

## Bristol is Open Financial Considerations

### Financial impact of absorption of BiO activity in to BCC 20/21

It is proposed that any costs linked to BiO from the point at which it is brought to its 'shell' form are funded from the earmarked reserve of up to £500,000 previously approved by Cabinet (2/4/19) for the delivery of OPCR.

Latest forecast call on this £500k reserve is as follows:

The impairment of the following -

BiO funding advanced to 31/3/20	£130,498
BiO funding to be advanced 1/4/20-30/6/20	£60,000
BiO Office Space to 31/3/20	£22,824
BiO Office Space 1/4/20-30/6/20	£5,706
<u>Sub-Total</u>	<u>£219,028</u>
Plus	
Low-level annual running costs for BiO as a shell company	
Audit fees, bank fees, insurance	£31,000
<u>Total</u>	<u>£250,028</u>

If the decision to transfer BiO's team in to BCC is approved for 20/21 then the following costs are estimated to arise within BCC in 20/21 –

BiO staff (6 current) costs	£300k
Plus: additional (indicative) costs per Director ICT and Digital Transformation*	
Staff (1) Reduction	(£31.5k)
Technical Support	£36k
Support Contingency	£48k
Support from HoldCo	£6k
<u>Total</u>	<u>£358.5k</u>

It is recommended that the £358.5k of the above costs is funded first from the £250k remaining in the earmarked reserve (originally £500,000).

It is proposed that the £109k balance thereafter is absorbed within Digital Transformation and OPCR's existing annual Revenue budget envelope. There is to be no consequent budget pressure.