

PLEASE BRING THIS AGENDA WITH YOU

1

The Lord Mayor will take the Chair at ONE
of the clock in the afternoon precisely.



COMMON COUNCIL

SIR/MADAM,

You are desired to be at a Court of Common Council, at **GUILDHALL**, on
THURSDAY next, the **24th day of October, 2013**.

JOHN BARRADELL,
Town Clerk & Chief Executive.

*Guildhall,
Wednesday 16th October 2013*

Sir Paul Judge

Matthew Richardson

}

Aldermen on the Rota

1 Question - That the Minutes of the last Court are correctly recorded?

2 To read a Vote of Thanks to the Lord Mayor.

3 The Right Honourable The Lord Mayor to lay before the Court a letter of the Lord Mayor Elect declaring her assent to take upon herself that Office.

4 Resolutions on Retirements, Congratulatory Resolutions, Memorials.

5 The Right Honourable The Lord Mayor's report on overseas visits.

6 To elect a Chief Commoner.

In accordance with Standing Order No. 18, John Alfred Bennett, Deputy and William Harry Dove, M.B.E., J.P., Deputy have valid nominations for the office. Curriculum Vitae for each candidate are the subject of a printed and circulated report.

(N.B. A notice of the nominees is on display in the Members' Reading Room)

7 Statement from the Chairman of the Policy and Resources Committee.

8 Docquets for the Hospital Seal.

9 List of applicants for the Freedom of the City:

(A list of names, together with those of the nominators, has been separately circulated).

10 The Remembrancer's report of measures introduced into Parliament which may have an effect on the services provided by the City Corporation.

Subordinate Legislation

Measure	with effect from
The Town and Country Planning (Development Management Procedure) (England) (Amendment) Order 2013, S.I. No. 1238.	25th June, 2013.
The Planning (Listed Buildings and Conservation Areas) (Amendment) (England) Regulations 2013, S.I. No. 1239.	25th June, 2013.
The Electronic Communications Code (Conditions and Restrictions) (Amendment) Regulations 2013, S.I. No. 1403.	27th June, 2013.
The Licensing Act 2003 (Descriptions of Entertainment) (Amendment) Order 2013, S.I. No. 1578.	27th June, 2013.
The Coroners Allowances, Fees and Expenses Regulations 2013, S.I. No. 1615.	25th July, 2013.
The Coroners and Justice Act 2009 (Coroner Areas and Assistant Coroners) Transitional Order 2013, S.I. No. 1625.	25th July, 2013.
The Town and Country Planning (General Permitted Development) (Amendment) (No. 2) (England) Order 2013, S.I. No. 1868.	21st August, 2013.
The Town and Country Planning (Appeals) (Written Representations Procedure and Advertisements) (England) (Amendment) Regulations 2013, S.I. No. 2114.	1st October, 2013.
The Planning (Listed Buildings and Conservation Areas) (Amendment No. 2) (England) Regulations 2013, S.I. No. 2115.	1st October, 2013.
The Town and Country Planning (Development Management Procedure) (England) (Amendment No. 2) Order 2013, S.I. No. 2136.	1st October, 2013.
The Town and Country Planning (Hearings and Inquiries Procedure) (England) (Amendment) Rules 2013, S.I. No. 2137.	1st October, 2013.

The Town and Country Planning (Section 62A Applications) (Procedure and Consequential Amendments) Order 2013, S.I. No. 2140.	1st October, 2013.
The Town and Country Planning (Section 62A Applications) (Hearings) Rules 2013, S.I. No. 2141.	1st October, 2013.
The Town and Country Planning (Section 62A Applications) (Written Representations and Miscellaneous Provisions) Regulations 2013, S.I. No. 2142.	1st October, 2013.
The Town and Country Planning General (Amendment) (England) Regulations 2013, S.I. No. 2145.	1st October, 2013.
The Town and Country Planning (General Permitted Development) (Amendment) (England) (No. 3) Order 2013, S.I. No. 2147.	1st October, 2013.
The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2013, S.I. No. 2153.	1st October, 2013.
The Business Improvement Districts (England) (Amendment) Regulations 2013, S.I. No. 2265.	7th October, 2013.
The Co-ordination of Regulatory Enforcement (Enforcement Action) (Amendment) Order 2013, S.I. No. 2286.	1st October, 2013.
The Local Safeguarding Children Boards (Review) Regulations 2013, S.I. No. 2299.	8th October, 2013.
The Local Government Pension Scheme Regulations 2013, S.I. No. 2356.	1st April, 2014.

(The text of the measures and the explanatory notes may be obtained from the Remembrancer's office.)

- 11 The Town Clerk to report the result of a ballot taken at the last Court to appoint one Member on the Finance Committee for the balance of a term to expire in April 2014 to fill a vacancy not taken by the Ward of Candlewick.

* denotes appointed

	Votes
John Douglas Chapman, Deputy	49
Clare James, M.A.	50 *

- 12 To appoint the following:-

* denotes a Member standing for re-appointment.

a) One Member (Non-Resident of the Barbican Estate) on the Barbican Residential Committee for the balance of a term to expire in April 2014.

Nomination received:-
Ann Holmes

b) Two Members on Christ's Hospital for the balance of terms expiring in January 2016.

Nominations received:-
Lucy Roseanne Frew
Christopher Michael Hayward

c) One Member on the Dr Johnson's House Trust for a two year term to expire in October 2015.

Nomination received:-
* Jeremy Lewis Simons, M.Sc.

- 13 QUESTIONS

- 14 MOTIONS

Policy, Finance, Establishment, Investment and Audit Committees - Reports

16 POLICY AND RESOURCES COMMITTEE

(Mark John Boleat)

10 October 2013

(A) Education Strategy

In January 2013 this Committee approved the establishment of a working party to *devise an education strategy for the City Corporation, to focus on improving the quality of education in London, especially for disadvantaged children.*

The Education Strategy Working Party (ESWP) held its first meeting in May 2013 and has held nine meetings over the course of a four month review period. Throughout the consultation the ESWP reviewed the City Corporation's: schools portfolio and governance arrangements; its statutory education provision; education outreach work from City Corporation organisations; and the City Corporation's employability support. Meetings were also held externally with livery companies, businesses, local authorities and education institutions, which sought to identify educational best practice. This strategy represents the culmination of all these meetings and considerations. It outlines a vision for the City Corporation's education offer and makes recommendations to achieve it. This strategy is limited to education provision between the ages of 4-18, covering primary and secondary, but not tertiary, education.

The strategy states that the City Corporation's vision for education should be *to educate and inspire children and young people to achieve their full potential*. This has been segmented into five strategic aims:

- To promote and support excellent education and access to higher education
- To strive for excellence in the City schools
- To inspire children through an enriched education and outreach opportunities
- To promote an effective transition from education to employment
- To explore opportunities to expand the City's education portfolio and influence on education throughout London

We accordingly **recommend** that this Court agree that the City of London Corporation Education Strategy 2013-2015, as set out in the separately printed and circulated report, be approved.

(B) Protocol for the Nomination of Members for appointment to Ward Committees

Following discussion at the Court of Common Council meeting in July the Chairman of your Committee undertook to consider how and when appointment to ward committees are made as well as look at the Standing Orders which govern the nominations process.

The Committee has since reviewed the process and whilst we have concluded that the Standing Orders governing this particular area are satisfactory, we believe that the nominations process would benefit from the introduction of a protocol to assist

Members.

A draft protocol has been prepared which we support and we now **recommend** that a protocol for the nomination of Members to the Court to serve on ward committees be adopted, as follows:-

“Protocol for the nomination to the Court of Members for appointment to Ward Committees

Introduction

This document sets out relevant Standing Orders and protocols relating to the appointment of Members to ward committees.

Standing orders

Appointments to Ward Committees are made by the Court and the Court is able to change the membership of Ward Committees at any time. In practice, the Court normally endorses the names put forward by the Wards. There are two relevant standing orders governing this process -

Standing Order No. 23 – Ward Committees

- (4) Wards shall choose whether to nominate a Member(s) to serve on each of the several Ward Committees;*
- (5) After consultation with the Members of their Wards, the Deputies of the Wards shall submit the nominations to the Town Clerk subject to the following:-*
 - (a) the term of office of a Member on a Ward Committee is one year;*
 - (b) a Member who has served four terms on a Ward Committee, separately or consecutively, is not eligible for appointment for a further term whilst there is a Member of the Ward who has not served and wishes to do so, unless the majority of the Members of the Ward so decide.*

Standing Order No. 25 - Vacancies

- (1) When a vacancy occurs in any Committee, the Member elected to fill it will continue for the remainder of the term of the Member creating the vacancy, and such part of the term will count as a full term for the purposes of Standing Orders Nos. 23 (5) and 29 (3) (a).*
- (2) Prior to the expiry of a completed term of office on a Non-Ward Committee, or when vacancies arise, all Members will be notified by the Town Clerk.*

The role of the Ward Deputy

Standing Order No. 23 makes clear that the role of the Ward Deputy is facilitating consultation with the Members of the Ward and then communicating the Ward's nominations to the Town Clerk. Nominations are, therefore, not in the gift of the Ward Deputy, who should have no greater say in the appointments than other Ward members. The consultation process should allow sufficient time for Members of the Ward to consider the proposals and their comments should be taken into account when formulating nominations.

Principles for making nominations

The Court and its committees run on an annual basis. It is desirable that Members are appointed for a whole year, with any changes during the year being minimised.

Three overriding principles should govern nominations -

- 1. There is an accepted progression from Deputy Chairman of a Ward Committee to Chairman for a period of three years followed by a one year period as Deputy Chairman. It is, therefore, expected that where a Member holds office as Chairman or Deputy Chairman of a Ward Committee, their nomination to that Committee shall continue to be made by the Ward.*
- 2. Any changes to the membership of Ward Committees proposed by Wards during the course of a year should be confined to filling vacancies caused by a Ward Member ceasing to be a Member of the Committee or where all the Members concerned individually agree that the Deputy should communicate the change.*
- 3. Nominations should take into account all the relevant circumstances including members' availability, knowledge, experience and the need to develop experience, to contribute to the efficient and effective running of the City Corporation."*

17 HOSPITALITY WORKING PARTY OF THE POLICY AND RESOURCES COMMITTEE

(George Marr Flemington Gillon, Chief Commoner)

29 August & 11 September 2013

Applications for the Use of Guildhall

In accordance with the arrangements approved by the Court on 21 June 2001 for the approval of applications for the use of Guildhall, we now inform the Court of the following applications which have been agreed to:-

Name	Date	Function
Evening Standard Association UK	Monday 9 September 2013	Debate
University of St Andrews Alumni Club London	Saturday 2 November 2013	Dinner
Seatrade	Monday 14 April 2014	Dinner
Banks Sadler Ltd	Thursday 22 May 2014	Graduation Ceremony
Energy UK	Monday 2 June 2014	Dinner
The European Federation of Corrugated Board Manufacturers	Thursday 5 June 2014	Dinner
Trinity House	Wednesday 11 June 2014	Dinner
Thomson Reuters	Monday 16 June 2014 (set up) Tuesday 17 June 2014	Awards Ceremony
Guildhall School of Music and Drama	Friday 31 October 2014	Graduation

18 FINANCE COMMITTEE
(Roger Arthur Holden Chadwick)

23 July 2013

(A) City Fund and Pension Funds - 2012/13 - Statement of Accounts and Auditors' Management Letters

The Court authorised this Committee to approve, amongst other things, the Statement of Accounts for the City Fund and Pension Funds. We have duly considered and approved the 2012/13 City Fund and Pension Funds Statement of Accounts. Copies of the Statement have been placed in the Members' Reading Room and are available from the Chamberlain. The management letter from Deloitte on its audit of the funds is attached for the information of the Court. In addition, the Statement and letters have been published on the City's website.

(B) Annual Reports and Financial Statements for Bridge House Estates and Sundry Trusts 2012/13

The Court has authorised this Committee to approve, amongst other things, the Annual Reports and Financial Statements for Bridge House Estates and the Sundry Trust Funds. We have duly considered and approved the Annual Reports and Financial Statements for the year ending 31 March 2013. Copies of the Annual Reports and Financial Statements have been placed in the Members' Reading Room and are available from the Chamberlain. The management letter from Deloitte on its audit of the funds is attached for the information of the Court.

MOTION

19 By the Chief Commoner

"That the public be excluded from the meeting for the following items of business below on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972:-

A) action taken under urgency procedures approving recommendations of the Barbican Residential Committee concerning the waterproofing of the Barbican Podium;

B) action taken under urgency procedures approving recommendations of the Property Investment Board concerning the lease of 200 Aldersgate Street, EC1; and

C) recommendations of the Hospitality Working Party of the Policy and Resources Committee concerning a matter of hospitality?"

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GIFFORD, MAYOR COURT OF COMMON COUNCIL

12th September 2013

MEMBERS PRESENT

ALDERMEN

Nicholas Anstee
Sir Michael David Bear BSc (Eng) MBA
Charles Bowman
Sheriff Jeffrey Richard Evans
Sir Robert Finch
John Garbutt

Alison Gowman
David Andrew Graves
Timothy Russell Hailes
Gordon Warwick Haines
Benjamin Robert Hadley Hall
Peter Hewitt, FCSI, FRSA
Sir David Howard Bt MA DSc

Ian David Luder JP BSc (Econ)
Julian Henry Malins QC
Dr Andrew Charles Parmley MusM Hon FGS
Neil Graham Morgan Redcliffe
William Anthony Bowater Russell
Fiona Woolf CBE
Sir David Hugh Wootton

COMMONERS

George Christopher Abrahams
Randall Keith Anderson
Kenneth Edwin Ayers MBE,
Deputy
Alex Bain-Stewart MSc JP
John Alfred Barker, OBE Deputy
John Bennett Deputy
Christopher Paul Boden
Mark Boleat
David John Bradshaw
Raymond Michael Catt
Roger Arthur Holden Chadwick
Nigel Kenneth Challis MA FCA
FCSI (Hon)
John Douglas Chapman, Deputy
Henry Nicholas Almroth Colthurst
Dennis Cotgrove BA
Karina Dostalova
William Harry Dove MBE JP,
Deputy
Simon D'Olier Duckworth DL
The Revd Dr Martin Raymond
Dudley
Peter Gerard Dunphy

Anthony Noel Eskenzi CBE DSc,
Deputy
Kevin Malcolm Everett DSc
John William Fletcher BSc
William Barrie Fraser OBE
Deputy
Stuart John Fraser CBE
Marianne Bernadette Fredericks
Lucy Frew
George Marr Flemington Gillon,
Chief Commoner
Stanley Ginsburg JP Deputy
The Revd Stephen Decatur
Haines MA, Deputy
Brian Nicholas Harris
Christopher Michael Hayward
Tom Hoffman
Robert Picton Seymour Howard,
Deputy
Michael Hudson
Wendy Hyde
Jamie Ingham Clark
Clare James MA
Gregory Percy Jones QC
Alastair John Naisbitt King MSc
Deputy

Stanley Keith Knowles MBE
Deputy
Gregory Alfred Lawrence
Vivienne Littlechild JP
Charles Edward Lord OBE JP
Professor John Stuart Penton
Lumley
Jeremy Paul Mayhew MA MBA
Deputy Catherine McGuinness
Andrew Stratton McMurtrie
Wendy Mead
Gareth Wynford Moore
Hugh Fenton Morris
Alastair Michael Moss
Sylvia Doreen Moys
Joyce Caruthers Nash OBE,
Deputy
John Richard Owen-Ward MBE,
Deputy
Judith Lindsay Pleasance MA
(Hons)
James Henry George Pollard,
Deputy
Emma Charlotte Louisa Price
Henrika Johanna Sofia Priest
Gerald Albert George Pulman JP,
Deputy

Chris Punter
Stephen Douglas Quilter BSc
(Hons)
Richard David Regan, Deputy
OBE
Delis Regis
Elizabeth Rogula
Virginia Rounding
John George Stewart Scott JP
BA (Hons) FRPSL
Dr Giles Robert Evelyn Shilson,
Deputy
Jeremy Lewis Simons MSc
Tom Sleigh
Graeme Martyn Smith
Angela Mary Starling
Patrick Thomas Streeter
David James Thompson
James Michael Douglas
Thomson Deputy
John Tomlinson, Deputy
James Richard Tumbridge
Michael Welbank, Deputy
Mark Raymond Peter Henry
Delano Wheatley
Philip Woodhouse

Minutes

Resolved – That the Minutes of the last Court are correctly recorded.

Gillon, G.M.F.,
Chadwick,
R.A.H.

Resolved unanimously - That, the sincere congratulations of this Court be offered to Her Majesty The Queen in the following terms:-

"May it please Your Majesty.

We, the Lord Mayor, Aldermen and Commons of the City of London in Common Council assembled, wish to offer to Your Majesty and to His Royal Highness The Prince Philip, Duke of Edinburgh, our warmest congratulations on the birth of a son to Their Royal Highnesses The Duke and Duchess of Cambridge.

We are confident that this happy and auspicious event has given Your Majesty great pleasure, as it has to the Citizens of this City, this Country and throughout the Commonwealth."

Gillon, G.M.F.,
Chadwick,
R.A.H.

Resolved unanimously - That, the sincere congratulations of this Court be offered to The Prince of Wales and the Duchess of Cornwall in the following terms:-

"We, the Lord Mayor, Aldermen and Commons of the City of London in Common Council assembled, desire to offer to Your Royal Highness and to Her Royal Highness the Duchess of Cornwall our sincere congratulations on the birth of a son to Their Royal Highnesses the Duke and Duchess of Cambridge.

We are confident that this happy event will be a source of great pleasure to Your Royal Highness, to all the people of this Country and throughout the Commonwealth."

Gillon, G.M.F.,
Chadwick,
R.A.H.

Resolved unanimously - That, the sincere congratulations of this Court be offered to The Duke and Duchess of Cambridge in the following terms:-

"We, the Lord Mayor, Aldermen and Commons of the City of London in Common Council assembled, desire to express our great pleasure, which is shared by all the citizens of this City, on the birth of a son to Your Royal Highnesses, and to offer our most cordial congratulations on this auspicious and happy event.

We look forward to seeing reflected in the young Prince those characteristics which have so endeared you both to the people of this Nation."

Overseas Visits

The Right Honourable the Lord Mayor reported on his recent visits to Chile, Peru, Columbia, Panama, Mexico and Jersey.

Policy
Statement

There was no report.

Hospital Seal

Sundry documents were sealed with the Hospital Seal.

