

Committee: Finance Committee	Date: 19 May 2020
Subject: Central Contingencies	Public
Report of: Chamberlain	For Decision
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Summary

This report has been produced to provide Members with an anticipated year-end position for 2019/20 Contingencies and an update on the uncommitted balances for 2020/21 Contingencies.

Of the previous allocations agreed by Committee, sums of £24,000 from City's Cash Contingency and £593,002 from City Fund Contingency will be required in future years. Therefore, it is proposed that these sums are carried forward from 2019/20 to 2020/21, thereby ensuring that a full year's contingency provision is available during 2020/21.

As previously agreed by this Committee, a sum of £25,000 from the £35,000 unspent balance of 2019/20 National and International Disaster Fund will be carried forward, giving a total of £125,000 available in 2020/21.

Recommendation(s)

Members are asked to agree to carry forward sufficient resources of £617,002 to meet existing allocations and thereby providing a full year's Central Contingency for funding requirements that may arise during 2020/21. The sum of £125,000 will be made available in 2020/21 for the National and International Disaster Fund.

Main Report

Background

1. Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources Committee, such budgets do not include any significant contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies to meet unforeseen and/or exceptional items that may be identified across the City Corporation's range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions.

2. In addition to the Central Contingencies, the Committee has a specific City's Cash Contingency of £100,000 to support humanitarian disaster relief efforts both nationally and internationally.

Current Position

2019/20 Contingency Balances

3. The year-end position of the 2019/20 Central Contingencies and National and International Disaster Fund are set out in Tables 1 and 2 respectively. Appendix 1 provides details of the sums the Committee has previously allocated from the 2019/20 Contingencies

Table 1: 2019/20 Central Contingencies				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
2019/20 Provision	950	800	50	1,800
2018/19 Provision brought forward to fund allocations agreed in previous financial years	25	25	0	50
Total Provision	975	825	50	1,850
Less Allocations				
2019/20 financial year	(432)	(38)	0	(470)
For future financial years to be carried forward	(24)	(593)	0	(617)
Total Allocations	(456)	(631)	0	(1,087)
Uncommitted Balances	519	194	50	763

Table 2: 2019/20 National and International Disaster Fund	
	City's Cash £'000
2019/20 Provision	100
2018/19 Unspent provision brought forward	0
Less Allocations	
2019/20 financial year	(65)
For future financial years to be carried forward	(25)
Uncommitted Balances	10

4. Of the previous allocations agreed by Committee, a sum of £617,002 as listed below will be required in future years. Therefore, it is proposed that these sums are carried forward from 2019/20 to 2020/21, thereby ensuring that a full year's contingency provision is available during 2020/21.
 - £10,000 joint funding towards restoration priority works within Gresham Music Collection from City Fund Contingency
 - £48,000 towards commercial negotiations with Citigen from City's Cash and City Fund Contingencies
 - £159,000 towards an appeal regarding GLA roads from City Fund Contingency
 - £400,002 towards additional rent payable at Wood Street Police Station starting 10th December 2020 from City Fund Contingency
5. In assessing the adequacy of Central Contingencies, the provision of funds for 2019/20 has been more than sufficient resulting in an uncommitted balance for each contingency at year-end. On this basis the existing contingency provision will remain unchanged for 2020/21.
6. As previously agreed by this Committee, a sum of £25,000 from the £35,000 unspent balance for 2019/20 National and International Disaster Fund will be carried forward, giving a total of £125,000 available in 2020/21.

2020/21 Contingency Balances

7. If the proposed sums to be carried forward are agreed, the uncommitted balances that are available for 2020/21 Contingencies are set out in the table below.

Table 3: 2020/21 Contingencies				
	City's Cash	City Fund	Bridge House Estates	Total
	£'000	£'000	£'000	£'000
General Contingencies				
2020/21 Provision	950	800	50	1,800
2019/20 Brought forward	24	593	0	617
Total Provision	974	1,393	50	2,417
Previously agreed allocations	(24)	(593)	0	(617)
Uncommitted Balance	950	800	50	1,800
National and International Disasters				
2020/21 Provision	100	0	0	100
2019/20 Brought forward	25	0	0	25
Total Provision	125	0	0	125
Previously agreed allocations	0	0	0	0
Uncommitted Balance	125	0	0	125

Conclusion

8. Members are asked to agree to carry forward sufficient resources of £617,002 to meet existing allocations and thereby provide a full year's Central Contingency provision for funding requirements that may arise during 2020/21. The sum of £125,000 will be made available in 2020/21 for the National and International Disaster Fund.

Appendices

- Non- Public Appendix 1 – 2019/20 Contingencies
- Appendix 2 – 2020/21 Contingencies

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