



Resource Allocation Sub (Policy and Resources) Committee

Date: THURSDAY, 28 MAY 2015

Time: 12.00 pm

Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Mark Boleat (Chairman)
Roger Chadwick (Deputy Chairman)
Alderman The Lord Mountevans
Stuart Fraser
Marianne Fredericks
George Gillon
Deputy the Revd Stephen Haines
Jeremy Mayhew
Deputy Catherine McGuinness
Edward Lord
Hugh Morris
Deputy Joyce Nash
Deputy Dr Giles Shilson
Sir Michael Snyder
Deputy John Tomlinson
Alderman Sir David Wootton

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Lunch will be served in the Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio visual recording

John Barradell
Town Clerk and Chief Executive

AGENDA
Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes of the Sub-Committee meeting held on 26 March 2015.

For Decision
(Pages 1 - 4)

4. **REVIEW OF GRANTS**
Report of the Deputy Town Clerk.

For Decision
(Pages 5 - 24)

5. **PROJECTS FUNDING UPDATE**
Report of the Chamberlain.

NB: This item will also be considered by the Grand Committee and should be read in conjunction with the separately bound non-public appendices circulated in respect of item no. 8 on agenda of the Grand Committee.

For Decision
(Pages 25 - 30)

6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
8. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

Part 2 – Non-Public Agenda

9. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the Sub-Committee meeting held on 26 March 2015.

For Decision
(Pages 31 - 32)

10. **GUILDHALL SCHOOL - EXTENSION OF CAPITAL/SUPPLEMENTARY REVENUE PROGRAMME**
Report of the Principal of the Guildhall School.

NB: This report has been considered and approved by the Board of Governors of the Guildhall School of Music and Drama.

For Decision
(Pages 33 - 50)

11. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**
Report of the Town Clerk.

For Information
(Pages 51 - 52)

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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Agenda Item 3

RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 26 March 2015

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 26 March 2015 at 3.00 pm

Present

Members:

Mark Boleat (Chairman)
Roger Chadwick (Deputy Chairman)
Deputy Douglas Barrow
Deputy John Bennett
Alderman Lord Mountevans
Stuart Fraser
George Gillon
Jeremy Mayhew
Deputy Catherine McGuinness
Deputy Joyce Nash
Deputy Dr Giles Shilson
Sir Michael Snyder
Deputy John Tomlinson

Officers:

John Barradell	Town Clerk and Chief Executive
Peter Kane	Chamberlain
Caroline Al-Beyerty	Budget Director
Peter Bennett	City Surveyor
Simon Murrells	Assistant Town Clerk
Angela Roach	Principal Committee and Members Services Manager

1. APOLOGIES

An apology for absence was received from John Barker, Simon Duckworth and Sir David Wootton.

2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES

The public minutes of the meeting held on 22 January 2015 were approved.

4. **JOINT MEETING WITH THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**

The public minutes of the Sub-Committee's joint meeting with the Efficiency and Performance Sub-Committee on 22 January 2015 were approved.

5. **ENERGY EFFICIENCY FUND**

The Sub-Committee noted that at its meeting earlier this day the Grand Committee had agreed to the creation of an internal Energy Efficiency Fund (EEF), with funding of £500k per annum.

6. **PROJECT FUNDING UPDATE**

The Sub-Committee noted that at its meeting earlier this day the Grand Committee had agreed to the allocation of £200,000 from the 2014/15 City Fund provision for new schemes to meet the cost of demolishing the poultry sheds at the Woodredon.

7. **OPERATIONAL PROPERTY REVIEW**

The Sub-Committee considered a joint report of the Chamberlain and the City Surveyor updating it on the progress of the Operational Property Review.

A Member referred to a previous decision which agreed to the cessation of capital caps and questioned when a report on an alternative arrangement was likely to be considered. The Budget Direct advised that the report would be considered at the Sub-Committee's meeting in May and that the paper would cover the issues of quantum and a new mechanism for the Barbican Centre and the Guildhall School. She also referred to the longer lead-in time required for those bodies.

The Chairman of the Projects Sub-Committee commented that he envisaged the process being a fairly straightforward exercise with departments being required to specify their requirements and the Resource Allocation Sub-Committee considering them in terms of the City Corporation's overall priorities.

RESOLVED – That the content of the report be noted and that a further update would be submitted to the Sub-Committee's meeting in May.

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

10. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act:-

Item Nos.	Paragraph(s) in Schedule 12A
11 -13	3

11. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 22 January 2015 were approved.

Matters Arising – Additional Work Programme

Reference was made to the request for a sampling exercise to be undertaken and an explanation given as to what was envisaged of the exercise.

12. **JOINT MEETING WITH THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**

The non-public minutes of the Sub-Committee's joint meeting with the Efficiency and Performance Sub-Committee on 22 January 2015 were approved.

13. **CITY ACADEMY HACKNEY SIXTH FORM EXPANSION**

The Sub-Committee noted that at its meeting earlier this day the Grand Committee had supported the recommendations associated with the City of London Academy Hackney sixth form expansion.

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items.

The meeting ended at 3.40pm

Chairman

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Agenda Item 4

Committee(s)		Dated
Resource Allocation Sub Committee	For decision	28 May 2015
Policy and Resources	For decision	28 May 2015
Open Spaces	For decision	8 June 2015
Finance	For decision	9 June 2015
Establishment	For decision	11 June 2015
Epping Forest and Commons	For decision	6 July 2015
General Purposes Committee of Aldermen	For information	8 July 2015
City Bridge Trust	For information	9 July 2015
Community and Children's Services	For decision	10 July 2015
Culture, Heritage and Libraries	For decision	13 July 2015
Hampstead Heath, Highgate Wood and Queen's Park	For decision	20 July 2015
Education Board	For information	23 July 2015
West Ham Park	For decision	27 July 2015
<i>(Policy & Resources – if necessary)</i>	<i>(For decision)</i>	<i>(24- 9 - 2015)</i>
<i>(Court of Common Council – if necessary)</i>	<i>(For decision)</i>	<i>(15- 10 -2015)</i>
Subject		
GRANT GIVING: Report of cross-cutting Service Based Review		Public
Report of:		For Decision / For Information
Deputy Town Clerk (on behalf of Chief Officers Group)		

Summary

A cross-cutting review of the grant giving activities of the City Corporation was commissioned as part of the Service Based Review programme. The objectives of the review were to identify the grants programmes which are offered by the City Corporation, to suggest how to improve value for money and drive up impact.

The review was undertaken from November 2014-January 2015, with a final report cleared by Chief Officers Group in April 2015. Summaries of the review report and its recommendations are attached at Appendices 1 and 2.

The review identified approximately £13.2m awarded in 2013/14 by the City Corporation across 15 different grants programmes, although by far the largest programme was the City Bridge Trust (these are listed in Appendix 3). The review concluded that there is no consistent approach across the City Corporation to governing or managing disbursements. This potentially exposes the City Corporation to financial, organisational and reputational risks.

