



Finance Committee

Date: TUESDAY, 9 APRIL 2024

Time: 12.45 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

Deputy Henry Colthurst (Chairman)	Deputy Paul Martinelli
Deputy Randall Anderson (Deputy Chairman)	Catherine McGuinness
George Abrahams	Deputy Andrien Meyers
Deputy Rehana Ameer	Deputy Brian Mooney
Shahnan Bakth	Eamonn Mullally
Brendan Barns	Benjamin Murphy
Emily Benn	Hugh Selka
Nicholas Bensted-Smith	Paul Singh
Aaron Anthony Jose Hasan	Tom Sleigh
D'Souza	Deputy Sir Michael Snyder
Alderman Professor Emma	James St John Davis
Edhem	Luis Felipe Tilleria
Alderman Sir Peter Estlin	Deputy James Thomson
Sophie Anne Fernandes	James Tumbridge
Steve Goodman OBE	Mark Wheatley
Deputy Madush Gupta	Philip Woodhouse
Michael Hudson	Deputy Christopher Hayward, Policy and Resources Committee (Ex-Officio Member)
Alderman Robert Hughes-Penney	Deputy Keith Bottomley, Policy and Resources Committee (Ex-Officio Member)
Deputy Elizabeth King	
Alderman Tim Levene	

Enquiries: Ben Dunleavy ben.dunleavy@cityoflondon.gov.uk

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Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

Ian Thomas CBE
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 OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the meeting held on 20 February 2024.

For Decision
(Pages 7 - 16)

4. **ACTION TRACKER**

Report of the Town Clerk.

For Information
(Pages 17 - 18)

5. **FORWARD PLANS**

a) Finance Committee's Forward Plan (Pages 19 - 20)

Report of the Chamberlain.

b) Efficiency and Performance Working Party's Forward Plan (Pages 21 - 22)

Report of the Chamberlain.

6. **DRAFT PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

To receive the draft public minutes and non-public summary of the Projects and Procurement Sub-Committee held on 12 February 2024.

For Information
(Pages 23 - 28)

7. **PROJECT AND PROCUREMENT SUB-COMMITTEE COMPOSITION**

Report of the Town Clerk.

For Discussion
(Pages 29 - 34)

8. **CENTRAL LONDON WORKS - ADDITIONAL GRANT FUNDING AND INCREASE IN CONTRACT VALUE**

Report of the Executive Director of Innovation and Growth.

For Decision
(Pages 35 - 40)

9. **SPRING 2024 BUDGET - BRIEFING FOR MEMBERS**

Report of the Chamberlain.

For Information
(Pages 41 - 52)

10. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**

Report of the Chamberlain.

For Information
(Pages 53 - 76)

11. **REPORT OF ACTION TAKEN**

Report of the Town Clerk.

For Information
(Pages 77 - 80)

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

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

14. **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 Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

15. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

To agree the non-public minutes of the meeting held on 20 February 2024.

For Decision
(Pages 81 - 88)

16. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

To receive the draft non-public minutes of the Projects and Procurement Sub-Committee held on 12 February 2024.

For Information
(Pages 89 - 96)

17. **ESTABLISHING A LEGAL ENTITY IN THE USA**

Joint Report of the Executive Director, Innovation & Growth, the City Solicitor and Comptroller and the Chamberlain.

For Decision
(Pages 97 - 116)

18. **MAJOR PROJECT DASHBOARD (PERIOD 11)**

Report of the Chamberlain.

For Information
(Pages 117 - 124)

19. **REPORT OF ACTION TAKEN**

Report of the Town Clerk.

For Information
(Pages 125 - 128)

20. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

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

Part 3 - Confidential Agenda

22. **FINANCIAL SERVICES DIVISION RECRUITMENT QUARTERLY UPDATE**

The Chamberlain to be heard.

For Information

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FINANCE COMMITTEE

Tuesday, 20 February 2024

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 20 February 2024 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Deputy Paul Martinelli
Deputy Randall Anderson (Deputy Chairman)	Catherine McGuinness
Brendan Barns	Eamonn Mullally
Alderman Professor Emma Edhem	Hugh Selka
Steve Goodman OBE	Deputy Sir Michael Snyder
Deputy Madush Gupta	Luis Felipe Tilleria
Michael Hudson	Deputy James Thomson
Alderman Robert Hughes-Penney	Philip Woodhouse
Deputy Elizabeth King	Deputy Christopher Hayward (Ex-Officio Member)

Officers:

Ian Thomas, CBE	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Dionne Corradine	- Chief Strategy Officer
Paul Wilkinson	- City Surveyor
Phil Black	- Chamberlain's Department
Daria Faeti	- Chamberlain's Department
John James	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Hirdial Raj	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
Robert Murphy	- City Surveyor's Department
Ben Dunleavy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Deputy Rehana Ameer, Shahnan Bakth, Deputy Nick Bensted-Smith, James St John Davis, Alderman Sir Peter Estlin, Deputy Madush Gupta, Benjamin Murphy, Aaron D'Souza, Paul Singh, James Tumbridge and Mark Wheatley.

Deputy Andrien Meyers and Paul Singh observed the meeting virtually.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

The public minutes and non-public summary of the meeting held on 23 January 2024 were approved as an accurate record.

4. **ACTION TRACKER**

Members received a report of the Town Clerk setting out outstanding actions from previous meetings.

The Chairman informed Members of several items which could be removed from the Action Tracker following their inclusion on the Forward Plan.

The Chairman asked officers to provide an update on the report on the use of consultants. In reply, officers said that a previous report had focused on changes to the policy of day-rate interim consultants, but would provide an update. The next piece of work would consider consultancy spend, initially to be considered by the Efficiency and Performance Working Group. A Member requested that any future report take into consideration the output from February's informal Court meeting.

The Chamberlain suggested that the Committee should receive the Efficiency and Performance Working Group's Forward Plan as a standing agenda item.

RESOLVED – That the Committee notes the report.

5. **FINANCE COMMITTEE'S FORWARD PLAN**

Members received a report of the Chamberlain providing the Committee's forward plan.

RESOLVED – That the Committee notes the report.

6. **DRAFT MINUTES FROM THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

The draft public minutes and non-public summary of the Projects and Procurement Sub-Committee held on 12 January 2024 were noted.

7. **CITY FUND 2024/25 BUDGET & MEDIUM-TERM FINANCIAL PLAN**

Members received a report of the Chamberlain concerning the City Fund 2024/25 Budget and the Medium-Term Financial Plan.

The Chairman and the Chamberlain introduced the report, and the Committee proceeded to consider each section of the recommendations in turn. A Member asked if the issuing of service charge bills could be expedited to allow for certainty on the amount that social tenants would be required to pay. Officers replied that additional resource in the Financial Services team would allow for service charges to be issued on a quarterly basis, in order to provide better notice to residents. The Member also asked officers to consider how to advertise the support available to residents.

RESOLVED, that - the Committee endorses the report and the below recommendations for onward approval by the Court of Common Council:

1.0 To note and approve the overall budget envelopes for City Fund.

- 1.1 Additional funding is required to be approved for new on-going cost pressures and have been included as budget uplifts:
 - 1.1.1 Agreed pay award from 1st July 2023.
 - 1.1.2 Net 3% inflation uplift to local risk budgets.
 - 1.1.3 £470k for City Fund Adult Social Care and Children Services.
 - 1.1.4 £2m central provision to cover assumptions for Ambition 25 (Reward Refresh) – subject to recommendations of the Corporate Services Committee.
 - 1.1.5 £210k increase in legal costs to support specialist advice.
 - 1.1.6 £330k on-going City Fund support to Electoral Services.
 - 1.1.7 £400k provision for possible increases to members allowance – subject to recommendations of the Civic Affairs committee.
 - 1.1.8 £56k shortfall (split across City Fund and City's Estate) to Occupational Health Physician Services.
 - 1.1.9 £59k (3%) uplift to the London Symphony Orchestra grant.
 - 1.1.10 £189k (3.47%) increase to the Museum of London grant.
- 1.2 For Cyclical Works Programme (CWP):
 - 1.2.1 Additional funding totalling £62.7m to address the backlog of works £27.1m, forward plan £34.0m, plus £1.6m towards delivery of the programme across the next 5 years from 2024/25 (Appendix A, paragraphs 22 to 28).
 - 1.2.2 Funding identified from reserves in City Fund, endorsed by Finance Committee in December, to be ringfenced to the programme (paragraph 50). Delivery will need to be managed robustly to avoid cost creep.
 - 1.2.3 £25m was allocated to the Barbican Centre, approved by Court of Common Council 9 March 2023 to address critical health and safety needs and to fund the development of a business case to consider replacement of more fundamental infrastructure than is covered in a cyclical works programme.
 - 1.2.4 Any further funding for the Barbican Centre to be considered separately and as part of its own strategic business plan (paragraph 29).
- 1.3 To address inflationary pressures going forward assumptions include 2% uplift from 2025/26 onwards.
- 1.4 Savings still to be achieved from Development of City commercial income streams through Barbican Management, Commercial - procurement, and from implementation of the Enterprise Resource Planning system have been reprofiled to (£3.3m) 2025/26 and (£0.6m) in 2026/27 respectively. Permanent savings from previous savings programmes are expected to crystallise by 2024/25 see paragraphs 63 and 64.
- 1.5 Other one-off pressures and opportunities for transformation in 2024/25 outlined in paragraph 27 to be funded from forecast carry forward underspends from 2023/24.

- 1.6 Unfunded additional revenue bids (paragraph 26) to be avoided during 2024/25, unless these can be prioritised from savings or income generated from the Corporation's Resource Prioritisation Refresh Programme (RPR).
- 1.7 Increase the rents for social tenants within the Housing Revenue Account by 7.7% for 2024/25, as supported by Childrens & Community Services Committee on 25 January in order to balance the HRA across the MTFP.
- 1.8 As in previous years, it is recommended the earmarked security reserve retains £1m as a minimum and is reviewed regularly.
- 1.9 Approve the overall financial framework and the revised Medium-Term Financial Strategy (paragraphs 17 to 73).
- 1.10 Approve the City Fund Net Budget Requirement of £201.8m (Appendix A, paragraph 7)

Key decisions:

The key decisions are in setting the levels of Council Tax and National Non-Domestic rates:

- 2.0 **Council Tax** – paragraphs 54 to 57
 - 2.1 To approve an increase of 2% social care precept, raising c£165k p.a. in response to the ongoing pressures in homelessness and adult social care. This is recommended given the pressures within adult social care totalling £310k p.a.
 - 2.2 To approve an increase of 2.99% on core Council Tax raising c£247k p.a. This is recommended to address £160k pressure on children social care and bridge the gap on adult social care as above.
 - 2.3 To note if both increases are approved, the 4.99% increase will increase income by £412k and raise Band D rate by c£48.00 to £1,051.62 (before GLA precept). This increase is not excessive and is below the threshold to require a referendum and much needed for continued support to vulnerable members of society.
 - 2.4 To determine that a fully funded means tested council tax reduction scheme will continue in place for those on low incomes and least able to pay more. This means that those that are least able to afford it will continue to receive 100% support with their council tax bills.
 - 2.5 To determine the Local Discretionary discount for Care Leavers between the ages of 18 to 25 is continued for 2024/25.
 - 2.6 Determine the amounts of Council Tax for the three areas of the City (the City, the Middle Temple and the Inner Temple to which are added the precept of the Greater London Authority (GLA) - Appendix B.
 - 2.7 Determine, that as in previous years no discount (0%) is awarded to unoccupied and unfurnished and uninhabitable dwellings for 2024/25.
 - 2.8 Determine that a premium is levied on long-term empty property for 2024/25 of 100%, 200% and 300% on properties that have been empty for 2, 5 and 10 years respectively. This is a continuation of the Premiums charged in 2023/24.
 - 2.9 Introduce a new long-term empty property premium of 100% for properties that have been empty for longer than 12 months in 2024/25.

