and services as a number of consultants have been used in 2016/17 to cover vacant posts (as noted above), a reduction in printing costs due to the decision to cease the printing of the annual review, with a lower cost

alternative being sought; and budgets carried forward from 2015/16 being removed;

- iii) The amount proposed for Supplies and Services is £142,000 above the original book budget due to a reassessment of the requirements of the service. Key elements of this include: the need for management costs for the Social Investment fund (comprising investment analyst, administrative support and operational costs); software administration costs for GIFTS, the teams' grants management system, whereby costs are driven by the volume of activity taking place; an uplift in membership fees to key sector bodies, whereby fee levels are based upon the value of grant-making; and the need to uplift various general office expenses to reflect the increased staffing agreed from 2016/17. The table below sets out the split of the above proposed increases:

Table 3 Analysis of Supplies & Services		Base budget 2017 - 18	Proposed budget 2017 - 18	Variance
		£	£	£
Equipment, furniture, materials		5,000	4,000	(1,000)
Printing, stationery, general office		16,000	22,000	6,000
Fees & Services		112,000	201,000	89,000
Communications & Computing		39,000	58,000	19,000
Expenses		16,000	31,000	15,000
Grants & subscriptions		14,000	28,000	14,000-
Total		202,000	344,000	142,000

- iv) The Grants budget has decreased by £510,000, from £21.510m to £21.0m, as set out in the following table.

Table 4 Grants Budget Analysis	Latest Budget 2016-17 £000	Original Budget 2017-18 £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.	4,000	5,000
Carry forward from 2015/16	1,510	
TOTAL GRANTS BUDGET	21,510	21,000

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

Table 4 Manpower Statement	Latest Budget 2016-17		Original Budget 2017-18	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Administrative Staff – City Bridge Trust (note i)	15.1	866	18.1	1,079
Administrative Staff – Wembley National Stadium Trust (note ii)	1.3	85	1.3	86
Training and Recruitment Advertising		17		15
TOTAL EMPLOYEE COSTS	16.4	968	19.4	1,180

Notes

- i) The increase in manpower of 3.0 FTE is the effect of part-year vacancies in 2016-17, which it is anticipated will be filled by 2017-18.
- 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 2016/17

10. The forecast outturn for the current year 2016/17 is in line with the latest approved budget of £22.987m.

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