Accordingly, a set of core principles have been identified to drive a more consistent, coherent and co-ordinated approach to grant giving across the City Corporation and several high level changes of direction are proposed:

1. Strategic allocation of resources

- Resource Allocation Sub Committee to set the annual quantum for City's Cash and City Fund grants programmes prior to the start of each financial year according to their relative priority, taking advice from the relevant grant-giving committees and Finance Grants Sub Committee.

2. Streamlined governance

- Finance Grants Sub Committee to adopt the more strategic role of performance managing and benchmarking all City Corporation grants programmes, rather than directly allocating a sub-set of programmes.
- The City Corporation's grants programmes to be consolidated under a smaller number of distinct themes which reflect the City Corporation's priorities (for example: Education; Social Inclusion; Employment Support; Open Spaces and Culture/Arts).
- Smaller charities (controlled by the City Corporation) sharing similar purposes to be merged (e.g. the five separate funds aimed at poverty relief, numbered 9 to 13 in Appendix 3).
- Where a grants programme relates specifically to the remit of a particular committee, that committee to have responsibility for the policy and operation of the programme in order to ensure alignment between policy and investment. Committees to avoid allocating funds to initiatives which cut across the remit of other committees.
- A more structured approach to be taken to the ad hoc (City's Cash funded) grants awarded by the various Open Spaces Committees – a formalised grants programme to be jointly governed by all Open Spaces committees and managed / publicised as one of the City Corporation's suite of grants programmes.

3. Consistent and proportionate customer experience

- All City Corporation grants programmes to be managed in a consistent way in relation to their spending, outcomes and risks.
- Monitoring and evaluation of individual grants to be consistently proportionate to the scale of individual awards.
- The spirit of the Government's Transparency Code and the Charity Commission's best practice guidelines to be followed in relation to public information, even where there is no legal requirement to do so for City's Cash grants: stakeholder expectations will be set by practice elsewhere.

4. Efficient and effective management

- Administrative and professional expertise on grants to be consolidated within the organisation to improve consistency of approach, drive economies of scale and promote best practice.
- Staff and other costs (e.g. legal, finance and audit) to be recharged to individual grant programmes to avoid unintended subsidy.

The benefits from adopting a more consistent, coherent and co-ordinated approach to grant giving across the City Corporation will include:

- Improved corporate grasp and transparency of the City Corporation's range of grant giving activities;
- Grants from City's Cash and City Fund better strategically aligned with the City Corporation's corporate objectives and policy priorities;
- Best practice identified and spread in terms of the prioritisation, assessment and governance of grants;
- Consolidation of expertise within the City Corporation to administer and manage grants, especially where these involve handling charitable grants;
- Reduction in operating costs resulting from the rationalisation of administrative services managing grants.

Recommendations

Resource Allocation Sub Committee

Members are asked to

- Consider the proposed change of approach to grant giving as outlined above and as set out in detail at Appendix 2.
- Make appropriate recommendations to the Policy and Resources Committee.

Policy and Resources Committee

Members are asked to

- Agree the proposed change of approach to grant giving as outlined above and as set out in detail at Appendix 2, subject to the comments of the Resource Allocation Sub Committee.
- Agree that Resource Allocation Sub Committee sets the annual quantum for each City's Cash and City Fund grants programme (including for City's Cash funded open spaces grants).
- Agree that Resource Allocation Sub Committee considers annual performance reports for all grants programmes from the Finance Grants Sub Committee.

Finance Committee

Members are asked to

- Agree that Finance Grants Sub Committee adopt a strategic oversight / performance management role in respect of all City Corporation grants programmes and relinquish its direct grant giving role.

Establishment Committee

Members are asked to

- Agree to take over responsibility from the Finance Grants Sub Committee for prioritising the (City's Cash) funds to support welfare initiatives (e.g. staff annual lunch and Guildhall Sports Club).

Community and Children's Services Committee

Members are asked to

- Agree to take on governance of the Combined Relief of Poverty charity (from Finance Grants Sub Committee) and of the various 'poverty relief' charities proposed for merger.
- Agree to review with the Education Board the most appropriate governance arrangements for the Combined Education Charity and City Educational Trust Fund (proposed for transfer from Finance Grants Sub Committee) in relation to the role of both Committees.

Education Board

Members are asked to

- Review with the Community and Children's Services Committee the most appropriate governance arrangements for the Combined Education Charity and City Educational Trust Fund (proposed for transfer from Finance Grants Sub Committee) in relation to the role of both Committees.

Open Spaces Committee

Epping Forest and Commons Committee

Hampstead Heath, Highgate Wood and Queen's Park Committee

West Ham Park Committee

Members are asked to

- Agree to adopt a more structured approach to grant giving which is jointly governed by all Open Spaces committees and which is publicised and managed as part of the City Corporation's suite of grants programmes.

Culture, Heritage and Libraries Committee

Members are asked to

- Agree to take on governance of a formal grants programme encompassing the current range of cultural / arts awards currently made by other committees (such as Finance Grants Sub Committee) provided the proposed overall change in direction is agreed by Policy and Resources, Resource Allocation Sub and Finance Committees.

City Bridge Trust Committee

Members are asked to

- Note that administrative management of the City Corporation's various programmes be consolidated under the Chief Grants Officer to improve consistency of approach, drive economies of scale and promote best practice.

Main Report

Background and Scope of Review

1. As part of the Service Based Review exercise it was identified that there was potential to improve the many different grant-giving functions across the City Corporation to achieve better transparency and accountability, improved value for money, greater traction and administrative efficiencies. In September 2014, the Policy and Resources Committee approved a proposal for a cross-cutting review of grant giving.
2. The review covered grants programmes funded from City's Cash, City Fund and the charitable grant-giving trusts which are either wholly or majority-controlled by the City Corporation. This excluded charitable grant-giving trusts with which the City Corporation is involved (e.g. via nomination rights to the governing board of trustees) but which the City Corporation does not control via majority control of the board – except for cases in which the City Corporation finances the activities of the trust from City's Cash.
3. The definition of a 'grant' for the purposes of the review was "*an award to an external organisation or individual to undertake an activity or produce an outcome which the City Corporation is not required to do under statutory obligation – or which furthers the charitable objects of the charity from which the payment is made - and which has been (or should be) awarded as a result of an openly publicised and transparent process of prioritisation against clearly pre-defined objectives.*" This definition excludes internal transfers between different parts of the City Corporation, commissioned services, discretionary donations, subscriptions, sponsorship, ongoing legal commitments and unallocated Community Infrastructure Levy.

Current Position

4. Applying the definition in paragraph 3 above to expenditure in 2013/14, the City Corporation awarded approximately £13.23m from 15 different grants programmes, under nearly 20 different themes. These are listed in Appendix 3. Around 90% of that figure was given out through City Bridge Trust (the grant giving arm of the Bridge House Estates charity). Also shown in Appendix 3 is the distribution of grants by theme from the City Bridge Trust and the other grant programmes for 2013/14. (Figures for 2013/14 for City Bridge Trust grants were untypically low.)
5. A further £7.8m was paid to external organisations as discretionary donations and strategic initiatives (including strategic initiatives funded by City Bridge Trust and the Policy Initiatives Fund). In addition, more than £0.5m was paid out as regular, ongoing payments (but not from grants programmes or via contracts or procurements) although the figure could be considerably higher. These payments are excluded from this review.