Freedoms

The Chamberlain, in pursuance of the Orders of this Court, presented a list of the under-mentioned persons who had made application to be admitted to the Freedom of this City by redemption:-

Paul John Sorrell

an Airline Pilot

Weston Turville,

Buckinghamshire

Maurice John Howell

a Lecturer

Wimborne, Dorset

George Harry Rutledge	a Student	Southgate, Enfield
Christopher John Bane	a Business Development Manager	Anerley, Bromley
Paul Stedman	a Health and Safety Company Director	Billingsley, Bridgnorth, Shropshire
Anne Elizabeth Longfield, OBE	a Charity Chief Executive	Ilkley, West Yorkshire
Breda Marie White	an Educator	Cape Elizabeth, Maine, United States of America
James Paul Latchford	a Para Planner	Stanford-le-Hope, Essex
David Xavier Victor	a Software Company Director, retired	Chapel Leigh, Taunton, Somerset
Stephen Anthony Jackson	a National Accounts Manager	Wednesbury, West Midlands
George Jappy Barbour	a Customer Development Manager	Alloa, Clackmannanshire
Richard Stafford Botwright	a Metropolitan Police Officer, retired	Hythe, Kent
Paul Max Nissen	a Landlord	Stanmore, Middlesex
Julian Ivan Peter Simpole	an Art Teacher, retired	Clapham, Wandsworth
Jonathan Ian Waterman	a Toastmaster	Barkingside, Ilford, Redbridge
Christopher Richard Day	a Prison Officer, retired	Yate, Bristol, Gloucestershire
Nicholas George Alan Black	an Investment Trust Relationship Manager	Thame, Oxfordshire
Thiagarajah Rajkumar	a Chartered Accountant	Northwood, Hillingdon
Beryl Moore	an Administrative Assistant, retired	St Ives, Ringwood, Hampshire
Rebecca Joanne Thompson	a Superintendent of Works	Bubwith, North Yorkshire
Shaun Michael Thompson	a Police Officer, retired	Bubwith, North Yorkshire
Penelope Vivyen Hilda Chesterman	a Personal Assistant, retired	Edmonton, Enfield
Emma Deborah Kraiss	a City of London Guide	Mill Hill, Barnet
Christopher Liang	a Real Estate Investments Associate Director	Hong Kong
David Ian Bailey	a Metropolitan Police Officer	High Wycombe, Buckinghamshire
Raymond Mark Steve Austin	a Local Government Consultant	Enfield
Michael Arthur Smith	a Comedy Entertainer	Ashford, Kent
Deborah Annette Smith	a Childrens Entertainer	Ashford, Kent
Clare Veronica Barnett	an Organisational Development Company Director	Haughton, Staffordshire
Thomas Peter Hobson	a Customer Services Agent	Islington
Steven Charles Pedlar	a School Master, retired	Market Rasen, Lincolnshire
Lesley Margaret Clarke	a Civil Servant, retired	Fareham, Hampshire
Dorian Trevelyan Evans	a Chartered Mechanical Engineer	Dormansland, Lingfield, Surrey
Keith Bennet Forster	a School Master	Wormley, Godalming, Surrey
His Excellency Witold Sobkow	The Polish Ambassador	Westminster
Dariusz Laska	a Diplomat	Westminster
James Richard Sproule	an Economist	Fulham, Hammersmith and Fulham

Christopher Edward Gogarty	a Building Maintenance Engineer	Hartley, Kent
Gary Alan Holding-Parsons	a Cobbler	Rayleigh, Essex
Ailsa Claire Edwards	a Metropolitan Police Officer	St Albans, Hertfordshire
Toby Alexander John Edwards	a Teacher	Waterbeach, Cambridgeshire
Jonathan Duncan Cooper	a Further Education Lecturer	Isleworth, Hounslow
Lisa-Ann Lockey	an Office Manager	Emerson Park, Havering
Mark William Lockey	a Foreign Exchange Dealer	Emerson Park, Havering
Janet Louise Rosalind Ward	an Administration Manager, retired	Avington, Winchester, Hampshire
Matthew David Knox	an Environmental Health Officer	Chingford, Essex
Alistair Neil Steward	a Chartered Loss Adjusting Company Director	Harston, Leicestershire
John Joseph Venables	a Director of Music	Wormley, Surrey
Anthony William Fraser Curl	an Investment Manager	Westminster
Joy Alexandra Young	a Secretary	Londonderry, Northern Ireland
His Excellency Ephraim Waweru Ngare	The High Commissioner of Kenya	Westminster
Giles Benedict Clapp	a Civil Servant	Sandgate, Folkestone, Kent
Michael Laszlo Chelk	a Chartered Accountant, retired	Ipswich, Suffolk
Michael George German	a Promotions Planner	West Ealing, Ealing
Augustine Diggu Chipungu	a Parliamentary Assistant	Tower Hamlets
Mark Lewis Emmerson	an Academy Principal	Crouch End, Haringey
Kevin Martin McKeever	a Public Affairs Consultant	Tower Hamlets
Harvey Waterworth	a City of London Police Officer	Maidenbower, Crawley, Sussex
Jonathan Richard Moules	a Journalist	Lime House, Tower Hamlets
Keith Martin Collier	a Metropolitan Police Officer	Biggin Hill, Kent
Ian Sinclair Cornwall	a Chartered Accountant	West Clandon, Surrey
Vincent Michael Dignam	a Business Improvement and Performance Manager	Mottingham, Greenwich
John Davis	a Civil Engineer	Orsett, Essex
John Brendan Riney, MBE	a Construction Company Director	Westerham, Kent
Rosalie Rivett	a Diplomatic Charity Director	Westerham, Kent
Keith French	a Head Forest Keeper	Loughton, Essex
Gabrielle Mary Lawrence, RD	a Secretary, retired	Fulham, Hammersmith and Fulham
Count Waldemar Jerzy Wilk	a Businessman	Stockholm, Sweden
Roger Stuart Dawe	a Construction Company Director, retired	Penshurst, Kent
Daniel Alexander Boulet	a Software Developer	Alberta, Canada
Penelope Rose Boulet	a Principal Software Engineer	Alberta, Canada
Andrew James Lee McIntee	a Recruitment Company Director	Kirkby Overblow, North Yorkshire
Edward David Carter	a Police Officer	Loughton, Essex
James Frederick Cross	an Information Technology Consultant, retired	Twickenham, Richmond upon Thames

Nicola Susan Linsell	an Architect	Ashtead, Surrey
Timothy David Jenkins	a Photographer	Esher, Surrey
Alan Geoffrey Clark	a Building Maintenance Company Chief Executive	Bexleyheath, Bexley
Graham Brian Clark	a Haulage Company Logistics Officer	Belvedere, Bexley
The Honourable Marion Naggar	a Property Company Director	St John's Wood, Westminster
The Honourable Carole Lawson	a Spiritual Healer	Munstead, Godalming, Surrey
His Excellency Pekka Juhani Huhtaniemi	The Ambassador of Finland	Kensington, Kensington and Chelsea
Ian David Park	a Royal Naval Officer	Hartford Hall Estate, Northumberland
Martin Ian Cargill	an Area Operations Manager, retired	Leytonstone, Waltham Forest
Simon Phillip Hugh Callow, CBE	an Actor, Writer and Theatrical Director	Islington
Penelope Anne Shepherd, MBE	a Trade Association Chief Executive, retired	Folkestone, Kent
Diane Lucy Genova	a Solicitor	Brooklyn, New York, United States of America

Read.

Resolved – That this Court doth hereby assent to the admission of the said persons to the Freedom of this City by redemption upon the terms and in the manner mentioned in the several Resolutions of this Court, and it is hereby ordered that the Chamberlain do admit them severally to their Freedom accordingly.

Result of Ballot

The Town Clerk reported the result of a ballot taken at the last Court on a report of the Establishment Committee regarding the overall pay settlement for the City of London Corporation staff for 2013/14.-

	Votes
Affirmative	85
Negative	4

Read.

Whereupon the Lord Mayor declared the recommendation of the Establishment Committee to have been agreed.

Appointments

a) One Member on the Finance Committee for the balance of a term to expire in April 2014 to fill a vacancy not taken by the Ward of Candlewick.

Nominations received:-
John Douglas Chapman, Deputy
Clare James, M.A.

Read.

The Court proceeded, in accordance with Standing Order No.10, to ballot on the foregoing vacancy.

The Lord Mayor requested the Chief Commoner and the Chairman of the Finance Committee, or their representatives, to be scrutineers of the ballot.

Resolved – That the votes be counted at the conclusion of the Court and the result printed in the Summons for the next meeting.

b) One Member on the Community and Children's Services Committee for the balance of a term to expire in April 2014 to fill a vacancy not taken by the Ward of Farringdon Without.

Nomination received:-
Randall Keith Anderson

Read.

Whereupon the Lord Mayor declared Randall Anderson to have been appointed on the Community and Children's Services Committee for the balance of a term to expire in April 2014 to fill a vacancy not taken by the Ward of Farringdon Without.

c) One Member (Non-Resident of the Barbican Estate) on the Barbican Residential Committee for the balance of a term to expire in April 2015.

Nomination received:-
Jeremy Paul Mayhew, M.A., M.B.A.

Read.

Whereupon the Lord Mayor declared Jeremy Mayhew to have been appointed as a Non-Resident of the Barbican Estate on the Barbican Residential Committee for the balance of a term to expire in April 2015.

d) One Member on the Board of Governors of the City of London Freemen's School for the balance of a term to expire in April 2014.

Nomination received:-
Philip John Woodhouse

Read.

Whereupon the Lord Mayor declared Philip Woodhouse to have been appointed on the Board of Governors of the City of London Freemen's School for the balance of a term to expire in April 2014.

e) One Member on the St Andrew Holborn Charity for the balance of a term to expire in July 2015.

Nomination received:-
John Fletcher

Read.

Whereupon the Lord Mayor declared John Fletcher to have been appointed on the St Andrew Holborn Charity for the balance of a term to expire in July 2015.

f) One Member on Christ's Hospital for the balance of a term to expire in January 2018.

Nomination received:-
Ann Marjorie Francescia Pembroke

Read.

Whereupon the Lord Mayor declared Ann Pembroke to have been appointed on Christ's Hospital for the balance of a term to expire in January 2018.

g) One Member on the Mitcham Common Conservators for a four year term to expire in September 2017.

Nomination received:-
Douglas James Leslie Mobsby, MBE, not now in Common Council, nominated by the Chief Commoner

Read.

Whereupon the Lord Mayor declared Douglas Mobsby to have been re-appointed on the Mitcham Common Conservators for a four year term to expire in September 2017.

h) One Member on the Aldgate & Allhallows Barking Exhibition Foundation for a three year term to expire in September 2016.

Nomination received:-
Marianne Bernadette Fredericks

Read.

Whereupon the Lord Mayor declared Marianne Fredericks to have been re-appointed on the Aldgate & Allhallows Barking Exhibition Foundation for a three year term to expire in September 2016.

Letter of
Thanks

Letter of Peter Nelson thanking the Court for the resolution passed following his retirement from the City of London Corporation.

Received.

Questions

Vivienne Littlechild asked a question of the **Chairman of the Finance Committee** regarding any assessment that had been made of the effect of the LIBOR scandal on the City Corporation's investments and pension funds which were held with banks and other financial institutions.

In reply the **Chairman** reported that it was impossible to say whether the City Corporation's finances were affected over the five years in question. He added that although there were financial instruments relating to borrowing that had a direct link to LIBOR, the City Corporation was not a borrower. He confirmed that none of the City Corporation's money market activities were linked directly to LIBOR, activity was based on market rates that offered the best return so any exposure would be on the basis of an indirect link between LIBOR and interest rates. He concluded that there was not enough useful evidence on the impact or extent of how LIBOR was managed, for fund managers to make an assessment of consequential financial losses or gains. On the pension fund it was considered that any financial effect would be unquantifiable and, in case, it was unlikely to have been a negative impact.

In response to a supplementary question from **Vivienne Littlechild**, the **Chairman** confirmed that the Corporate Treasurer was in regular, if not daily, contact with the City Corporation's treasury and investment advisors and although no formal guidance had been issued by them, the matter was likely to have been discussed.

Revd. Dr Martin Dudley asked a question of the **Chairman of the Culture, Heritage and Libraries Committee** regarding the omission of the Health and Wellbeing Board from the Members' Pocketbook.

In reply the **Chairman** apologised for the administrative error which caused the omission and reminded Members that the Town Clerk had sent a note providing them with the information that would have been included in the Pocketbook as soon as he became aware of the error. He took the opportunity to remind Members of the survey seeking their views on what should be in the Pocketbook, what could usefully be omitted and whether or not it had been superseded by electronic devices and stated that a report would then be submitted to his Committee with recommendations on its future.

In response to a supplementary question from **Revd. Dr Martin Dudley** the **Chairman** confirmed that he was pleased to learn that the Health and Wellbeing Board was the vehicle for City of London Corporation to meet its public health responsibilities to promote the health and wellbeing of everyone who lives or works in the square mile and that it was responsible for holding health and social care commissioners and others to account for their decisions, to ensure that local populations live longer and healthier lives.

Motions

There were no Motions.

Awards and Prizes

A) Open Spaces Awards

Report of the Chairman of the Open Spaces and City Gardens Committee.

"I am delighted to announce that the City Corporation's Open Spaces and Gardens have again received several prestigious Green Flag and London in Bloom Awards.

The Green Flag Award is the national standard for parks and green spaces and aims to recognise and reward the best green spaces in the country. All sites must be freely accessible to the public and perform well against eight criteria, including

safety and security, cleanliness, management and sustainability. This year the following Open Spaces retained the Award; Ashted Common, Bunhill Fields, Burnham Beeches, Coulsdon Common, Epping Forest, Farthing Downs and New Hill, Hampstead Heath, Highgate Wood, Kenley Common, Queen's Park, Riddlesdown, Spring Park, West Ham Park, West Wickham Common and the City of London Cemetery and Crematorium.

Green Heritage Site accreditation, which is sponsored by English Heritage, is awarded in recognition of achieving the required standard in the management and interpretation of a site with local or national historic importance. The following Open Spaces retained their Green Heritage Site accreditation this year to acknowledge the heritage value of Ashted Common, Kenley Common, Bunhill Fields, Burnham Beeches, Epping Forest, Hampstead Heath, Highgate Wood, West Ham Park and of the Cemetery and Crematorium.

The City Corporation now holds 15 Green Flag and 9 Green Heritage Awards.

The achievement of these Awards is a great tribute to the dedication and hard work of all the staff in the Open Spaces Department and the large teams of local volunteers who help to maintain the high quality of our Open Spaces.

I commend these achievements to the Court."

Received.

B) Chartered Institute of Highways and Transportation (CIHT)

Report of the Chairman of the Planning and Transportation Committee.

"I am delighted to announce that the City Corporation's Built Environment Department has received the 'CIHT/Enterprise Mouchel Streets' Award for the Cheapside scheme. The judges had considered the scheme to be outstanding and addressed the balance between movement and place as well as by the use of high quality materials."

Received.

Rates Committees - Reports

PLANNING AND TRANSPORTATION COMMITTEE

(Michael Welbank, Deputy)

(A) Adoption of the Liverpool Street Area Enhancement Strategy

Your Committee seeks approval for the adoption of the Liverpool Street Area Enhancement Strategy to progress the delivery of public realm improvement. A separately printed and circulated report has been submitted thereon.

The Strategy will provide prioritised enhancement proposals for public realm and road danger reduction as well as an improved, accessible, functional and safe environment that would support the increased footfall caused as a result of the work being undertaken by Crossrail at the entrances in Liverpool Street and Moorgate stations and in the buildings of the nearby Eastern City Cluster. In addition, the

Strategy would identify current issues and future demands, setting out a framework for addressing these in the context of existing policies and guidance and we **recommend** its adoption.

Read and agreed to.

(B) 20 mph Speed Limit Benefits and Dis-benefits Investigation

Your Committee seeks approval for the adoption of a 20mph speed limit in all City streets, including those managed by Transport for London, as part of the City's Road Danger Reduction Plan to address the recent rise in the number of road casualties in the City and a separately printed and circulated report has been submitted thereon.

The City's aim to tackle the recent rise in casualty numbers began with the adoption of the Road Danger Reduction Plan (RDRP) which detailed a range of methods to be undertaken between now and 2020.

One of these called for an investigation into the reduction in the speed limit. A study was therefore undertaken which demonstrated that introducing a 20mph limit City-wide would be a cost-efficient and practical way to reduce casualty numbers quickly and we **recommend** its adoption, as set out in the report.

Read.

A number of Members were heard in support of and against the proposals.

Luder I.D., J.P.
BSc. (Econ),
Alderman,
Simons, J.L.,
MSc.

Amendment – 'That an additional recommendation (d) be added as follows:-
d) that the City of London Corporation liaise with the GLA, London Councils and the Local Government Association to seek to build support for changes in the law so that speed limits apply to all road users, other than emergency vehicles using their blue lights, and that cyclists be obliged to wear appropriate helmets?'

Upon the question being put, the Lord Mayor declared the amendment not to be carried.

The original motion being before the Court again.

Lord, C.E.,
O.B.E., J.P.
Luder I.D., J.P.
BSc. (Econ)

Amendment – 'That an additional recommendation (d) be added as follows:-
d) that the Planning and Transportation Committee be requested to:-
i) bring forward a comprehensive Road Safety Strategy Plan to the Court; and
ii) together with the Policy and Resources Committee, work with GLA and London Councils to build a consensus with surrounding boroughs on road traffic safety measures?'

Upon the question being put, the Lord Mayor declared the amendment not to be carried.

The original motion being before the Court again.

Dudley, Revd.
Dr. M.R.,
Regan, R.D.
O.B.E., Deputy

Resolved - That the question now be put.

Resolved - that the report be read and agreed to.

Gillon, G.M.F.,
Chadwick,
R.A.H.

Resolved - That the public be excluded from the meeting for the following items of business below on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972:-

Summary of exempt items considered while the public were excluded

The Court -

- a) noted action taken under urgency procedures approving recommendations of the Property Investment Board on the disposal of a long leasehold interest;
- b) noted action taken under urgency procedures approving recommendations of the Property Investment Board on the acquisition of an investment property; and
- c) approved the details of a proposed resolution concerning a hospitality event.

The meeting commenced at 1.00 pm and ended at 2.40 pm

BARRADELL.

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List of Applications for the Freedom

To be presented on Thursday, 24th October, 2013

*To the Right Honourable The Lord Mayor, Aldermen and Commons of
the City of London in Common Council assembled.*

Set out below is the Chamberlain's list of applicants for the Freedom of the City together with the names, etc. of those nominating them.

