

<b>Committee:</b> Bridge House Estates Board	<b>Date:</b> 6 July 2022
<b>Subject:</b> Update on BHE Contingency Funds	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> 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> The BHE & Charities Finance Director (representing The Chamberlain)	<b>For Information</b>
<b>Report Author:</b> Sachin Shah, BHE Transformation Project Accountant	

### Summary

This report has been produced to provide the Bridge House Estates Board with an update on the Bridge House Estates (BHE) Central Contingency balances held for 2022/23. It further provides detail of new requests being made against these balances.

Since the last report to the Board in April 2022, there have been no bids approved under delegated authority. A separate request is being presented at this meeting for consideration, relating to the Climate Action Strategy (CAS) year 2 programme expenditure.

### 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:

- i) Note the BHE Contingency budgets currently held for 2022/23 (para 4); and,
- ii) Note that £123k is requested from the CAS Contingency Fund, presented in item 6 on the agenda to enable delivery of the revised year 2 programme (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 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. BHE's Central Contingency budget for 2022/23 is £850k.
3. In addition to the above Central Contingency, the BHE budget includes specific provisions for various activities as listed below, with further details stated in **Appendix 1**:

- a. Joint projects with the City Corporation
- b. Apprentice salaries
- c. Climate Action Strategy
- d. Investment Properties – refurbishment of void spaces
- e. Inflationary increases on revenue expenditure

## Current position

4. The uncommitted balances that are currently available for 2022/23 are set out in the table below:

2022/23 BHE Contingency Funds - uncommitted balances 6 July 2022							
	Central Provision	Apprentice costs	Joint Projects with City Corporation	Investment Properties - refurbishment of void spaces	Climate Action Strategy	Inflationary increases	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Contingencies:</b>							
2022/23 Provision approved	850	142	50	500	500	1,259	3,301
<b>Total Provision</b>	<b>850</b>	<b>142</b>	<b>50</b>	<b>500</b>	<b>500</b>	<b>1,259</b>	<b>3,301</b>
Previously agreed allocations @ April 2022	(43)	(27)	0	0	0	0	(70)
Approved under delegated authority post 27 April 2022	0	0	0	0	0	0	0
Pending request on July 22 agenda	0	0	0	0	(123)	0	(123)
<b>Total commitments</b>	<b>(43)</b>	<b>(27)</b>	<b>0</b>	<b>0</b>	<b>(123)</b>	<b>0</b>	<b>(193)</b>
<b>Uncommitted balances @ 6 July 2022</b>	<b>807</b>	<b>115</b>	<b>50</b>	<b>500</b>	<b>377</b>	<b>1,259</b>	<b>3,108</b>

The amounts which are pending approval are detailed in **Appendix 1** of this paper, alongside detail of amounts previously approved either by this Board or under delegated authority.

5. At the April Board meeting, delegated authority was approved for the BHE MD to approve amounts with a value up to £100k, in consultation with the BHE & Charities FD.
6. Within the reports presented at this meeting, a request is being made to ensure there is adequate resource for CAS planned work in Year 2 within BHE, as presented within item 6 on the agenda.
7. At the time of preparing this report, there are no further requests for allocations from the Contingency Funds elsewhere on the agenda. A request relating to the staff pay review is under consideration, awaiting decisions from the Joint Consultative Committee.
8. At the time of Board papers submission, a request for the IT Managed Service transition project, enabling IT services to be moved back in-house, was in the process of being drafted.

## **Corporate & Strategic Implications**

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 2022/23 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. The BHE Board are asked to note the current contingency budgets held by BHE, and to note the request at item 6 for £123k from the Contingency Fund.

## **Sachin Shah**

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