

<b>Committee(s):</b> Finance Committee	<b>Dated:</b> 16 May 2023
<b>Subject:</b> Central Contingencies 2023/24	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	N
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Laura Yeo, Senior Accountant, Financial Services Division	

### Summary

This report has been produced to provide Members with an anticipated year-end position for 2022/23 Contingencies and an update on the uncommitted balances for 2023/24 Contingencies.

Of the previous allocations agreed by Committee, a sum of £817,000 will be required in future years, therefore it is proposed that these committed sums are carried forward from 2022/23 to 2023/24, thereby ensuring that a full year's contingency provision is available during 2023/24.

Due to expected increased revenue pressures it is also proposed that the uncommitted balances for Central Contingencies 2022/23 of £1,164,000 are ring-fenced for inflationary pressures and carried forward from 2022/23 to 2023/24.

### Recommendation(s)

Members are asked to agree to carry forward sufficient resources of £817,000 to meet existing allocations and £1,164,000 uncommitted balances to meet expected increased revenue pressures thereby providing sufficient Central Contingencies for funding requirements that may arise during 2023/24.

### 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.

- In addition to the Central Contingencies, the Committee has a specific City's Cash Contingency of £125,000 to support humanitarian disaster relief efforts both nationally and internationally.

## Current Position

### 2022/23 Contingency Balances

- The year-end position of the 2022/23 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 2022/23 Contingencies.

<b>Table 1: 2022/23 Central Contingencies</b>			
	City's Cash £'000	City Fund £'000	Total £'000
2022/23 Provision	950	800	1,750
2021/22 Provision brought forward to fund allocations agreed in previous years	234	608	842
<b>Total Provision</b>	<b>1,184</b>	<b>1,408</b>	<b>2,592</b>
Less Allocations			
2022/23 financial year	(253)	(358)	(611)
To be carried forward to fund allocations agreed in 2022/23	(427)	(390)	(817)
For future financial years to be carried forward	(504)	(660)	(1,164)
<b>Total Allocations</b>	<b>(1,184)</b>	<b>(1,408)</b>	<b>(2,592)</b>
<b>Uncommitted Balances</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

<b>Table 2: 2022/23 Specific Contingencies - National and International Disaster Fund</b>	
	City's Cash £'000
2022/23 Provision	125
Less Allocations	
2022/23 financial year	(100)
For future financial years to be carried forward	(0)
<b>Uncommitted Balance</b>	<b><u>25</u></b>

4. Of the previous allocations agreed by Committee, a total sum of £817,000 as listed below will be required in future years. Therefore, it is proposed that these sums are carried forward from 2022/23 to 2023/24, thereby ensuring that a full year's contingency provision is available during 2023/24.
- £621,000 towards the IT Service Transition Programme split £194,000 and £427,000 from City Fund and City's Cash Contingencies respectively.
  - £196,000 in support of the proposed Rough Sleeping Assessment Centre from City Fund Contingency.
5. Members will note that there are expected increased revenue pressures that may arise during 2023/24. Although measures have been taken in the 2023/24 budget and part of medium-term financial planning, the external environment is becoming increasingly more challenging, especially for inflationary pressures. Therefore, it is proposed that the uncommitted balances of the Central Contingencies of £1,164,000 are ring-fenced and carried forward to meet these pressures.

#### 2023/24 Contingency Balances

6. If the proposed sums to be carried forward are agreed, the uncommitted balances that are available for 2023/24 Contingencies are set out in the table below.

<b>Table 3: 2023/24 Contingencies</b>			
	City's Cash	City Fund	Total
	£'000	£'000	£'000
<b>Central Contingencies</b>			
2023/24 Provision	950	800	1,750
2022/23 Brought forward	931	1,050	1,981
<b>Total Provision</b>	<b>1,881</b>	<b>1,850</b>	<b>3,731</b>
Previously agreed allocations	(427)	(390)	(817)
<b>Uncommitted Balance</b>	<b><u>1,454</u></b>	<b><u>1,460</u></b>	<b><u>2,914</u></b>
<b>Specific Contingency - National and International Disasters</b>			
2023/24 Provision	125	0	125
2022/23 Brought forward	0	0	0
<b>Total Provision</b>	<b>125</b>	<b>0</b>	<b>125</b>
Previously agreed allocations	0	0	0
<b>Uncommitted Balance</b>	<b><u>125</u></b>	<b><u>0</u></b>	<b><u>125</u></b>

7. In the case of a request for additional funding for a project from all three funds, the Bridge House Estates Board would approve its portion of any such joint project. All requests specific to Bridge House Estates only, are considered solely by the Bridge House Estates Board.
8. At the time of preparing this report, there are no requests for allocations from contingency funds elsewhere on the agenda.

## **Conclusion**

9. Members are asked to agree to carry forward resources of £817,000 to meet existing allocations and £1,164,000 uncommitted balances to meet expected increased revenue pressures thereby providing sufficient Central Contingencies for funding requirements that may arise during 2023/24.

## **Appendices**

- Appendix 1 – 2022/23 Contingencies – Non Public
- Appendix 2 – 2023/24 Contingencies – Non Public

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