Karen Elizabeth Watson	a Financial Administrator	Newport Pagnell, Buckinghamshire
<i>Alan Leslie Warman</i>	<i>Citizen and Clockmaker</i>	
<i>Allen Lionel Burlton</i>	<i>Citizen and Clockmaker</i>	
Trevor Bond	a Commercial and Marketing Director, retired	Thwaite, Norfolk
<i>Michael Richard Butler</i>	<i>Citizen and Poulter</i>	
<i>Raymond Hollands</i>	<i>Citizen and Poulter</i>	
Clive Lionel Bennett	an Educational and Organisational Consultant	Streatham, Lambeth
<i>William Barrie Fraser, OBE, Deputy</i>	<i>Citizen and Gardener</i>	
<i>Helen Elizabeth Knight</i>	<i>Citizen and Gardener</i>	
Kastriot Berberi	a Lawyer	Walthamstow, Waltham Forest
<i>John Alexander Smail</i>	<i>Citizen and Distiller</i>	
<i>Gordon Mark Gentry</i>	<i>Citizen and Baker</i>	
Marsela Berberi	a Teacher	Walthamstow, Waltham Forest
<i>John Alexander Smail</i>	<i>Citizen and Distiller</i>	
<i>Gordon Mark Gentry</i>	<i>Citizen and Baker</i>	
William D'arcy Erith	a Project Director	Sneyd Park, Bristol, Somerset
<i>Simon James Goodwin</i>	<i>Citizen and Musician</i>	
<i>Brian John Coombe</i>	<i>Citizen and Poulter</i>	
Ruth Elizabeth Oakley	a Festival Producer	Highbury, Islington
<i>Lady Tessa Brewer</i>	<i>Citizen and Musician</i>	
<i>Sir David Brewer, Kt, CMG</i>	<i>Citizen and Merchant Taylor</i>	
Michael John White	a Local Authority Leader	Romford, Havering
<i>Christopher James Caine</i>	<i>Citizen and Maker of Playing Cards</i>	
<i>John William Arthur Reuther</i>	<i>Citizen and Pattenmaker</i>	
Mark Anthony Egalton	a Sports Physiotherapy Company Director	Romford, Havering
<i>Christopher James Caine</i>	<i>Citizen and Maker of Playing Cards</i>	
<i>John William Arthur Reuther</i>	<i>Citizen and Pattenmaker</i>	
James Alexander Freeborough	a Royal Air Force Officer	Barrington, Cambridgeshire
<i>Alan Roy Willis</i>	<i>Citizen and Baker</i>	
<i>Flora Ann Reed</i>	<i>Citizen and Glass Seller</i>	

Martina Nicole Strack <i>David Christopher Edge</i> <i>Corinna Moira Edge</i>	a Programme Manager <i>Citizen and World Trader</i> <i>Citizen and World Trader</i>	Lambeth
David William Court <i>Judy Senta Tayler-Smith</i> <i>Simon Jonathan Tayler-Smith</i>	a Professional Photographer <i>Citizen and Upholder</i> <i>Citizen and Basketmaker</i>	Epping, Essex
Pamela Mary Court <i>Judy Senta Tayler-Smith</i> <i>Simon Jonathan Tayler-Smith</i>	a Hospice Chief Executive <i>Citizen and Upholder</i> <i>Citizen and Basketmaker</i>	Epping, Essex
Joanna Maria Stephany <i>Peter Claude Cave</i> <i>Daphne Edwina Cave</i>	a Retail Buyer, retired <i>Citizen and Insurer</i> <i>Citizen and Glover</i>	Kensington, Kensington and Chelsea
Richard Frederick Watson <i>Jonathan Michael Simpson</i> <i>George Laverick</i>	a Clerk in Holy Orders <i>Citizen and Wax Chandler</i> <i>Citizen and Mason</i>	St Albans, Hertfordshire
Irene Ann Randall <i>Paul Budd</i> <i>Richard Stuart Goddard</i>	a Training Company Director <i>Citizen and Cook</i> <i>Citizen and Shipwright</i>	Wapping, Tower Hamlets
Jenny Rodericks <i>Colin Anthony Hart</i> <i>Peter Lionel Radleigh Hewitt</i>	a Chartered Surveyor <i>Citizen and Broderer</i> <i>Citizen and Woolman</i>	Wanstead, Redbridge
Christopher Robin Philip Williamson <i>Louise Ann McElarney</i> <i>Roger Southam</i>	a Metropolitan Police Officer <i>Citizen and Chartered Surveyor</i> <i>Citizen and Chartered Surveyor</i>	Goudhurst, Kent
Timothy David John Eddolls <i>Raymond Michael Catt, CC</i> <i>Catherine Sidony McGuinness, Deputy</i>	a Chartered Financial Planner <i>Citizen and Cooper</i> <i>Citizen and Solicitor</i>	Woodley, Reading, Berkshire
James Richard Graham <i>Barbara Patricia Newman, CBE, CC</i> <i>Wendy Mead, CC</i>	a Cleansing Operations Assistant Director <i>Citizen and Turner</i> <i>Citizen and Glover</i>	Watford, Hertfordshire
Lydia Vivien Frances Rea <i>Andrew Stratton McMurtrie, CC</i> <i>Paul Douglas Simmons</i>	a Nurse, retired <i>Citizen and Salter</i> <i>Citizen and Apothecary</i>	Islington
Philippa Nisha Murphy <i>The Rt. Hon The Lord Mayor William Barrie Fraser, OBE, Deputy</i>	an Appeal Assistant <i>Citizen and Gardener</i>	Chalfont St.Giles, Buckinghamshire
Deborah Mary Gregor <i>The Rt. Hon The Lord Mayor William Barrie Fraser, OBE, Deputy</i>	a Marketing Manager <i>Citizen and Gardener</i>	Barnes, Richmond Upon Thames
John Douglas Ramsey <i>Hugh Fenton Morris, CC</i> <i>Vivienne Littlechild, CC</i>	a Toxicologist <i>Citizen and Maker of Playing Cards</i> <i>Citizen and Common Councilman</i>	Battersea, Wandsworth
Ronald Charles Hanton <i>Rodney Walter Scott</i> <i>Derek Ivan Needham</i>	a Police Officer, retired <i>Citizen and Glover</i> <i>Citizen and Glover</i>	Caister-on-Sea, Great Yarmouth, Norfolk
Richard Harry Strange <i>Alan Hillman</i> <i>James Edward Carter</i>	a Banking Operations Manager, retired <i>Citizen and Security Professional</i> <i>Citizen and Security Professional</i>	Heathfield, Sussex

Justin James Frost <i>Ian Kelly</i> <i>Michael Vaughan Cooper</i>	an Archivist <i>Citizen and Butcher</i> <i>Citizen and Butcher</i>	Hounslow
Philip Thomas Johnson <i>Alexander John Cameron</i> <i>Deane, Deputy</i> <i>Matthew Charles Falco</i> <i>Lombardi Richardson, Ald</i>	an Insurance Broker <i>Citizen and Currier</i> <i>Citizen and Wax Chandler</i>	Hargrave, Bury St Edmunds, Suffolk
Yahya Mahfoudh Salim Al-Manthri <i>John Snellgrove</i> <i>Ian Bates</i>	a State Council Chairman <i>Citizen and Chartered Architect</i> <i>Citizen and Launderer</i>	Old Windsor, Berkshire
David Alan Owen <i>Danielle Benson</i> <i>Colin McLoughlin</i>	a Business Development Director <i>Citizen and Furniture Maker</i> <i>Citizen and Pavior</i>	Bearsted, Kent
Leiann Teresa Bolton-Clarke <i>Delis Regis, CC</i> <i>Henry Llewellyn Michael</i> <i>Jones, Deputy</i>	a Development Officer <i>Citizen and Common Councilman</i> <i>Citizen and Common Councilman</i>	Rochester, Kent
John Miller Taylor <i>Russell Bew</i> <i>Jeremy Richard Ffolliott</i> <i>Sorrell</i>	a Motor Vehicle Engineering Company Director <i>Citizen and Painter Stainer</i> <i>Citizen and Basketmaker</i>	Ottershaw, Surrey
Guy Pearson <i>Alison Jane Gowman, Ald.</i> <i>Henry Llewellyn Michael</i> <i>Jones, Deputy</i>	a Cycle Shop Proprietier <i>Citizen and Glover</i> <i>Citizen and Common Councilman</i>	East Sheen, Wandsworth
Robin John Ilbert <i>John Alfred Bennett, Deputy</i> <i>Roger Arthur Holden</i> <i>Chadwick, CC</i>	a Commercial Director <i>Citizen and International Banker</i> <i>Citizen and Bowyer</i>	Cobham, Surrey
Steven John Green <i>Alison Jane Gowman, Ald.</i> <i>Henry Llewellyn Michael</i> <i>Jones, Deputy</i>	an Office Manager <i>Citizen and Glover</i> <i>Citizen and Common Councilman</i>	Great Barr, Birmingham
Grant Vincent Young <i>Alison Jane Gowman, Ald.</i> <i>Henry Llewellyn Michael</i> <i>Jones, Deputy</i>	a Cycling Company Director <i>Citizen and Glover</i> <i>Citizen and Common Councilman</i>	Camden
Simon Alexander Heyerdahl King <i>Neville John Watson</i> <i>Peter Francis Clark</i>	a Product Manager <i>Citizen and Fletcher</i> <i>Citizen and Mason</i>	Kingston Upon Thames
John Harold Phillips <i>Gareth Wynford Moore, CC</i> <i>William Frederick Payne</i>	a Police Officer, retired <i>Citizen and Joiner</i> <i>Citizen and Joiner</i>	Rochester, Kent
Shahida Nasim <i>Roger Arthur Holden</i> <i>Chadwick, CC</i> <i>Benson Franklyn Catt, JP,</i> <i>CC</i>	a Chartered Accountant <i>Citizen and Bowyer</i> <i>Citizen and Gold & Silver Wyre</i> <i>Drawer</i>	Beckenham, Bromley
Ian James Crockatt Smith <i>Jeremy Plowman Knight</i> <i>William Ewart Beadles</i>	a Chartered Accountant <i>Citizen and Founder</i>	Lulsley, Worcestershire
Jean Margaret Dixon <i>Michael Trevor Dixon</i> <i>Ivan John Whitting</i>	a Community Service Officer, retired <i>Citizen and Needlemaker</i> <i>Citizen and Plumber</i>	Henton Chinnor, Oxfordshire
James Andrew Brautigam <i>Ian Patterson Wilson</i> <i>Robert Bryan Dowling</i>	an Evidence Officer <i>Citizen and Arbitrator</i> <i>Citizen and Loriner</i>	Staines-upon-Thames, Surrey

Michael Leslie Scotchmer <i>Christopher Michael Hayward Jonathan Norton</i>	an Information Technology Consultant <i>Citizen and Pattenmaker Citizen and International Banker</i>	Woodford Green, Redbridge
Mark John Emanuele <i>Christopher Michael Hayward Michael Hudson, CC</i>	an Accountant <i>Citizen and Pattenmaker Citizen and Painter Stainer</i>	Wivenhoe, Essex
Steven Elliott Redman- Schaffer <i>Christopher Michael Hayward, CC Alexander Bain Stewart, CC</i>	a Sales Manager <i>Citizen and Pattenmaker Citizen and Gold and Silver Wyre Drawer</i>	Woodford Green, Redbridge
Peter Robert Hemmings <i>Christopher Michael Hayward, CC Alexander Bain Stewart, CC</i>	an Automotive Engineer <i>Citizen and Pattenmaker Citizen and Gold and Silver Wyre Drawer</i>	Sutton
Patrick Joseph Hallissey <i>Christopher Michael Hayward, CC Alexander Bain Stewart, CC</i>	a Civil Servant <i>Citizen and Pattenmaker Citizen and Gold and Silver Wyre Drawer</i>	Romford, Havering
Kostadin Dimitrov Shterev <i>Michael Hudson, CC Alexander Bain Stewart, CC</i>	a Classic Cars Company Director <i>Citizen and Painter Stainer Citizen and Gold and Silver Wyre Drawer</i>	North Finchley, Barnet
James Shterev <i>Michael Hudson, CC Alexander Bain Stewart, CC</i>	a Student <i>Citizen and Painter Stainer Citizen and Gold and Silver Wyre Drawer</i>	Barnet
Judith Gay McAuslane Cheyne <i>Alison Jane Gowman, Ald. Andrew Charles Parmley, Ald.</i>	a Married Woman <i>Citizen and Glover Citizen and Musician</i>	Notting Hill, Kensington and Chelsea
Roger Michael Rutter Allen <i>Judy Senta Tayler-Smith Douglas Keith Watkins</i>	an Education Consultant <i>Citizen and Upholder Citizen and Tax Adviser</i>	Carlton, Bedfordshire
Helen Jane Allen <i>Judy Senta Tayler-Smith Douglas Keith Watkins</i>	an Administrator, retired <i>Citizen and Upholder Citizen and Tax Adviser</i>	Carlton, Bedfordshire
Irene Grace Howell <i>Jennifer Joanne Farrow Anthony Leslie Pipkin</i>	a Personnel and Training Officer, retired <i>Citizen and Loriner Citizen and Basketmaker</i>	Rainham, Essex
Goran Ake Thorstensson <i>Timothy Luke Fitzgerald- O'connor David Trevor Owen</i>	a Reinsurance Company President <i>Citizen and Gold and Silver Wyre Drawer Citizen and Gold and Silver Wyre Drawer</i>	Stockholm, Sweden
Jacqueline Kay Swinburne, MEP <i>John Alfred Bennett, Deputy Mark John Boleat, CC</i>	a Member of the European Parliament <i>Citizen and International Banker Citizen and Insurer</i>	Ledbury, Herefordshire
Douglas Stuart Corrie <i>Michael Ernest Garrett, MBE Ian Ronald Evans Williams</i>	a Police Officer, retired <i>Citizen and Water Conservator Citizen and Marketor</i>	Ashtead, Surrey
James Spencer Cleverly, TD <i>Alexander John Cameron Deane, Deputy Mark John Boleat, CC</i>	a Politician <i>Citizen and Currier Citizen and Insurer</i>	Lewisham

Alexandra Skylar Darkmin <i>Ian Patterson Wilson</i> <i>Robert Bryan Dowling</i>	a Silversmith <i>Citizen and Arbitrator</i> <i>Citizen and Loriner</i>	Debden, Saffron Walden, Essex
Sally Ann Wherton <i>Timothy Russell Hailes, Ald, JP.</i> <i>Thomas Sleigh, CC</i>	a Knowledge and Information Manager <i>Citizen and International Banker</i>	Plumstead, Greenwich
Hans Rudolf Osterwalder <i>The Rt. Hon The Lord Mayor</i> <i>Walter Isler</i>	<i>Citizen and Common Councilman</i> a Communications Consultant, retired <i>Citizen and Gold & Silver Wyre Drawer</i>	Rueschlikon, Switzerland
Therese Charlotte Lutz-Bertschinger <i>The Rt. Hon The Lord Mayor</i> <i>Walter Isler</i>	a Decorative Painting Company Director <i>Citizen and Gold & Silver Wyre Drawer</i>	Zurich, Switzerland
Clive Anthony Gwinnell <i>Timothy Russell Hailes, Ald, JP.</i> <i>Michael John Bradley Russell</i>	a City of London Police Officer <i>Citizen and International Banker</i> <i>Citizen and Leatherseller</i>	Bramley, Tadley, Hampshire
Claire Burgess <i>Timothy Russell Hailes, Ald, JP.</i> <i>William Anthony Bowater Russell, Ald</i>	a City of London Police Officer <i>Citizen and International Banker</i> <i>Citizen and Haberdasher</i>	in the City of London
Claire Louise Holdgate <i>Mark John Boleat, CC</i> <i>Alison Jane Gowman, Ald.</i>	an Events Manager <i>Citizen and Insurer</i> <i>Citizen and Glover</i>	Brentwood, Essex
Rachel Margaret McKenzie <i>Stephen Decatur Haines, CC</i> <i>Roger Arthur Holden Chadwick, CC</i>	a Secretary <i>Citizen and Pewterer</i> <i>Citizen and Bowyer</i>	Southwark
Raymond Smith <i>Edward Ernest Price, CC</i> <i>Arthur Rickett</i>	a Sales Director, retired <i>Citizen and Butcher</i> <i>Citizen and Butcher</i>	Long Stratton, Norwich, Norfolk
Michael Frederick Barnes <i>Jack Love</i> <i>John Knox</i>	a Physicist, retired <i>Citizen and Firefighter</i> <i>Citizen and Blacksmith</i>	Surbiton, Surrey
John Vaughan French <i>Jack Love</i> <i>John Knox</i>	a Hotel Developer <i>Citizen and Firefighter</i> <i>Citizen and Blacksmith</i>	Dogmersfield, Hampshire
Claire Nelson <i>Ian Patterson Wilson</i> <i>Robert Bryan Dowling</i>	a Software Company Director <i>Citizen and Arbitrator</i> <i>Citizen and Loriner</i>	Guildford, Surrey
Maurizio Corazzini <i>Ian Patterson Wilson</i> <i>Robert Bryan Dowling</i>	a Broadcasting Products Company Director <i>Citizen and Arbitrator</i> <i>Citizen and Loriner</i>	Guildford, Surrey
Andrew Charles Gordon Lennox <i>John Alexander Smail</i> <i>Anne Elizabeth Holden</i>	a Livery Company Clerk <i>Citizen and Distiller</i> <i>Citizen and Basketmaker</i>	Westbourne, Hampshire
Neil Allen Warrillow <i>Michael Hudson, CC</i> <i>Alexander Bain Stewart, CC</i>	a Royal Air Force Musician <i>Citizen and Painter Stainer</i> <i>Citizen and Gold and Silver Wyre Drawer</i>	Uxbridge

David Bruce Wear <i>Alexander Bain Stewart, CC</i>	a Technical Director, retired <i>Citizen and Gold and Silver Wyre Drawer</i>	Northfleet, Kent
<i>Christopher Michael Hayward, CC</i>	<i>Citizen and Pattenmaker</i>	
Suzanne Elizabeth Rossiter Brown <i>Andrew Charles Parmley, Ald.</i>	a Charity Manager <i>Citizen and Musician</i>	Marlow, Buckinghamshire
<i>Alison Jane Gowman, Ald.</i>	<i>Citizen and Glover</i>	
Patrick Charles Upward, QC <i>Charles Justin Hugheston- Roberts</i>	a Barrister <i>Citizen and Cook</i>	Muswell Hill, Haringey
<i>Jonathan Mark Hodgson</i>	<i>Citizen and Cook</i>	
David Alexander Glass Cuthell <i>William Barrie Fraser, OBE, Deputy</i>	a Local Government Officer <i>Citizen and Gardener</i>	Woodford Green, Redbridge
<i>Gerald Albert George Pulman, JP, Deputy</i>	<i>Citizen and Basketmaker</i>	
Aidan Niall Russell <i>Neville John Watson</i>	a Student <i>Citizen and Fletcher</i>	Oxford, Oxfordshire
<i>Peter Francis Clark</i>	<i>Citizen and Mason</i>	
Catherine Mary Ennis <i>Roger Arthur Holden</i>	an Organist <i>Citizen and Bowyer</i>	Islington
<i>Chadwick, CC</i>		
<i>Ian Christopher Norman Seaton, CC</i>	<i>Citizen and Girdler</i>	
Roger Thomas Murphy <i>Steven Smith</i>	a Project Manager <i>Citizen and Pavior</i>	Hayes, Bromley
<i>Dimitrious Alafouzou</i>	<i>Citizen and Scrivener</i>	
Nigel Anthony Dawes	a Money Broking Company Director <i>Citizen and Bowyer</i>	Hoddesdon, Hertfordshire
<i>Roger Arthur Holden Chadwick, CC</i>		
<i>Raymond Michael Catt, CC</i>	<i>Citizen and Cooper</i>	
Matthew Wright <i>Roger Arthur Holden</i>	a Money Broker <i>Citizen and Bowyer</i>	Upminster, Havering
<i>Chadwick, CC</i>		
<i>Raymond Michael Catt, CC</i>	<i>Citizen and Cooper</i>	
Edward Enda Haughey The Right Honourable The Lord Ballyedmond, OBE <i>Ian David Luder, Ald.</i>	a Peer of the Realm <i>Citizen and Cooper</i>	Rostrevor, County Down, Northern Ireland
<i>Simon D`olier Duckworth, CC, DL</i>	<i>Citizen and Skinner</i>	
Rada Ouchakova <i>William Barrie Fraser, OBE, Deputy</i>	a Student <i>Citizen and Gardener</i>	Southwark
<i>Martin Raymond Dudley, CC</i>	<i>Citizen and Farrier</i>	
John Adrian Pienaar <i>Roger Arthur Holden</i>	a Broadcaster <i>Citizen and Bowyer</i>	East Dulwich, Southwark
<i>Chadwick, CC</i>		
<i>Raymond Michael Catt, CC</i>	<i>Citizen and Cooper</i>	
The Marquis of Fumanelli Armando Pirola <i>Timothy Luke Fitzgerald- O`connor</i>	a Land Owner <i>Citizen and Gold and Silver Wyre Drawer</i>	San Pietro Incariano, Verona, Italy
<i>Rodney David Brody</i>	<i>Citizen and Gold and Silver Wyre Drawer</i>	

James Andrew Pope	a Cycling Events Company Director	Beckenham, Kent
<i>Alison Jane Gowman, Ald.</i>	<i>Citizen and Glover</i>	
<i>Henry Llewellyn Michael Jones, Deputy</i>	<i>Citizen and Common Councilman</i>	
Heather Victoria Rabbatts, CBE	a Media Production Company Director	Islington
<i>William Harry Dove, Deputy, MBE, JP</i>	<i>Citizen and Ironmonger</i>	
<i>Jeremy Paul Mayhew, CC</i>	<i>Citizen and Loriner</i>	
David Robert Joseph Beckham, OBE	a Professional Footballer, retired	Wandsworth
<i>The Rt. Hon The Lord Mayor Catherine Fiona Woolf, CBE, Ald.</i>	<i>Citizen and Solicitor</i>	
Paul Benedict Muldoon	an Academic and Poet	New York, New York, United States of America
<i>Ian David Luder, Ald.</i>	<i>Citizen and Cooper</i>	
<i>Catherine Sidony McGuinness, Deputy</i>	<i>Citizen and Solicitor</i>	
Alison Burgess	a Book Keeper	Wingrave, Aylesbury, Buckinghamshire
<i>Mark Anthony Grove</i>	<i>Citizen and Cook</i>	
<i>Jean Deillon</i>	<i>Citizen and Distiller</i>	
Edward Harry Kelsey	an Actor	Guildford, Surrey
<i>Steven William Wilson</i>	<i>Citizen and Farrier</i>	
<i>Lady Carolyn Graham</i>	<i>Citizen and Farrier</i>	

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Report of the Policy & Resources Committee

City of London Corporation Education Strategy 2013-2015

To be presented on Thursday 24th October 2013

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council.*

Summary

With the concurrence of your Policy and Resources, and Finance Committees we seek approval to the City of London Corporation Education Strategy 2013-2015. In doing so we are seeking endorsement of the recommendations and actions contained within the strategy and the need to ensure that resources are directed appropriately to implement them. We also seek your endorsement to review the strategy after 18 months of it being approved.