Key Findings – The Case for Change

6. A high level summary of the review report: *A More Strategic Approach to Grant Giving*, is attached as Appendix 1.
7. The review noted that the bulk of the City Corporation's grants are disbursed through the City Bridge Trust which has sound systems and processes in place for managing disbursements. However, there is no consistent approach to governing or directing the *totality* of the City Corporation's grants programmes in relation to each other. This gives rise to a number of challenges, which are discussed in section 3 of Appendix 1.
8. The review also identified financial, organisational and reputational risks and opportunities in not taking this opportunity to reform the City Corporation's grant giving activities. The financial risks centre on the unnecessary costs arising from a failure to achieve value for money, economies of scale, and drive appropriate due diligence. The organisational risks centre on the missed opportunities to set common purpose, achieve greater corporate coherence, and drive professional best practice.
9. The reputational opportunities arise from the potential for the City Corporation to:
 - Offer a strong and complementary suite of grants programmes which reflect its priorities;
 - Communicate clearly what grants can be applied for, how to apply and manage City Corporation grants;
 - Manage the grant applications and monitoring process in a consistent way;
 - Conform consistently to expectations of transparency and best practice (e.g. as set by the Charity Commission);
 - Publish a strong story about the difference made by City of London grants, and
 - Make a strategic impact on London.
10. The review concluded that in an environment in which public sector grants are coming under tighter pressure and closer scrutiny, the City Corporation has an opportunity to set a benchmark of good practice by channelling and directing its substantial grants offer in a more focussed way.

Core Principles – Seven Steps to Success

11. The review identified seven core principles, detailed in section 6 of Appendix 1, which would form the basis for a more consistent, coherent and co-ordinated approach to grant giving across the City Corporation. These were to:
 - 1) Set out a clear, corporate offer
 - 2) Allocate resources strategically
 - 3) Streamline governance
 - 4) Establish a common identity and branding for City Corporation grants
 - 5) Provide a consistent 'City of London' customer experience

- 6) Review all City Corporation grants programmes in a consistent and proportionate way
- 7) Manage City Corporation grants more efficiently and more effectively

13. These core principles were supported by a set of more detailed systemic and procedural changes and recommendations, which are summarised in Appendix 2. These were approved by the Chief Officers Group following a presentation on the review at their meeting in April 2015. The majority of these are operational changes, which will be implemented as part of the revised overall approach to grant giving, for which the approval of the Policy and Resources Committee is being sought.

14. However, there are a number of recommendations which require Member approval as they have an impact on the roles and remits of certain Committees. These are as follows:

- Resource Allocation Sub to gain setting of the annual quantum for each City Fund and City's Cash funded grants programme.
- Finance Grants Sub to gain strategic oversight / performance management of all City Corporation grants programmes but relinquish direct grant awarding functions.
- Community and Children's Services to gain Combined Relief of Poverty charity (from Finance Grants Sub) and the 'poverty relief' charities proposed for merger. To retain Combined Education charity and gain City Educational Trust Fund (from Finance Grants Sub Committee) but to explore the potential to transfer these to the Education Board.
- Education Board to explore with Community and Children's Services the potential to take on Combined Education charity and City Educational Trust Fund.
- Open Spaces committees to establish a formal grants programme which is jointly governed and accessible to all (based on levels of current payments made to external organisations).
- Culture, Heritage & Libraries *potentially* to establish a formal grants programme encompassing the current range of cultural / arts awards made by other committees (incl. Finance Grants Sub and the Policy Initiatives Fund).
- Establishment to take control over funds from Finance Grants Sub Grants Programme for payments made to staff (and former staff) to support welfare initiatives (e.g. staff annual lunch and Guildhall Sports Club).

Implementation

15. Assuming implementation starts once all relevant Committees have agreed the recommended changes (i.e. summer 2015), it should be possible for the new arrangements to commence from **1 April 2016**. (Merging the smaller charities will take 6-9 months.) A full implementation plan will be developed with appropriate resourcing to meet this start date.

Corporate & Strategic Implications

16. The review was commissioned as part of the cross-cutting Service Based Review exercise, with the primary aim of improving service delivery. Proposals to streamline the City Corporation's grants offer in line with the stated priorities of the organisation are consistent with the Corporate Plan.

Appendices:

- Appendix 1: SBR Grants 2015: Summary of Final Report
- Appendix 2: SBR Grants 2015: Summary of Recommendations
- Appendix 3: Pie charts of grants expenditure 2013/14 and list of grants programmes

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A MORE STRATEGIC APPROACH TO GRANT-GIVING

SUMMARY OF SBR GRANTS 2015: FINAL REPORT

1. GRANTS, PROFILE AND INFLUENCE

- 1.1 The City of London's grant-giving and charitable heritage is one to be proud of. The quirky stories behind some of the centuries' old legacies which have helped countless Londoners over the years embody the Square Mile's rich and fascinating history. The resulting spectrum of grants which is on offer today from the City of London Corporation is distinguished by its size, its provenance, its London-wide reach and its stable base, which is not subject to party political control. This is a powerful asset, which if purposefully deployed, has the potential to build the profile, reputation and influence of the City Corporation as a major contributor to the maintenance of London – and in particular the City of London – as a globally attractive place to invest, work, live and play. This is achieved to an extent through the substantial funds distributed by the City Bridge Trust (CBT). However there is also an opportunity for the City Corporation to reap further dividends by strategically harnessing and managing the totality of its grants programmes as an overall package, rather than simply presiding over its constituent parts. This review sets out how to achieve that, whilst also ensuring that the purposes of the various charitable trusts which form part of the City Corporation's grants offer are faithfully met and that the distinctiveness of the City Corporation's interests are best showcased.
- 1.2 Such an exercise must be undertaken with due regard to the external environment in which the City Corporation makes grants. Grant-giving, by its nature, reaches out to form relationships with stakeholders to catalyse changes. The types of changes, stakeholders and relationships which are developed as a result of the City Corporation's interventions reflect back onto the profile and reputation of the City Corporation as a whole. That external environment is one in which the framework for grant-giving is changing and this changing landscape plays a large role in defining how the City Corporation's grant-giving activities are received and the impact they are seen to make.

