

Committee(s): Finance Committee	Dated: 13 April 2021
Subject: Central Contingencies 2020/21 and 2021/22	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain	For Information
Report author: Laura Yeo, Senior Accountant, Financial Services Division	

Summary

This report has been produced to provide Members with an anticipated year-end position for 2020/21 Contingencies and an update on the uncommitted balances for 2021/22 Contingencies.

Of the previous allocations agreed by Committee, a sum of £206,000 from City Fund Contingency will be required in future years. Therefore, it is proposed that this sum is carried forward from 2020/21 to 2021/22, thereby ensuring that a full year's contingency provision is available during 2021/22.

Recommendation(s)

Members are asked to agree to carry forward sufficient resources of £206,000 to meet existing allocations and thereby providing a full year's Central Contingency for funding requirements that may arise during 2021/22.

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 to support humanitarian disaster relief efforts both nationally and internationally.

Current Position

2020/21 Contingency Balances

3. The year-end position of the 2020/21 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 2020/21 Contingencies

Table 1: 2020/21 Central Contingencies				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
2020/21 Provision	950	800	50	1,800
2019/20 Provision brought forward to fund allocations agreed in previous financial years	24	593	0	617
Total Provision	974	1,393	50	2,417
Less Allocations				
2020/21 financial year	(674)	(527)	0	(1,201)
For future financial years to be carried forward	0	(206)	0	(206)
Total Allocations	(674)	(733)	0	(1,407)
Uncommitted Balances	300	660	50	1,010

Table 2: 2020/21 National and International Disaster Fund	
	City's Cash £'000
2020/21 Provision	100
2019/20 Unspent provision brought forward	25
Less Allocations	
2020/21 financial year	(100)
For future financial years to be carried forward	0
Uncommitted Balances	25

4. Of the previous allocations agreed by Committee, a sum of £206,000 as listed below will be required in future years. Therefore, it is proposed that these sums are carried forward from 2020/21 to 2021/22, thereby ensuring that a full year's contingency provision is available during 2021/22.
 - £52,000 towards an appeal regarding GLA roads from City Fund Contingency
 - £154,000 towards additional rent payable at Wood Street Police Station from City Fund Contingency
5. In assessing the adequacy of Central Contingencies, the provision of funds for 2020/21 has been more than sufficient resulting in an uncommitted balance for each contingency at year-end. On this basis the existing contingency provision for Central Contingencies will remain unchanged for 2021/22.
6. As agreed at January 2021 Committee, the National and International Disaster Fund existing provision of £100,000 will be uplifted by £25,000 to £125,000 for 2021/22 and future year provisions.

2021/22 Contingency Balances

7. If the proposed sums to be carried forward are agreed, the uncommitted balances that are available for 2021/22 Contingencies are set out in the table below.

Table 3: 2021/22 Contingencies				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
General Contingencies				
2021/22 Provision	950	800	50	1,800
2020/21 Brought forward	0	206	0	206
Total Provision	950	1,006	50	2,006
Previously agreed allocations	0	(206)	0	(206)
Uncommitted Balance	950	800	50	1,800
National and International Disasters				
2021/22 Provision	125	0	0	125
2020/21 Brought forward	0	0	0	0
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 £206,000 to meet existing allocations and thereby provide a full year's Central Contingency provision for funding requirements that may arise during 2021/22.

Appendices

- Appendix 1 – 2020/21 Contingencies
- Appendix 2 – 2021/22 Contingencies

Laura Yeo

Senior Accountant

Financial Services

T: 020 7332 1334

E: Laura.Yeo@cityoflondon.gov.uk