Recommendation

We **recommend** that the City of London Corporation Education Strategy 2013-2015 be approved.

Main Report

Background

1. In January 2013 this Committee approved the establishment of a working party to *devise an education strategy for the City Corporation, to focus on improving the quality of education in London, especially for disadvantaged children.*
2. The Education Strategy Working Party (ESWP) held its first meeting in May 2013 and has held nine meetings over the course of a four month review period. Throughout the consultation the ESWP reviewed the City Corporation's: schools portfolio and governance arrangements; its statutory education provision; education outreach work from City Corporation organisations; and the City Corporation's employability support. Meetings were also held externally with livery companies, businesses, local authorities and education institutions, which sought to identify

educational best practice. This strategy represents the culmination of all these meetings and considerations. It outlines a vision for the City Corporation's education offer and makes recommendations to achieve it. This strategy is limited to education provision between the ages of 4-18, covering primary and secondary, but not tertiary, education.

3. The strategy states that the City Corporation's vision for education should be *to educate and inspire children and young people to achieve their full potential*. This has been segmented into five strategic aims:
 - To promote and support excellent education and access to higher education
 - To strive for excellence in the City schools
 - To inspire children through an enriched education and outreach opportunities
 - To promote an effective transition from education to employment
 - To explore opportunities to expand the City's education portfolio and influence on education throughout London
4. There are several key themes to draw from the strategy that seek to define the City Corporation's approach to education. The first is a commitment to creating a family of schools from its schools portfolio, which will have a shared culture and a common ethos. This includes an increase in the support the City Corporation gives to its academy schools and expresses a desire to increase the number of schools within the City Corporation's 'family of schools' in the future. The second is to improve the governance and accountability frameworks of the education offer. It is recommended that this should be overseen by the creation of an overarching body that monitors the City Corporation's education offering and the implementation of this strategy. Thirdly it recognises the role the City Corporation can play in its outreach provision across London and seeks to strengthen this offer. Finally it confirms the City Corporation's commitment to providing pathways to employment and bridging the gap between education and employment, making use of the livery and business links within the Square Mile.

Proposal

5. It is proposed that the City of London Corporation Education Strategy be approved and reviewed again after 18 months.

Conclusion

6. This strategy sets out the framework for coordinating the City Corporation's education offering. It recommends a more coordinated approach to supporting and managing its education offer and looks to expand the offer beyond the Square Mile. Delivering it will take time and it is recognised that many of the recommendations and subsequent actions will need discussion with, and in some cases decisions by, various City Corporation committees.

All of which we submit to the judgement of this Honourable Court.

DATED this 10th day of October 2013.

SIGNED on behalf of the Committee.

Mark Boleat

Chairman

City of London Corporation Education Strategy 2013-2015

Vision

To educate and inspire children and young people to achieve their full potential.

The City Corporation (the City) is committed to providing access to excellent education and learning opportunities within and beyond the Square Mile. The City will ensure that every child resident in the City has access to high quality education that enables them to reach their academic and personal potential. The City schools will provide outstanding education that enriches and inspires students. The City will maximise the educational opportunities that its cultural, heritage and environmental assets offer to City residents, the City schools and children throughout London. The City will also be responsive to the changing education landscape, and will welcome appropriate opportunities to expand its education portfolio.

Strategic objectives

1. To promote and support excellent education and access to higher education

The City reaches over 100,000 children and young people through its schools and educational activities every year and will always look to improve its current provision. This includes ensuring that its current portfolio is achieving positive results and high Ofsted, ISI and other inspection ratings. It will enhance the City's education offering through providing central support and effective governance and management arrangements. It will seek best practice to ensure that all pupils, regardless of background, are given opportunities to succeed and progress to higher education, where appropriate.

2. To strive for excellence in the City schools

The City's diverse schools portfolio presents unique challenges in achieving and maintaining excellence across all schools but also presents an opportunity to benefit from working together. The City's schools will be outstanding and the City will support the provision of a learning environment that produces confident and well-rounded pupils who achieve to the best of their abilities.

3. To inspire children through an enriched education and outreach opportunities

The best education incorporates both academic study and exposure to different experiences and learning environments. Children will be given opportunities to explore the world around them, learn new skills, and understand the communities they live in. London is culturally vibrant, historically significant and has a wealth of green spaces to explore. London's children should be able to learn about the community around them and the City can play a part in realising this.

4. To promote an effective transition from education to employment

The City of London is the global centre of the financial services industry and is a leading international hub for professional services businesses. It is vitally important that business in the Square Mile continue to attract the best workers. The City can support this by helping young people into employment through training programmes, apprenticeships and employment pathways, and by raising their aspirations and awareness of career opportunities.

5. To explore opportunities to expand the City's education portfolio and influence on education throughout London

The City will take advantage of opportunities to extend its impact on education in London through expanding its own education portfolio, providing extensive outreach opportunities for its City schools and schools throughout London, and working in partnership with neighbouring boroughs, businesses, livery companies and interested parties to realise these opportunities.

The scope of this Strategy

This education strategy outlines the City's long-term vision for education for children and young people aged 4 - 18. It makes recommendations aimed at maximising the educational opportunities for City of London children, children in City schools, and children who make use of the City's educational services.

In this strategy the term 'education' refers to learning through academic, extra-curricular, formal and informal means, and "the City schools" refers to City of London Academy, City of London Academy (Islington), City of London Freeman's School, City of London School, City of London School for Girls, Sir John Cass Primary School, The City Academy, Hackney, and any school or academy which enters into a formal federation with one of these schools or is otherwise sponsored by the City as a further City school..

Underlying the aims and objectives of this strategy are four core areas that will need to be addressed to realise the City's education ambitions. These are:

- **The City schools:** Defining the City's relationship with the City schools and the wider group of schools with which the City has links, and creating an effective governance framework.
- **Funding:** Ensuring that City funding is used effectively across its education portfolio to meet the City's vision.
- **Communication with external stakeholders:** Engaging with stakeholders who can have an impact on the City's education portfolio and help achieve the City's vision.
- **Administration:** Clarifying how the City will implement this strategy and realise its ambitions.

The ambitions outlined in the strategic objectives are in line with the City's core values, as set out in the *Corporate Plan 2013-17*. Pursuant to the Corporate Plan the City seeks to provide high quality local and valued services to London and the nation. Despite funding pressures the City remains committed to enriching education throughout London by supporting high-quality schools; a vibrant arts and culture offering; extensive open spaces and sporting facilities for local communities; and pathways to further/higher education, training and employment.

The City is unique as it is not a London borough and owns, maintains and supports a variety of services across London. This includes academy schools in three London boroughs, Hampstead Heath, Epping Forest, Coulsdon Common and the other City Commons, Billingsgate, New Spitalfields and Smithfield Markets. It has its own police force and a Lord Mayor that travels the world promoting the benefits of the Square Mile and for doing business in London. The City works with London boroughs, the Greater London Authority, London Councils and other partners to provide services and strategic support throughout the capital. The educational ambitions contained within this strategy cannot be achieved in isolation and the City will strengthen its relationships with these stakeholders so that children and young people are given the tools to be successful through an excellent and enriched education.

The recommendations outlined in this document will deliver a framework for unifying and improving the City's current education provision. It will address the need to

target funding where it is most needed. It will secure a commitment to provide outreach opportunities for the City's schools and schools throughout London, and it recognises the impact the City can have in supporting pathways to employment.

Why this strategy is needed

The City's education portfolio continues to expand and it is important that the City can ensure that its schools provide excellent education. As an academy sponsor the City Corporation is held to account by the Secretary of State for Education and by host boroughs for the improving performance of its academies. The decline in standards and performance at one of these academies in 2011/12 caused significant concern to the City and indicated the need for improved governance, quality assurance and accountability. The Education Strategy includes proposals for strengthening governance and accountability to ensure sustained improvement and excellence in all City schools. This is considered to be an essential precursor to any expansion of the City's role in education.

The City believes it should go further than this and give children and young people an enriched education that exposes them to opportunities to explore the world around them. The City has a wealth of cultural and historical institutions, and open spaces that can provide programmes for schools. A unifying strategy will help to get the most out of these activities. The same is true of the links the City has with businesses and London stakeholders which can support schools to provide experiences for young people away from academic learning.

Implementing this Strategy

The Education Strategy Working Party (ESWP) has consulted with a wide variety of educational stakeholders, including school sponsors, enrichment providers, school leaders, and employability programme leaders, to understand the City's current education portfolio and outline its vision of what the City should aspire to.

This strategy contains actions that need to be delivered in the immediate future. It is recommended that the ESWP continues to meet for an interim period to ensure that these short-term actions are implemented. This includes overseeing the creation of an overarching education body and monitoring the creation of an effective governance framework for the City schools. It is further recommended that this strategy is reviewed after 18 months.

In endorsing this strategy the City must ensure that it allocates sufficient resources to both implement the actions and to support the education infrastructure for the long-term. The actions outlined in this document are based on best practice models and the ESWP is confident that they will help deliver the City's ambition for education.

The City of London's contribution to education throughout London

The City:

- Spends over £30m per annum on educational initiatives and programmes.
- Has a statutory responsibility for one maintained school
- Is the proprietor of three independent schools, sponsors three academy schools, and provides extensive youth music provision through Centre for Young Musicians and Junior Guildhall, together supporting over 5,000 pupils.
- Funds over £2m worth of scholarships and bursaries in its schools
- Contributes over £350,000 per annum to support education for pupils from disadvantaged backgrounds in independent boarding schools
- Introduces over 18,000 young people to the Arts through the Barbican Centre, Guildhall School of Music & Drama, and Centre for Young Musicians, and supports the London Schools Symphony Orchestra. Further outreach is undertaken by the City supported London Symphony Orchestra and the City of London Festival.
- Hosts over 100,000 school children to learn about London's history and evolving culture.
- Provides environmental outreach and extensive sporting facilities in the City Corporation's open spaces to over 12,000 children every year
- Introduces over 1,500 young people to future employment opportunities
- Supports over 400 school leavers in to work placements within the City
- Provides over 40 apprenticeships through the City Corporation and City firms

Developing the City education portfolio and brand

Background

The City has a reputation for excellence and for providing quality services. It is also recognised for its links to businesses. It is clear that all the schools associated with the City believe that the partnership has benefits for them.

There is currently one maintained school, three independent schools and three academies within the City's immediate education portfolio. The majority of these schools operate in different local authorities. The schools have varying relationships with the City; with the Sir John Cass Foundation Primary School it is as the local authority, with the independent schools it is as proprietor, and with the academy schools it is as the sponsor or co-sponsor. Each operates as a single entity with a link with the City but not as part of a group which shares a defined culture and a common ethos. Each is proud of its association with the City, but the level of interaction with it differs as a result of location and the nature of the relationship with the City. One of the independent schools is outside of London and two of the academy schools are co-sponsored with other organisations.

The City wants each school to provide outstanding education and recognises that there is a reputational risk to the City should any one of these schools fall below standard expectations.

The experience of other groupings of schools, including those supported by livery companies such as the Haberdashers Company and the United Westminster Schools Foundation, suggests that increased collaboration and a shared ethos throughout the group can encourage quality teaching and learning. In each of these organisations the schools share a common ethos, the central organisations provide a robust governance framework, they provide financial support, and they support collaboration across the portfolio. There are opportunities for the City to support its own portfolio of schools through strengthening these areas, whilst being able to make use of its enrichment and outreach opportunities to develop well-rounded pupils at all of its schools.

The City also provides bursary support to pupils at King Edwards School, Witley and Christ's Hospital School. Additionally it has the right to nominate governors to a number of other schools and educational bodies, including Emanuel School, part of the United Westminster Schools Foundation group of schools, and the Central Foundation Schools of London. These institutions value the historic links to the City of London, although they are not part of the City's direct schools portfolio.

There are also education bodies on which the City has Board representation which provide provision for over-18s, such as the Guildhall School of Music and Drama, City Lit and City and Guilds, but this strategy has confined itself to provision for young people up to the age of 18.

There is currently disparity of funding, monitoring and coordination arrangements across the schools and education activities. The funding allocations for scholarships to the City independent schools are based on a historical calculation that has not been reviewed in recent times or measured against the City's core strategic aims and objectives. Nor has it been reviewed against the City's desire to provide access

to high quality education for children from all backgrounds, within the financial constraints which the City currently faces. The time has come to review the allocation of both scholarships and bursaries to ensure that funding is targeted to where it is most needed.

Vision

In its pursuit of educational excellence the City will seek to draw together the schools it has close connections with and establish a family of schools, to be collectively known as *the City schools*. This will include:

- The Sir John Cass Foundation Primary School
- The City of London School
- The City of London School for Girls
- The City of London Freeman's School
- The City Academy, Hackney
- The City of London Academy Islington
- The City of London Academy

These schools will be encouraged to share a collective ethos that strives for educational excellence and high quality enrichment opportunities. Parents and pupils will be able to identify what it means to be a pupil at a City school and the advantages that this education offering will bring. These schools will be able to: collaborate with each other; share best practice; learn from each other; and explore opportunities to become more efficient through collaboration on back office functions.

The City will target its funding where it can have an effective impact. This includes ensuring that City funding for scholarships and bursaries is targeted to those most in need and reflect the City's strategic aims. It also means identifying possibilities for long-term investments in the City schools, such as specific block funding for classroom or recreational equipment, alongside ad hoc grant allocations.

City resources are not limited to financial support but also through using the City's assets, links to businesses, appointment of governors and governor time to support the City schools. These schools will also have a single point of contact within the City that will act as a central resource for information relating to the City's education provision.

The framework put in place to manage the portfolio must be flexible enough for the City to respond to opportunities for expanding its schools portfolio, including extending sponsorship to new schools, such as is already planned in creating a multi-academy trust between the City of London Academy and Redriff Primary School. The City should be clear about what its criteria will be when responding to calls to expand its education provision and be responsive to opportunities to work with businesses and livery companies in promoting its education offering.

These schools will also be supported through the establishment of an accountable body within the City's democratic structures overseeing the City's education portfolio and activity. It will oversee school performance, support access to enrichment opportunities alongside service departments, and promote opportunities for collaboration between the schools. The body will have representation from individuals with relevant experience and skills to be able to effectively challenge

current activity. In the pursuit of excellence the City will benchmark against the best performing schools across London and work with the schools to raise educational achievement.

Recommendations

Develop a framework for overseeing the City's education offering

- Establish an overarching education body with responsibility for providing strategic oversight and monitoring of the education strategy. The body should be distinct from other City committees and have a regular cycle of reporting on the performance of City schools, governance and enrichment opportunities.
- Create terms of reference that appropriately differentiate the responsibilities of the education body and other City committees such as the Community and Children's Services Committee and the service committees providing the wider educational opportunities.
- Make funding provision to cover the cost of delivering the strategy and for implementing the governance framework of the City's education portfolio.
- Establish a dialogue with other organisations that manage a diverse schools portfolio, such as the City livery companies, to share best practice.
- Review the education strategy and its associated actions after 18 months of it being approved.
- Review the educational outside bodies to which the City appoints representatives to identify if they are still relevant.

Encourage the City schools to work together as a family with a shared ethos and commitment to excellence

- Outline the City's aims and priorities for the City schools and communicate these to the schools and stakeholders.
- Identify the appropriate level of interaction each school has with the City and collaborate on how best to manage the relationship.
- Establish a regular forum for the City schools to meet, share best practice and discuss opportunities for collaboration and school to school support.
- Have a link officer between the City and the City schools to support the collaborative approach and ensure each school in the City's family has access to the support and opportunities which the City can offer.

Review the City's expenditure across its educational portfolio to ensure that it is directed to the City's objectives and fairly distributed

- Review, with the City schools, the level of funding needed from the City to sustain the schools, provide an enriched curriculum and achieve the City's objectives.
- Clarify and review the various sources of funding, including the grant giving bodies, for the City's educational portfolio.
- Identify those education bodies, such as Teach First and the School Governors One Stop Shop (SGOSS), funded by the City and task the overarching education body with reviewing these arrangements.

- Identify appropriate funding arrangements to provide long-term central education support for educational outreach.
- Review the City's scholarship and bursary funding with a view to supporting those families most in need and removing non-means tested scholarships
- Establish a mechanism for monitoring the allocation and use of City funding across the City schools.

Identify educational best practice across London and beyond to benchmark and improve the City school education offer

- Build relationships with key education stakeholders in London, including the Greater London Authority, London Councils and the Department for Education, to identify areas of educational best practice.
- Create an open dialogue with the livery companies, businesses and other organisations to better understand the opportunities they have to contribute to the education environment.
- Host a conference on exploring how the City can contribute to London's education and employment landscape that brings together neighbouring boroughs, school sponsors, livery companies and education stakeholders.

Clarify the relationship between the City of London and the schools associated with it, recognising the historic links that exists between them

- As part of a wider review of the City's education funding, review the accountability arrangements and conditions of bursary support provided to the City schools, and King Edwards School Witley and Christ's Hospital School and ensure that it is directed towards the City's aims and priorities.

Children living and learning in the Square Mile

Background

The City has a statutory obligation to administer early years provision, school places for children resident within the City of London and to safeguard these children, and those being educated in schools within the Square Mile or attending other childcare or educational provision. In addition the City gives parents information and guidance on what school provision is available and provides support for the smooth transition between each stage of education.

The City of London has one maintained primary school which, whilst rated outstanding, cannot provide places for all children living in the Square Mile. It is also denominational, being a Church of England school. This has led to more than half of all City of London children being educated in other local authority schools. In particular, approximately 60% of City children educated in state primary schools currently attend Prior Weston, an Islington school. The desire to ensure that all City children have access to high quality education is not confined to those educated in the Square Mile but extends out to schools teaching City children in neighbouring boroughs. There is a great emphasis on developing and maintaining partnerships with other local authorities and schools to help promote the delivery of effective teaching and learning.

Vision

The City will work to ensure that every child resident and/or educated in the City of London has access to high quality education and has the opportunity to achieve their maximum potential and thrive in their community.

By working in close partnership with the City schools and other educational institutions the City will strive to provide the best possible opportunities to learn and to develop. Its achievements will be measured not only by the opportunity for the strongest student to excel, but through providing the opportunities for the least able to achieve so that all children, including those in vulnerable groups, can match the progress of their highest performing peers. The City recognises its statutory responsibilities regarding children with special educational needs and disabilities (SEND) and will continue to improve its support in this area.

The measure of success of this will be in the educational outcomes that begin in schools and extend beyond education. This includes reducing the educational inequality gap between the best and least well performing pupils, securing an improved rate of progress for City children across the Early Years Foundation Stage and Key Stages 1 and 2. To support this, the City will need to support schools teaching significant numbers of City of London children to become or remain outstanding. Beyond this the City believes in the value of, and will promote, enrichment and extra-curricular activities to create well-rounded pupils that will have the necessary skills and confidence to succeed beyond statutory education.