2. THE BIG SQUEEZE

- 2.1 There is now a much more widely held and explicit consensus around best practice in making grants - partly driven by the Government's Transparency Code and partly driven by the Charity Commission's guidelines – in which grant giving bodies are expected to operate in an open, responsive and timely way. (The Government's Transparency Code requires local authorities to publish the amount, purpose and date the grant was awarded, its duration, the awarding department and the type of organisation in receipt of the grant for all grants awarded over £500). Whilst the Code does not apply to the bulk of the City Corporation's grants, it is worth noting that the Code is having the effect of normalising stakeholder expectations and benchmarks of good practice in grant-giving. This needs to inform how the City Corporation manages its grants programmes overall – whether public, private or charitable.
- 2.2 Another determinant of the grant-giving environment is the level of public funding available for grants across London, which is set to drop sharply, with many existing grants budgets being cut completely or transformed into commissioning contracts for service delivery or a combination of the two. Local authority budgets for non-statutory services are projected to drop by a further 43% over the next five years (based on Dec 2014 Autumn Statement figures) which will accelerate and intensify the extreme financial pressures on activities such as employment support, community development, extracurricular education, access to culture and the arts and enjoyment of open spaces, as well as grant giving itself. These are also typically the activities through which the City Corporation has reached out in partnership across London and it will continue to do so, being less reliant on local authority financing from Government than the 32 boroughs. This will put the City

Corporation in an increasingly prominent position as a champion of non-statutory but nonetheless very important social, environmental, educational, cultural and artistic initiatives by organisations and individuals from all walks of life.

- 2.2 Whilst there are huge reputational dividends to be reaped in this scenario, greater prominence will also invite greater scrutiny. The size of the City Corporation's grants regime provides an opportunity to showcase leadership, creativity and best practice. It also means that the City Corporation, more than ever, will need to avoid any potential perceptions that precious resources are spent in a way which is out of touch with the challenging environment. The City Corporation's overall grants package will be judged on the extent to which the corporate offer is clear, coherent and well-targeted, administered in an exemplary way, easy to navigate, customer-focussed and recognisably branded.

3. CITY OF LONDON CORPORATION GRANTS CHALLENGES

- 3.1 The vast majority of the City Corporation's grants are disbursed through the City Bridge Trust, which has clear and open systems and processes in place for managing disbursements. However, if a broader corporate perspective is taken in which the CBT is viewed as only one of a wider suite of grants programmes offered by the City Corporation, the following challenges become apparent:
- i. **Lack of clarity on what constitutes a grant:** there is confusion about what constitutes a grant within the City Corporation, which arises partly because of the flexibility to finance such a wide range of initiatives from the City Fund. The term 'grant' has been applied to cover all payments (including a few contractual payments) – whether requested from or initiated by the City Corporation - as well as some internal budgetary transfers resulting from an internal bidding process (e.g. from the Policy Initiatives Fund). On other occasions, the term is much more restrictively used. Consequently there is no overview of the City Corporation's grants activities and no clear narrative which can be communicated.
 - ii. **A large number of small, loosely focussed grants programmes:** an idiosyncrasy resulting from the incremental accumulation of funds over a long period of time. Even though applying a standardised definition of a grant (e.g. as also used in the Government's Transparency Code) significantly reduces the range of payments which might fall under a loose 'catch-all' category, there remains a proliferation of grants programmes, many sharing overlapping and/or obsolete objectives, giving an overall impression of a lack of focus.
 - iii. **Lack of a consistent 'City of London' identity for City Corporation grants:** the City Corporation's grants programmes appear disconnected from each other, with little unifying public presentation or articulation of common purpose.
 - iv. **Variable customer experience of the same service:** a consequence of the fragmentation of grants programmes is that applicants do not have a consistent 'City of London' experience when engaging with the organisation on grants. For instance, only 5 out of a potential 15 City Corporation grant programmes (including wholly controlled City Corporation charitable programmes) are highlighted on the City Corporation website.
 - v. **Variable management practice for the same functions:** City Corporation's grant programmes are not managed in a consistent way and there is no overall benchmarking or standard setting for this function across the various programmes. The City Corporation has yet to comply with the Government's Transparency Code requirements for City Fund grants

and the Charity Commission's best practice guidelines in respect of City Corporation-controlled charitable trusts are not consistently followed.

- vi. **No overall performance review:** another consequence of the lack of coherence between the City Corporation's grants programmes is that they are not assessed for performance or impact in relation to each other, which would facilitate the spreading of best practice, drive better value for money and more effective targeting, as well as enable stronger communication with stakeholders about the difference made by the City Corporation's grants.
- vii. **Unintended duplication:** The City Corporation's grants programmes are largely managed separately from each other, which means management functions are replicated across the organisation to varying degrees of rigour, best practice is generally not shared and potential efficiencies are not realised.
- viii. **Untested subsidy:** the staff costs of managing grants (e.g. administrative, accounting, audit and legal) are not attributed to or reclaimed from the relevant programmes. This is the case for both City Corporation corporate grants programmes and City Corporation-controlled charities, despite each of the latter having additional funds available for immediate disbursement.
- ix. **Funding decisions which potentially cut across relevant service committee priorities:** the lack of co-ordination between the City Corporation's various grants programmes results in some grants being made without due reference to the priorities of the appropriate service committee charged with setting a policy and investment framework for the activities covered by the grant. This occurs in grants made in relation to poverty relief, education and culture.
- x. **Non-strategic resource allocation:** the organic way in which the City Corporation's grants has evolved over the years has meant that no direction has ever been set either for the overall or relative levels of grant funding to be made available for specific themes. There is scope to set City's Cash and City Fund grant programmes in relation to the given amounts available for disbursement through the City Corporation's trusts to improve targeting of resources.

4. RISKS

- 4.1 The scenario outlined above throws up potential risks and missed opportunities for the City Corporation. The risks are mainly reputational – for example, stakeholder uncertainty over what grants can be applied for, how to deal with the City Corporation on grants and inconsistent treatment by the City Corporation across its various grants programmes. But there are also missed opportunities to proffer a powerful set of grants programmes which work strategically for the City Corporation as much as for the specific purposes of each programme, to achieve economies of scale, to share best practice and to publish a coherent narrative about the impact made across London by the City Corporation's extensive range of grants.

5. A MORE COHERENT FRAMEWORK?

- 5.1 If "establishing a clear and well-run set of grants programmes which speaks to the needs of Londoners and represents the priorities and heritage of the City Corporation" is the aspiration of the City Corporation, then a more consistent approach to managing grants is required. This

would drive greater value from the City Corporation's extensive spending in this area, both in terms of reputation and material impact.

5.2 By reorganising how grants are managed into a more coherent policy framework, the City Corporation would be in a position to offer a more clearly defined and complementary suite of grants programmes, which reflects both the areas in which grants will be under acute pressure across London and the areas of investment in which City Corporation distinguishes itself from all others. Possible themes under which the City Corporation's grants could be brigaded might include:

- Social inclusion and poverty relief
- Educational and employment support
- Enjoying open spaces and the natural environment
- Community development
- Accessing culture and the arts

5.3 Steps towards achieving a more consistent approach to grant making would involve adopting a number of core principles, would then lead to a set of more detailed choices and operational changes.