- 2.10 Determine that a Second Home Premium is introduced in 2025/26. 12 months' notice is required to introduce this additional charge.
 - 2.11 It is recommended that, having regard to the government guidance issued, the Chamberlain be given the discretion, delegated to the Assistant Director, Financial Shared Services, to reduce or waive the long-term empty premium charge in exceptional circumstances.
 - 2.12 Approve that the cost of highways, street cleansing, waste collection and disposal, drains and sewers, and road safety functions for 2024/25 be treated as special expenses to be borne by the City's residents outside the Temples (Appendix B).
- 3.0 Business Rates – paragraphs 58 to 61**
- 3.1 To approve an increase of up to £0.04p in the £ in Business Rate Premium raising up to c£8.1m p.a. to support the ongoing pressures on the Police and security costs (paragraphs 40 to 43, 52).
 - 3.2 Award a Discretionary Discount under S47 Local Government Finance Act for qualifying Nursery Schools of up to 100%.
 - 3.3 Note that the Non-Domestic Rate multiplier of 54.6p and a Small Business Non-Domestic Rate Multiplier Rate of 49.9p have been set by Central Government for 2024/25 (Appendix A, paragraph 9). Note that, in addition, the GLA is levying a Business Rate Supplement in 2024/25 of 2.0p in the £ on properties with a rateable value of £75,000 and above (Appendix A, paragraph 12).
 - 3.4 Delegate to the Chamberlain the award of discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988 (Appendix A, paragraph 11).
- 4.0 Capital Expenditure**
- 4.1 Approve the Capital Strategy (Appendix F).
 - 4.2 Approve the Capital budgets for City Fund and the allocation of central funding from the appropriate reserves to meet the cost of the 2024/25 bids – release of funding being subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub Committee at gateway 4(a) (paragraphs 70 to 73)
 - 4.3 Approve the continuation of the allocation of central funding in 2024/25 to provide internal loan facilities for the HRA, currently estimated at £14.6m respectively.
 - 4.4 Approve the Prudential Code indicators (Appendix D).
 - 4.5 Delegate authority to the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.
- 5.0 Treasury Management Strategy Statement and Annual Investment Strategy 2024/25 (Appendix E)**
- 5.1 Approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25, including the treasury indicators – Appendix E.
 - 5.2 Approve the authorised limit for external debt (which is the maximum the City Fund may have outstanding by way of external borrowing) at £432.8m for 2024/25; and the Minimum Revenue Provision (MRP) for 2024/25 at £1.4m (MRP policy is included within Appendix E – Treasury

6.0 Chamberlain's Assessment

6.1 Take account of the Chamberlain's assessment of the robustness of estimates and the adequacy of reserves and contingencies (paragraphs 76-80 and Appendices A, C and H respectively).

8. 2024/25 CITY'S ESTATE BUDGETS AND MEDIUM-TERM FINANCIAL PLAN
Members received a report of the Chamberlain concerning the City's Estate 2024/25 Budget and the Medium-Term Financial Plan.

A Member, also the Chairman of the Capital Buildings Board, raised a query concerning the budget for the Smithfield Annexe Buildings. The Chamberlain clarified the position and undertook to ensure that the final report reflected the correct position when submitted to the Court of Common Council.

RESOLVED, that – the Committee endorses the below recommendations for onward approval by the Court of Common Council:

1.0 To note and approve the overall budget envelope for City's Estate 2024/25 revenue budgets.

1.1 Additional funding is required for new on-going cost pressures and have been included as budget uplifts:

1.1.1 Agreed pay award from 1st July 2023.

1.1.2 Net 3% inflation uplift to local risk budgets.

1.1.3 £2m central provision to cover assumptions for Ambition 25 (Reward Refresh) – subject to recommendations of the Corporate Services Committee.

1.1.4 £100k increase in legal costs to support specialist advice.

1.1.5 £540k contingency held centrally to support the increase in State Visits.

1.1.6 £20k funding to support RASC away day.

1.1.7 £113k provision set to support volunteering.

1.1.8 £148k recognition of staff contribution through staff summer events and annual lunch.

1.1.9 £380k funding for Corporate Graduate Scheme, increasing to £710k from 2025/26.

1.1.10 £10k support for on-going Benefits-in-Kind review and annual reporting.

1.1.11 Shortfall on Occupational Health Physician services (£56k split between funds).

1.1.12 £85k increase for Mayoralty and Shrievalty allowances as agreed at the Joint Deputation meeting on 20 March 2023.

For 2024/25 an increase of £62k is being proposed – subject to Joint Deputation meeting on 28 March 2024.

1.1.13 £400k provision for possible increases to Members allowance.

1.2 For Cyclical Works Programme (CWP):

1.2.1 Funding of £71m has been allocated within City's Estate to address £28m backlog of works and £43m forward plan, towards delivery of programme across the next 5 years from 2024/25.

1.2.2 Following meeting with the Joint Resource Allocation Sub Committee and Service Committee Chairmen, additional headroom has been created to address urgent health and safety issues at the Guildhall School of Music and Drama over the 5-year forward plan totalling £12.5m (£8m to 2027/28).

1.2.3 Funding identified from reserves in City's Estate resulting in an additional draw on assets endorsed by Finance Committee in December, to be ringfenced to the programme. Delivery will need to be managed robustly to avoid cost creep.

1.3 To address inflationary pressures going forward assumptions include 2% uplift from 2025/26 onwards.

1.4 Savings still to be achieved from Commercial - procurement and implementation of the Enterprise Resource Planning system have been profiled (£0.3m) to 2025/26 and (£0.6m) in 2026/27 respectively. Permanent savings from previous savings programme are expected to crystallise by 2024/25.

1.5 Other one-off pressures and opportunities for transformation in 2024/25 outlined in paragraph 11 to be funded from forecast carry forward underspends from 2023/24.

1.6 Unfunded additional revenue bids (paragraph 10) to be avoided during 2024/25, unless these can be prioritised from savings or income generated from the Corporation's Transformation Programme.

2.0 Approve the overall financial framework and the revised 5-year Financial Strategy (paragraphs 4-30).

3.0 Approve the 2024/25 Capital and Supplementary Revenue Project Budgets for City's Estate amounting to £218.3m (paragraph 27).

4.0 Approve the allocation of central funding of up to £218.3m for City's Estate to meet the cost of 2024/25 approved capital schemes. Release of such funding being subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub-Committee at Gateway 4(a). Note the agreed capital envelope for new bids of £5m in 2024/25 (paragraph 27-30).

5.0 Delegate authority to the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.

9. **PROPOSED APPROACH TO THE REVIEW OF PROCUREMENT AND CONTRACT MANAGEMENT**

Members received a report of the Chamberlain concerning procurement and contract management,

RESOLVED, that – Members:

- a) Approve the proposed scope of the procurement and contract management review.
- b) Note the proposed reporting arrangements.

10. **ANNUAL ON-STREET PARKING ACCOUNTS 2022/23 AND RELATED FUNDING OF HIGHWAY IMPROVEMENTS AND SCHEMES**

Members received a report of the Chamberlain concerning the Annual On-Street Parking Accounts 2022/23.

RESOLVED, that – the report be received and its contents noted before submission to the Mayor of London.

11. **ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME UPDATE REPORT**

Members received a report of the Chamberlain concerning the Annual On-Street Parking Accounts 2022/23.

RESOLVED, that – the report be received and its contents noted before submission to the Mayor of London.

12. **BUDGET MONITORING QUARTER 3 2023/24 UPDATE**

Members received a report of the Chamberlain concerning budget monitoring.

RESOLVED, that – the report be received and its contents noted.

13. **CHAMBERLAIN'S BUSINESS PLAN QUARTER 3 2023/24 UPDATE**

Members received a report of the Chamberlain concerning the departmental business plan.

RESOLVED, that – the report be received and its contents noted.

14. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**

Members received a report of the Chamberlain concerning the management of departmental risks.

RESOLVED, that – the report be received and its contents noted.

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

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

There was no other business.

17. **EXCLUSION OF THE PUBLIC**

RESOLVED - 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 Schedule 12A of the Local Government Act.

Item No.	Paragraphs in Schedule 12A
16-24, 26, 27	3
25	1 and 3

18. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

The non-public minutes of the meeting held on 23 January 2024 were approved as an accurate record.

19. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

The draft non-public minutes of the Projects and Procurement Sub-Committee held on 12 January 2024 were noted.

20. **IRRECOVERABLE NON-DOMESTIC RATES AND COUNCIL TAX**

Members received a report of the Chamberlain concerning non-domestic rates and council tax.

21. **PROCUREMENT STAGE 2 AWARD REPORT - DITS CORPORATE LICENCE & CLOUD SERVICES PROVIDER**

Members received a report of the Chamberlain concerning cloud services provision.

22. **INTERIOR ARCHITECTURAL SERVICES FRAMEWORK – CONTRACT AWARD**

Members received a report of the Chamberlain concerning architectural services.

23. **BARBICAN CENTRE PUBLIC CATERING SERVICES - PROCUREMENT STAGE 1 STRATEGY REPORT AND EXTENSION OF CURRENT CONTRACTS**

Members received a report of the Chamberlain concerning catering services at the Barbican Centre.

24. **SUBJECT: ALL ESTATES – REVIEW OF METRICS USED IN MAKING MAJOR PROPERTY DECISIONS – 2ND TRIENNIAL REVIEW**

Members received a report of the City Surveyor concerning property metrics.

25. **CITY FUND: 2024 INVESTMENT PROPERTY STRATEGY**

Members received a report of the City Surveyor concerning the City Fund investment property strategy.

26. **CITY'S ESTATE: 2024 INVESTMENT PROPERTY STRATEGY**
Members received a report of the City Surveyor concerning the Investment Property Strategy for City's Estate.
27. **DELEGATION REQUESTS**
Members received a report of the City Surveyor concerning requests for delegated authority.
28. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
The Committee noted a report of the Town Clerk detailing a non-public decision(s) taken under delegated authority since the last meeting.
29. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
Members considered several non-public question(s) relating to the work of the Committee.
30. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The Committee considered an item of urgent business relating to the Museum of London.
- a) **Museum of London Relocation Programme: Phase 2**
Members received a report of the City Surveyor.

The meeting ended at 2.45 pm

Chairman

Contact Officer: Ben Dunleavy ben.dunleavy@cityoflondon.gov.uk

FINANCE COMMITTEE – Action Tracker – April 2024

Items from meeting held 16 May 2023		
ITEM	Action	Officer and target date
12. RISK MANAGEMENT UPDATE	The Committee to receive a report on the Markets Co-Location Programme, once the Project Governance Review has concluded.	City Surveyor May 2024

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FINANCE COMMITTEE – WORK PROGRAMME 2024-25

	Apr-24	May-24	June-24	July-24	Sept-24	Nov-24	Dec-24	Jan -25	Feb 25
Budget Setting Process & Medium-Term Financial Planning				Update on Budget setting 24/25			Autumn Budget Finance Committee's Estimates report	2024/25 Annual Capital Bids - update	City Fund Budget Report and Medium-Term Financial Strategy City Estates Budget report and Medium-Term Financial Strategy
Effective Financial Management Arrangements for The City Corporation	MPO Dashboard Reporting (CHB)- Financial Services Division Recruitment Quarterly Update (VERBAL) Efficiency and Performance forward plan Barking Reach Site - Land Transfer from BPL to CoLC (CHB & CS) postponed - date tbc Getting Best Value from our low-value spend – 12 months from April – (12 months from implementation , not from when paper received)	Project Procedure Revision six-month Update MPO Dashboard Reporting (CHB) Update of Finance Regulations - deep dive Stage 1 report for Managed Service Temporary Agency Resource Duplicate pay run closing report Statement of Investment Principles (SIPS) for City Fund and City's Estate	Financial Services Division Recruitment Quarterly Update (VERBAL) MPO Dashboard Reporting (CHB) Contract Management report (AP from 12 th Dec meeting)	Revenue Outturn report 23/24 Provisional Outturn report 23/24 MPO Dashboard Reporting (CHB) Future Network Programme	Budget Monitoring Q1 Provision for Bad and Doubtful Debts City Re update MPO Dashboard Reporting (CHB)	Budget monitoring Q2 Capital Projects – Forecasting Financial Services Division Recruitment Quarterly Update (VERBAL) MPO Dashboard Reporting (CHB) MPO Dashboard Reporting (CHB)	MPO Dashboard Reporting (CHB)	MPO Dashboard Reporting (CHB) Financial Services Division Recruitment Quarterly Update (VERBAL)	Budget monitoring Q2 MPO Dashboard Reporting (CHB)
Financial Statements					City Fund and Pension Fund statement of accounts	City's cash financial statements City's Cash trust funds and sundry trust funds annual reports and financial statements			
Finance Committee as a Service Committee	Risk Management Update Report Spring 2024 Budget briefing	Risk Management Update Report Chamberlains Business plan End of Year update ERP Programme Update (Quarterly)	Risk Management Update Report Central Contingencies (Quarterly report)	Risk Management Update Report Chamberlain's Business plan Q report	Risk Management Update Report Central Contingencies (quarterly report) Chamberlain's Business plan Q report ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlain's Business plan Q report	Risk Management Update Report Central Contingencies (quarterly report) ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlain's Business plan Q report	Risk Management Update Report Chamberlain's Business plan Q report

Other Departments reports	Central London Works (IG) Establishing a US-based company (IG) Projects and Procurement Sub-Committee Composition (TC)	Appointment of Sub-Committees (TC) Markets Co-Location Programme update (CS)	Results of External Review into Resident Service Charges (CCS)		Annual Terms of Reference Review (TC)		Benefits in Kind Annual Report (CBF)		
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EFFICIENCY AND PERFORMANCE – WORK PROGRAMME 2024-2025

	18-April-24	1-July-24	14-Oct-24	Feb-25	May-25	Sept-25	Nov-25
Barbican							
Chamberlain's	Consultants Review	Consultants Review Deep Dives					
City Surveyor's							
Corporate Transformation		Operational Property Review Income Generation Savings not delivered	Fees and charges				
Comptroller & City Solicitor's							
Environment	BIK review	Charity Review	Charity Review				
Innovation & Growth		FPS and Competitiveness					
Town Clerk's	Guildhall Club London Metropolitan Archives	Pay & Reward VFM Guildhall works	Comms/Marketing				
Remembrancer's Office			Events across Corporation				
Schools							
External Discussion							

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Agenda Item 5b

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PROJECTS AND PROCUREMENT SUB-COMMITTEE

Monday, 12 February 2024

Minutes of the meeting of the Projects and Procurement Sub-Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 12 February 2024 at 1.45 pm

Present

Members:

Alderman Timothy Hailes (Chairman)
Deputy Randall Anderson
Deputy Keith Bottomley
Deputy Madush Gupta
Caroline Haines
Deputy Charles Edward Lord
Paul Martinelli
Philip Woodhouse

Officers:

Caroline Al-Beyerty	- The Chamberlain
Genine Whitehorne	- Commercial Director
Ronnie Adams	- Chamberlain's Department
Sarah Baker	- Chamberlain's Department
Tara Crombie	- Chamberlain's Department
Daria Faeti	- Chamberlain's Department
Samantha Kay	- Chamberlain's Department
Mohammad Mostafa	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Hirdial Rai	- Chamberlain's Department
Yasin Razaaq	- Chamberlain's Department
Beena Tanna	- Chamberlain's Department
Gillian Howard	- Environment Department
Tom Noble	- Environment Department
Richard Chamberlain	- City Surveyor's Department
Marcelina Gilka	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Peter Ochser	- City Surveyor's Department
Adrian Morgan	- Barbican Centre
John Barker	- Department for Community and Children's Services
John Cater	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Deputy Shravan Joshi and Deputy Christopher Hayward.

