

Committee	Date
Bridge House Estates Board	11 January 2022
Subject: Update on BHE Contingency Funds	Public
Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?	All
Does this proposal require extra revenue and/or capital spending?	No
Report of: Managing Director, BHE and The Chamberlain	For information
Report Author: Karen Atkinson, BHE & Charities Finance Director	

Summary

This report has been produced to provide the Bridge House Estates Board 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 2021, there have been no bids approved under urgency. A separate request is being presented at this meeting for consideration relating to a feasibility report relating to the bridges for an amount ranging between £138 – 230k.

Since the November Board meeting, information has been provided to the Charities Finance team regarding a central provision held by the City Corporation, approved prior to the establishment of the BHE Board, relating to the costs of early retirement by staff. An element of this central provision covers staff who work on behalf of BHE. The £127,000 relating to this has now been deducted from the central contingency fund held by the charity.

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 an amount between £138 - 230k is being requested from the central contingency provision at Item 16 on the agenda for a feasibility report relating to the bridges (para 6).

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.

- The central contingency budget held for BHE for 2021/22 is £850k, following an uplift approved by Court in October 2021.
- 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 City Corporation projects that affect all three Funds, enabling the Finance Committee to consider the impact of the total request. The BHE Board approves BHE's contribution to any such joint project.

Current position

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

2021/22 Central Contingencies - Uncommitted Balances 11 January 2022					
	Central Fund	Contribution Pay	Apprentice costs	Joint Projects with City Corporation	Total
	£'000	£'000	£'000	£'000	£'000
Contingencies:					
2021/22 Provision approved		40	175	50	265
2021/22 Provision uplift approved	810				810
2021/22 Transfers	40	(40)			0
Total Provision	850	0	175	50	1,075
Previously agreed allocations @ Nov 2021	(330)	0	(24)	(31)	(385)
Approved under Urgency post 24 Nov 2022	0	0	0	0	0
Pending request on Jan 2022 agenda	(357)	0	0	0	(357)
Total commitments	(687)	0	(24)	(31)	(742)
Uncommitted Balances @ Jan 2022	163	0	151	19	333

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

- Since the November Board meeting took place, information has been provided to the Charities Finance team regarding a central provision held by the City Corporation, approved prior to the establishment of the BHE Board, relating to costs attributable to early retirement, as taken by some staff within the organisation. An element of this central provision covers staff who work on behalf of BHE. The actual costs attributable to staff that work on behalf of the charity total £127,000, an amount which has now been deducted from the central contingency fund held by the charity.
- Within the reports presented at this meeting, a request is being made for a feasibility report relating to the charity's bridges in 2021/22. The amount requested is between £138 – 250k, with the higher amount having been included within the above table to illustrate the impact on the contingency funds held.
- At the time of preparing this report, there are no further requests for allocations from the contingency funds elsewhere on the agenda.

Corporate & Strategic Implications

8. 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*.
9. Resource implications: nil.
10. Legal implications: nil.
11. Equalities implications: nil.
12. 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.
13. Climate implications: nil
14. Security implications: nil

Conclusion

15. Members are asked to note the current contingency budgets held by BHE, and to note the request for a feasibility report relating to the bridges from the Central contingency fund at Agenda Item 16.

Appendix

- Appendix 1 – Non-public appendix at Item 15 - 2021/22 Central Contingencies - Uncommitted Balances 11 January 2022.

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