6. CORE PRINCIPLES : 7 STEPS TO SUCCESS

- i. **Set out a clear, corporate offer:** The City Corporation's grants programmes should be clearly differentiated and complementary, easy to communicate, easy to understand and easy to engage with.
- ii. **Allocate resources strategically:** Resource Allocation Sub Committee should set the annual quantum for all City's Cash and City Fund grants programmes prior to the start of each financial year according to their relative priority, taking advice from the relevant grant-giving committees and Finance Grants Sub Committee.
- iii. **Streamline governance:** Where a grants programme relates specifically to the remit of a particular committee, that committee should have responsibility for the policy and operation of the grants programme in order to ensure alignment between relevant policies and other investments. Other committees should avoid allocating funds to initiatives which cut across the remit of those grant giving committees. Finance Grants Sub Committee takes on a performance management role for all City Corporation grants programmes
- iv. **Establish a common identity and branding for City Corporation grants:** All grants programmes which are controlled by City Corporation should share a common corporate 'Identity', with consistent branding which identifies them as belonging to the City of London Corporation family of grants – whether publicly, privately or charitably funded.
- v. **Provide a consistent 'City of London' customer experience:** All grants programmes should comply with the spirit of the Government's Transparency Code even where not legally required to do so, and charitable trusts should comply with the Charity Commissions' best practise guidelines. The handling of applications and the monitoring of spend should be consistent for all grants programmes and proportionate to the size of the award.
- vi. **Review all City Corporation grants programmes in a consistent and proportionate way** in relation to their spending, outcomes and risks, on the basis of a twice-yearly report to Finance Grants Sub Committee, Resource Allocation Sub Committee and appropriate Committees and boards of trustees.
- vii. **Manage City Corporation grants more effectively and more efficiently:** Administrative and professional expertise should be consolidated wherever possible to provide economies of scale and assist the sharing of best practice. Staff costs (e.g. legal, finance and audit) should be recharged to grant programmes to avoid the City Corporation having to subsidise operations.

6.1 Timing: Implement agreed changes on 1 April 2016

The organisational adjustments which would flow from adopting the above recommendations would require approximately 9-12 months to put in place, assuming implementation starts as soon as the recommendations are agreed. For example, negotiation of changes to City Corporation charitable trusts with the Charity Commission would require 6 – 9 months.

6.2 Process: Draw up an action plan and task a project manager to drive progress

Once decisions have been taken about the preferred way forward, it is recommended that an implementation plan is drawn up, staff resource be made available to pursue it and progress reported to Members on a quarterly basis to maintain momentum.

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SBR GRANTS 2015: FINAL REPORT

SUMMARY OF RECOMMENDATIONS

Core Principles: 7 Steps to Success	Detailed Recommendations: Principles into Practice
<p>1. Set out a clear corporate offer: City Corporation’s grants programmes should be clearly differentiated and complementary, easy to communicate, easy to understand and easy to engage with.</p>	<p>1.1 Be explicit about what is meant by a “grant” and adopt this single definition throughout the City Corporation.</p> <p>1.2 Classify payments as “grants” only if they are awards to external organisations or individuals to undertake an activity or produce an outcome which City Corporation is not required to do under statutory obligation or if they further the charitable objects of the charity from which the payment is made and if they are awarded as a result of an openly publicised and transparent process of prioritisation against clearly pre-defined objectives.</p> <p>1.3 Maintain accounting discipline for the coding and treatment of grants.</p> <p>1.4 Ensure that any ongoing discretionary City Fund payments to external bodies which have not been made as grants, or which do not arise from a legal obligation or which have not been formally commissioned or procured are compliant with procurement best practice and EU legislation</p> <p>1.5 Streamline the City of London Grants programming into consolidated themes which reflect the priorities of the City Corporation. (for example: Education, Social Inclusion; Employment Support; Open Spaces and Culture/Arts)</p> <p>1.6 Merge smaller charities sharing similar purposes and consolidate other programmes as far as possible</p> <p>1.7 Formalise the de facto Open Spaces (City’s Cash) programme so that the available funding becomes more clearly identifiable and accessible.</p>
<p>2. Allocate resources strategically: Resource Allocation Sub Committee should set the annual quantum for all City’s Cash and City Fund grants programmes prior to the start of each financial year according to their relative priority, taking advice from relevant grant-giving committees and Finance Grants Sub Committee.</p>	<p>2.1 Ensure Resource Allocation Sub Committee is able to consider a comprehensive report on performance across the full range of City Corporation Grants Programmes (i.e. publicly, privately and charitably funded) via Finance Grants Sub Committee early in Q4 of each financial year in order for it to take well informed decisions about setting City’s Cash and City Fund allocations to corporate grants programmes for the following year.</p>

