



PIF/Contingency Fund Bid Policy

Approved by the Policy & Resources Committee on 14 December 2023

Introduction

- The Policy Initiatives Fund (PIF) should be used to fund projects and initiatives identified during the year which support the City Corporation's overall aims and objectives, or policy priorities identified by the Policy & Resources Committee.
- The Committee Contingency Fund is used to fund unforeseen one-off items of expenditure when no specific provision exists within the Policy Committee's budget.
- There is no specification for the *type* of project in scope but has historically included items relating to a specific initiative, e.g. research, funding for external bodies in support of the City's overall objectives, and membership of national think tanks. Applications should make clear what specific activity funding it will be used for.
- All applications should be discussed informally before submitting with the Head of the Policy Unit, Office of the Policy Chairman, Town Clerk's Department and the Assistant Director - Strategic Finance, Chamberlain's Department.

PIF/Contingency Applications

- All applications for PIF/Contingency should set out the following information as standard for Members to take an informed decision:
 - **Rationale** – Why this item is not able to be funded through existing departmental local risk budgets (e.g. need has arisen mid-year, reacting to an external request or opportunity).
 - **Strategic/Priority Link** – How this item will advance either:
 - A policy lead area defined by this Committee
 - Another Committee priority
 - A Corporate Plan outcome
 - Promotion of the City or City's role in London or nationally
 - **Outcomes** – What specific outcomes will be delivered for the level of funding requested?
 - **Economy** – What steps will be taken to ensure the initiative will be delivered in the most cost-effective manner?
 - **Delivery** - Specify the timeline for your works / activities (start date, end date, key milestone target dates) and measures that will be put in place to mitigate any risks of not delivering the planned outcomes.
 - **Evaluation** – How will success be measured? Evaluation should be proportionate to the level of funding requested.

- **Reporting** – How will you report the results of the activity funded in addition to regular reporting through the PIF & Contingency VFM Biannual/End of Project Progress Reporting templates.
 - **Repeat Expenditure** – Has this item been funded in previous years? If so, what are the reasons for a further application for PIF/Contingency. Set out how success was evaluated for the previously funded item.
 - **Benefit Sustainment** – How will the positive effects of this initiative be sustained if this funding is withdrawn?
- To restrict the depletion of funds in future years, a two-year time limit is in place on multiyear PIF bids, with three years being an option by exception. To ensure prioritisation within the multiyear bids, the PIF from the financial year 2019/20 and onwards has £600k of its total budget put aside for multiyear bids with the rest set aside (£600k) for one off allocations, with the option to ‘top up’ the multiyear allocation from the contingency balance if Members agree to do so. This will ensure that there should always be enough in the PIF to fund emerging one-off opportunities as they come up.
 - Departments must complete a standardised progress update form biannually and at the end of the initiative for all awards.
 - When a PIF bid has been approved there should be a reasonable amount of progress/spend on the works/activities within 18 months of approval which allows for slippage and delays. If there has not been enough spend/activity within this timeframe, Members will be asked to approve that the remaining allocation be returned to the Fund where it can be utilised for other works/activities.
 - Where no expenditure has not been made within 12 months, a report should be brought back to the Policy & Resources Committee by officers to request reprofiling of funds.
 - If the Department requires funding for the same works/activities again at a later date, the funding must be re-bid for. If there is a legitimate reason, out of the Department’s control, which has caused delays, it is recommended that these are reviewed by Committee as needed.
 - Officers must gain the approval of the Policy and Resources Committee prior to repurposing any PIF/ Contingency.
 - It is expected that recurrent expenditure is covered by local risk budgets through the budget setting process unless extenuating circumstances.