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

There were no declarations.

3. **MINUTES**

RESOLVED – that the public minutes of the meeting held on Monday, 15th January be approved as an accurate record.

4. **PROPOSED APPROACH TO THE REVIEW OF PROCUREMENT AND CONTRACT MANAGEMENT**

The Sub-Committee considered a Report of the Chamberlain concerning the Review of Procurement and Contract Management.

The Chair opened the discussion, with two reflections; firstly, he raised concerns about the organisations ability to effectively contract manage, secondly, he posed a question as to whether the organisation currently had the internal capacity and resources to undertake the Review given the concurrent focus on the Project Governance Review, as such, he queried whether external resource should be procured to undertake some or indeed all of the Review.

Several Members agreed with this and supported the Chair's proposal for officers to submit this paper to the upcoming Finance Committee (20th February) with the benefit of officers carrying out a costing exercise in the interim period, which would then provide Finance Committee Members with the options to keep the Review as an in-house exercise or to procure external resource to deliver it.

A Member asked officers to undertake a broader examination of the value-for-money of procuring external resources for these types of Reviews, compared with the cost of in-house options. The Chamberlain responded that this was an area which the Efficiency & Performance Working Party would be able to look at and would co-ordinate with the Chairman and the Deputy Chairman of the Finance Committee outside of the meeting.

The Director of Commercial, Change and Portfolio Delivery emphasised that the Review could be delivered currently with no further additional calls on funds, but, if Members were minded to support procuring additional external support (diluting the recommended blended approach in the Report in favour of more external support) additional funding would be required. We would also need to consider which areas we would want to keep as internal workstreams, as retaining some of these areas in-house would be the optimal approach to ensure buy-in from across the organisation.

RESOLVED – that the Sub-Committee asked for the Report to be submitted to the upcoming Finance Committee meeting on 20th February with accompanying updated presentation/remarks by the Director of Commercial, Change and Portfolio Delivery at that meeting.

5. ***GW2: SALISBURY SQUARE DEVELOPMENT HIGHWAY AND PUBLIC REALM WORKS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated highway and public realm works for the Salisbury Square Development.

RESOLVED – that the Sub-Committee noted the Report.

6. ***GW3,4,5: 1 LEADENHALL STREET SECTION 278 HIGHWAY WORKS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated Section 278 highway works for the 1 Leadenhall Street Development.

RESOLVED – that the Sub-Committee noted the Report.

7. ***GW4C: ST. PAUL'S GYRATORY TRANSFORMATION PROJECT – PHASE 1**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the St. Paul's gyratory transformation project.

RESOLVED – that the Sub-Committee noted the Report.

8. ***GW5: MOOR LANE ENVIRONMENTAL ENHANCEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the environmental enhancements for Moor Lane.

RESOLVED – that the Sub-Committee noted the Report.

9. ***GW6: 2-6 CANNON STREET PUBLIC REALM IMPROVEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated public realm improvements for 2-6 Cannon Street.

RESOLVED – that the Sub-Committee noted the Report.

10. ***GW6: CURSITOR STREET / BREAMS BUILDINGS PUBLIC REALM IMPROVEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated public realm improvements for Cursitor Street/Breams Buildings.

RESOLVED – that the Sub-Committee noted the Report.

11. ***GW6: MARK LANE PUBLIC REALM AND TRANSPORTATION ENHANCEMENTS - PHASES 2 AND 3**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated public realm and transportation improvements for Mark Lane.

RESOLVED – that the Sub-Committee noted the Report.

12. ***GW6: ST BARTHOLOMEW'S HOSPITAL ENVIRONMENTAL ENHANCEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the environmental enhancements for St Bartholomew's Hospital.

RESOLVED – that the Sub-Committee noted the Report.

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

There were no public questions.

14. **ANY OTHER PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other urgent public business.

15. **EXCLUSION OF THE PUBLIC**

RESOLVED, that – under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

16. **NON-PUBLIC MINUTES**

RESOLVED – that the non-public minutes of the meeting held on Monday, 15th January be approved as an accurate record.

17. **PORTFOLIO OVERVIEW**

The Sub-Committee considered a Report of the Chamberlain concerning the Projects Portfolio.

18. **ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME SYSTEM INTEGRATOR (SI) – PROCUREMENT OPTIONS (STAGE 1) REPORT**

The Sub-Committee considered a Report of the Chamberlain concerning the procurement of the Enterprise Resource Planning (ERP) System Integrator (SI) Service.

19. **ARCHITECTURAL SERVICES FRAMEWORK - CONTRACT AWARD**

The Sub-Committee considered a Joint Report of the Chamberlain and the City Surveyor concerning the contract award for the Architectural Services Framework.

20. **BARBICAN CENTRE PUBLIC CATERING SERVICES - PROCUREMENT STAGE 1 STRATEGY REPORT AND EXTENSION OF CURRENT CONTRACTS**

The Sub-Committee considered a Report of the CEO, Barbican Centre concerning the Barbican Centre Catering Service contract.

21. **EMERGENCY AND TEMPORARY ACCOMMODATION FRAMEWORK - PROCUREMENT STAGE 1 STRATEGY REPORT**
The Sub-Committee considered a Report of the Executive Director, Department for Community and Children's Services concerning the procurement strategy and evaluation criteria for the selection of the preferred supplier(s) for the Temporary Accommodation Approved Providers Contract.
22. ***GW2: WALBROOK WHARF FEASIBILITY 2027 AND BEYOND**
The Sub-Committee received a Report of the Interim Executive Director, Environment concerning Walbrook Wharf.
23. ***GW5: CITY FUND - REFURBISHMENT/EXTENSION OF 1-6 BROAD STREET PLACE AND 15-17 ELDON STREET**
The Sub-Committee received a Report of the City Surveyor concerning 1-6 Broad Street and 15-17 Eldon Street.
24. ***PRE-GATEWAY 5 PROJECT CLOSURE: BILLINGSGATE FISH HANDLING UNIT**
The Sub-Committee received a Report of the Town Clerk concerning the Billingsgate Fish Handling Unit.
25. ***PRE-GATEWAY 5 PROJECT CLOSURE: LONDON METROPOLITAN ARCHIVES (LMA) ACCOMMODATION**
The Sub-Committee received a Report of the Town Clerk concerning the London Metropolitan Archives.
26. ***PRE-GATEWAY 5 PROJECT CLOSURE: TEMPLE AREA TRAFFIC REVIEW**
The Sub-Committee received a Report of the Town Clerk concerning the Temple Area Traffic Review.
27. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE SUB COMMITTEE**
There were no non-public questions.
28. **ANY OTHER PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There was no other urgent non-public business.

The meeting ended at 2.45 pm

Chairman

Contact Officer: John Cater
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Agenda Item 7

Committee(s): Finance Committee	Dated: 9 April 2024
Subject: Project and Procurement Sub-Committee Composition	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 8, 10
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	
Report of: Town Clerk	
Report author: Ben Dunleavy	For Discussion

Summary

The Finance Committee is the parent committee of the Projects and Procurement Sub-Committee following a decision of the Court in July 2023. It was agreed at that time that the composition of the Projects and Procurement Committee should remain the same as in its previous incarnation as the Operational Property and Projects Sub-Committee until the reappointment of sub-committees in May 2024.

This report seeks Member's input on a proposed new composition for the Sub-Committee, as well as on the schedule of meetings and the remit of the

Recommendations:

Members are asked to:

1. Provide feedback on the proposed revisions to the composition of the Projects and Procurement Sub-Committee.
2. Consider the frequency and timings of Sub-Committee meetings.

Main Report

Background

1. In July 2023, in response to an independent review into project-related Member governance commissioned by the Policy and Resources Committee in March 2023, the Court of Common Council agreed several proposals for a revised committee governance structure. These proposals included a change to the name, terms of reference and reporting lines of the then Operational Property and Projects Sub-Committee, and subsequent changes to the Finance Committee's terms of reference. Given the implications of project management and sight of procurement, it was agreed that the Sub-Committee should report to the Finance Committee only, and it was renamed the Projects and Procurement Sub-Committee. The Resource Allocation Sub-Committee was made responsible for the operational property portfolio.
2. The Finance Committee noted these changes at its September meeting. The Committee endorsed proposals that the composition of the Projects and Procurement Sub-Committee should remain the same, including its Chair, until the reappointment of Sub-Committees at the start of the next civic year. This continuity was to ensure a smooth transition during a significant time of change in the City Corporation's project management approach.
3. The Committee also endorsed a suggestion that the Sub-Committee, when reappointed in 2024, should be reduced in size. It was felt that a membership of eight would be effective, and that this should include representation from those committees responsible for the largest procuring departments.

Current position

4. Following review, officers have identified the Community and Children's Services Committee, the Digital Services Committee, the Police Authority Board and the Port Health and Environmental Services Committee as the Committees responsible for the largest procuring departments.
5. The largest procuring departments are likely to fluctuate over time. Accordingly, Members may wish to consider what mechanisms should be used to determine whether this allocation of sub-committee membership remains accurate. The sub-committee will be re-appointed annually, which would provide a chance for the representation to be assessed.
6. The Sub-Committee is also responsible for the oversight of projects, and so its composition will also need to be able to reflect this area. One suggested mechanism to aid this would be to include representatives which the Committee can appoint from its own membership or the wider Court, on the basis of skill sets.
7. Members may also wish to consider the frequency and scheduling of the Sub-Committee's meetings; in recent months they have fallen the week before the Finance Committee, making it impractical to submit the draft minutes for information on the Finance Committee's agenda. A revised timetable may allow for better transmission of this information from the Sb-Committee to its parent Committee.

8. Members will be aware that the Commercial team is about to begin a review of the City Corporation's procurement. Depending on the outcomes from this piece of work, there may be further suggested revisions to the Sub-Committee's terms of reference in due course.

Proposal

9. Members are invited to consider whether the composition of the Sub-Committee (for the 2024/25 civic year) should be changed as set out at Appendix 1. A final report will be submitted to the May meeting of the Finance Committee to appoint the Sub-Committee with the new composition, and Members will have an opportunity at that meeting to express their interest in serving on the Sub-Committee.
10. The position of Chair and Deputy Chair of the Sub-Committee are subject to Standing Order 27.2. Both must be Members of the Finance Committee. An exception to this Standing Order must be approved by the Policy and Resources Committee. The quorum of the Sub-Committee to be three Members, as set out in Standing Order 27.5.

Conclusion

11. Having continued for several months with a 'continuity' composition, it is recommended that the membership of the Projects and Procurement Sub-Committee be reduced and composed of representatives from the Committees responsible for the largest procuring departments.

Appendices

Appendix 1 – Proposed Composition of the Projects and Procurement Sub-Committee 2024/25

Background paper

[Independent Review of Member-related Project Governance](#) – Court of Common Council – 20 July 2023

Ben Dunleavy

Governance and Member Services Manager

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Proposed composition of the Projects and Procurement Sub-Committee 2024/25

- The Chairman and Deputy Chairman of the Finance Committee (or their nominees) (Chair and Deputy Chair)
- Two further Members to be appointed by the Finance Committee from either its membership or the wider Court on the basis of skill sets
- A representative from the Community and Children's Services Committee
- A representative from the Digital Services Committee
- A representative from the Police Authority Board
- A representative from the Port Health and Environmental Services Committee

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Agenda Item 8

Committee(s): <ul style="list-style-type: none"> • Finance – For decision • Court of Common Council – For decision 	Dated: 9 th April 2024 25 th April 2024
Subject: Central London Works – additional grant funding and increase in contract value	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,3 and 4
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	Department for Work and Pensions
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Damian Nussbaum, Executive Director, Innovation and Growth	For Decision
Report author: Laura Davison, Research and Intelligence Director, Innovation and Growth Joe Dromey, Director, Central London Forward	

Summary

Central London Forward (CLF) is the partnership of the 11 central London local authorities and the City of London Corporation. The City of London Corporation acts as the contracting body for CLF.