Recommendations

Ensure that the City provides sufficient primary school places to meet the demand from City of London families

- Review the current demand from City families for state primary schooling and identify the future growth of demand over the next five years.
- Work with the Sir John Cass Foundation and the Sir John Cass Foundation Primary School to increase its capacity and amend its admissions criteria to enable it to take in more City of London children.

Improve access for City children to outstanding state primary education

- Work in partnership with Sir John Cass Foundation Primary School and Prior Weston Primary School to promote high standards, ensure fair access to opportunity for learning, access to extra-curricular activities and promote the fulfilment of learning potential by every child.
- Create a stronger link between the City and Prior Weston Primary School through identifying opportunities for financial and/or in-kind contributions.
- Liaise with neighbouring boroughs to assess the future capacity of schools to meet the demand of City of London families.

Improve access to outstanding state secondary education

- Ensure all City of London parents are aware of the City academies and the places available for children resident in the Square Mile.
- Work with those primary schools, within and outside of the Square Mile, teaching City of London children to provide an effective transition from primary to secondary education.

Reduce the inequality gap between the highest and lowest performing City children

- Work with schools to identify those primary school aged children resident in the City of London identified as performing below expectations and work with the schools to ensure appropriate improvement measures are in place.
- Review the quality of educational support for City of London children with special educational needs on an annual basis and monitor this against progress.
- Identify those children highlighted as being gifted and talented and work with the schools to make sure these children fulfil their potential.
- Support schools and partners in engaging parents and carers in their children's learning.

The City Schools

School Accountability and Improvement Framework

Background

The City is responsible for one maintained school, three academy schools and three independent schools. In its role as a local authority and as an academy sponsor, the City has a statutory responsibility to the Secretary of State for Education to promote high standards and to provide support and challenge to help schools to improve. As the proprietor of three independent schools the City is held accountable to the Independent Schools Inspectorate (ISI) for the quality and standard of education provided.

Reports on Ofsted inspections and examination performance of Sir John Cass Foundation School and the three City academies are presented to the Community and Children's Services Committee but there is currently no coordinated accountability framework for monitoring and evaluating the performance of all City schools. The ISI inspection reports are presented only to the governing bodies of the independent schools.

The City has been an effective sponsor to the City academies in helping to establish the schools and creating a governance framework for them. However, the co-sponsors of the City Academy Hackney extend their support beyond governance responsibilities, through providing funding for tutoring, classroom equipment and capital projects. The City does not currently support the schools in this manner and is at risk from falling behind its co-sponsors, and indeed other sponsors of academies, in its support.

Vision

The City is committed to ensuring the very best education for children and families within the City of London and for children educated at City schools. The City will raise standards to create outstanding schools across the portfolio through promoting excellent teaching and learning, supporting a high quality learning environment, and promoting an enriched education. As a local education authority, academy sponsor, and independent school proprietor the City will support its schools to secure excellent outcomes for all pupils. The City will promote a culture of high expectations and aspiration and will establish a school improvement and accountability framework. A school improvement and accountability framework will support and challenge the City schools and the Sir John Cass Foundation Primary School to achieve year on year improvement in educational attainment and standards of teaching and learning. It will also be a mechanism for the early identification of any signs of underperformance to enable timely and effective intervention and action. The framework will be proportionate, reasonable and appropriate to ensure that the City can be able to challenge its schools and it will be flexible enough to include any additional schools that join the City family.

The City will encourage school-to-school support as an effective way of raising standards and improving outcomes. It will actively promote collaboration between schools and academies encouraging them to work together, share best practice and

to support other schools and academies in challenging circumstances to support excellent teaching and learning across the City schools.

The City demonstrated its broader commitment to education when it became an academy sponsor. As the City becomes an established sponsor and strengthens its systems for governance and accountability, the City will be able to develop this commitment further by exploring opportunities, either directly or through its schools, for future federations between schools and academies particularly where this will improve the educational opportunities of children in the Square Mile and its neighbouring boroughs.

In aspiring for excellence, the City recognises the importance of working with its partners; the academy co-sponsors, the Sir John Cass Foundation, City businesses and livery companies; to enhance the learning environment and academic, outreach, and employability opportunities within the schools.

Recommendations

Create a framework for clearer accountability, challenge and support

- Ensure effective arrangements are in place for supporting school and academy leadership and brokering school-to school support.
- Liaise with the local authority and co-sponsors for each City academy to develop shared and coordinated arrangements for monitoring, challenge and support.
- Work in partnership with schools, academies, co-sponsors and relevant local authority representatives to establish a shared view of how to promote school improvement, including arrangements for early identification and action to address any signs of underperformance.
- Develop arrangements for federation between schools and academies where this will improve the educational opportunities of children living in the Square Mile and/or those living in the fringe boroughs.

Strengthen the collaboration with academy co-sponsors to ensure that both sponsors play an equal part in the development of the school

- Allocate funding to enhance the learning environment of the academy schools in line with that already being allocated by co-sponsors, working with the Headteachers to identify school needs.
- Establish regular forums for the co-sponsors to discuss issues relating to the academy schools and coordinated funding needs.

Governance and accountability

Background

The City plays a very significant role in school governance across a diverse range of schools.

Members of the Court of Common Council sit as City representatives on the governing body for each of the City schools. The City is also represented, or has nomination rights, on the governing bodies of a number of other schools including: Christ's Hospital School, King Edward's School Witley, Emanuel School and the United Westminster Schools Trust.

The governing body for each school operates autonomously in fulfilling its responsibility to provide support and challenge and to hold school leaders to account. There is however no overarching body holding all City schools and City governors to account on behalf of the City.

Vision

The City is committed to excellence in school governance and accountability to secure the very best educational outcomes for children and young people.

Accountability arrangements for the City schools will be strengthened through the establishment of one body with responsibility for the strategic oversight and monitoring of the City's complex education portfolio. An overarching body for education will monitor the implementation of the Education Strategy, provide strategic direction and oversight over the City's education priorities, and will review school performance and improvement measures. This will provide a forum for the governing bodies of the City schools to identify areas of both weakness and success in the governance framework and promote a culture of shared responsibility for the performance of the City's education portfolio.

Governing bodies are an essential part of the overall system of school accountability and the City will invest in the development of school governance. The administration of governing bodies should be based on best practice and up to date advice and guidance. The City will ensure that all school governors are committed to serving on the governing body, informed about the education environment, and are able to contribute their own skills to the work of the governing body for the benefit of the school. Comprehensive arrangements for the appointment, induction and training of City governors will be developed and all governing bodies will be supported by a knowledgeable and professional clerking framework.

The principles of trust, accountability and transparency will underpin school governance and governors will be encouraged to act as a critical friend, providing both challenge and support to school leaders.

Recommendations

Promote a shared commitment to a robust and challenging governance framework throughout the City schools portfolio

- Include representation of the governing bodies of all City schools in the composition of the overarching education body.
- Review the latest guidance on governing bodies from organisations such as, the Department for Education, Ofsted, The National College and the Association of Governing Bodies of Independent Schools (AGBIS), with a view to implementing best practice where appropriate.

Improve arrangements for the appointment, support and training of school governors

- Establish arrangements for the appointment of governors who have the right mix of skills, expertise and time to commit to the role.
- Support school governors by providing a comprehensive programme of training and development matched to their needs, including induction for new governors.

Support governing bodies to be effective in carrying out their duties

- Ensure that all governing body meetings are supported by skilled and knowledgeable clerking arrangements, whether this is provided by the City or externally.
- Provide access to high quality advice and guidance on governance procedures and best practice.
- Encourage governing bodies of the City schools to work with the overarching education body to reflect on their own effectiveness.
- Work in partnership with the relevant local authority and co-sponsor to ensure the effectiveness of governance at each City academy.

Enrichment

Background

The City has a long and proud history of providing education to London children from disadvantaged backgrounds. It was for this that the City of London School, the City of London School for Girls and the City of London Freeman's School were founded. This was before the Education Act 1918 created a universally available education system, which included the abolition of fees for elementary education. The quality of education on offer at the City of London schools enriched the education of these pupils above and beyond the statutory entitlement. Historic links with Christ's Hospital School and King Edwards School Witley, which educate children who would not be able to afford independent schooling, further reinforces this commitment.

In the 21st century the City provides bursaries and scholarships to widen access to the independent schools to children who might not have attended these schools otherwise. The historic links between Christ's Hospital School and King Edwards School Witley are further strengthened through the provision of bursary funding. The quality of education in these schools lies in the enrichment opportunities they provide, extending beyond the provision of a good academic education and preparing pupils for life after school. This includes exposing pupils to extra-curricular activities, cultural experiences and developing an understanding of the communities and areas in which they live.

In agreeing to sponsor three academy schools in areas with a history of poor educational attainment the City renewed its commitment to securing high quality education for all, including those living in areas of disadvantage. Since project managing the delivery of new buildings, the City has been supporting the academies primarily through governance arrangements and has provided access to the City's resources and opportunities on an ad hoc basis. There is scope for the City to coordinate its support to provide more effective provision and access to enrichment opportunities.

There is currently disparity of funding, monitoring and coordination across the schools and educational and outreach activities. Moreover, the City does not provide enrichment support to the students in the academies except where specific grant applications are successfully made to the City's educational charity. Those lively companies and Foundations that manage a portfolio of schools provide additional funding to promote extra-curricular activities and address the need for particular skills in the modern workplace in their schools. This is in addition to funding that is granted to enhance the learning environment. Funding to promote the delivery of a broad curriculum will bring the City's focus back to its historic tradition of providing high quality education to London's children above and beyond the statutory provision.

Vision

It is the City's ambition to raise the standards of the City schools and promote a holistic education that will prepare pupils for life beyond school, develop confidence and create the business leaders and entrepreneurs of tomorrow. All pupils in City schools will have access to enrichment and its schools will be encouraged to be both academically strong and to provide opportunities for pupils to take part in sport,

music, drama and other extra-curricular activities. The City schools will collaborate in sport and the arts to bring the talents and resources of these schools together.

Enrichment also incorporates the transition from school to further and higher education. With the rising costs of such education there has been a slight downturn in the uptake of courses at these institutions. London has a wide array of world class education institutions and should be actively promoting these opportunities alongside employability programmes to give young people a variety of choice that will best suit their needs. Advice and guidance in schools will be imperative to achieving this, which will require an increase in the dialogue between the City schools, the City and further and higher education institutions. Establishing this ethos and commitment will send out a clear signal to prospective pupils, parents and schools that may become part of the family of what they can expect from a City school.

The Square Mile is home to a wide variety of businesses, many of which interact with schools to provide workplace opportunities for pupils; Ernst & Young run a summer programme with the City of London Academy. As part of an enrichment programme the City should promote links between the City schools and businesses, using its influence to open up access for pupils and inspiring them to succeed beyond education. This can be achieved through partnering with City stakeholders to promote the teaching of skills needed in the modern workforce, such as confident communication, and to address skills shortages, such as an understanding of technology.

The City will only achieve its vision for holistic education when the City schools undertake joint activities where pupils from different schools interact with each other. Success will also come from a tangible link between the businesses and City stakeholders having a continuous dialogue with the City schools to provide access to employment, further education and training opportunities in and around the Square Mile.

Recommendations

Direct the City's schools funding across all City schools to provide financial support and enrichment opportunities

- Establish a mechanism for allocating City funding for enrichment activities across the City schools.

Provide a school environment that fosters confidence, leadership, teamwork and high self-esteem in all City school pupils through promoting a broad and enriched curriculum

- Promote and monitor enrichment opportunities in each City school through the overarching education body and identify opportunities for inter-school collaboration.
- Ensure all City schools deliver careers advice to support pupils beyond statutory education.
- Promote the array of London's further and higher education offering to pupils in the City schools and identify opportunities for these institutions to interact with pupils.

- Identify enrichment opportunities for all City schools that link to the activities of the Square Mile.
- Host a seminar with businesses and livery companies to identify skills shortages in the workplace and exploring how to address this in schools.
- Invite pupils and staff from the City schools to more City events.
- Showcase the talents of pupils in the City schools throughout the City.

Ensure all schools receive information about school-based programmes within the City's open spaces and cultural institutions

- Inform the relevant learning providers within the City's open spaces and cultural institutions about the composition of the City's family of schools and ensure that information on school-based programmes are directed to them.
- Work with learning providers to provide programmes that will support the curriculum focus of the City schools.

Outreach

Background

The City has responsibilities that go beyond its local authority remit in the areas of culture, the arts, history and the environment. It has a high concentration of arts and cultural organisations, creating an economic cluster recently judged to be worth over £200m to both the Square Mile and the wider London area. It is a steward of historical collections that have been formally designated as being of international significance and manages a significant number of historical and architectural buildings. Across London, the City has responsibility for 11,000 acres of open spaces which include various commons, heath and forest land, parks, gardens and a cemetery. These assets and activities are used and enjoyed by many audiences and as centres of learning and community engagement, they work with schools and young people to educate and inspire over 500,000 people every year.

These activities are well advertised across the London boroughs and various parts of the City have developed distinctive offerings suited to the opportunities they provide. For example, in the cultural sector the London Metropolitan Archives use their collections to bring history and social issues alive for many thousands of school pupils from every London borough each year, which included over 3,000 pupils in 98 onsite sessions in 2012/13. The Barbican Centre and the Guildhall School have formulated effective partnerships with City fringe and East London boroughs to provide outreach for hard to reach and culturally deprived areas. In 2012/13 The Barbican and Guildhall School Creative Learning team worked with 18,500 people as part of the Barbican and Guildhall School's programme.

The Museum of London, jointly sponsored by the GLA and the City Corporation, regards schools as a key audience and expanding the Museum's offer to schools is one of their key strategic priorities, with an aim to engage with every school child across London. It runs curriculum-based programmes that cater for both primary and secondary education, including in archaeology, art, citizenship, classical studies, English, geography and history. The learning section of the Museum's website reaches 1.5million views every year and in 2012/13, approximately 106,000 pupils visited the Museum and the Museum of London Docklands.

Furthermore the City-owned open spaces, such as Epping Forest and Hampstead Heath already have established education programmes, focusing on the environment, recreation and protecting the natural environment. These programmes, funded primarily through charitable grants, are popular with schools and reach out to thousands of children every year. These programmes are interactive and extend across many open space sites. Moreover, the open spaces also host apprenticeship and volunteering opportunities where training is provided on a multitude of areas, including conservation, surveying, and education and visitor services.

The City also plays a pivotal role in ensuring schools throughout London have access to sporting facilities on its open spaces, such as those on Wansted Flats. Providing this infrastructure has a positive effect on both the hundreds of school children that have access to it, and the local communities that are using it to provide opportunities for football, cricket, rugby and other sports. In maintaining these facilities the City is able to provide these opportunities that may not exist if it becomes derelict.

The Economic Development Office brokers volunteering opportunities for City business and City employees within schools in neighbouring boroughs, such as mentoring pupils or providing literacy and numeracy support.

Delivering these programmes is vitally important to retaining and enhancing the quality of the City's outreach offer. In general these activities are funded from the core grant of the service areas and may therefore come under pressure as funding for the service areas is reviewed. Some of the funding for these programmes is additionally delivered through grants. Having an understanding of what funding is available is an integral part of ensuring that the City can maintain this provision.

Vision

The City is committed to using its outstanding cultural, heritage, open and recreational assets to enrich the education of children both in City schools and across London. This includes communicating the offer to every London school, and the City schools in particular, to increase awareness of the programmes on offer. To enhance the offer to schools, the City will open access to joint programmes that bring these different activities together.

Through providing community facilities the City will play a vital role in supporting London boroughs to be able to offer a wide variety of activities. This will strengthen the City's links with local authorities throughout London and offers an opportunity to make an impact to children and young people beyond the classroom.

Recommendations

Improve internal awareness of the educational outreach programmes available to schools across the City

- City departments to collate information on the take-up of their educational offering to City schools, and to schools across London, and provide an annual report to the overarching education body.

Improve the co-ordination of the educational offer across the City's activities

- Review the grant applications being submitted for outreach programmes to identify duplications and opportunities for more collaboration on applications.
- Support the provision of sporting facilities for schools in the City-owned open spaces.
- Use the information on current outreach programmes to identify gaps and duplications in the City's educational outreach activities.
- Establish an officer forum consisting of representatives from the Barbican Centre, Open Spaces and Culture, Heritage and Libraries departments, and the Economic Development Office, to discuss opportunities for school programme collaboration, increase communication to City schools, and to avoid duplication of grant applications.

Increase the effectiveness of educational outreach programmes to the City schools

- The City's cultural institutions and open spaces should specifically target the City's family of schools and those schools attended by a high proportion of children resident in the Square Mile.

Increase the take-up and impact of City educational outreach programmes across London

- Develop a section of the website specifically for teachers and schools that promote City educational outreach programmes, ensuring that London boroughs and other relevant local authorities are made aware of it.

From Education to Employment

Background

London's unemployment rate is currently 8.6% compared with a UK figure of 7.8%. Almost one third of London's unemployed people are aged 16-24. Studies show a significant mismatch between the career aspirations of young people and the reality of the labour market and that they lack the connections with people who can help them achieve an insight into those careers or how to achieve them.

The City of London attracts the best people to work in some of the world's most high profile companies. The City is committed to providing opportunities for young people to develop the skills that will help people into employment and to achieve their goals. This philosophy extends beyond the City boundary into fringe boroughs and throughout London. This support is broken down into two areas:

1. Schools based support - helping students make the transition from education to employment.

In 2012 around 1,700 school pupils were introduced to future employment opportunities in the City of London through initiatives such as work experience in and taster visits to City offices, Careers Academy UK, and support for Teach First. Through its Corporate Responsibility programme the City also sends volunteers to schools and celebrate excellence in community engagement through the Lord Mayor's Dragon Awards.

2. Post-education training - providing training opportunities to boost employment opportunities for people outside of statutory education.

In 2012 training was provided for around 3,800 residents; almost 410 people from the City and neighbouring boroughs were helped into work; around 110 local school leavers were helped into prestigious paid work placements in firms based in the Square Mile; and 15 City of London residents into work through the City STEP programme. In addition, the City actively supports apprenticeships that offer nationally accredited qualifications and a minimum of a twelve month employment contract. In 2012/13 40 young adults completed an apprenticeship, whilst a new traineeship programme preparing people for the demands of an apprenticeship is underway. Organisations such as City and Guilds also provide training and pathways to employment programmes which provide young people with opportunities to gain accredited qualifications. Through these programmes the City works in close partnership with over 1,000 businesses, including UBS, KPMG and Standard Chartered.

Vision

The City is committed to providing opportunities for all young people in the City of London and neighbouring London boroughs to access a wide range of training and employability initiatives to raise aspirations and increase their chances of getting a job. This will be through opening up opportunities for schools to interact with businesses to develop an understanding of the workplace. The City of London should be at the forefront of enhancing employability as well as a place to do

business. It should therefore lead the way in providing high quality apprenticeships and training courses, reducing the number of young people not in employment, education or training. As the requirement for all people up to the age of 18 to be in education, training or employment is implemented, the City should be best placed to provide support not only for its residents and pupils, but also pan-London as part of a coordinated approach to tackle youth unemployment.

Recommendations

All City employability programmes and initiatives are integrated and focused on the City's priorities

- Explore how best to join up the City's range of employer-facing employability activities to ensure that a coordinated approach is adopted across the various programmes.
- Review the membership of the City's Employability Group to meet the changing needs in this area.

Raise awareness among the City of London business community, specifically small and medium sized enterprises, of the value of and need for business engagement in improving the employability of young people

- Develop a communications plan to increase engagement with City of London-based employers and SMEs, with a focus on communicating Government funding and incentives available to employers.

Identify gaps in the provision of education-business link activity across London and explore ways to improve and sustain this provision

- Commission a review of gaps in the provision of education-business link activity, to include recommendations as to how the City could improve on the current provision and identify new areas to target.
- Implement recommendations from the above review.

