

Committee(s): Policy and Resources Committee	Dated: 22/02/2024
Subject: Policy and Resources Contingency/Discretionary Funds	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chamberlain	For Decision
Report Author: Geraldine Francis - Chamberlain	

Summary

This report provides the schedule of projects and activities which have received funding from the Policy Initiatives Fund (PIF) and the Policy and Resources Committee's Contingency Fund for 2023/24 and future years with details of expenditure in 2023/24. It was agreed in January 2024's Committee that the Project Reserve uncommitted balance of £343,000, should now sit within Finance Committee. The balances remaining for these Funds for 2023/24 and beyond are shown in the Table below.

Fund	2023/24 Balance Remaining after Approved Bids £	2024/25 Balance Remaining after Approved Bids £	2025/26 Balance Remaining after Approved Bids £	2026/27 Balance Remaining after Approved Bids
Policy Initiative Fund	513,726	505,000	955,000	1,180,000
Policy and Resources Contingency	19,720	285,000	300,000	300,000

Recommendation(s)

Members are asked to:

- Note the report and contents of the schedules.
- Agree to increase the 2024/25 multiyear PIF cap by £145,000 from the 2024/25 Committee Contingency **should Option A of the Innovate Finance Funding Bid be approved at today's Committee.** Whilst the overall 2024/25 PIF uncommitted balance is £505,000, the amount available for multiyear Bids is £5,000, as shown in Paragraph 16. Should this be approved, the remaining available balance for 2024/25 Committee Contingency will be £140,000.

Main Report

Background

1. On the basis of Committee's concerns of the operations of the PIF/Contingency Funds, the Policy was refreshed and ratified by Policy & Resources Committee on 14 December 2023 and is included as Appendix 3. A policy briefing was held on 17 January 2024 to support regular report authors with these new policy requirements.
2. 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.
3. 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.
4. 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. All applications should make clear what specific activity funding it will be used for and should set out the standard information specified in the Policy to enable Members to take an informed decision.
5. 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.
6. 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.
7. Departments must complete a standardised progress update form biannually and at the end of the initiative for all awards.
8. 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.
9. 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.

10. 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.
11. Officers must gain the approval of the Policy and Resources Committee prior to repurposing any PIF/ Contingency.
12. It is expected that recurrent expenditure is covered by local risk budgets through the budget setting process unless extenuating circumstances.
13. The £343,000 uncommitted balance of the Committee's Project Reserve, having an initial budget of £450,000 and used for project type spend, has now been transferred to Finance Committee as agreed in January 2024's Policy and Resources Committee.

Current Position

14. Appendices 1 and 2 list committed projects and activities approved by this Committee for the current and future financial years with the remaining balances available for the PIF (Appendix 1) and your Committee's Contingency (Appendix 2).
15. The balances that are currently available in both the Policy Initiatives Fund and Committee Contingency Fund for 2023/24 are shown in the Table below. These amounts include uncommitted balances from 2022/23 of £701,000 and £357,159 under PIF and Committee's Contingency respectively, as agreed by your Committee in March 2023. The 2022/23 unspent allocations Departments requested to be carried forward have now been approved and are also included in the figures below.

Fund	2023/24 Opening Balance	2023/24 Approved Bids	2023/24 Balance Remaining after 2023/24 Approved Bids	2023/24 Pending Bids	2023/24 Balance Remaining after 2023/24 Pending Bids
	£	£	£	£	£
Policy Initiative Fund	2,269,012	(1,755,286)	513,726	0	513,726
Policy and Resources Contingency	778,446	(758,726)	19,720	0	19,720

16. The remaining multiyear allocation is shown in the Table below with details, as shown in Appendix 1, prior to any allowances being made for any other proposals on today's agenda.

	2023/24	2024/25	2025/26	2026/27
Balance remaining of Multiyear PIF allocation	£43,000	£5,000	£355,000	£530,000

Corporate & Strategic Implications

17. Strategic implications – Although each PIF application has to be judged on its merits, the application must include how the 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

18. Financial implications – Each PIF application should be approved on a case by case basis and Departments should look to local budgets first before seeking PIF approval, with PIF requests only being submitted if there is no funding within local budgets available.

19. Resource implications – None

20. Legal implications – None

21. Risk implications – None

22. Equalities implications – None

23. Climate implications – None

24. Security implications – None

Appendices

- Appendix 1 – PIF 2023/24 and Future Years
- Appendix 2 – P&R Contingency 2023/24 and Future Years
- Appendix 3 – New PIF/Contingency Fund Bid Policy

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