CLF promotes inclusive and sustainable growth in central London. It manages and delivers employment and training programmes for central London residents. CLF also secures funding to support these goals.

Central London Works is the largest employment programme managed by CLF. The programme is the devolved Work and Health Programme, and it supports disabled residents into employment. Central London Works is funded by the Department for Work and Pensions (DWP) and delivered by Ingeus.

Demand for Central London Works has been high, with referrals and starts above target. DWP has just offered CLF £2.5m of additional funding to continue delivering Central London Works at higher volumes. The additional funding has been approved by the CLF Programmes Board, and by the CLF Chair. The funding would enable the programme to support an additional 1,200 residents, with 600 expected to enter work.

This paper seeks approval to accept the additional £2.5m of funding and sign the associated grant agreement documentation. And to increase the contract value with Ingeus. The increase is permissible under Reg 71(1)(b) of the Public Contract Regulation 2015.

Recommendation(s)

Members are asked to approve:

- The signing of an addendum to the Finance and Costings Framework with DWP to enable the receipt of this £2.5m.
- Increasing the contract value of Central London Works by £2.5m.

Main Report

Background

1. Central London Forward (CLF) is the sub-regional partnership of the 11 central London local authorities and the City of London Corporation.¹
2. The City of London Corporation is the Contracting Body for CLF. As such, the City of London Corporation enters into contracts on behalf of the member authorities.
3. CLF's work is overseen by the CLF Board. The Chair of Policy and Resources represents the City of London Corporation on the Board. CLF programmes are overseen by the CLF Programmes Board. The Town Clerk represents City of London Corporation on the CLF Programmes Board.
4. Central London Works is the devolved Work and Health Programme in central London. The programme is funded by the Department of Work and Pensions (DWP), and managed by CLF. The programme is delivered by Ingeus. Central London Works commenced in 2018, and it was extended in 2022. The programme is due to take new starters until the end of September 2024.

Current Position

5. Central London Works is currently delivering above target. The primary measure of performance is the proportion of participants who enter work, and reach the Lower Earnings Threshold. This is the level of earnings equivalent to working for 16 hours a week, for 6 months, on the National Living Wage. The programme is required to support a third (34%) of programme participants to reach the Lower Earnings Threshold. Ingeus are currently achieving a conversion rate of 45%.
6. Since Central London Works was extended in 2022, performance on job outcomes has been 138% of target. Central London Works is currently the top performing Work and Health Programme contract of four in London for job outcomes. Central London Works is the third best performing out of eleven nationally for job outcomes.
7. Demand for the programme has been very high. The number of referrals was 202% of target in the quarter to February 2024. The number of programme starts was 158% of profile for the same period. As a result, CLF has had to limit the number of programme starts in recent months, in order to avoid exceeding the budget. Without additional funding, Central London Works will have to cease taking new starters in May 2024. This is significantly before the planned end date of September 2024.

¹ City of London, Camden, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster

8. DWP notified CLF on 22nd March that they have approved an additional £2.5m of funding for Central London Works. This would allow the programme to continue delivering at higher volumes until the end of September 2024. This would enable the programme to support an additional 1,200 central London residents. At least 600 of these residents are expected to enter employment.
9. The additional funding has been approved by the CLF Programmes Board, and by the CLF Chair.
10. CLF has received advice from Chamberlain's and Comptroller's that it is permissible to increase the contract value. The increase is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015. This is because a change of contractor at this stage would '*cause significant inconvenience or substantial duplication of costs for the contracting authority*'. And because the increase in value (£2.5m) does not exceed 50% of the original contract (£53.4m). The end date of the contract would remain unchanged.

Options

11. Approving the receipt of the additional DWP funding of £2.5m. And increasing the contract value of Central London Works. This would enable the programme to continue delivering at higher volumes. It would allow Central London Works to support an additional 1,200 residents, with 600 expected to enter work. It would enable the programme to continue taking new starters until the end of September 2024.
12. Not approving the additional £2.5m of funding. This would mean Central London Works would help fewer residents. The programme would cease taking new starters in May 2024, significantly before the planned end date of September.

Proposals

13. Members are recommended to approve the acceptance of the additional £2.5m. This will involve signing an addendum to the Finance and Costings Framework for the programme with DWP.
14. Members are further recommended to approve the increase in contract value of Central London Works. This is compliant with Reg 72(1)(b) of the Public Contracts Regulations 2015. Ingeus are currently delivering the programme effectively, and meeting targets. Re-procuring the contract at this stage would '*cause significant inconvenience or substantial duplication of costs*'. And because the increase in value does not exceed 50% of the original contract.
15. This would enable Central London Works to support an additional 1,200 residents, with 600 expected to enter employment. It would enable the programme to continue delivery until the end of September 2024.

Key Data

16. Across the 12 central London local authorities, there are **80,000** unemployed residents. Disabilities, health and mental health conditions are a major barrier to work for these residents.
17. Central London Works is performing well against target, and compared to other Work and Health Programme contracts. At present, **45%** of programme starts

are reaching the Lower Earnings Threshold, against a target of **34%**. Central London Works is currently the top performing Work and Health Programme contract in London and 3rd nationally for job outcomes. Performance on job outcomes for Central London Works has been **138%** of target since the contract extension in 2022.

18. In 2022/23, CLF's employment and skills programmes supported **14,848** central London residents, exceeding the target of **13,063**. CLF's programmes supported **7,958** residents into employment, exceeding the target of **6,523**.

Corporate & Strategic Implications

Strategic implications

19. The funding will support the delivery on outcomes 1, 3 and 4 of the City of London Corporate Plan 2024-29. It will enable the delivery of priority 1 of the [CLF Strategy](#).

Financial implications

20. There are no financial implications for the City Corporation. Both the programme itself, and the CLF staff managing the programme are funded by grant from DWP.

Resource implications

21. There are no resource implications on the City Corporation.

Legal implications

22. The increase in the contract value is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015. This is because a change of contractor at this stage would '*cause significant inconvenience or substantial duplication of costs for the contracting authority*'. And because the proposed increase in value (£2.5m) does not exceed 50% of the original contract (£53.4m).

Risk implications

23. There are no risk implications for the City Corporation.

Equalities implications

24. The additional funding would have a positive impact through tackling labour market inequalities. The programme has equalities targets which will be monitored.

Climate implications

25. There are no climate implications. Ingeus are required to minimise emissions as part of delivering Central London Works.

Security implications

26. There are no security implications.

Conclusion

27. DWP has allocated £2.5m of additional funding to Central London Works, the devolved Work and Health Programme in central London. The funding will enable Central London Works to support an additional 1,200 residents, with 600 expected to enter employment.

28. Members are asked to approve the signing of an addendum to the Finance and Costings Framework with DWP. Members are further asked to approve the increase in the contract value with Ingeus.

Appendices

None

Background Papers

None

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Committee(s): Finance Committee – For information	Dated: 9 April 2024
Subject: Spring 2024 Budget – Briefing for members	Public
Report of: Chamberlain	For Information
Report author: Daniel Peattie – Assistant Director, Strategic Finance	

Summary

On the 6th March 2024, the Chancellor of the Exchequer, Jeremy Hunt MP, delivered the Spring budget for 2024/25. The key points, and specific relevance to the City Corporation are set out in the report.

Overall, it is disappointing that the Government has not announced measures to adequately fund local government. Councils of all political colours are starting the 2024/25 financial year in a precarious position and are having to scale back or close a wide range of local services, so the continued squeeze on public spending in the years ahead is a frightening prospect for communities.

Recommendation

Members are asked to:

- Note the report.

Main Report

Economic Outlook

1. Overall, the economic outlook is similar to the forecasts from November 2023 and the autumn statement. Inflation has reduced at a slightly quicker rate and is now projected to the 2% target in the second quarter of 2024, around a year earlier than previously forecast. The expectation is it will then fall slightly below 2% before settling back at that level in 2028. Current MTFP assumptions include inflation at 2% for local risk budgets so this forecast would be within those levels.
2. The UK economy is currently in recession but is forecast to grow by 0.8% in 2024 increasing to 1.9% in 2025. Despite this growth, the medium-term outlook remains challenging due to high debt levels.

Local Government (City Fund)

3. The Household Support Fund is to continue at current levels for a further six months to the end of September 2024. Based on previous allocations and usage this would equate to c£60k for the City Corporation.

4. The Government is providing £240m for housing developments, including at Barking Riverside (£124m for 7,200 homes) and Canary Wharf (£118m for 750 homes) and £4m to set up the Euston Housing Delivery Group to support plans to develop 10,000 homes.
5. Right to Buy Receipts from the sale of HRA properties will see the cap raised on their use to fund replacement homes from 40% to 50%.
6. Departmental spending (including DLUHC) will grow by 1% a year on average in real terms from 2025/26 to 2028/29 with no further spending review to be undertaken until after the General Election.

Business Rates

7. The empty property relief reset period will be extended from six weeks to thirteen weeks from the 1st April. This may have a positive impact on collection rates for the City Corporation but further detail will need to be understood. A separate “General Anti-Avoidance Rule’ for business rates in England is due to be consulted on.
8. From 1st April 2025, the rates for Theatre Tax Relied, Orchestra Tax Relief and Museums and Galleries Exhibition Tax Relief will be permanently set at 40% for non-touring and 45% for touring productions. The Barbican Centre are already benefiting from these rates and so the announcement will not provide any further savings.

General Taxation

9. Class 1 employee NICs to be reduced from 10% to 8% from 6th April 2024 and from 8% to 6% for the self-employed.
10. Capital Gains Tax on property disposals is being reduced at the higher rate from 28% to 24%.
11. Child benefit limits raised for highest earning parents up to £60k (full benefits) and £80k (partial benefits).

Other documents

Appendix 1 – London Councils on-the-day briefing

Daniel Peattie

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Spring Budget 2024-25



On-the-Day Briefing: Impact on local government

Overview

The Chancellor of the Exchequer, Jeremy Hunt MP, delivered the Spring Budget for 2024-25 on 6th March 2024. This announcement outlined a set of measures aimed at delivering long-term growth. Alongside this fiscal event, the Office for Budget Responsibility (OBR) published its economic and fiscal forecasts. **This briefing focuses on the Budget's impact on local government, London and the cost of living for Londoners.**

Key Headlines for London Local Government

- **Household Support Fund** – The Household Support Fund will continue at current levels for an additional six months to 30 September 2024, but government did not indicate what will happen beyond this date.
- **Housing: Development** – The Government is providing £240m for housing developments in Barking Riverside and Canary Wharf and £4m to set up the Euston Housing Delivery Group to support plans to develop up to 10,000 new homes.
- **Housing: Right to Buy Receipts** – The Government is raising the cap from 40% to 50% on the percentage of the cost of a replacement home that can be funded by right-to-buy receipts.
- **Public Sector Productivity Programme** – The Government will provide £4.2bn towards increasing productivity, £3.4bn of which will go to the NHS. Some of the remaining funds will pilot the use of AI to support planning authorities to streamline their local plan development process.
- **Public Spending** – Planned departmental resource spending for the years beyond the current Spending Review period (2025-26 to 2028-29) will continue to grow at 1% a year on average in real terms.

Economic Outlook

- The OBR's economic outlook is largely consistent with its forecast in November 2023. However, inflation has receded quicker than expected with markets now expecting a sharper decline in interest rates. This has strengthened near-term growth prospects.
- GDP forecasts have declined slightly in the near-term since November but improved over the medium term. GDP grew by 0.1% in 2023 (0.4% lower than projected in November).
- Despite improved forecasts in the near-term, the OBR outlook states the medium-term economic and fiscal outlook remains challenging due to high debt, subdued economic growth and the highest interest rates for more than a decade.

Key Economic and Fiscal Indicators

- The Budget largely meets the Government's fiscal targets, including declining public sector net-debt in the final year of its forecast, maintaining £8.9bn in fiscal headroom, and public sector

borrowing lower than 3% of GDP. However, the OBR states there is significant risk in their forecasts that could result in the Government missing its fiscal targets.