SBR GRANTS 2015: FINAL REPORT

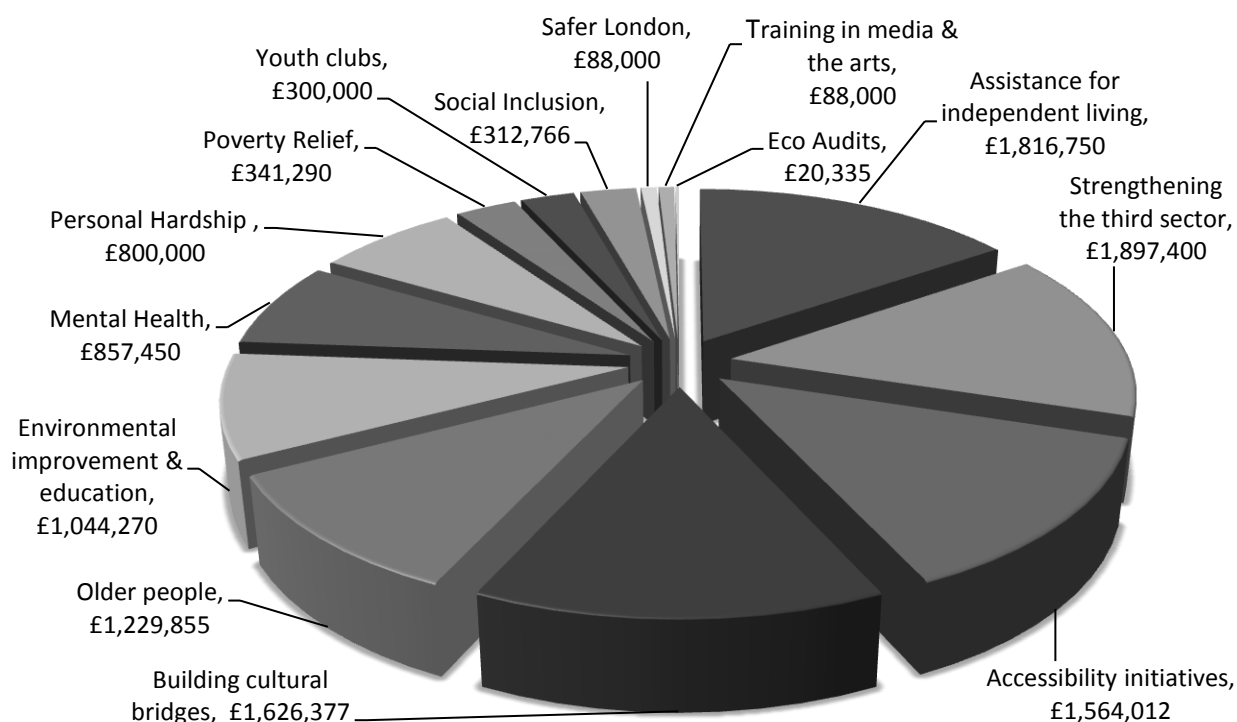
<p>3.Streamline governance: Where a grants programme relates specifically to the remit a particular committee, that committee should have responsibility for the policy and operation of the grants programme in order to ensure alignment between relevant policies and investments. Other committees should avoid allocating funds to initiatives which cut across the remit of those grant giving committees. Finance Grants Sub Committee should perform a more strategic performance management role for all City Corporation grants programmes and move away from a direct grant-giving function.</p>	<p>3.1 Agree that the proposed streamlined single poverty relief charity (if agreed) be accountable to the Community & Children’s Services (CCS) Committee to maximise synergies with wider City Corporation investment in poverty relief arising from professionally identified social needs - moving away from a range of different governance arrangements for each of the 5 trusts.</p> <p>3.2 Agree that the proposed new Open Spaces Grants programme (if agreed) be accountable to a new joint sub-committee of the various open spaces grand committees, rather than agreed on a request-by-request basis by each committee.</p> <p>3.3 Assign Finance Grants Sub Committee Grants Programme a more strategic performance management role, reviewing progress, outcomes and risks for all City Corporation grants programmes on a twice yearly basis and making recommendations to the relevant grants committees on relative performance issues.</p> <p>3.4 Reallocate the current Finance Grants Sub Committee Grants Programme to a specific theme or themes, to be governed by whichever committee sets the appropriate policy and funding framework for that area.</p> <p>3.5 Transfer the City Educational Trust Fund from Finance Grants Sub Committee to either CCS Committee or the Education Board for allocation consistent with the most appropriate policy framework. Explore longer term merger with the Combined Education Charity.</p> <p>3.6 Explore transferring the Combined Education Charity from CCS Committee to the Education Board for allocation consistent with the most appropriate policy framework. Explore longer term merger with the City Educational Trust Fund.</p> <p>3.7 Transfer the current annual value of continuing payments from the Finance Grants Sub Committee grants programme to staff-related initiatives to the Establishment Committee for allocation in accordance with HR priorities.</p>
<p>4.Establish a common identity and branding for City Corporation grants: All grants programmes which are controlled by City Corporation should share a common corporate ‘identity’, with a common branding which identifies them as belonging to the City Corporation family of grants – whether public, private or charitably funded.</p>	<p>4.1 Require all City Corporation grant recipients to carry City Corporation branding on any publicity relating to the funded activities as a condition of their grant.</p> <p>4.2 Include branding assurance as part of the City Corporation grants monitoring process.</p>

SBR GRANTS 2015: FINAL REPORT

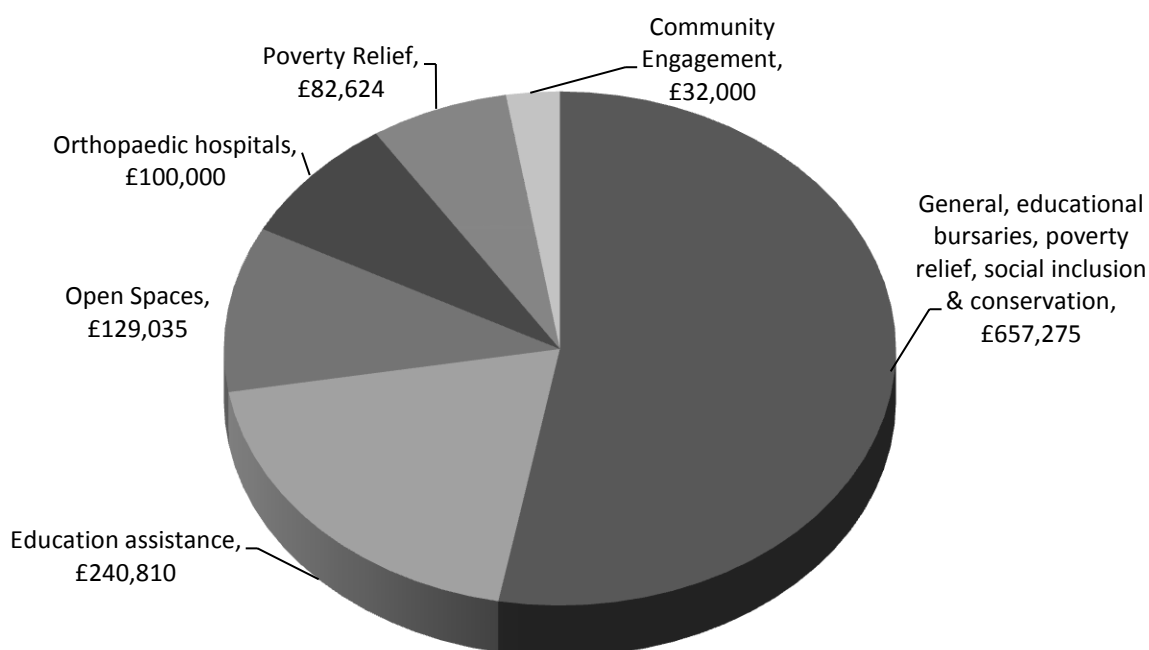
<p>5. Provide a consistent 'City of London' customer experience: All grants programmes should comply with the spirit of the Government's Transparency Code, even where not legally required to do so, and charitable trusts should comply with the Charity Commission's best practice guidelines. The handling of applications and the monitoring of spend should be consistent for all grants programmes and proportionate to the size of the award.</p>	<p>5.1 Publish on the City Corporation's website the information for all grants programmes required in the Government's Transparency Code for grant-giving and Charity Commission's best practice guidelines.</p> <p>5.2 Publish on the City Corporation's website a summary of all City Corporation grants programmes and a link to key funding criteria and approvals process for each grants programme, key common assurance criteria against which grants will be monitored, key common service standards which grant applicants can expect from the Corporation, an on-line, interactive "expression of interest form" covering all programmes and an advice-line number / availability times for assistance.</p> <p>5.3 Agree a set of common criteria for prioritisation of applications, due diligence assurance and monitoring procedures to be applied to small, medium sized and large grants (through City Bridge Trust and Finance Grants Sub Committees) following a cross-departmental officer-led initiative to harmonise and calibrate standards and operational practice.</p>
<p>6. Review all City Corporation grants programmes in a consistent and proportionate way: All on the basis of a twice yearly report to Finance Grants Sub Committee, Resource Allocation Sub Committee and appropriate service committees and boards of trustees.</p>	<p>6.1 Ensure twice yearly performance review includes an assessment of compliance with any obligations under the Government's Transparency Code and Equality Act 2010 (legally required for City Fund grants budgeting and management) and assesses the performance of charitable trusts against Charity Commission best practice guidelines.</p>
<p>7. Manage City Corporation grants more efficiently and more effectively: Administrative and professional expertise should be consolidated wherever possible to provide economies of scale and enable the sharing of best practice. Staff costs (such as legal, finance and audit) should be recharged to relevant programmes to avoid the City Corporation having to subsidise operations.</p>	<p>7.1 Agree that grants administrators for all City Corporation grants programmes (except in the case of Community & Children's Services grants) be co-located with the City Bridge Trust grants team, whilst remaining financed from and accountable to their sponsoring grants programmes and relevant committees.</p> <p>7.2 Agree that the Chief Grants Officer maintain an overview of all City Corporation grants programmes in order to prepare a twice yearly performance report and that s/he should manage any staff co-located with the City Bridge Trust team in order to facilitate consistency of approach and harmonised service standards.</p> <p>7.3 Agree that designated finance and legal officers (funded through the relevant programmes) be identified to ensure that knowledge and expertise is consistently and expertly applied to grants management.</p>

