

<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	24 November 2021
<b>Subject:</b> Update on BHE Contingency Funds	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045</i> Strategy does this proposal aim to support?</b>	<b>All</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>Report of:</b> Managing Director, BHE and The Chamberlain	<b>For information</b>
<b>Report Author:</b> Karen Atkinson, Head of Charity and Social Investment Finance	

### Summary

This report has been produced to provide Members with an update on the 2021/22 Central Contingencies uncommitted balances held by Bridge House Estates (BHE).

Since the last report to the Board in November, funding of £78,635 has been approved under urgency as the charity's contribution towards the City Corporations' Microsoft licences. A separate request is being presented at this meeting for consideration relating to the role of Tower Bridge Project Coordinator for £14,000.

In the report on contingencies presented to the September Board meeting, Members were informed that a review of the apprentice costs provision was being undertaken. This has determined that approval was given prior to the constitution of this Board for an apprentice at Tower Bridge for 2021/22. The £24k cost relating to this has now been deducted from the fund held for this purpose.

### Recommendation

It is recommended that Members, in discharge of functions for the City Corporation as Trustee of Bridge House Estates (charity reg. no. 1035628) and solely in the charity's best interests:

- a) Note the central contingency budgets currently held by BHE for 2021/22 (para 4);
- b) Note that £14k is being requested from the central contingency provision at Paper 8 for the Tower Bridge Project Coordinator role (para 7).

### Main Report

#### Background

1. The annual budgets prepared by departments for the activities of BHE that are within their responsibility do not hold any significant contingencies. The budgets directly overseen by the BHE Board include central contingencies to meet unforeseen and/or exceptional items that may be identified across the range of activities undertaken by the charity. Requests for allocations should demonstrate why the costs cannot, or should not, be met from existing provisions.

2. The central contingency budget held for BHE for 2021/22 is £850k, following an uplift approved by Court in October 2021.
3. In addition to the above central contingency, the BHE budget includes provisions of £175k for apprentice costs and £50k for joint projects with the City Corporation. The latter fund is held to enable smooth decision making for cross-cutting Corporation projects that affect all three funds, enabling the Finance Committee to consider the impact of the total request. The BHE Board approves its portion of any such joint project.

## Current position

4. The uncommitted balances that are currently available for 2021/22 are set out in the table below:

<b>2021/22 Central Contingencies - Uncommitted Balances 24 November 2021</b>					
	Central Fund	Contribution Pay	Apprentice costs	Joint Projects with City Corporation	Total
	£'000	£'000	£'000	£'000	£'000
<b>Contingencies:</b>					
2021/22 Provision approved		40	175	50	265
2021/22 Provision uplift approved	810				810
2021/22 Transfers	40	(40)			0
<b>Total Provision</b>	<b>850</b>	<b>0</b>	<b>175</b>	<b>50</b>	<b>1,075</b>
Previously agreed allocations @ Sep 2021	(268)	0	(24)	0	(292)
Approved under Urgency	(48)	0	0	(31)	(79)
Pending request on Nov 21 agenda	(14)	0	0	0	(14)
<b>Total commitments</b>	<b>(330)</b>	<b>0</b>	<b>(24)</b>	<b>(31)</b>	<b>(385)</b>
<b>Uncommitted Balances @ Nov 2021</b>	<b>520</b>	<b>0</b>	<b>151</b>	<b>19</b>	<b>690</b>

The amounts which the Board has either previously allocated or are pending approval are detailed in **Appendix 1**, within the non-public agenda.

5. A review has taken place since the last Board meeting to determine previous amounts approved for the cost of apprentices within BHE. This has confirmed that a single apprentice role was approved for 2021/22 at Tower Bridge, at a cost of £24,000. This provision held for this purpose now reflects this decision.
6. During October, approval was given under urgency for funding towards an upgrade for Microsoft Licences held by the City Corporation. Of the total £78,635 approved, £30,635 was from the Joint Projects contingency fund - being the unfunded element of the project, with £48,000 from the Central contingency fund – being an amount previously approved as capital funding.
7. Within the reports presented at this meeting, a request is being made for continuation funding in 2021/22 of £14,000 for a Project Coordinator role at Tower Bridge.
8. At the time of preparing this report, there are no further requests for allocations from the contingency funds elsewhere on the agenda.

9. Strategic implications: The provision of a suitable contingency budget held by the BHE Board as outlined in this paper support the aims and objectives of BHE's overarching strategy, *Bridging London 2020 – 2045*.
10. Resource implications: nil.
11. Legal implications: nil.
12. Equalities implications: nil.
13. Financial implications: The contingency funds noted within this report are an approved element of the 2021/22 budget held by BHE. Applications to utilise these funds do not therefore create additional demand from the reserves held by the charity.
14. Climate implications: nil
15. Security implications: nil

## **Conclusion**

16. Members are asked to note the current contingency budgets held by BHE, and to note the request for continuation funding for the role of Project Coordinator at Tower Bridge from the Central contingency fund at Agenda Item 8.

## **Karen Atkinson**

Head of Charity & Social Investment Finance

020 4526 1221

[karen.atkinson@cityoflondon.gov.uk](mailto:karen.atkinson@cityoflondon.gov.uk)