Raise awareness of the extent of employability provision provided by the City amongst schools in the neighbouring boroughs, with a specific focus on the City academies

- Develop promotional materials covering the 'ladder' of aspiration-raising and employability provision provided by the City Corporation and communicate this to the City schools and neighbouring boroughs.
- Monitor and review programme achievements and communicate this to the City schools and schools in neighbouring boroughs as appropriate.

The Education Strategy Working Party

The Education Strategy Working Party (ESWP) was established to undertake a review of the City Corporation's education contribution and devise an education strategy that promotes high quality education.

The group was made up of Members from the City of London Court of Common Council and independent members from different education sectors. These included higher education, academies and the City livery.

Over the course of a three-month consultation period the group took evidence of the City Corporation's education activities, including: local authority statutory provision, schools, outreach programmes, and employability and training initiatives.

This Strategy sets out the priorities of the ESWP following the consultation process and outlines recommendations that will shape the Corporation's education activity over the next three years.

The Chairman would like to thank all the members of the ESWP and officers who have supported it for the hard work and commitment they have put in to creating this strategy. This thanks is extended to all those who gave evidence to the group, showcasing the variety of activity undertaken across the organisation; activities that will continue to go from strength to strength.

The work of the ESWP would not have been undertaken without the contributions from, and meetings with, those organisations that have helped shape the City's education portfolio:

- Academy school host boroughs
- Christ's Hospital School
- The City Academy, Hackney
- The City of London Academy Islington
- The City of London Academy
- The City of London Freeman's School
- The City of London School
- The City of London School for Girls
- City University
- Departments of the City of London Corporation
- The Haberdashers Company
- King Edward's School, Witley
- KPMG
- Prior Weston Primary School
- Redriff Primary School
- The Sir John Cass Foundation
- The Sir John Cass Foundation Primary School
- The United Westminster Schools Foundation
- United Learning Trust
- University College London

Membership of the Education Strategy Working Party

Catherine McGuinness – Chairman
Ade Adetosoye
John Bennett
Roy Blackwell – United Westminster Schools Foundation
Jude Chin – Specialist Schools and Academies Trust/Academy school governor
Billy Dove
The Revd. Dr Martin Dudley
Marianne Fredericks
Sir Malcolm Grant – University College London
David Graves
Gordon Haines
Peter Lisley
Virginia Rounding
Ian Seaton
Dr Giles Shilson
David Taylor – Livery Schools Link



Report – Finance Committee

City Fund and Pension Funds - 2012/13 Statement of Accounts and Auditors' Management Letters

To be presented on Thursday, 24th October 2013

To the Right Honourable The Lord Mayor, Aldermen and Commons of the City of London in Common Council assembled.

On the 23rd May 1996, the Court authorised this Committee to approve, amongst other things, the Statement of Accounts for the City Fund and Pension Funds. We have duly considered and approved the 2012/13 City Fund and Pension Funds Statement of Accounts. Copies of the Statement have been placed in the Members' Reading Room and are available from the Chamberlain. The management letters from Deloitte on its audit of the funds are attached for the information of the Court. In addition, the Statement and letters have been published on the City's website.

All of which we submit to the judgement of this Honourable Court.

DATED this 23rd day of July 2013.

SIGNED on behalf of the Committee.

ROGER CHADWICK
Chairman

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APPENDIX 1

The City of London Corporation - City Fund

Report to the Audit and Risk
Management Committee on the
year ended 31 March 2013 Audit

The Chairman of the Audit and Risk Management Committee
City of London
PO Box 270
Guildhall
London EC2P 2EJ

7 August 2013

Dear Sir

We have pleasure in setting out in this document our report to the Audit and Risk Management Committee of the City of London Corporation for the year ended 31 March 2013. This updates the version presented to the meeting of the Committee on 23 July 2013. This report covers the principal matters that have arisen from our audit of the City Fund of the City of London Corporation for the year ended 31 March 2013.

In summary:

- The major issues, which are summarised in the Executive Summary, have now been addressed and our conclusions are set out in our report. There were no significant matters arising from the completion of procedures which were outstanding at the time of the meeting on 23 July 2013, but we draw your attention to the finalised list of uncorrected disclosure deficiencies in the financial statements in Appendix 1.
- Our work on areas on other areas is complete.
- There are a number of judgemental areas to which we draw your attention in our report which you should consider carefully.
- We have issued an unqualified opinion on the accounts and an unqualified value for money conclusion.

We would like to take this opportunity to thank the Chamberlain, Chris Bilsland, Caroline Al-Beyerty and their team for their assistance and co-operation during the course of our audit work.

Heather Bygrave

Senior Statutory Auditor

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Executive summary

We have the pleasure in setting out in this document our report to the Audit and Risk Management Committee of the City of London Corporation on the audit of the City Fund ("the City") for the year ended 31 March 2013. This report summarises the principal matters that have arisen from our audit for the year ended 31 March 2013 and updates the version presented to the meeting on 23 July 2013 for work subsequently completed.

This summary is not intended to be exhaustive but highlights the most significant matters to which we would like to bring to your attention. It should, therefore, be read in conjunction with the report and the appendices thereto.

Status	Description	Detail
Completion of the audit		
We have completed our work	Officers have again faced the challenge of needing to respond to audit queries at the same time as finalising the preparation of the financial statements and supporting working papers. Our work is now complete.	n/a
Overall view		
We have issued an unmodified audit opinion on the truth and fairness of the financial statements	We have issued an unmodified audit opinion on the truth and fairness of the financial statements. The matters that we have taken into account in forming our overall view are described in the following sections of this report. Under the Audit Commission Act 1998, we issue a certificate 'when the audit of the accounts has been concluded'. The issue of the audit certificate marks the closure of the audit and the end of the exercise of the auditor's powers and duties in respect of that audit. The audit certificate can be issued as soon as all the work required to meet auditors' responsibilities under sections 2 and 3 of the Code has been completed. One of our statutory responsibilities is to issue an opinion on the City Fund's Whole of Government Accounts return. The deadline for the audited return is 5 October. The Audit Commission has not yet finalised its instructions to auditors due to delays caused by the implementation of a new reporting system for the WGA return. However, we did not need to delay the issue of our opinion on the accounts for this, but were not be able to issue our certificate until completion of our work and the issue of our opinion on the Whole of Government Accounts return.	n/a

Executive summary (continued)

Overview of risk	Description	Detail
Significant audit risks		Status
There were no significant issues arising from our review of these audit risk areas	<p>In our audit plan we identified a risk in relation to certain property transactions which we understood would be concluded during 2012/13. In the event, one of the two transactions, which was to involve more than one fund of the Corporation and was to be delivered through a joint venture agreement with a developer, was not completed in 2012/13. The other development project commenced before year end, but is at a very early stage and the accounting straight forward. As a result, we concluded, in the event, that these transactions do not represent a significant audit risk for the 2012/13 financial statements.</p> <p>The remaining audit risks which were communicated to you in our audit plan and the conclusion of our audit work thereon are set out below.</p> <p><u>Valuation of investment properties</u></p> <p>We focused on the key assumptions made, and the reasonableness of the valuations arrived at, by the City's valuers. We concluded satisfactorily on their reasonableness.</p> <p><u>Grant income recognition</u></p> <p>We focused on the judgements made by officers in determining the basis of recognition for individual grants. We have not identified any exceptions.</p> <p><u>Police pension liability</u></p> <p>We focused on the key assumptions used by the actuary to calculate the provision. We concluded that the assumptions fell within a reasonable range around our benchmark assumption.</p> <p><u>Impairment allowance against sundry debtors</u></p> <p>We reviewed the reasonableness of the provision using past write-off experience and other indicators. We concluded satisfactorily.</p> <p><u>Management override of controls</u></p> <p>Auditing standards presume that there is always a risk of management override of controls. We did not identify any areas of concern from our work.</p>	Section 1

Executive summary (continued)

Status	Description	Detail
Other issues		
We have provided a commentary on certain other transactions and disclosures	We provide our comments on the disclosure within this year's financial statements relating to the Crossrail commitment. We do not consider this represents a significant audit risk for our opinion on the 2012/13 financial statements.	Section 2
Value for money (VFM) conclusion		
We issued an unqualified value for money conclusion	<p>One of our responsibilities is to include in our audit report a conclusion on whether the City of London Corporation has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources in respect of the City Fund - this conclusion is known as "the VFM conclusion". The conclusion is given in relation to two criteria specified by the Audit Commission.</p> <p>On the basis of our work, we confirmed our preliminary assessment that there were no risks which required us to carry out other locally determined work and have issued an unqualified VFM conclusion.</p>	Section 3
Risk management and internal control systems		
We did not identify any significant deficiencies in the financial reporting systems	<p>Our audit findings did not identify any significant deficiencies in the financial reporting systems.</p> <p>We draw your attention to two recommendations raised in 2011/12 where we have updated you on action taken.</p>	Section 4
Identified misstatements and disclosure misstatements		
We have not identified any misstatements above the threshold for reporting to you. We report on uncorrected disclosure deficiencies	<p>Audit materiality was £3.9 million as set out in our Audit Plan.</p> <p>We report on uncorrected disclosure deficiencies in Appendix 1.</p> <p>We have not identified any uncorrected misstatements.</p>	Appendix 1

Executive summary (continued)

Status	Description	Detail
Significant representations		
We request management representations	The wording of the representation letter signed on behalf of the City is included at Appendix 3. Non-standard representations have been highlighted in italics.	Appendix 3
Independence		
We confirm we comply with APB Revised Ethical Standards for Auditors	Our reporting requirements in respect of independence matters, including fees, are covered in Section 5.	Section 5

1. Significant audit risks

The results of our audit work on significant audit risks are set out below:

Investment properties

The valuations arrived at by the City's valuers were reasonable in material respects.

The City has a substantial portfolio of investment properties which are subject to annual revaluation. Some of the properties require the application of specialist valuation assumptions. The current and recent economic volatility has affected property values, generally, and the City has recorded significant gains and losses over the last 3 years.

All properties are valued in accordance with the Royal Institution of Chartered Surveyors Valuation and Appraisal Standards. The portfolio has been valued by Jones Lang LaSalle and BNP Paribas at 31 March 2013.

A summary of the portfolio is shown below:

At 1 April 2012 £m	Additions £m	Disposals £m	Revaluations £m	At 31 March 2013 £m
794	5	(56)	51	794

Deloitte response

We involve real estate specialists from Deloitte as part of the engagement team to assist us. We noted that the process followed in preparation of the valuations appears to be reasonable.

The Investment Property Databank ("IPD") index reports changes in capital values of various property types. Reported movements in Central London in the year to 31 March 2013 are summarised in the table below:

Property Type	Change in Capital Value
Central & Inner London offices	+4.43%
City offices	+1.39%
Central London standard shops	+8.48%

With like-for-like portfolio movements of +6.0% the City Fund investment property portfolio has increased in value broadly in line with the wider London property market.

We believe the internal and external valuations produced for the City Fund as at 31 March 2013 are a reasonable reflection of their market value.

1. Significant audit risks (continued)

Grant income recognition

We focused on the judgements made by officers in determining the basis of recognition for individual grants. We did not identify any exceptions.

The City received grants and contributions totalling £64 million, excluding core funding.

Accounting for grant income can be complex as the timing for recognising income in the accounts will depend on the scheme rules for each grant. Under the Code, income from grants is recognised as soon as all conditions have been met.

We have retained this as a risk in view of the size of this income stream and some of the complexities around recognition of individual grants.

Deloitte response

We noted that the Corporate Accountancy Unit had sent out instructions to staff involved in the preparation of the accounts highlighting the accounting requirements for grants.

We also carried out extended testing to check that recognition of income in 2012/13 properly reflects any conditions within the grant offer letter and accompanying documentation.

Our work did not identify any exceptions.

1. Significant audit risks (continued)

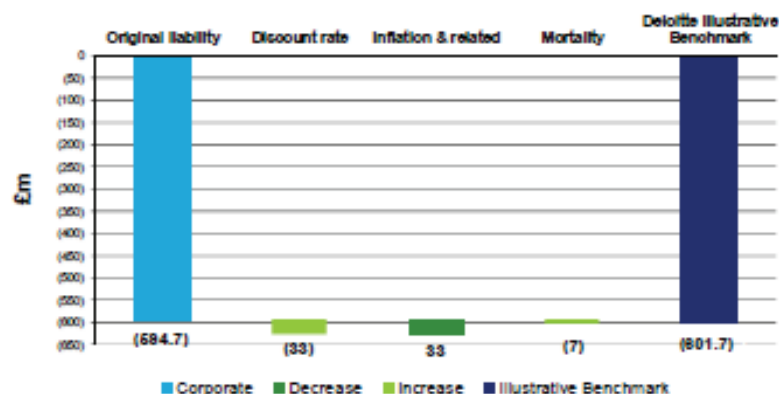
Pension liability

The assumptions made by the actuary fall within a reasonable range

Deloitte response

This continues to be an audit risk in view of the size of the liability, complexity of judgements and sensitivity to comparatively small changes in assumptions made about future changes in salaries, price and pensions, mortality and other key variables.

We considered the arrangements over the engagement of the independent actuary and concluded satisfactorily. We included our own experts from within our specialist pensions group to assist in the review of assumptions used to calculate the pension liability and related in year transactions. We concluded that the assumptions used to calculate the Police pension liability, individually fell within a reasonable range around our benchmark assumption. We also consider the assumptions in aggregate to determine the strength of the set of assumptions as a whole. An optimistic proposal for one assumption may be balanced by an offsetting prudent assumption for example. The chart below gives an indication of the broad impact on the pension liability if the main assumptions were set to be in line with the benchmarks we have used to assess the assumptions ("the Deloitte Illustrative Benchmark").



We also make the following observations about individual assumptions and methodologies:

- The assumptions adopted are those specified by Barnett Waddingham who use a standard assumption setting approach covering both LGPSs and police pension schemes, including, for example, assuming the same average retirement age.
- Although the financial assumptions reflect the duration (mean term) of the Scheme's liabilities (which the actuary estimates to be around 21 years) they do not reflect expected future cash flows (which is our preferred approach).
- In addition to what has been reflected in the table above, we note that the assumption adopted for salary increases of RPI +1.5% p.a., is prudent when compared to other public sector employers. Many such employers include an explicit allowance within the assumptions for pay constraints up to 2015, as well as including some allowance for the impact of such constraints in the actuary's roll-forward calculation of the year-end liability value. For the City, no allowance has been made for actual salary increases differing from those assumed since the previous full valuation at 31 March 2011. As a broad-brush estimate the potential impact of allowing, in the assumptions, for pay constraints from 2013 to 2015, for example, could be to decrease the liability value by £15 million. Also, if allowance were made for the (expected) experience impact of constraints from 2011 to 2013 the liability value could also fall by some £15 million.

This is not intended to imply that the deficit calculated by the actuary is inappropriate. Overall, we would characterise the assumptions as being centrally positioned within the reasonable range. At the previous year end, the assumptions were at the more prudent end of the reasonable range. We recommend the City consider the points raised above in estimating its pension liabilities going forwards.

1. Significant audit risks (continued)

Impairment allowance against sundry debtors

We reviewed the reasonableness of the provision using past write-off experience and other indicators. We conclude satisfactorily

The challenging economic environment and its impact on debt recovery continue to create uncertainties in the estimation of provisions.

The provision as a whole has moved from £3.4 million (20% of invoiced debt) last year to £3.7 million (23%).

Deloitte response

In evaluating the reasonableness of the amount provided, we have noted that:

- the largest element of the provision (£2.1 million) is against outstanding penalty charge notices. The heavy level of provision (81%) against this category of debt is similar to what we see elsewhere and is consistent with management information on past collection experience;
- the remaining provision of £1.3 million compares to invoiced debt over three months of £2.8 million, of which £0.9 million is over a year old. This represents reasonable level of cover against debts which are long past due;
- our work comparing the provision made at 31 March 2012 to actual bad debt experience to date suggests that past provisions are accurate in material respects.
- the proportion of write-offs to provisions suggests that, on average, irrecoverable debt is being written off between 3-4 years after having been raised.

On this basis we have concluded that the amount of the impairment allowance is not unreasonable.

1. Significant audit risks (continued)

Management override of controls

We did not identify any issues in relation to management bias.

Standards on auditing include a presumption of a risk of management override of key controls which cannot be rebutted by the auditor. This recognises that management may be able to override controls that are in place to prevent inaccurate or even fraudulent financial reporting.

Deloitte response

Our work focused on testing of journals, significant accounting estimates and any unusual transactions, including those with related parties.

In testing journals, we made use of computer assisted audit techniques to analyse the whole population of journals and to identify those which had features which could be indicators of possible fraud and to focus our testing on these. We did not identify any issues from our work.

Our consideration of key accounting estimates is discussed in the previous pages. We did not identify any bias in preparing these estimates.

We did not identify any transactions through our testing where the business rationale was not clear.

2. Other issues

We provide our comments on other significant transactions and disclosures within this year's accounts but which do not represent significant audit risks.

The Crossrail commitment

The City Fund has undertaken to contribute £200 million towards the cost of Crossrail

The notes to the accounts disclose a commitment made by the City to contribute £200 million towards the cost of Crossrail. The disclosure is the same as made in the previous three sets of financial statements.

Deloitte response

During our audit of the 2008/9 accounts we discussed with officers their assessment of the accounting treatment for this item. We concurred with officers that the agreement with the Government, contained within an exchange of letters between the Corporation and the Secretary of State, is an "executory contract" (contracts under which both parties are still to perform to an equal degree the actions promised by and required of them under the contract). As such it falls outside the scope of International Accounting Standard 37 Provisions, Contingent Liabilities and Contingent Assets (unless onerous). As a result, the expenditure would not be recognised until the Government had performed its undertakings set out in the letters.

As a result, we agreed with officers that whilst the transaction has been disclosed as a commitment, a liability should not be recognised on the balance sheet pending performance of the undertakings made by the Secretary of State, which include completion of certain works in relation to Crossrail stations.

3. Value for money conclusion

Scope of our work

Under the Code of Audit Practice 2010 we are required to include in our audit report a conclusion on whether the City of London Corporation has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources in respect of the City Fund - this conclusion is known as “the VFM conclusion”.

Our conclusion is given in relation to two criteria:

Specified criteria for auditors' VFM conclusion	Focus of the criteria for 2013
The organisation has proper arrangements in place for securing financial resilience.	The organisation has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.
The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.	The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Approach to our work

We draw sources of assurance relating to our VFM responsibilities from:

- the audited body's system of internal control as reported on in its Annual Governance Statement;
- the results of the work of the Commission, other inspectorates and review agencies to the extent that the results come to our attention and have an impact on our responsibilities;
- any work mandated by the Commission – of which there was none in 2012/13; and
- any other locally determined risk-based VFM work that auditors consider necessary to discharge their responsibilities.

Risk assessment

Our preliminary assessment was that there were no risks in relation to our VFM responsibilities which required local work to be carried out and we therefore did not identify any risks or additional local studies in our audit plan.

We have subsequently carried out a risk assessment, carried out in the period after the year end to take account of the latest refresh of the Medium Term Financial Strategy, as well as the outturn financial and performance information for 2012/13. The risk assessment has involved consideration of common risk factors for local and police authorities identified by the Audit Commission, concluding on whether they represent actual risks for the purpose of our VFM conclusion on the City Fund. We undertook this work through review of relevant documentation, including committee papers and discussion with officers. We also considered whether there were other risks which might be specific to the City Fund. We did this principally through our consideration of what has been reported in the Annual Governance Statement, matters reported by regulators and other matters which have come to our attention from our work carried out in relation to our other Code responsibilities.

Overall conclusion

On the basis of that work, we confirmed our preliminary assessment that there were no risks which required us to carry out other locally determined work and have issued an unqualified VFM conclusion.