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City Bridge Trust 2013/14
Grants awarded : £11,986,505



Other City Corporation Grants Programmes 2013/14 (see list overleaf)
Grants awarded : £1,241,744



City Corporation Grants Programmes (other than City Bridge Trust)

(excluding The Honourable The Irish Society, administered in Northern Ireland)

1. Finance Grants Sub Committee
2. Early Years Foundation Stage Programme
3. Community Small Grants Scheme
4. Estate Community Grants
5. City Educational Trust Fund
6. City Corporation Combined Education Charity
7. Sir William Coxen Trust Fund
8. The Vickers Dunfee Memorial Benevolent Fund
9. Emanuel Hospital
10. City of London Corporation Combined Relief of Poverty
11. Ada Lewis Winter Distress Fund
12. Mansion House Staff Fund
13. Signor Pasquale Favale's Marriage Portion Charity
14. Open Spaces de facto grants (incorporating: Epping Forest and City Commons, Hampstead Heath, Highgate Wood and Queen's Park, Kilburn)

Agenda Item 5

Committee(s):	Date(s):
Resource Allocation Sub	For Decision 28 May 2015
Policy and Resources	For Decision 28 May 2015
Subject:	
Project Funding Update	Public
Report of:	
The Chamberlain	For Decision
Summary	
<p>The Policy and Resources Committee has agreed to set aside annual sums of £3m in both the City Fund and City's Cash financial forecasts to provide a degree of flexibility to fund smaller value new capital schemes as they arise.</p> <p>This report advises on the allocation of funds made from the 2014/15 provision and seeks approval to carry forward the unallocated balances of £0.486m for City Fund and £0.125m for City's Cash to create additional headroom to supplement the 2015/16 provisions.</p> <p>Ordinarily any unallocated provisions are returned to the centre. However, the Service Based Reviews (SBRs) have identified a number of 'spend to save' proposals requiring up-front investment and it is suggested that the annual provisions for new schemes should be the first option for funding. In recognition of the resulting additional pressure on the provisions, it is therefore proposed that the unallocated balances from 2014/15 be carried forward to bolster the funds available in 2015/16.</p> <p>The report also highlights potential schemes which may require funding and seeks agreement to allocate a total of £154,000 from the 2015/16 City Fund provision towards three SBR investment proposals. These comprise £130,000 for coffee points and mobile bars at the Barbican Centre and a total of £24,000 towards the costs of feasibility and planning for the transformation of Barbican and Shoe Lane libraries. These funding proposals have been endorsed by the Corporate Priorities Board, the senior officer group created to consider resourcing for projects which is chaired by the Town Clerk.</p> <p>A potential shortfall of £1.152m could arise if all of the identified City Fund schemes were to be allowed to progress in 2015/16. Therefore it may be necessary, later in the year, to prioritise the schemes to which available funds should be allocated, or alternatively to seek an additional draw down from City Fund reserves to support the SBR proposals. Advice from the Corporate Priorities Board will be provided to assist in determining the optimum solution.</p> <p>An unallocated balance of £0.724m is currently indicated for City's Cash in 2015/16 if all schemes were to be progressed. However, this includes some schemes that are not classified as essential. If funding for these schemes were not agreed due to failing the qualifying criteria, the unallocated balance would increase.</p> <p>Following the annual roll forward of the planning period to 2018/19, approval is also sought to formalise the provision of £6m for that year (£3m each for City Fund and</p>	

City's Cash).

Recommendations

Members are asked to:

- Note the contents of this report in respect of the allocation of the 2014/15 provisions for new schemes;
- Agree to carry forward the 2014/15 unallocated balances of £0.486m for City Fund and £0.125m for City's Cash to bolster support for SBR investment proposals;
- Agree to the allocation of £154,000 from the 2015/16 City Fund provision to provide funding for SBR investments, comprising:
 - a. £130,000 for coffee point and mobile bars at the Barbican Centre;
 - b. £24,000 towards the cost of feasibility and planning for the transformation of the Barbican and Shoe Lane libraries.
- Formally approve the allocation of a total of £6m to be set aside in 2018/19 as a provision for new schemes (£3m each for City Fund and City's Cash).

Main Report

Background

1. The Project Procedure was implemented in November 2011.
2. The Policy and Resources Committee have agreed to set aside sums of £18m (£3m per annum) over the period from 2012/13 to 2017/18 in both the City Fund and City's Cash financial forecasts (£36m in total) to provide a degree of flexibility to fund smaller value new capital schemes as they arise.
3. In June 2012, the Policy and Resources Committee agreed that only projects that are considered **essential** and which fit within the following categories may be approved at Gateways 1-4 of the Project Procedure, until further notice:
 - 1) Health and safety compliance
 - 2) Statutory compliance
 - 3) Fully/substantially reimbursable
 - 4) Spend to save or income generating, generally with a short payback period (as a rule of thumb within 5 years)
4. In exceptional circumstances, other projects considered to be a priority by the Resource Allocation Sub-Committee will be allowed to proceed.
5. The majority of projects working their way through the early gateways are to be funded either from internal ring-fenced sources such as the Barbican Centre and GSMD Capital Caps and the City Surveyor's Designated Sales Pools or from external sources such as Section 106 deposits and Government/Transport for London grants which are restricted for specific purposes.
6. Decisions about the allocation of resources for those projects that require

funding is generally taken when a scheme reaches Gateway 4a – Inclusion in Capital Programme. Until now, members of the Resource Allocation Sub Committee have generally been asked only to consider the allocation of funds from the annual provisions.

7. To help members to prioritise the allocation of City resources to projects from a wider range of funding sources, the Corporate Priorities Board has been created to provide a more holistic approach to the allocation of project finance, by considering bids for funding from a range of available (less constrained) sources, including in particular future receipts from the unallocated pots of the City's Community Infrastructure Levy (CIL).

