

Committee	Date
Bridge House Estates Board	16 February 2022
Subject: Update on BHE Contingency Funds	Public
Which outcomes in the <i>BHE Bridging London 2020 – 2045</i> Strategy does this proposal aim to support?	All
Does this proposal require extra revenue and/or capital spending?	No
Report of: The BHE & Charities Finance Director (representing The Chamberlain)	For information
Report Author: Sachin Shah, BHE Transformation Project Accountant	

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 January 2022, there have been no bids approved under urgency. A separate request is being presented at this meeting for consideration relating to surveys across the investment property portfolio to understand climate action needs for £150k.

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 £150k is being requested from the central contingency provision at Paper 10 on the agenda for surveys of the investment property portfolio to assess the works required to contribute to achieving the charity's Climate Action Strategy (CAS) net zero carbon emissions target (para 5).

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 City 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:

2021/22 Central Contingencies - Uncommitted Balances 16 February 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 @ Jan 2022	(610)	0	(24)	(31)	(665)
Approved under Urgency post 11 Jan 2022	0	0	0	0	0
Pending request on Feb 2022 agenda	(150)	0	0	0	(150)
Total commitments	(760)	0	(24)	(31)	(815)
Uncommitted Balances @ Feb 2022	90	0	151	19	260

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

5. Within the reports presented at this meeting, a request is being made for surveys of the investment property portfolio in 2021/22 relevant to the CAS net zero carbon targets of £150k.
6. 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

7. 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*.
8. Resource implications: nil.
9. Legal implications: nil.
10. Equalities implications: nil.
11. 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.

12. Climate implications: nil

13. Security implications: nil

Conclusion

14. Members are asked to note the current contingency budgets held by BHE, and to note the request at Item 10 for £150k from the contingency fund for surveys of the investment property portfolio to assess the works required to contribute to achieving the charity's Climate Action Strategy (CAS) net zero carbon emissions.

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