We have noted the following matters in arriving at our assessment that there were no significant risks:

Annual governance statement and work of regulators

We have reviewed reports issued by HMIC, the Care Quality Commission and Ofsted during the year and noted reports on the City's response to these presented to members. We did not note any significant issues in the context of our value for money conclusion.

The Annual Governance Statement does not identify any significant control weaknesses.

3. Value for money conclusion (continued)

Financial resilience

The City has:

- Taken steps to maintain the capacity of its finance team during a period of reduced funding. It has reviewed the service it provides to the organisation and has continued with the restructuring started in 2011 aimed at enhancing its effectiveness.
- Responded to challenges posed by reductions in government funding and, before that, reductions in key sources of rental and investment income and has added to its reserves in successive years as follows:

	Unallocated reserve £m	Earmarked reserves £m	Total £m	Change over year £m
2013	70.9	105.3	176.2	+18.5
2012	63.7	94.0	157.7	+17.6
2011	52.9	87.2	140.1	+9.9
2010	48.5	81.7	130.2	+4.4

- Whilst not formalising a full longer term plan for the City Fund, the City has considered the impact of its £200 million Crossrail commitment, anticipated for 2016/17, on its financial position and members have received an update on the plan for its funding.
- Continued its track record of staying within its revenue budget, recording an underspend of £6.5 million in 2012/13. This follows an underspend of £13.7 million in the previous year. Recent underspends reflect both unforeseen, one-off windfalls as well as savings against operational budgets. The City will need to continue to make sure going forwards that it strikes an appropriate balance between prudent budgeting and forecasting which maintain continued financial resilience on the one hand and providing accurate information for decision making purposes on spending plans on the other.
- Pursued a number of longer term initiatives for efficiency savings, alongside the immediate savings programme implemented from 1 April 2011.

Economy, efficiency and effectiveness

The City has:

- Engaged members more closely throughout the process for agreeing its corporate plan refresh in 2011. This version informed the development of service and financial plans in the the period covered by the spending reductions and provided a means by which member views were incorporated, along with the work of service committees. We understand that the City has committed to repeating this process every third year.
- Established the Efficiency and Performance sub committee to oversee the development and delivery of savings initiatives and VFM more generally. The sub committee's work during 2012/13 has been re-focused on more thematic and cross cutting reviews.
- Remained outward looking with initiatives in the period since 2010 involving aspects of performance and efficiency including a partnering arrangement with a private sector provider focusing on procurement; a peer review of the Barbican Centre; quarterly benchmarking reports on performance utilising the London Authorities Performance Management Network hosted by London Councils; benchmarking of police back office operations; participation in the CIPFA benchmarking club for HR and legal services, as well as ongoing involvement in the finance club.

3. Value for money conclusion (continued)

- Established a number of longer term initiatives aimed at producing efficiency savings including the PP2P procurement programme – a 5 year partnering arrangement with Accenture which is targeting procurement savings of; has thought through shared service opportunities and is tracking action on this list and received reports on this during 2012/13; internal restructuring of central services including procurement, finance and HR teams; review of other resources including the Guildhall accommodation review to improve space utilisation with action on relocating certain City Police staff to the Guildhall agreed; and progressing the project on IT provision towards procurement stage.
- Analysed data on unit costs, although the position is mixed. There is not a suite of unit costs covering the range of the City's services which are routinely reported on – but this position is not significantly different to other local authorities. The City has not achieved its goal of establishing a balanced scorecard for all services, but the recently agreed programme of service reviews will incorporate the principles of this.
- Arrangements for agreeing savings programmes for the significant reductions initiated in 2011 included consideration of their impact. Reporting of progress to service committees against annual business plans provided a means for assessing the impact of budget reductions, together with the results of the triennial survey of stakeholders which are currently being analysed. The City judge that they have not had any material impact on service levels or performance. Savings plans are incorporated into budgets and are monitored through normal budget processes. The City Fund recorded a budget surplus in recent, successive years. We understand that the recently agreed programme of service reviews is intended to bring greater focus to the savings process, compared to the top slicing approach applied in recent budget setting rounds.

4. Risk management and internal control systems

Our audit approach in relation to internal control was set out in our 'Briefing on audit matters' and our planning report circulated to you in July 2011.

Risk management and control observations

We have not identified any material risk management and control observations during the course of our work. We note the emphasis placed on risk by the Audit and Risk Management Committee in the way in conducts its business. We provide below an update on relevant observations made in the prior year.

VAT

Prior year observation

The City encountered difficulties in completing the VAT partial exemption claim to fit with the audit timetable, due to the death of the highly experienced VAT accountant.

The calculation of the finalised claim for 2011-2012 was performed by a contractor and was received late in the audit process. We recommended the City should ensure that the knowledge gained from this temporary role is adequately captured and utilised in planning for future years and the timetable is again revisited.

Current year update

The City has made an appointment to the post of Group Accountant, VAT, Research, Technical and Projects, together with further appointments to provide additional support. Transitional arrangements have been put in place while the new team builds its experience. Officers propose to put in place simplified procedures to enable the position to be monitored on a quarterly basis as accurately as possible. The exempt input tax percentage has been calculated at 4.67% for 2012/13 which is within the HMRC threshold of 5%. Further details and a number of recommendations are contained in our report on the Bridge House Estates and Charities.

4. Risk management and internal control systems (continued)

Approval of journals

Prior year observation

It has not been the City's policy in the past to approve journals that are entered into the main accounting records.

This may mean that errors arising from inappropriate journals may go undetected. Journals can also be the means by which an individual might seek to hide fraud or commit fraud through manipulation of reported financial information.

Officers had put in place an arrangement for the retrospective approval of journals lines over £100,000 during 2011/12.

Current year update

We note that testing on another fund identified instances where the required approval had not been obtained for journals within the limit described above, although we concluded from our testing that the journals were appropriate. These situations can arise as the approval of journals takes place outside the system and are not therefore enforced by the system.

Counter terrorism grant

Prior year observation

Our testing identified a grant to support expenditure on counter terrorism activities where the funder had stipulated a requirement that: the grant should be spent on meeting eligible expenditure; that detailed records of that expenditure should be maintained; and that any unspent funds should be repaid to the funder.

The City had claimed and recognised within the Comprehensive Income and Expenditure Statement the full amount offered as the City Police believe that the City has incurred eligible expenditure of at least that amount.

The current coding structure did not capture information in a form which facilitated the preparation of a detailed analysis of eligible expenditure and none was prepared to initially support the claim.

Current year update

We have completed our testing of the amount recorded in income for the purposes of our opinion on the financial statements and did not identify any exceptions.

5. Independence

As part of our obligations under International Standards on Auditing (UK & Ireland) and the Companies Act, we are required to report to you on the matters listed below.

Confirmation	
We confirm we comply with APB Revised Ethical Standards for Auditors	We confirm that we comply with APB Revised Ethical Standards for Auditors and that, in our professional judgement, we are independent and our objectivity is not compromised.

Non-audit services								
We confirm that our independence is not compromised by our provision of non audit services.	In our opinion there are no inconsistencies between APB Revised Ethical Standards for Auditors, the Audit Commission’s additional instructions in relation to independence and non audit services provided.							
	We apply the following safeguards to eliminate identified threats to independence or reduce them to an acceptable level are as follows:							
	<table><tr><th>Service provided</th><th>Identified threats to independence</th><th>Safeguards applied</th></tr><tr><td>Advice provided by DJD in relation to lease advisory work</td><td>Potential threats to self-review and management threat</td><td>Non audit work is carried out by partners and staff who have no involvement in the audit.</td></tr></table>	Service provided	Identified threats to independence	Safeguards applied	Advice provided by DJD in relation to lease advisory work	Potential threats to self-review and management threat	Non audit work is carried out by partners and staff who have no involvement in the audit.	
Service provided	Identified threats to independence	Safeguards applied						
Advice provided by DJD in relation to lease advisory work	Potential threats to self-review and management threat	Non audit work is carried out by partners and staff who have no involvement in the audit.						

Fees	
The level of non audit fees is within appropriate guidelines.	An analysis of professional fees earned by Deloitte in the period from 1 April 2012 to 31 March 2013 is included in Appendix 2.

6. Responsibility statement

This report should be read in conjunction with the "Briefing on audit matters" circulated to you in July 2011 and sets out those audit matters of governance interest which came to our attention during the audit. Our audit was not designed to identify all matters that may be relevant to the board and this report is not necessarily a comprehensive statement of all deficiencies which may exist in internal control or of all improvements which may be made.

This report has been prepared for the members of the City of London Corporation, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

Deloitte LLP

Chartered Accountants

St Albans

7 August 2013

Appendix 1: Audit adjustments

Recorded audit adjustments

We have not identified any adjustments to the draft financial statements with from our work either recorded or unadjusted.

Disclosure misstatements

Auditing standards require us to highlight significant disclosure misstatements to enable audit committees to evaluate the impact of those matters on the financial statements.

There are no significant disclosure misstatements that we consider require consideration by the committee except as follows:

1. The effective date of the last revaluation of property, plant and equipment (Code 4.1.4.3)
2. Reversal of revaluation losses recognised in the surplus on provision of services have been net off against revaluation losses in the Property, Plant and Equipment note and not shown separately. The amount of reversal of revaluation losses recognised in the surplus on provision of services is £7.9 million.
3. Analysis of financial assets that are individually determined to be impaired as at the reporting date, including the factors that the authority consider in determining that they are impaired. The total amount of the financial asset impairment allowance account is £1.4 million (Code 7.4.3.7)
4. Disclosures relating to the restatement of the prior year rent debtor and receipts in advances balances have not been made. The amount of the restatement is £3.6 million.
5. A reconciliation of changes in that debtor impairment account during the period, for each class of financial asset has not been disclosed. The total amount of the financial asset impairment allowance account is £1.4 million (Code 7.4.2.6)

Appendix 2: Independence – fees charged during the period

The professional fees earned by Deloitte in respect of the period 1 April 2012 to 31 March 2013 are as follows:

	2013 £'000	2012 £'000
Fees payable in respect of our work under the Code of Audit Practice in respect of the City Fund	104	173
Fees payable in respect of the certification of grants	*24	48
Total fees payable in respect of our role as Appointed Auditor	128	221
Non audit fees		
Property advisory services	49	88
	177	309

*Note: Our work in respect of 2012/13 is ongoing and the amount shown above is an estimate only.

The 2012-13 scale fees that the Audit Commission has set include reductions of up to 40% on 2011-12 fees. These result from savings generated from the outsourcing of the Audit Commission's in-house Audit Practice and internal efficiency savings that the Commission is passing on to audited bodies. Under our new arrangements with the Audit Commission, Deloitte's net re-imbursement for external services provided remains unchanged from those previously agreed. The scale fee reductions do not therefore have an impact on our ability to continue offering a high quality service to you.

The fees receivable in respect of private and voluntary funds and in respect of the local government pension scheme are dealt with in separate reports to this meeting of the Audit and Risk Management Committee.

Appendix 3: Management representation letter

This representation letter is provided in connection with your audit of the financial statements of the City of London Corporation (City Fund) for the year ended 31 March 2013 for the purpose of expressing an opinion as to whether the financial statements present fairly the financial position of City of London Corporation (City Fund) at 31 March 2013 and of the results of its operations, other comprehensive income and expenditure and its cash flows for the year then ended in accordance with applicable accounting framework and Accounts and Audit Regulations 2010.

We acknowledge our responsibilities for preparing financial statements for the City of London Corporation (City Fund) ("the local authority") which present fairly and for making accurate representations to you. For the avoidance of doubt, references to the local authority should be taken as applying equally to the City of London Pension Scheme and references to the financial statements of the local authority, includes information in those financial statements dealing with the City of London Pension Scheme.

We confirm, to the best of our knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework and the Accounts and Audit Regulations 2003 (as amended) which give a true and fair view.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. The measurement processes, including related assumptions and models used to determine accounting estimates in the context of the applicable financial reporting framework are appropriate and have been applied consistently.
4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IAS24 "Related party disclosures".
5. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
6. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to liquidate the Corporation or cease trading as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
7. The effect of uncorrected disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole. The uncorrected misstatements and disclosures are included in the appendix to this letter.
8. *Your testing identified an error where income of £30,824 had been incorrectly deferred. The effect of extrapolating this error to the remaining receipts in advance balance is £253,000. We confirm our assessment that the receipts in advance balance is not materially misstated.*
9. We are not aware of events or changes in circumstances occurring during the period which indicate that the carrying amount of fixed assets or goodwill may not be recoverable.
10. The Corporation has satisfactory title to all assets. *In particular we confirm we have satisfactory title to the following properties and that the basis of inclusion in the balance sheet is consistent with that title: West*

Point, Avondale Square, London, SE1 5NY; York Way Estate, London, N7 9PZ; Stopher House, 90 Webber Street, SE1 0SE; the cemetery, Aldersbrook Road, London, E12 5DQ.

11. We have reconsidered the remaining useful lives of the fixed assets and confirm that the present rates of depreciation are appropriate to amortise the cost or revalued amount less residual value over the remaining useful lives.

Information provided

12. We have provided you with all relevant information and access.
13. All minutes of member and management meetings during and since the financial year have been made available to you.
14. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
15. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
16. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
17. We are not aware of any fraud or suspected fraud that affects the entity and involves:
- (i). management;
 - (ii). employees who have significant roles in internal control; or
 - (iii). others where the fraud could have a material effect on the financial statements.
18. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
19. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations, and contractual agreements whose effects should be considered when preparing financial statements
20. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
21. No claims in connection with litigation have been or are expected to be received.
22. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.
23. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
24. We are not aware of any events or changes in circumstances occurring during the period which indicate that the carrying value of fixed assets may not be recoverable.
25. We have evaluated whether the restrictions, terms or conditions on grants have been fulfilled with and deferred income to the extent that they have not.
26. We confirm that:
- all retirement benefits and schemes, including UK, foreign, funded or unfunded, approved or unapproved, contractual or implicit have been identified and properly accounted for;
 - all settlements and curtailments have been identified and properly accounted for;
 - all events which relate to the determination of pension liabilities have been brought to the actuary's attention;
 - the actuarial assumptions underlying the valuation of the scheme liabilities (including the discount rate used) accord with the the City's best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the business;
 - the actuary's calculations have been based on complete and up to date member data as far as appropriate regarding the adopted methodology; and

- the amounts included in the financial statements derived from the work of the actuary are appropriate.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Appendix - Uncorrected disclosure deficiencies

1. The effective date of the last revaluation of property, plant and equipment (Code 4.1.4.3)
2. Reversal of revaluation losses recognised in the surplus on provision of services have been net off against revaluation losses in the Property, Plant and Equipment note and not shown separately. The amount of reversal of revaluation losses recognised in the surplus on provision of services is £7.9 million.
3. Analysis of financial assets that are individually determined to be impaired as at the reporting date, including the factors that the authority consider in determining that they are impaired. The total amount of the financial asset impairment allowance account is £1.4 million (Code 7.4.3.7)
4. Disclosures relating to the restatement of the prior year rent debtor and receipts in advances balances have not been made. The amount of the restatement is £3.6 million.
5. A reconciliation of changes in that debtor impairment account during the period, for each class of financial asset has not been disclosed. The total amount of the financial asset impairment allowance account is £1.4 million (Code 7.4.2.6)

Note: Non standard representations have been highlighted in italics, above.

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APPENDIX 2

City of London Corporation Pension Fund

Report to the Audit and
Risk Management
Committee on the Year
Ended 31 March 2013
Pension Fund Audit

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Executive summary

We have pleasure in setting out in this document our report to the Audit and Risk Management Committee of the City of London Corporation Pension Fund for the year ended 31 March 2013 for discussion at the meeting scheduled for 23 July 2013. This report summarises the principal matters that have arisen from our audit for the year ended 31 March 2013.

This summary is not intended to be exhaustive but highlights the most significant matters to which we would like to bring your attention. It should, therefore, be read in conjunction with the report and the appendices thereto.

Status	Description	Detail
--------	-------------	--------

Completion of the audit

On satisfactory completion of the outstanding items we anticipate issuing an unmodified audit opinion

We are satisfied that the status of the audit is as expected at this stage of the timetable agreed in our audit plan. N/A

We have substantially completed our audit in accordance with our Audit Plan, which was presented to you prior to the commencement of the audit, subject to the satisfactory completion of the matters set out below:

- completion of final review process on the financial statements;
- liaison with the Scheme Actuary;
- Receipt of signed management representation letter (see appendix 1); and
- update of post balance sheet event review.

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise on completion of these matters.

At the date of this report, and subject to the satisfactory completion of the outstanding matters referred to above, we expect to issue an unmodified audit opinion.

Key findings on audit risks

We have addressed the risks identified in our planning report

We discuss within Section 1 the results of our work in relation to key audit risks which have been identified as being significant to the 2012/13 accounts, and which were presented in our Audit Plan to the Audit and Risk Management Committee in March 2013, as follows: Section 1

Key risks

1. **Contributions:** The risk surrounding identification, calculation and payment of contributions, due to the complexities surrounding admitted bodies, has been satisfactorily addressed through our testing. No issues were noted.
2. **Benefits:** Complexities in the calculation of both benefits in retirement and ill health and death benefits have been reviewed during our testing with no issues identified.
3. **Investments:** The unquoted investments vehicles have successfully been agreed to independent returns
4. **Management override of controls:** all testing was completed with satisfactory results.

Executive summary (continued)

Identified misstatements

No factual uncorrected misstatements have been identified

As set out in our planning report, audit materiality was set at £3.9 million (2011/12 £3.9 million). N/A

We report all unadjusted misstatements greater than £195,000 (2% of materiality) (2011/12: £195,000) to you, as well as any misstatements that are qualitatively material.

There are no qualitatively material misstatements that we wish to bring to your attention, subject to completion of the above procedures.

During the course of the audit our procedures we identified two immaterial misstatements around the offset of assets and liabilities. The first of these relates to the cash in the bank account, amounting to £232,000, which has incorrectly been offset against current liabilities for the year. The second relates to amounts due to investment managers of £969,000 which have been offset against the investment balance at the year end. Neither of these misstatements have any impact on the Fund Account.

Accounting and internal control systems

The internal control systems are very strong, however further improvements could be made

We previously reported to you in our report on the 2011/12 audit that we identified two areas for improvement in relation to the internal control system. These improvements related to the review of the AAF01/SAS 70 reports on the internal control environment at the investment managers and the use of the new pension fund bank account. While we believe the former to have been effectively addressed, we still believe there are areas for improvement with regards to the latter.

The use of the bank account could be improved further to develop a higher level of governance over the pension scheme cash and clearly show that provisions of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 are being met.

Section 2

Current accounting and regulatory issues

We have included within this report accounting and regulatory issues that affect the pension fund industry, particularly focus areas of the Pensions Regulator (TPR). Although the City of London Corporation Pension Fund is not currently regulated by TPR these are guidelines for improving process and represent best practice in the industry.

Section 3

1. Key audit risks

The results of our audit work on key audit risks are set out below:

Contributions	
Audit risk	Unlike the positions in the private sector, we are not required to issue a separate statement on contributions for the Fund. Nevertheless, in view of the complexity arising from the participation of different employers within the Fund, we have included the identification, calculation and payment of contributions as an area of significant risk.
Deloitte response	<p>We have performed the following testing to address the significant risks around contributions:</p> <ul style="list-style-type: none">• reviewed the design and implementation of controls present at the Fund for ensuring contributions from all Scheduled and Admitted bodies are identified and calculated correctly;• we performed tests of details to test whether each material income stream was calculated in accordance with the actuarial valuation and schedule of rates; and• we developed an expectation based on changes in membership numbers and changes in contribution rates to analytically review the contributions received in the year, the results of which fell within our tolerance level. <p>All testing was completed with satisfactory results.</p> <p>We note that City of London as the administering authority is not responsible for the calculation of contributions. We have therefore performed our testing, where necessary, with the assistance of the scheduled and admitted bodies.</p>

1. Key audit risks (continued)

Benefits	
Audit risk	Changes were made to the Fund from April 2008 which introduced complexities into the calculation of both benefits in retirement and ill health and death benefits which are in addition to the annual increases required by the 1997 Regulation and Pension (Increases) Act 1971.
Deloitte response	<p>The following tests were performed to address the significant risk around benefits:</p> <ul style="list-style-type: none">• we reviewed the design and implementation of controls present at the Fund for ensuring the accuracy, completeness and validity of benefits through discussion with the pensions team and testing that controls were in force during the year under review;• we obtained a schedule of benefits paid and selected a sample of benefits for detailed testing. The sample was tested through agreement to supporting documentation, and review of the calculation, by reference to the qualifying service, scheme rules and benefit choices made by the member; and• we developed an expectation based on the prior year balance, adjusted for changes in membership numbers and pension increases to analytically review the pension benefits paid in the year. <p>All testing was completed with satisfactory results.</p>

1. Key audit risks (continued)

Investments

Audit risk

The Fund makes some use of investments in unquoted investments vehicles, such as private equity houses.