Funding approved from the 2014/15 Allocations

8. The Policy and Resources Committee has agreed to set aside £1m of the City Fund annual provision to be earmarked for essential capital works to the London Wall premises of the Museum of London. In addition, the unallocated balances from 2013/14 of £0.4m for City Fund and £1m for City's Cash were allowed to be rolled forward. This resulted in total 2014/15 provisions of £2.4m for City Fund and £4m for City's Cash schemes. Appendix 1 lists the projects for which funding from the 2014/15 allocations has been agreed, leaving unallocated balances of £0.486m for City Fund and £0.125m for City's Cash at the year-end.
9. The City's Cash provision was previously expected to be exhausted and approval to an advance draw-down from the 2015/16 provision was sought on an exceptional basis to allow the high priority Hampstead Heath Ponds project to progress. However, the anticipated request for funding for the Lord Mayor's coach refurbishment was deferred, creating sufficient headroom to meet the Hampstead Heath requirement in full, with a small unallocated balance of £0.125m remaining.

Options for the unallocated balances

10. These provisions are intended to fulfil a potential in-year funding gap and the carrying forward of unallocated balances is not generally in the spirit of what was intended. Therefore, in the normal course of events, such balances would be retained centrally.
11. However, the Service Based Reviews (SBRs) have identified a number of 'spend to save' proposals requiring up-front investment to increase revenue income streams or to deliver cost savings and it is suggested that the annual provisions for new schemes should be the first option for funding. It is therefore proposed that the unallocated balances from 2014/15 should be rolled forward to bolster the funds available in 2015/16. A report providing further details on the potential funding requirements for SBR 'spend to save' proposals is due to be considered at the next meeting of the Sub-Committee.

Funding from the 2015/16 provisions

12. Should the carry forward proposals be agreed, the provisions for new schemes in 2015/16 will be £2.486m for City Fund (£3m less £1m for Museum + proposed £0.486m unallocated 2014/15 balance carried forward)

and £3.125m for City's Cash (£3m + proposed £0.125m unallocated 2014/15 balance carried forward).

13. There are three requests for funding requiring a decision now in order for projects to progress. These relate to SBR investment proposals, and the 2015/16 City Fund provision for new schemes has been identified as the most appropriate source of funding by the Corporate Priorities Board:
 - Investment in Coffee Points and Mobile Bars for the Barbican Centre – Estimated funding of £130,000. This SBR proposal is following the light approval track, allowing the Managing Director of the Barbican Centre to give authority to start work subject to the approval of funding. It is classified as an **essential, income generating** scheme. The Barbican Centre's budget will be permanently reduced, with the capital cost being recovered from savings in the first five years.
 - Transformation of the Barbican Library – funding of £12,000. The total cost of assessing the feasibility and planning for this SBR proposal is estimated at £42,000, of which £30,000 has been identified from existing local risk resources. A funding contribution of £12,000 is therefore being sought. This scheme is currently classified as an **advisable** scheme to deliver **efficiency improvements**. Should the proposal prove viable, its priority status will be reassessed.
 - Transformation of Shoe Lane Library – funding of £12,000
This is an identical proposal to the Barbican Library as detailed above.
14. A list of the schemes (of which we are aware at this stage, excluding Gateway 0) which may require funding from the City Fund and City's Cash provisions for 2015/16 and future years is provided in Appendix 2.
15. For City Fund, the Appendix indicates that a potential shortfall of £1.152m could arise if all of the identified City Fund schemes were to be allowed to progress in 2015/16. Therefore it may be necessary, later in the year, to prioritise the schemes to which available funds should be allocated, or alternatively to seek an additional draw down from City Fund reserves to support the SBR proposals. Input from the Corporate Priorities Board will be provided to assist in this process. At this stage, it is proposed that the three requests totaling £154,000 be agreed in order to support the SBR process.
16. An unallocated balance of £0.724m is indicated for City's Cash in 2015/16 if all schemes were to be progressed. However, this includes some schemes that are not classified as essential. If funding for these schemes were not agreed due to failing the qualifying criteria, the unallocated balance would increase. There are no City's Cash schemes requiring a funding decision at this stage.

Extending the annual provisions by a year

17. Based on the three years of operation, the annual provisions continue to provide adequate resources to enable essential schemes to be progressed:

- For City Fund, the provisions have been underspent in all years – from a combined provision of £7m since 2012/13, a total of £2m has been unallocated.
 - For City’s Cash, the provision was fully allocated in 2012/13 but was underspent in 2013/14 and 2014/15 – from a combined provision of £9m, a total of £0.1m has been unallocated.
18. It is therefore proposed that the current level of provisions be maintained going forward.
 19. During the preparation of the budgets approved in March, the financial planning period was subject to the usual roll forward and additional sums of £3m were included in each of the financial forecasts for 2018/19. Formal agreement to these 2018/19 provisions is now sought.
 20. In addition, maximum value for money from the resources set aside for new schemes should be achieved by continuing the following agreed approach:
 - Ensuring that the project budgets are at the lower end of the predicted range, applying pressure via effective value engineering and restricting scope where possible.
 - Instructing officers to develop options that distinguish between ‘critical’ and the more ‘desirable’ elements of a project to ensure that costs can be contained.

Conclusion

21. The level of resources available to fund new projects in 2014/15 has been adequate to enable essential new schemes to be progressed.
22. The £3m per annum limit on additional project expenditure for each fund has imposed good discipline amongst officers involved in project management and this will be maintained going forward.
23. Developing options which distinguish between the critical and more desirable elements of projects will assist in allocating limited resources.
24. A number of schemes being brought forward as part of the SBR income generation/spend to save proposals require up-front investment and it is proposed that the provisions for new schemes should be the first option for funding. In recognition of the additional pressure on the provisions that this may generate, it is proposed that the unallocated balances of £0.486m for City Fund and £0.125m for City’s Cash be carried forward to bolster the 2015/16 provisions.
25. Requests for funding totalling £154,000 in respect of three City Fund proposals require a decision now. The Corporate Priorities Board has concluded that the 2015/16 City Fund provision for new schemes is the most appropriate source of funding for these SBR schemes.
26. A potential shortfall of £1.152m could arise if all of the identified City Fund schemes were to be allowed to progress in 2015/16. Therefore it may be necessary, later this year, to prioritise the schemes to which available funds should be allocated, or alternatively to seek an additional draw down from

City Fund reserves to support the SBR proposals. Advice from the Corporate Priorities Board will be provided to assist in this process.

27. Headroom of £0.724m is currently indicated in the 2015/16 City's Cash provision. There are no requests for funding
28. Due to the extension of the planning period to 2018/19, formal agreement to the inclusion of £3m provisions for City Fund and City's Cash is now sought.

Appendices

- Appendix 1 Non-Public – Projects funded from 2014/15 City Fund and City's Cash provisions for new schemes
- Appendix 2 Non-Public – Projects which may seek funding from 2015/16 and future City Fund and City's Cash provisions for new schemes

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