- CPI inflation was 4.2% in the final quarter of 2023, 0.6% lower than forecast by the OBR in November. The OBR expects inflation to fall further to an average of 2.2% in 2024 and 1.5% in 2025 before returning to 2.0% by the end of the forecast period.
- Interest rates are expected to fall at a faster pace than projected in November. The Bank Rate is expected to fall to 4.20% by the end of 2024 from its peak of 5.25%. Interest rate forecasts remain volatile over the longer term.
- Weak GDP growth in the near term is expected to drive a modest rise in the unemployment rate in 2024. Unemployment is expected to rise from 3.8% in 2023 to 4.5% by the end of 2024. This forecast is largely unchanged from November.
- Real household disposable income per person, a measure of real living standards, is expected to increase faster than expected, returning to its pre-pandemic peak by 2025-26 (two years earlier than the November forecast). This increase is largely driven by lower-than-expected inflation.
- Public sector net borrowing is expected to be £114bn in 2024-25 and decrease to £39bn by 2028-29. This is slightly less than the November forecast in the near term but remains largely unchanged by the end of the forecast period.
- As a share of GDP, borrowing is expected to fall from 4.2% in 2023-24 to 1.2% in 2028-29.

Table 1 – Key Economic Indicators

	Outturn		Forecast				
	2022	2023	2024	2025	2026	2027	2028
	Percentage change on a year earlier, unless otherwise stated						
Gross domestic product (GDP) growth	4.3	0.3	0.8	1.9	2.0	1.8	1.7
CPI	9.1	7.3	2.2	1.5	1.6	1.9	2.0
Employment (millions)	32.9	33.1	33.2	33.5	3.8	34.1	34.3
LFS unemployment (%)	3.9	4.1	4.4	4.4	4.2	4.2	4.1
	Outturn		Forecast				
	2022	2023	2024	2025	2026	2027	2028
Public sector net borrowing (% GDP)	5.0	4.2	3.1	2.7	2.3	1.6	1.2
Public sector net borrowing (£B)	128.7	114.1	87.2	77.5	68.7	50.6	39.4
Public sector net debt (% GDP – Excl. Bank of Eng.)	84.9	88.8	91.7	92.8	93.2	93.2	92.9
Public sector net debt (£Bn)	2,540	2,691	2,793	2,820	2,903	2,995	3,078

Source: Office for Budget Responsibility - Economic & Fiscal Outlook, March 2024, Annex A Tables TA1 and TA9

Key Announcements

Public Spending

- Planned departmental resource spending for the years beyond the current Spending Review period (2025-26 to 2028-29) will continue to grow at 1% a year on average in real terms.
- The Treasury stated the next Spending Review would not take place until after the General Election.
- The wider outlook for public spending remains challenging as the planned departmental spending increases mentioned above imply potential cuts for non-protected departments, including local government.

Household Support Fund

- The Government announced the Household Support Fund will continue at current levels for an additional six months to 30 September 2024. London boroughs received £137m for the 12 months ending March 2024, so they will receive about half this amount for the six month extension. The fund supports the most vulnerable households with their living essentials, such as food and utilities.
- The Government also stated it will consult on options to better target economic support to households in times of crisis, although the timing and scope is unknown.

Housing

- The Government announced funding for housing development in London: £124m for 7,200 homes in Barking Riverside and £118m for 750 homes in Canary Wharf.
- Building on the Long-Term Plan for Housing announced in July 2023, the Government also announced £4m to set up the Euston Housing Delivery Group to support plans to develop up to 10,000 new homes in London.
- The Government is raising the cap from 40% to 50% on the percentage of the cost of a replacement home that can be funded by right-to-buy receipts.
- There will be a £20m investment in social finance to build up to 3,000 homes and improve capacity for local community groups to deliver housing, but the location of the homes is unclear.
- The Government committed £3m to match industry-led funding for a skills and education programme for local planners in planning authorities.
- The Government will abolish the Furnished Holiday Lettings tax regime from April 2025, subject to the passage of legislation.

Business Rates

- There will be a 40% relief on gross business rates for eligible film studios in England from April 2024 to 2034 (backdated as this will take time to implement). Local authorities will be fully compensated for the loss of income.
- The Empty Property Relief reset period will be extended to thirteen weeks from 1 April 2024.
- The Government will consult on a “General Anti-Avoidance Rule” for business rates in England.

Local Government Pension Scheme

- Taking effect from April 2024, new annual reporting guidance will require LGPS funds to provide a summary of asset allocation, including UK equity investment, as well as provide greater clarity on progress of pooling through a standardised data return. This will also apply to defined contribution pensions.

Health

- Funding for the NHS in England will increase by £2.5bn for 2024-25 up to a total budget of £165bn.
- An additional £3.4bn investment will be made into NHS digital infrastructure aiming to improve productivity as laid out in the Long Term Workforce Plan last year.

Adult Social Care

- The budget included £3.5m for two new data pilots for implementing AI in education and improving access to data in adult social care. This is based on the design details of the data research cloud pilots from last year.
- Continued and additional funding was confirmed for the Changing Futures programme, which is using locally led pilots in fifteen areas (including Westminster), to test a person-centred approach to improving outcomes for adults facing multiple disadvantages.

Children's Social Care

- There will be £45m of match funding to councils to build an additional 200 open children's home placements and £120m to fund the maintenance of the existing secure children's home estate.
- Additionally, new proposals will be published later this year to combat profiteering in the sector and explore options of leveraging LGPS funding to unlock investment in new children's homes.

Education

- With locations to be confirmed in May 2024, there will be £105m for 15 new special free schools that will create over 2,000 additional places for children with special educational needs and disabilities (SEND).

Public Safety & Violence Against Women and Girls

- There will be £75m of funding over three years from 2025 to expand the Violence Reduction Unit model across England and Wales with the aim of preventing violent crime and reducing the burdens on healthcare, schools and criminal justice.
- The Private Law Pathfinder Pilot aims to improve the experience of the courts for victims and survivors of domestic abuse through identifying needs earlier and providing specialised support.
- From 6 March 2024, the rules for claiming First-Time Buyers' Relief from Stamp Duty Land Tax in England and Northern Ireland will be amended so that individuals buying a leasehold residential property through a nominee or bare trustee will be able to claim First-Time Buyers' Relief, including victims of domestic abuse.

Net Zero

- There will be £600bn of planned public sector investment over the next five years for future growth supporting energy security, net zero and UK's vital services.
- Landfill tax rates for the year 2025-26 will be adjusted to better reflect actual RPI and ensure the tax continues to incentivise investment in more sustainable waste management infrastructure.

Employment & Business Support

- The Turing Institute, based in London, will receive up to £100m over the next five years. The National Theatre will receive £26.4 million to upgrade stages and infrastructure. There will also be a permanent higher rate of tax relief for theatres, orchestras, museums and galleries.
- For SMEs, the Government is renaming and extending the 'Recovery Loan Scheme' to 'Growth Guarantee Scheme', which is extended through March 2026. The scheme will continue to offer a 70% government guarantee on loans up to £2m. The VAT registration threshold will be increased from £85,000 to £90,000 (but then set to be frozen).
- A new UK ISA and British Savings Bond for individuals will allow personal savings to be issued to invest in British firms, giving them greater up-front capital.
- The Government also indicated it will consult on expanding full expensing to assets for leasing.

Transport

- The Government is working with Lendlease (the Euston Master Development Partner) and the London Borough of Camden to identify parts of the Euston station site for early release and development. The Government is establishing a Ministerial Taskforce to oversee the next stages of delivery as well as a Euston Housing Delivery Group to explore options to deliver housing opportunities.

Devolution

- The Government announced new Level 4 devolution deals with the North East Mayoral Combined Authority, West Yorkshire, Liverpool City Region, and South Yorkshire Combined Authority, and added new Level 4 powers for West Midlands Combined Authority.
- The Government announced it finalised Level 2 devolution deals with Buckinghamshire Council, Surrey County Council and Warwickshire County Council.

Cost of Living

- The Government will raise the threshold for the High Income Child Benefit Charge (HICBC) from £50,000 to £60,000 from April 2024, coupled with raising the taper cut-off threshold to £80,000. The Government's ultimate aim is to move this from an individual to a household charge, which they plan to consult on before April 2026.
- The Budget allowed for an increase in the repayment period on budgeting advance loans taken out by Universal Credit claimants from 12 to 24 months. This will apply to new Budgeting Advances taken out from December 2024 and will reduce the cost of monthly repayments.
- Government will maintain the rates on fuel duty at current levels, including the continuation of the previous 5p cut, until April 2025. It will also remove the current £90 fee to take out a Debt Relief Order (DRO), increase the debt value threshold from £30,000 to £50,000, and increase the car allowance for those under a DPO up to £4,000.
- Additional funding, at a to-be-determined amount, will support the processing of increased volumes of disability benefit claims to increase system capacity and meet increased demand.
- The Government extended the duration of the Additional Jobcentre Support pilot for a further 12 months. As part of the pilot extension, claimants will be required to accept new commitments and agree to more work requirements.

General Taxation

- The Government had a headline tax measure to reduce National Insurance contributions by 2p, cutting the main rate from 10% to 8% and from 8% to 6% for the self-employed.
- Non-domiciled status is also being abolished from 6 April 2025. This means anyone tax resident for more than four years in the UK will have to pay tax on their foreign income and gains. There will be transitional arrangements put in place for current 'non-doms'.
- The Government announced changes in the Capital Gains Tax, cutting the higher rate for residential property from 28% to 24% from 6 April 2024.
- Two reforms to Stamp Duty Land Tax (SDLT) are being introduced:
 - The abolition of Multiple Dwellings Relief for purchases completed after 1 June 2024.
 - Acquisitions by Registered Social Landlords will not be liable for SDLT from 6th March 2024 if they purchase property with a public subsidy. Public bodies will also be exempted from 15% anti-avoidance rate of SDLT.
- Other tax measures announced in the Budget which have less bearing on local government include: an Alcohol Duty rate freeze; a Tobacco Duty increase and the introduction of a vaping products duty; an increase of air passenger duty rates; and changes to the VAT registration threshold for small and medium sized enterprise.

Appendix A – Public Spending Figures

Table 1 - Total Managed Expenditure 2022-23 to 2028-29
(in £bn unless otherwise stated)

	Outturn 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Current expenditure							
Resource AME	589.2	565.5	580.9	598.1	622.5	640.5	664.2
Resource DEL excluding depreciation	441.4	455.4	462.2	473.0	485.9	499.8	514.4
Ring-fenced depreciation	20.5	62.0	47.4	48.4	49.6	51.0	52.5
Total public sector current expenditure	1,051.1	1,082.9	1,090.4	1,119.6	1,158.0	1,191.3	1,231.1
Capital expenditure							
Capital AME	6.0	22.7	17.8	13.8	14.1	14.2	13.9
Capital DEL excluding ringfenced depreciation	100.3	110.7	118.1	118.3	118.2	117.6	116.7
Total public sector gross investment	106.3	133.4	136.0	132.1	132.2	131.7	130.6
Total managed expenditure	1,157.4	1,216.3	1,226.3	1,251.7	1,290.3	1,323.1	1,361.7
<i>Total managed expenditure % of GDP</i>	<i>45.3%</i>	<i>44.5%</i>	<i>44.0%</i>	<i>43.5%</i>	<i>43.2%</i>	<i>42.8%</i>	<i>42.5%</i>
of which: Total DEL	541.7	566.1	580.3	591.3	604.1	617.4	631.1

Source: HMT Budget 2024, page 29, Table 2.3

Table 2 – Total Departmental Expenditure Limits (Total DEL) from 2022-23 to 2025-26
(in £bn unless otherwise stated)

	Outturn 2022-23	2023-24	2024-25
Total Resource DEL excluding depreciation, Energy support, and SCAPE funding	428.9	455.4	456.8
Energy support funding in DEL	12.5	-	-
SCAPE funding	-	-	5.3
Allowance for shortfall		-4.7	-2.9
Total Resource DEL excluding depreciation, post Allowance for shortfall	441.4	450.7	459.2
Total Capital DEL excluding Energy support funding	98.3	110.7	118.1
Energy support funding in DEL	2.0	-	-
Remove Capital DEL not in Public Sector Gross Investment	-10.5	-9.2	-12.5
Allowance for shortfall	-	-5.8	-6.4
Public Sector Gross Investment in Capital DEL	89.8	95.6	99.2
Total departmental spending (Total DEL)	531.2	546.3	558.4

Source: HMT Budget 2024, pages 25-27, Tables 2.1 & 2.2

Table 3 – OBR Forecasts for England: Council Tax and Business Rates to 2028-29
(in £bn unless otherwise stated)

	Outturn	Forecast					
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Council tax	36.3	38.7	40.8	43.0	45.3	47.8	50.4
% change – CT receipts	-	6.6%	5.3%	5.2%	5.3%	5.4%	5.4%
% change – CT rate	-	5.1%	4.6%	4.3%	4.3%	4.3%	4.3%
% change – CT base	-	1.5%	0.7%	0.9%	1.0%	1.1%	1.1%
Business rates*	28.2	29.5	32.1	35.4	36.3	36.7	37.4
% change	-	4.6%	8.8%	10.3%	2.5%	1.1%	1.9%

*Business rates are for the UK as there is no England-only forecast available.

Source: OBR Economic and fiscal outlook, March 2024: page 150, Table A.5; Supplementary table 4.1

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Committee(s): Finance Committee – For information	Dated: 9 April 2024
Subject: Chamberlain’s Departmental Risk Management Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	7
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain	For Information
Report author: Leah Woodlock, Chamberlain’s Department	

Summary

This report has been produced to provide the Finance Committee with an update on the risks the Chamberlain’s department faces.

There are currently three RED risks on the Corporate Risk Register within the responsibility of the Chamberlain and two RED risks on the Chamberlain’s departmental risk register.

Since the last report, two new emerging departmental risks have been captured and added to the Chamberlain’s Risk Register. The Chamberlain’s Senior Leadership Team established the new departmental risk on monitoring and improving the application of internal controls across the City of London Corporation. Secondly, the awareness of pension scheme enrolment entitlement for casual staff, is being managed at a Chief Officer level, with a coordinated effort across the Corporation to establish the extent to which the risk has materialised. A new Corporate Risk was added, with CR40 PSTN Switch Off 2025 being escalated from a departmental risk following review by the Chief Officer Risk Management Group.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to the Committee the key risks faced in their department. The Finance Committee has determined that it will receive the Chamberlain’s Risk Register at each meeting.

Current Position

New and Emerging Risks

2. After thorough discussions and consideration of findings from both internal and external audits, the Chamberlain's Senior Leadership Team has recognised a departmental risk: **CHB003 Inconsistent application of the internal control environment** with a risk score of AMBER 8.
3. The risk stems from inconsistent adherence to financial and procurement regulations, materialising in several ways. These include limited accountability of budget managers, and poor purchase order compliance contributing to reduced payment performance. Additionally, there are challenges in contract and supplier management throughout the Corporation, along with instances of misinterpretation and inconsistent application of finance and procurement regulations.
4. A new risk has been on pension entitlements for casual workers: **CHB004 Casual Staff Pensions Entitlement/Enrolments** with a risk score of RED 16. Further information and identified remedial measures are detailed in Appendix 2 (non-public).

Corporate Risks - RED

5. The **CR38 Unsustainable Medium Term Finances - City's Estate** risk score remains at RED 16. In March 2024, the Court of Common Council approved the latest City's Estate Medium Term Financial Plan, recognising we cannot continue as we are, and a more radical approach is needed. The fund is running at a planned deficit over the next 10 years, highlighting significant drawdowns from a limited asset pool, as pressures on major projects and capital programmes ramp up. *"We cannot just focus on the medium-term or even the next 10 years, a longer-term financial plan is needed if we are to respond properly to needs of residents and businesses alike"*.
6. **CR40 PSTN Switch Off 2025** (formerly CHB DITS 045) is currently a RED risk with a score of 16. Following the recommendation of the Chief Officer Risk Management Group this departmental risk has been escalated to a Corporate Risk.
7. Throughout February 2024 the risk was refined, detailed further and numerous mitigating actions have been identified. The risk was also peer-reviewed and scrutinised at the Officer Risk Management Forum in March 2024.
8. Details of **CR16 Information Security** are available in Appendix 1.

Departmental Risks – RED

9. **CHB002 – Housing Revenue Account (HRA) Finances** risk score remains at RED 16. A balanced HRA Estimates report was presented in January. Monitoring is continuing on the projected revenue funding position, with an

updated five-year projection that will be produced following the year-end closing activities.

Conclusion

10. Members are asked to note the actions taken by Chamberlain's Department to manage all risks. Actions aim to continue monitoring and reducing the risk level and will be reported on at future Finance Committees.

Appendices

- Appendix 1 – Departmental Risk Register

Background Papers

Chamberlain's Departmental Risk Management Update Reports to Finance Committee.

Leah Woodlock

Chamberlain's Project Manager

Chamberlain's Department

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CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Leah Woodlock

Generated on: 12 March 2024



Contents:

[CR35 Unsustainable Medium-Term Finances - City Fund](#)

[CR38 Unsustainable Medium Term Finances - City's Estate](#)

[CR40 PSTN Switch Off 2025 \(formerly CHB DITS 045\)](#)

[CR16 Information Security \(formerly CHB IT 030\)](#)

[CR29 Information Management](#)

[CR33 Major Capital Schemes](#)

[CHB 001 Chamberlain's department transformation and knowledge transfer](#)

[CHB 002 Housing Revenue Account Financials](#)

[CHB003 Inconsistent application of the internal control environment](#)

[CHB 004 Casual Staff Pensions Entitlement/Enrolments](#)

[CHB DITS 040 Resilience and complexity COL/COLP](#)

[CHB DITS 044 Business Intelligence \(PowerBI\) - Technical Support](#)

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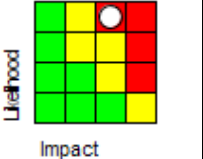
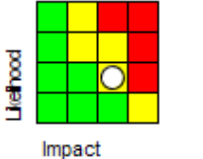

Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances - City Fund	<p>Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth. The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned,</p>		<p>12</p>	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25 through carried forward from 2023/24 underspends.</p> <p>Pressures on adult social care, children services, security and policing addressed through increase in taxes and business rates premium.</p> <p>Other on-going pressures totalling £3.2m, plus net 3% inflation uplift approved in 2024/25 budgets.</p> <p>The medium-term financial plan includes cyclical works programme to</p>		<p>8</p>	<p>31-Mar-2026</p>	

<p>19-Jun-2020 Caroline Al-Beverty</p>	<p>or to boost income generation to address the Corporation's projected medium-term financial deficit. Effect: Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community. Challenges in executing the capital program and major projects within affordable limits.</p>			<p>cover bow-wave of outstanding works and provision for works going forward, totalling £62.7m.</p> <p>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</p> <p>Quarterly monitoring of capital programme against budgets.</p> <p>Developing income generation opportunities.</p> <p>Renewed approach to transformation under pinned by a clear communication plan to Members.</p>			<p>Reduce</p>	<p>Constant</p>
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a	<p>Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme</p> <ul style="list-style-type: none"> • Use of inflation contingency 	<ul style="list-style-type: none"> • Regular monitoring the office of budget responsibility's inflation forecasts. • Identify areas that are forecasting to exceed budget envelope due to inflation increases. 	Sonia Virdee	19-Mar-2024	31-Mar-2026
CR35c	Remain within the financial envelopes approved for major projects.	Monthly update on major projects forecasts and issues arising.	Sonia Virdee	19-Mar-2024	31-Mar-2029
CR35f	<p>Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)</p> <ul style="list-style-type: none"> • Develop income generation opportunities 	<p>Court of Common Council approved reprofiling of remaining fundamental review savings, to allow sufficient time to embed these through income generation opportunities.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</p> <ul style="list-style-type: none"> • HARC – Heathrow Animal Reception Centre • Events across the Corporation • Advertising • Filming inside the square mile • Retail opportunities 	Alistair Cook; Sonia Virdee; Genine Whitehorn	19-Mar-2024	31-Mar-2026

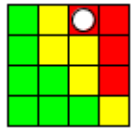
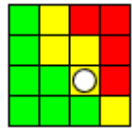
		<ul style="list-style-type: none"> Fees and Charges. <p>Remaining £0.4m unidentified savings from the 12% savings programme is being worked on and expected to be delivered during 2024/25.</p>			
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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Estate Page 59 31-Oct-2022 Caroline Al-Beyerty	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p>Effects: The City of London Corporation’s reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>		16	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25 through carried forward from 2023/24 underspends.</p> <p>On-going pressures totalling £3.8m, plus net 3% inflation uplift approved in 2024/25 budgets.</p> <p>Earning more income from property investment portfolio – diversification of asset portfolio.</p> <p>The five-year financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision for works going forward totalling £71m.</p> <p>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</p> <p>Quarterly monitoring of capital programme against budgets.</p> <p>Developing income generation opportunities.</p> <p>Renewed approach to transformation under pinned by a clear communication plan to Members.</p>		8	31-Mar-2025	
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme <ul style="list-style-type: none"> Monitor the use of inflation contingency 	<ul style="list-style-type: none"> Regular monitoring the office of budget responsibility's inflation forecasts. Identify areas that are forecasting to exceed budget envelope due to inflation increases, and review action. 	Sonia Virdee	19-Mar-2024	31-Mar-2025
CR38e	Monitoring key income streams <ul style="list-style-type: none"> i.e. rental income from the property investment portfolio. 	<p>This is being monitored monthly, with action being taken to within the portfolio to maximise income generation opportunities.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</p> <ul style="list-style-type: none"> Lord Mayor Show and events across the Corporation Advertising Filming inside and outside the square mile Retail opportunities Fees and Charges 	Sonia Virdee; Genine Whitehorne	19-Mar-2024	31-Mar-2025
CR38f	Delivering the current savings programme and securing permanent year-on-year savings.	Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring.	Sonia Virdee	19-Mar-2024	31-Mar-2024
CR38g	Remain within the financial envelopes approved for major projects.	Monthly updates on major projects forecasts and issues arising.	Sonia Virdee	19-Mar-2024	31-Mar-2029
CR38h	Bringing third party capital to surplus operational property opportunities.	Identified initial opportunities which have been supported by Resource Allocation Sub Committee. Proposals for each opportunity to be worked up and submitted for member consideration to relevant Committees.	Sonia Virdee; Paul Wilkinson	19-Mar-2024	30-Jun-2024
CR38i	Undertake the Charities Review (Natural Environment)	The ability for charities to fundraise and generate more income to support ambitions for activities and operational property requirements.	Emily Brennan; Sonia Virdee	19-Mar-2024	31-Dec-2024

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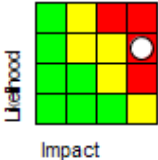
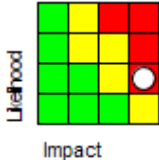

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR40 PSTN Switch Off 2025 (formerly	Cause: BT will retire their PSTN (Copper) Network at the end of 2025. Rendering all current connections redundant.		16	To mitigate the risk, a review of the connections, locations and services		8	01-Jun-2026	

<p>CHB DITS 045)</p> <p>26-Feb-2024 Zakki Ghauri</p>	<p>Event: All current PSTN (Copper) connections will become unusable by the end of 2025. Forcing an upgrade to digital fibre or mobile services.</p> <p>Effect: All of our PSTN connections will cease at the end of 2025. This is in the range of 8,500 connections, which are linked to Lift/BMS/Fire Alarms and Door entry systems. Should these systems fail to be upgraded by the end of 2025, this could lead to essential services being inactive, without anyone being aware. This work will have significant financial impact to complete and failure to complete will have significant reputational impact.</p>	 <p>Likelihood</p> <p>Impact</p>		<p>supplied will be required to fully identify the total number of connections supplying critical services. A Solutions Architect has been assigned to this. We are in regular communication with our various vendors and key stakeholders throughout the business to identify the services provided by these connections. We currently estimate this work to take 6 months.</p> <p>A programme of work will be developed throughout this review and will detail mitigations for those connections onto digital fibre or mobile enabled services ahead of the 2025 sunset date.</p> <p>26 Feb 2024</p>	 <p>Likelihood</p> <p>Impact</p>			<p>Constant</p>
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB DITS 045a	Investigations into the 8,500 connections identified as part of PSTN sunset in December 2025.	Our ongoing investigation, initiated and scheduled to conclude in June 2024, aims to identify the scope and dependency of the 8,500 connections on the PSTN infrastructure. The purpose is to gain insights into the services that are live, understand their criticality, and assess the potential impact of the sunset on each connection.	Chris Rawding	09-Feb-2024	01-Jun-2024
CHB DITS 045c	Undertake a Service Assessment	Upon completion of the investigation, a comprehensive assessment of live services will be conducted. This will include identifying alternative communication services, and understanding the upgrade paths/timings available for each connection.	Chris Rawding	01-Feb-2024	01-Jun-2024
CHB DITS 045d	Identify potential business owners	Engaging with FM (CoL/CoLP), H&S, ED&I and Security Operations. initially to highlight the PSTN risk across all departments and find potential business owners as services and impacts are highlighted	Chris Rawding	09-Feb-2024	01-Jun-2024
CHB DITS 045e	Business owner notification	By June 2024, a detailed report outlining the findings of the investigation will be compiled. This report will then be distributed to FM (CoL/CoLP), H&S, ED&I and Security Operations. The notification will include information about the potential risks associated with the PSTN sunset, details on the current services in use, and recommended upgrade paths.	Chris Rawding	09-Feb-2024	01-Jun-2024
CHB DITS 045f	Remediation Plan	The Facilities Management (CoL/CoLP), H&S, ED&I and Security Operations will be responsible for developing and implementing a remediation plan for their respective services. This plan will outline the necessary steps to migrate or upgrade the affected connections to alternative and sustainable communication solutions.	Richard Gentry; Luca Pagliaroli; Dorian Price;	26-Feb-2024	06-Sep-2024

			Chris Rawding; Paul Roberts; Trevor Ulla		
CBH DITS 045g	Review Plan	DITS PMO will review the remediation plans with FM (CoL/CoLP), H&S, ED&I and Security Operations. Making sure they are fit for purpose and capture all the relevant details.	Sam Collins	09-Feb-2024	01-Oct-2024
CBH DITS 045h	Order New Lines and Hardware	DITS PMO will place the orders for the new connections along with any hardware requirements identified within the remediation plans.	Sam Collins	09-Feb-2024	01-Dec-2024
CBH DITS 045i	New Services	DITS PMO will assist in the co-ordination of the implementation of new services, along with any installation of new hardware required	Sam Collins	09-Feb-2024	01-Oct-2025
CBH DITS 045j	Testing	DITS PMO will co-ordinate the post implementation testing for all new services and or hardware.	Sam Collins	09-Feb-2024	15-Nov-2025
CBH DITS 045l	CRMF Risk Management Forum Review	We will present this risk at the CRMF Risk Management Forum for review. The next CRMF is on 19 March. This will provide a 'deep-dive' into the PSTN risk, the cross-cutting nature of this and how the risk and actions have been drawn together. Making sure we have used best practice and all mitigations have been captured.	Chris Rawding	09-Feb-2024	31-Mar-2024
CHB DITS 045k	Continuous Monitoring	DITS will provide continuous monitoring of progress, tracking the remediation efforts to help identify and address any issues promptly. This includes regular communication with business owners, providing support, and making adjustments to the plan as necessary.	Sam Collins	01-Feb-2024	31-Dec-2025

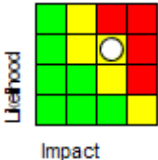
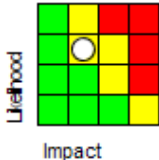
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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR16 Information Security (formerly CHB IT 030)	<p>Cause: Breach of City of London Corporation IT Systems resulting in unauthorised access to data by internal or external sources.</p> <p>Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.</p> <p>Effect: a) Failure of all or part of the IT Infrastructure with associated business systems failures. b) Harm to individuals. c) A breach of legislation such as the Data Protection Act 2018 and UK-GDPR. d) Incurrence of a monetary penalty. e) Corruption of data. f) Reputational damage to City of London Corporation as an effective body.</p>		24	<p>The project to implement a raft of new security improvements is complete.</p> <p>A decision was made to define a minimum-security baseline for all parts of the corporation. The Director of DITS will work with IMS to put this together.</p> <p>The security service provided by Agilisys has now been brought in-house, giving greater control and visibility over Security controls.</p> <p>We are committed to increasing our Secure Score month on month, and this is now being reported to Digital Services Committee as well as Information Management Board.</p>		16	31-Mar-2024	

10-May-2019 Caroline Al-Beyerty			31 Jan 2024			Reduce	Constant
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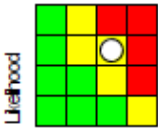
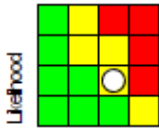
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16q	Monitoring user activity on the network for any suspicious or unauthorized behaviour	<p>Currently, our network activity monitoring is operational but lacks a sophisticated behavioural analytics component to detect anomalous behaviour accurately. Integrating a behavioural analytics solution is crucial for enhancing our detection capabilities, significantly reducing the risk of ransomware attacks. This solution will leverage machine learning and AI algorithms to analyse patterns of user behaviour, identifying deviations that could indicate a security threat. Implementing this will not only improve our preventative measures against ransomware attacks but also strengthen our overall cybersecurity posture.</p> <p>Steps for Implementation: Market Research Vendor Selection Pilot Testing Training and Awareness Full Deployment Continuous Improvement</p> <p>This approach ensures that the action is not only about monitoring but actively improving our capability to detect and respond to cybersecurity threats, particularly ransomware, through advanced behavioural analytics.</p>	Gary Brailsford-Hart	19-Feb-2024	31-Dec-2024
CR16r	Monitoring access control systems and processes to ensure that only authorized users have access to sensitive information	Controls are in place to manage the access control to the estate; improvements have been made in the application of multifactor authentication. However, the escalation and acceptance of privileged accounts remains within the IT department and is not subject to independent scrutiny	Gary Brailsford-Hart	19-Feb-2024	31-Mar-2024
CR16s	Developing and implementing a plan to respond to any security incidents that occur.	<p>We have drafted an organisational Cyber Incident Plan as well as developing operating cyber testing exercises. However, there is a need to produce further playbooks and develop more testing and exercising events.</p> <p>Testing remains outstanding and is a priority for the next quarter.</p>	Gary Brailsford-Hart	19-Feb-2024	30-Jun-2024
CR16u	Providing regular training to staff and employees on cyber security best practices to prevent security breaches.	<p>Over the last 12 months we have deployed cyber security awareness from the information security team through the use of internal communications and training via the MetaCompliance platform.</p> <p>With the expiry of the MetaCompliance platform, the next 12 months will see communications and awareness messages continue from the security team but structured training will now be dependent on the NCSC "Top Tips for Staff" module. This may present a risk in our ability to provide specific training in response to cyber threats and trends.</p> <p>This is an area under review.</p>	Gary Brailsford-Hart	19-Feb-2024	31-Dec-2024
CR16v	Security Baseline assessment – COL/COLP/Institutions	Initial assessment complete, work is ongoing to identify trends and a developments plans and updates to the CAF will continue.	Gary Brailsford-Hart	19-Feb-2024	31-Dec-2024

		Feedback from the institutions is positive and the NCSC CAF is accepted as a baseline standard. The appetite for review has been agreed as annual owing to resource constraints and the likely timeframes for improvements to be made. Further engagement has taken place and a detailed paper on the subject has been submitted to Committee for consideration.			
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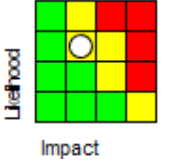
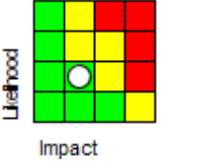

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR29 Information Management Page 64 Apr-2019 Caroline Al-erty	Cause: Lack of officer commitment and investment of the right resources into organisational information management systems and culture. Event: The City Corporation’s IM Strategy (2018-2023) is not fully and effectively implemented Effect: a) Not being able to use relevant information to draw insights and intelligence and support good decision-making. b) Vulnerability to personal data and other information rights breaches and non-compliance with possible significant ICO fines or other legal action. c) Waste of resources storing information beyond usefulness.		12	DITS have completed the Data Maturity Assessment facilitated by Microsoft / Hitachi Solutions. This has served to establish priority areas of focus and will be used to inform a refresh of the current IT Strategy. Transformation Funding has been secured to progress with the short term recommendations of the assessment with initial actions due for completion by end of March 2024. 31 Jan 2024		6	31-Mar-2024	Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29j	Draft Data Strategy	This will be a core component of the future DDaT Strategy. A number of workshops have now taken place with good engagement across COL. Last few strategy sessions are now being completed	Sam Collins	31-Jan-2024	31-Mar-2024
CR29l	Remediate Data Maturity Assessment	A temporary PowerBI Architect and Data Governance Officer have been recruited and are implementing the recommendations from the Data Maturity Assessment completed last year. The recruitment of the Head of Data role as a 12 month secondment has also been progressed.	Sam Collins	31-Jan-2024	31-Mar-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR33 Major Capital Schemes	Cause: The City Corporation has set itself the ambition to deliver at least three landmark multi-million pound capital		12	The project governance review has recommended a move to a portfolio management model which will more		8	31-Mar-2029	Constant

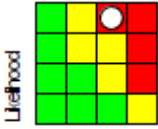
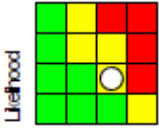

14-Feb-2020 Caroline Al-Beyerty	<p>schemes over the next decade (currently programmed to complete 2028). Event: there is insufficient technical and professional capability and resource to effectively deliver the schemes. Effects:</p> <ul style="list-style-type: none"> • Schemes not delivered on time • Inability of the organisation to move at the required pace • Potential for increased capital costs as a result of delayed decision making • Reputational impact on the Corporation vis a vis key stakeholder across London and UK Govt. • Potential revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police) • failure to deliver on corporate outcomes 	 <p>Likelihood</p> <p>Impact</p>		<p>effectively manage the prioritisation of projects aligned to strategic objectives and the allocation of resources to enable successful delivery.</p> <p>A high-level implementation plan was agreed by P&R in July 2023 and a detailed delivery plan is now in development. This new model will provide greater visibility of any risks and provide assurance regarding organisational capability and capacity.</p> <p>20 Feb 2024</p>	 <p>Likelihood</p> <p>Impact</p>			Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
PR33h	Implement a new project governance approach	The Town Clerk's portfolio board commenced in November 2023. A portfolio overview report has been prepared for the February 2024 Projects and Procurement sub-committee.	Genine Whitehorse	20-Feb-2024	30-Sep-2024
CR33i	Undertake Tier 1 programme health checks.	The health check review will be undertaken by the Programme Governance team between February 2024 and April 2024.	Matthew Miles	20-Feb-2024	30-Apr-2024
CR33j	Refresh the Project Management Academy	Discussions being held with previous provider	Sarah Baker	20-Feb-2024	30-Apr-2024
CR33k	Procure and implement a new project management system	Plans are being developed to procure and implement a fit-for-purpose project management system, which has the functionality of a portfolio view.	Matthew Miles	20-Feb-2024	30-Apr-2024
CR33l	Monitor the high-level cashflow/forecast monthly	The Investment Management Monthly Meeting has been established. Membership includes the CIO, Corporate Treasury, and Financial Services and is led by the Chamberlain.	Sonia Virdee /	20-Feb-2024	31-Mar-2029
CR33m	Secure Third-Party Funding	Report being bought back by officers in the spring.	Sonia Virdee/ Paul Wilkinson	20-Feb-2024	30-Jun-2024
CR33n	Provide regular Member updates	A project update report has been prepared Finance Committee, City Bridge Foundation Board and Policy & Resources Committee.	Genine Whitehorse / Sonia Virdee	20-Feb-2024	31-Mar-2029

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB 001 Chamberlain's department transformation and knowledge transfer 12-Nov-2021 Caroline Al-Beyerty	<p>Cause: The TOM changes are insufficient or implementation of radical change fails. The impact of the flexible retirement scheme has been taken up by many long term colleagues leaving the corporation in March 2022. The TOM is also creating anxiety which in turn could cause colleagues to find roles elsewhere.</p> <p>Event: Culture change is insufficient. Corporate memory is lost. The Chamberlain's Department is not fit for the future.</p> <p>Effect: Chamberlain's Department fails to deliver its objectives.</p>		6	<p>A key risk remains but is reducing within Financial Services.</p> <p>The remaining key vacant posts in Financial Services Division are advertised throughout January.</p> <p>The Learning and Engagement Board has been relaunched to support and develop staff. A skills matrix assessment has been commissioned for Finance Staff to commence in Q1, 2024.</p> <p>11 Jan 2024</p>		4	31-Mar-2024	 Constant
							Reduce	

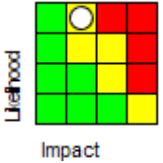
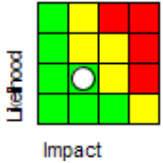

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
B001b	Colleagues are provided with the training they need to fulfil their role.	<p>The departmental Learning & Engagement Board was re-launched on 21 June with a renewed vision, terms of reference and refined learning objectives.</p> <p>An all-staff learning survey was circulated in to request feedback on individual needs which has informed the learning priorities for 23/24.</p> <p>A skills matrix review is planned to independently analyse strengths and areas for improvement for Chamberlain's staff. This will be undertaken by CIPFA in the coming weeks.</p> <p>Key workstreams for the board have been identified and are currently being progressed.</p> <p>A programme of learning events has been developed and the first took place in December which was well received.</p> <p>Separate to the above Financial Services Division are carrying out training sessions to support the staffs continued professional development, these sessions are mandated to support staff with their upskilling.</p>	Phil Black	02-Feb-2024	31-Mar-2025

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB 002 Housing Revenue Account Financials Page 67 06 Oct-2023 Mark Jarvis; Sonia Virdee	Cause: The embedded increased impact of inflation, following peak of 10.7% in Autumn 2022. Potential issue around non-recoverability of elements of service charge costs due to inadequate s20 consultation process Event: Inability to contain financial pressures on the Housing Revenue Account, especially around repairs and maintenance costs, management costs and depreciation charges . Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risk. Effect: The City Corporation’s reputation is damaged due to failure to deliver housing services.	 Likelihood Impact	16	The latest financial position on the overall HRA, including the reviews noted above will form part of the balanced HRA Estimates report was agreed in January. An updated five year financial projection will be drawn up after the year end Closing position is agreed. Latest projections show the revenue funding position remains precarious and vulnerable to revenue overspends or significantly rising capital costs (leading to higher loan repayments and interest charges). Counsel opinion on the S20 service charge recoverability issue is being reviewed. On 7 March Court of Common Council approved rent increases of 7.7%.	 Likelihood Impact	8	31-May-2025	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB002a	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Close monitoring of capital schemes is required during 2024/25, update to be provided in regular reporting of capital forecasts due in the revised HRA 5 Year Plan after Closing. . Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Mark Jarvis	18-Mar-2024	31-May-2024
CHB002b	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The level of the internal recharge to the HRA is being reviewed as part of a City wide recalibration however this will not impact the current years estimates.	Mark Jarvis	18-Mar-2024	31-May-2024

		<p>The current repairs and maintenance contract has had to be extended by one year but is being re-procured for the following period. The recommendations for change coming out of the Pennington review are being implemented by Housing.</p> <p>The calculation of the depreciation charge has been reviewed with external valuers and significantly reduced accordingly – this will offset some of inflationary revenue pressures. The latest 2023/24 position and 2024/25 draft Estimates show a finely balanced position.</p>			
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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB003 Inconsistent application of the internal control environment 28-Feb-2024 Caroline Al-Beyerty	<p>Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to:</p> <ul style="list-style-type: none"> Failure of staff management to adhere to financial and procurement regulations, leading to: <ul style="list-style-type: none"> Poor Purchase Order Compliance Inefficient budget management Delays in setting up Project Codes due to governance Ineffective contract and supplier management Lack of management oversight of purchasing activities Misinterpretation and inconsistent understanding of financial and procurement regulations Inconsistent guidance from subject matter experts Complex procedures driving officers towards using workarounds <p>Event:</p> <ul style="list-style-type: none"> Increase in transactional errors Decrease in payment performance Impact on cashflow management and accuracy of forecasting Heightened demand for customised approvals and urgent decisions Diminished strategic challenge capacity Disrupted delivery of Business as Usual (BAU) operations <p>Effect:</p> <ul style="list-style-type: none"> Failure to achieve value for money 		8	<p>Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.</p> <p>A number of mitigations have been identified to improve compliance and overall benefits of controls.</p> <p>A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls.</p> <p>This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.</p>		4	31-Dec-2024	
				18 Mar 2024			Reduce	Constant

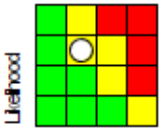
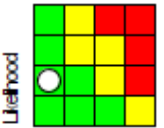

	<ul style="list-style-type: none"> Negative internal and external audit opinions Detrimental effects on supplier partnerships and commercial appeal to the market 						
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB003a	Implementing mandatory system training and periodic refresher courses for all users.	<p>New starter onboarded will include system training before login is authorised.</p> <p>Non-compliant users, are to repeat the training course.</p> <p>Training to be captured as a part of performance development.</p>	Daniel Peattie	28-Feb-2024	31-Dec-2024
CHB003b	Design and maintain a comprehensive Chamberlain's Integrated Financial Performance Dashboard, seamlessly linking procurement and financial data.	<p>Continue to report to ELB and senior management teams on the payment and PO compliance by teams/departments.</p> <p>Reviewing reports and adding trends to the dashboard.</p> <p>Developing a combined Finance payment performance and procurement compliance dashboard. Identifying 'non-compliant' areas.</p> <p>These reports will encourage accountability at the right level.</p>	Leah Woodlock	28-Feb-2024	30-Jun-2024
CHB003c	Review gateway process and project budget code creation.	<p>Underway as part of project governance review.</p> <p>Considering the separation of capital accounting arrangements from project procured.</p>	Genine Whitehorse	28-Feb-2024	30-Sep-2024
CHB003d	Review of financial regulations and are explicit around requirements	Ensuring that our processes are sufficiently streamlined reducing the need for workarounds	Sonia Virdee	28-Feb-2024	31-May-2024
CHB003e	Review of procurement regulations and are explicit around requirements	Ensuring that our processes are sufficiently streamlined reducing the need for workarounds/waivers.	Genine Whitehorse	28-Feb-2024	31-May-2024
CHB003f	Increase the number of internal audits conducted of processes, regulations and compliance	There is a need for additional resource to conduct and deliver the additional scrutiny on processes and compliance.	Matt Lock	28-Feb-2024	31-Dec-2024
CHB003g	Developing a suite of user-friendly bite-sized training materials.	<p>Using AI technology to create bite-size guidance videos for BAU tasks, e.g. raising purchase orders, receipting orders etc.</p> <p>Reducing the reliance on bespoke training and increasing training availability.</p>	Leah Woodlock	28-Feb-2024	30-Sep-2024
CHB003h	Escalation and enforcement of non-compliance activities	<p>Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director.</p> <p>Further non-compliance to be escalated to the Chamberlain.</p>	Sonia Virdee; Genine Whitehorse	28-Feb-2024	31-May-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB DITS 040 Resilience and complexity COL/COLP Page 70 26-Feb-2024 Chris Rawding	Cause: A lack of end-to-end resilience of critical services remain, or technology areas remain complex. Event: There is a major failure in critical parts of the IT infrastructure, which is difficult to avoid, remediate or recover from. Effect: Significant incident could lead to an impact to productivity of the business with loss of access to Critical systems. Could lead to financial and reputational impact		12	<p>Our Solution Architect in conjunction with the TDA have developed a Roadmap HLD</p> <p>This has been peer reviewed by all of the DITS technology heads as SMEs and the TDA.</p> <p>The secondary resilient internet connection has been installed and configured for active/active use.</p> <p>We have a list of current “Top Critical Apps” for presentation to SLT before End Nov 23.</p> <p>Following this, we will produce runbooks for these apps</p> <p>The creation of runbooks is underway and being driven by the security function, which feeds into the creation of our cyber response planning.</p> <p>31 Jan 2024</p>		8	31-Mar-2024	Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB DITS 040b	<i>Plan DR Testing</i>	Following final configuration, the secondary Guildhall internet connection has been failover tested and is confirmed running Active/active. This is Scenario 3 in the BCDR Plan, in which we now have 7 scenarios agreed. Runbooks and scheduling for remaining DR Test Scenarios in progress.	Graham Venn	31-Jan-2024	29-Feb-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
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CHB DITS 044 Business Intelligence (PowerBI) - Technical Support 07-Mar-2023 Sam Collins	<p>Cause: There is a lack of capability and capacity within DITS technical support for the Corporate Business Intelligence Tool (Microsoft PowerBI). This was raised as a concern but was not addressed through the TOM in 2022.</p> <p>Event: There is an increasing reliance upon PowerBI for Corporate Reporting across COL and COLP and already it is being used for tracking Climate Action (COL), Key Corporate Information (COL) and NICHE (COLP).</p> <p>Effect: DITS are unable to resolve technical support issues and ensure that COL / COLP are adhering to best practice in terms of the use of PowerBI Gateways, automation of reporting, cleansing, and sharing of datasets. PowerBI would become a 'Digital Veneer' masking a significant amount of poor practice in terms of disparate datasets and manual practices</p>	 <p>Likelihood</p> <p>Impact</p>	6	Following the outcome of the Data Maturity Assessment with Hitachi alternative roles for a Head of Data and Data Engineer have been redrafted and approved at the Job Evaluation Board. The Head of Data role will be out to recruitment again in January 2024. 31 Jan 2024	 <p>Likelihood</p> <p>Impact</p>	2	31-Aug-2024	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB DITS 044	Recruit to vacant Head of Data and Data Engineers roles	Initial recruitment to Head of Data role was unsuccessful and an additional MFS has now been approved. The role was re-advertised as a 12 month secondment in January 2024 and the interview is planned for 24/01	Sam Collins	31-Jan-2024	31-Mar-2024

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By virtue of paragraph(s) 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 11

Committee: Finance Committee	Date: 9 April 2024
Subject: Report of Action Taken	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	See background papers
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk	For Information
Report author: Ben Dunleavy, Governance Officer	

Summary:

This report provides details of delegated decisions taken under urgency between Committee meetings.

Recommendation

Members are asked to note the report.

Delegated Decisions Under Standing Order 41A

UK Shared Prosperity Fund: Funding Agreement

1. Central London Forward (CLF) is the sub-regional partnership of the 11 central London local authorities and the City of London Corporation. The City of London Corporation is the Contracting Body for CLF. And as such, enters into contracts on behalf of the member authorities, as requested by the CLF Board. The CLF Board is made up of the Leaders or Mayors of member boroughs and the Chairman of Policy & Resources. Central London Works is the largest employment programme managed by CLF. The programme is the devolved Work and Health Programme in central London, and it is funded by the Department of Work and Pensions (DWP).
2. The UK Shared Prosperity Fund (UKSPF) is a UK Government fund which replaces EU Structural and Investment Funds post-Brexit. UKSPF seeks to tackle inequalities and improve life chances across the UK. The Greater London Authority (GLA) is the managing authority for UKSPF in London. The fund is overseen by the Department for Levelling Up, Housing and Communities (DLUHC) nationally.
3. The Greater London Authority (GLA) has allocated £8.3 million of UK Shared Prosperity Fund (UKSPF) to CLF to provide employment and skills support for residents of member authorities. The CLF Board originally planned to use £3.1m of this to increase the contract value of Central London Works. This was approved by Finance Committee and Court of Common Council in July 2023 – of the remaining funding, £4.8m was planned to be used to provide employment and skills support through the local employment services of CLF member authorities.
4. However, DWP subsequently informed CLF, GLA, and the other London sub-regional partnerships that UKSPF could not be used to fund the Work and Health Programme. Therefore, the CLF Board has agreed to re-allocate the £3.1m to the employment services of CLF member authorities, taking the total funding for the employment services to £7.9m. The remaining £0.4m of the grant would be used to provide health and wellbeing support, and to fund management of the performance and claim process.
5. Agreement was therefore sought to access the £8.3m UKSPF funding, and to vary the use of the £3.1m tranche originally allocated to Central London Works. Approval was also sought to sign the grant funding agreement in order to implement this. These agreements had been reviewed and approved by Comptroller's.
6. It was recommended to approve the accessing of £8.3m of UKSPF to provide employment and skills support for over 2,000 disadvantaged Londoners, with a minimum of 347 residents to be support into employment. This would enable the implementation of the approach collectively agreed by the CLF Board, the GLA, and by DLUHC (who have national responsibility for UKSPF). This would enable CLF member authorities collectively to provide support for over residents through their local employment services.
7. Approval first would be agreed by the Finance Committee prior to the Court of Common Council and be authorised by the end of March 2024. This was in order

for the CLF and member authorities to be able to access the UK Shared Prosperity Fund grant offered via the GLA. The next meeting of Finance Committee was not due to meet until 9 April 2024, meaning that the 12 central London authorities involved in the partnership would not be able to access the grant funding. This included the City of London Corporation.

8. The report was unable to be submitted to the February 2024 meeting of Finance Committee as, following CLF being made aware of the change in position from DWP, it was necessary to first gain the CLF's Board approval for the grant allocation and the reallocation of the tranche previously allocated to Central London Works, for the legal reviews of the grant documentation and mechanisms by which funding can be devolved to the boroughs as part of this pan-London partnership to be undertaken, and the process and governance aspects surrounding CLF and the City of London Corporation's role as contracting body to be clarified and taken forward.
9. Approval under urgency by the Finance Committee was sought to allow for the report to be submitted to the next meeting of Court of Common Council on 7 March 2024, to provide for all-Member scrutiny.
10. The Town Clerk therefore agreed, in consultation with the Chair and Deputy Chair of Finance Committee, to recommend to the Court of Common Council the following:
 - Accessing to the proposed £8.3m UKSPF funding to provide employment and skills support for central London residents. As proposed by the CLF Board.
 - Varying the use of the £3.1m of UKSPF previously planned and approved for the Central London Works programme. With the revised approach of devolving to member authorities, as approved by the CLF Board.
 - The signing of a funding agreement with the GLA, reflecting the delivery plan set out and approved by CLF Board.
 - The signing of funding agreements with CLF member authorities, enabling them to access this funding.
11. The report was subsequently received and approved at the Court of Common Council on 7 March 2024.

Background Papers

Report of the Executive Director, Innovation and Growth – February 2024.

Setting a Small Business Multiplier for the City Premium

12. The Court of Common Council is required to set an Annual Non-Domestic Rating Multiplier (the City Premium). At the Court of Common Council on 7th March 2024, the 2024/25 City Premium Multiplier was set at 1.8p. This was an increase of 0.4p on the 2023/24 multiplier.
13. A Small Business Non-Domestic Multiplier was also set as part of this process. Historically, the multipliers have been coupled and the calculation to determine the City Premium multiplier has always resulted in the City Multiplier and the City Small Business Multiplier being the same. As a result, the City has only ever carried out one calculation to determine the City multiplier. This same process was followed to set the 2024/25 multiplier at 1.8p.
14. However, for 2024/25, as a result of legislation decoupling the multipliers, the Chancellor raised the standard multiplier from 0.512p to 0.546p, with the Small Business Multiplier remaining at 0.499p. The decoupling of the national multipliers requires a separate multiplier to be calculated for the City Small Business Premium. Unfortunately, this change was not included within the 2024/25 Budget. The revised calculation means that the Small Business Multiplier for the City Premium should be set at 1.6p.
15. The correct multiplier was required to be in place to allow Business Rate Bills to be dispatched in time for 1st April payment date.
16. Accordingly, the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approved under urgency a recommendation to the Court of Common Council that the 2024/25 City Fund budget be adjusted such that a Small Business Non-Domestic Premium of 1.6p is set. This was subsequently approved under urgency from the Court on March 14.

Background Papers

Setting a Small Business Multiplier for the City Premium – Report of the Chamberlain March 2024

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