Although these funds are normally subject to external audit, up to date audited accounts were not available at the time that the pension fund accounts were compiled and audited. In such cases, year end fair values of investments in such funds will need to be estimated on the basis of unaudited information. In addition, market volatility raises questions about how to value these investments. It would normally be expected that the reasonableness of the fund managers' valuation could be assessed by comparison with the funds' latest available audited accounts as adjusted for subsequent cash movements (investments and distributions) between the pooled investment vehicle and the investors. However, market volatility means such comparison may be inappropriate especially when there is a significant time period between the latest audited accounts and the fund year end.

As these investments are more complex to value we have identified the Fund's investments in pooled investment vehicles as a significant risk.

In addition there is increasing volatility in the Eurozone following recent sovereign debt crisis across many countries. The Fund has approximately £7.8 million of investments in Eurozone government backed assets which could be exposed to increased variance of returns if the Eurozone continues to de-stabilize.

Deloitte response

The following tests were performed to address the significant risk around investments:

- we have reviewed the design and implementation of controls present at the Fund for ensuring investments are valued correctly;
- we have obtained a further understanding of the valuation of investments. The value of unquoted investments vehicles represents less than 2% of the assets of the Fund as a whole. The majority of the investments held by the Fund being in investments which have a quoted value;
- we have reconciled the total value of the investments held by the Fund as reported in the investment report from BNY Mellon to the value of investments reported in the Net Assets Statement;
- we have compared the valuations provided by BNY Mellon to the reports provided by the investment manager;
- we have performed a test of detail on a sample basis of quoted investment and compared the value reported by the BNY Mellon to the quoted price obtained from Bloomberg, DataStream or other third party sources; and
- we have performed a test of detail on a sample basis of the unquoted pooled investments to the valuations received from the external investment managers.

It was identified that the value per the investment manager reports was £1.5m lower than the value provided by the custodian. The differences largely arise over the level of accrued income that the custodian believes could be recognised as an asset where the investment manager doesn't consider there is sufficient certainty. The difference represents 0.21% of the overall assets of the Fund and is common throughout pension funds which have a similar custodial relationship. It is understood that this is a matter of judgment taken by management and the conclusion reached by management is considered satisfactory.

No issues were identified during the completion of the other tests detailed above.

1. Key audit risks (continued)

Management override of controls

Audit risk

We are required by ISA 240 'The auditors responsibility to consider fraud in an audit of the financial statements' to presume there is a significant risk of management override of the system of internal control.

Deloitte response

Our audit work included:

- we have reviewed analysis and supporting documentation for journal entries, key estimates and judgements;
- we have performed substantive testing on journal entries to confirm that they have a genuine, supportable rationale;
- we have reviewed ledgers for unusual items and on a test basis investigated the rationale of any such postings;
- we have reviewed significant management estimates and judgements such as year end accruals and provisions and consider whether they are reasonable; and
- we have made enquiries of those charged with governance as part of our planning and detailed audit processes.

All testing was completed with satisfactory results.

2. Accounting and internal control systems

Control observation

During the course of our audit we identified one area for improvement in the internal control systems which is detailed below

Internal controls reports

Observation	<p>Following the implementation of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 that apply from 1 April 2011 is a new requirement for each pension fund to have a separate bank account. This change is being adopted because it will enable pension fund monies to be clearly ring-fenced from other monies of the local authority, and thus reflects a longstanding Audit Commission view on best practice.</p> <p>We noted that whilst the scheme has set up the account in line with the required timeframe, it has not been used for all transactions within the pension scheme. The current process is such that all transactions are monitored within the pooled cash account as before, with a net monthly transfer to the pension scheme bank account following the close of monthly accounting to clear down the pooling account.</p> <p>This means that at any point in time there may be pension scheme cash within the main corporation pooling account.</p>
Recommendation	<p>Whilst this process could be considered to comply with the 2009 regulations, we recommend that it be amended to utilise this account for all cash transactions regarding the pension scheme, in particular the receipt of contributions. This will give the Fund greater clarity over the transactions undertaken by the scheme and demonstrate improved governance and compliance with regulations.</p>
Management response	<p>The establishment of a separate bank account for the pension fund and the desirability of placing individual financial transactions through the account was discussed at several Chamberlain's department meetings prior to implementation. It was however concluded that it would not be feasible to utilise the account for all cash transactions as this would require all feeder systems such as payroll, payment of creditors, income collection, to input directly into the account which would require major reconfiguration.</p> <p>It was concluded that a monthly 'reconciliation' of pension fund transactions between the City's and the pension fund accounts would be the optimum way forward and this was introduced. However, it is recognised that this arrangement is probably not "best practice" and pension fund accountants will re-examine the options with financial systems colleagues in due course.</p>

3. Current Accounting and Regulatory Issues

Upcoming financial reporting developments

For reference, the following developments in the pension industry may impact the governance arrangements and financial statements of the City of London Corporation Pension Fund.

Pensions Act 2013

The Pension Act 2013 has received Royal Assent in parliament and hence will come in to force from 2015. The key changes of the bill are:

- reform the state pension system through the introduction of a single-tier state pension;
- manage future changes to the State Pension age including bringing forward the increase in State Pension age to 67;
- reform the range of benefits associated with bereavement;
- boost the consolidation of small pension pots;
- introduce a new statutory objective for the Pensions Regulator; and
- strengthen existing legislation relating to occupational pensions.

It is anticipated that LGPS will begin to be regulated by the Pension Regulator as part of this bill from 2015. This will mean that the schemes will need to consider the guidance put in place by the regulator and comply with the best practice advice from 2015.

Further information can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/197840/pensions-bill-ia-summary.pdf

4. Other matters for communication

As part of our obligations under International Standards on Auditing (UK & Ireland), we are required to report to you on the matters listed below

Independence

We confirm that we comply with APB Revised Ethical Standards for Auditors and that, in our professional judgement, we are independent and our objectivity is not compromised.

Non-audit services

In our opinion there are no inconsistencies between APB Revised Ethical Standards for Auditors and the Fund's policy for the supply of non-audit services or of any apparent breach of that policy. To confirm we have not performed any non-audit services in the year or previous year.

Fees

Our fee for the audit of the 2013 accounts was £21,000 plus disbursements and VAT (2012: £35,000). Our fee is consistent with the scale fee determined by the Audit Commission.

Relationships

We are required to provide written details of all relationships between us and the audited entity, its trustees and senior management and its affiliates, including all services provided by us and the DTTL network to the audited entity, its trustees and senior management and its affiliates that we consider may reasonably be thought to bear on our objectivity and independence and the related safeguards that have been put in place. We can confirm that we are not aware of any such relationships.

5. Responsibility statement

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body and in this report is prepared on the basis of, and our audit work is carried out, in accordance with that statement.

Our audit was not designed to identify all matters that may be relevant to City of London Corporation Pension Fund and this report is not necessarily a comprehensive statement of all deficiencies which may exist in internal control or of all improvements which may be made.

This report has been prepared for the City of London Corporation, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

Deloitte LLP

Chartered Accountants
St Albans
23 July 2013

Appendix 1: Draft representation letter

Deloitte LLP

Our Ref: *DWB/HB/2013*

Date:

Dear Sirs

City of London Corporation Pension Fund (the “Fund”)

This representation letter is provided in connection with your audit of the financial statements of the fund for the year ended 31 March 2013 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Fund, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13, the financial transactions of the Pension Fund during the year ended 31 March 2013, and the amount and disposition of the fund's asset and liabilities as at 31 March 2013, other than liabilities to pay pensions and other benefits after the end of the fund year.

We acknowledge as members of City of London Corporations Pension Fund our responsibilities for ensuring that the financial statements are prepared which give a true and fair view, for keeping records in respect of active members of the Fund and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations.

1. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Fund have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of Officer and Committee member meetings, have been made available to you.
2. We acknowledge our responsibilities for the design, implementation and operation of internal control to prevent and detect fraud and error.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We are not aware of any significant facts relating to any frauds or suspected frauds affecting the Fund involving:
 - (i). management;
 - (ii). employees who have significant roles in internal control; or
 - (iii). others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the Fund's financial statements communicated by members, former members, employers, regulators or others.
6. We are not aware of any actual or possible instances of non-compliance with laws and regulations, the effects of which should be considered when preparing financial statements.

Appendix 1: Draft representation letter (continued)

7. Where required, the value at which assets and liabilities are recorded in the net asset statement is, in the opinion of the Authority, the fair value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Fund. Any significant changes in those values since the balance sheet date have been disclosed to you.
8. We confirm the completeness of the information provided regarding the identification of related parties, and the adequacy of related party disclosures in the financial statements.

We have made enquiries of any key managers or other individuals who are in a position to influence, or who are accountable for the stewardship of the Fund and confirm that we have disclosed in the financial statements all transactions relevant to the Fund and we are not aware of any other such matters required to be disclosed in the financial statements, whether under Statement of Recommended Practice – Financial Reports of Pension Schemes (revised May 2007) (“Pensions SORP 2007”), Code of Audit Practice on Local Authority Accounting in the United Kingdom in 2012/13: based on International Financial Reporting Standards or other regulations.

9. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to wind up the fund. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Fund’s ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
10. You have been informed of all changes to the Fund rules during the year and up to the current date.
11. We have not commissioned advisory reports which may affect the conduct of your work in relation to the Fund’s financial statements.
12. No claims in connection with litigation have been or are expected to be received.
13. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
14. There have been no events subsequent to 31 March 2013 which require adjustment of or disclosure in the financial statements or notes thereto.
15. There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.
16. The pension fund accounts and related notes are free from material misstatements, including omissions.
17. The Fund has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
18. The Fund has satisfactory title to all assets.
19. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.

Appendix 1: Draft representation letter (continued)

20. No transactions have been made which are not in the interests of the members of the Fund during the Fund year or subsequently.
21. We confirm that:
- all retirement benefits and schemes, including UK, foreign, funded or unfunded, approved or unapproved, contractual or implicit have been identified and properly accounted for;
 - all settlements and curtailments have been identified and properly accounted for;
 - all events which relate to the determination of pension liabilities have been brought to the actuary's attention;
 - the actuarial assumptions underlying the valuation of the scheme liabilities (including the discount rate used) accord with the directors' best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the business;
 - the actuary's calculations have been based on complete and up to date member data as far as appropriate regarding the adopted methodology; and
 - the amounts included in the financial statements derived from the work of the actuary are appropriate.
22. All trades in complex financial instruments are in accordance with our risk management policies, have been conducted on an arm's length basis and have been appropriately recorded in the accounting records, including consideration of whether the complex financial instruments are held for hedging, asset/liability management or investment purposes. None of the terms of the trades have been amended by any side agreement and no documentation relating to complex financial instruments (including any embedded derivatives and written options) and other financial instruments has been withheld.
23. We confirm that the Pension Fund Annual Report is compliant with the requirements of Regulations 34(1)(e) of the Local Government Pension Scheme (Administration) Regulations 2008 and related guidance.
24. We confirm that the information that is contained within the Pension Fund Annual Report and Accounts for the year to 31 March 2013 is complete, accurate and consistent with the information that is contained within the Accounts.

We confirm that the above representations are made on the basis of adequate enquiries of other officials of the Fund (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed on behalf of City of London Corporation Pension Fund

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Report – Finance Committee

Annual Reports and Financial Statements for Bridge House Estates, City's Cash Trusts and the Sundry Trusts 2012/13 and Auditors' Management Letter

To be presented on Thursday, 24th October 2013

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

On the 23rd May 1996, the Court authorised this Committee to approve, amongst other things, the Annual Reports and Financial Statements for Bridge House Estates, City's Cash Trusts and the Sundry Trust Funds. We have duly considered and approved the Annual Reports and Financial Statements for the year ending 31 March 2013. Copies of the Annual Reports and Financial Statements have been placed in the Members' Reading Room and are available from the Chamberlain. The management letter from Deloitte on its audit of the funds is attached for the information of the Court.

All of which we submit to the judgement of this Honourable Court.

DATED this 23rd day of July 2013.

SIGNED on behalf of the Committee.

ROGER CHADWICK
Chairman

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The City of London Corporation
Bridge House Estates and the
Charities

Report to the Audit and Risk
Management Committee on the
year ended 31 March 2013 Audit

The Chairman of the Audit and Risk Management Committee
City of London
PO Box 270
Guildhall
London EC2P 2EJ

11 July 2013

Dear Sir

We have pleasure in setting out in this document our report to the Audit and Risk Management Committee of the City of London for the year ended 31 March 2013, for discussion at the meeting scheduled for 23 July 2013. This report covers the principal matters that have arisen from our audit of Bridge House Estates ("BHE") and the Charities (the City's Cash Trust Funds, Sundry Trust Funds and The City of London Almshouses) (as listed in Appendix 4) for the year ended 31 March 2013.

In summary:

- The major issues, which are summarised in the Executive Summary, have now been addressed and our conclusions are set out in our report.
- There are a number of judgemental areas to which we draw your attention in our report which you should consider carefully.
- In the absence of unforeseen difficulties, officers and Deloitte expect to meet the agreed audit and financial reporting timetable.

We would like to take this opportunity to thank the Chamberlain, Chris Bilsland, Caroline Al-Beyerty and their team for their assistance and co-operation during the course of our audit work.



Heather Bygrave

Senior Statutory Auditor

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Executive summary

We have the pleasure in setting out in this document our report to the Audit and Risk Management Committee on the audits of Bridge House Estates and the Charities (the City's Cash Trust Funds, Sundry Trust Funds and The City of London Almshouses) (as listed in Appendix 4) for the year ended 31 March 2013. This report summarises the principal matters that have arisen from our audit for the year ended 31 March 2013.

This summary is not intended to be exhaustive but highlights the most significant matters to which we would like to bring to your attention. It should, therefore, be read in conjunction with the report and the appendices thereto.

Status	Description	Detail
Completion of the audit		
The status of the audit is as expected at this stage of the timetable	<p>The status of the audit is as expected at this stage of the timetable agreed in our audit plan.</p> <p>Items which remain outstanding at the date of this report include:</p> <ul style="list-style-type: none"> • Attendance at the closing meeting with the Chamberlain and Audit Panel; • Completion of internal quality review assurance and routine audit procedures; • Review of post balance sheet events; and • Receipt of the signed letters of representation. 	n/a
Overall view		
We anticipate issuing an unmodified audit opinion on the truth and fairness of the financial statements	<p>On satisfactory completion of the outstanding matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the financial statements.</p> <p>The matters that we have taken into account in forming our overall view are described in the following sections.</p>	n/a

Executive summary (continued)

Status	Description	Detail
 Risk appropriately addressed G	 Risk satisfactorily addressed but with unadjusted errors identified A	 Material unresolved matter R

Significant audit risks

There were no significant issues arising from our review of these audit areas

The audit risks which were communicated to you in our audit plan and the conclusion of our audit work thereon are set out below.

Section 1

Revaluation of investment property – BHE

 **G**

We have reviewed the adopted valuations in conjunction with our internal specialists and believe the valuations produced for Bridge House Estates as at 31 March 2013 representing an increase of £31.7m or 7.9% from 2011-12 are a reasonable reflection of their market value.

Revenue recognition – all entities

 **G**

We have audited the revenue recognised during the year with a specific focus on the completeness of rental income and service charges. We note that rental income decreased during the year primarily due to a decrease in the number of leases which reduced from 313 leases in 2011-12 to 279 leases in 2012-13. This is primarily attributable to vacant properties at 1-5 London Wall Buildings which are currently undergoing renovation to improve the marketability of these properties. We have not identified any issues with the recognition of revenue.

Accounting for Scholarships and Bursary Awards – the Schools Charities as marked with an * in Appendix 4

 **G**

We have audited the bursaries awarded during the year with a specific focus on the cut-off point of recording the awards for the summer term. There were no misstatements noted on the bursary awards as these had been accrued for the summer term. However, there were some scholarships which were paid post year end, which should have been accrued at 31 March 2013 in the accounts for The City of London School Bursary Fund and The City of London School for Girls Bursary Fund. The underaccrual on scholarships was immaterial but officers confirmed the errors and these have been adjusted. The details of the adjustments are shown in Appendix 1.

Management override of controls – all entities

 **G**

We have focused our work on testing of journals (including the use of computer assisted audit techniques), significant accounting estimates and any unusual transactions, including those with related parties. Our testing did not identify any issues in relation to management override of controls, or the assumptions which have been adopted in determining key accounting judgements.

Executive summary (continued)

Status	Description	Detail
Other issues		
A prior year adjustment was noted in The Vickers Dunfee Memorial Benevolent Fund	<p><u>Guildhall Improvement Project ("GIP")</u></p> <p>We consider that the amounts capitalised in the financial statements of BHE in relation to the Guildhall Improvement Project are appropriate. After discussions, the Officers have agreed to remove the disclosure of the Contingent Liability note in the 2012-13 BHE financial statements as the actual contract with the contractor of GIP and the resulting obligation lies with another entity under the City of London Corporation – City's Cash.</p> <p><u>VAT – BHE</u></p> <p>The City can recover input tax directly attributable to its exempt business activities where HMRC consider it to be an 'insignificant' proportion (less than 5%) of the total VAT incurred on all goods and services purchased for both business and non-business activities. Officers of the City have completed the calculation for the 2012-13 VAT partial exemption return which indicates that there is no breach of the 5% threshold.</p> <p><u>The Vickers Dunfee Memorial Benevolent Fund</u></p> <p>A prior year adjustment has been posted to the Vickers Dunfee Memorial Benevolent Fund. This arose as a result of a review carried out by officers during the year on the Endowment value which had been held historically at a value of £3,322 since the charity was set up in 1927. Officers estimated the value of the endowment held in the Charities Pool to be £139,396 at 31 March 2013. This value was tested for reasonableness by officers by applying long term growth rates to the earliest recorded investment value of £9,759 which was shown in the Charity Commission Scheme Document of 22 December 1961. An adjustment was required to reflect the transfer of £136,074 to the endowment fund from the unrestricted fund. This is just a reclassification of reserves and does not impact net assets in either the current year or prior year. As this reclassification was identified by the Officers prior to the commencement of the audit, it has not been included in Appendix 1.</p>	Section 2

Executive summary (continued)

Status	Description	Detail
Our observations on the “front half” of your annual report		
The “front half” of your annual report is consistent with the financial statements	<p>Overall the annual reports provide adequate detail to assist the readers in their understanding of the charities.</p> <p>The annual reports include the required disclosures under the Charities SORP 2005.</p>	Section 3
Risk management and internal control systems		
We did not identify any significant deficiencies in the financial reporting systems	<p>Our audit findings did not identify any significant deficiencies in the financial reporting systems.</p> <p>Section 4 sets out the risk management and internal control observations arising from our audit procedures.</p>	Section 4
Independence		
We confirm we comply with APB Revised Ethical Standards for Auditors	Our reporting requirements in respect of independence matters, including fees, are covered in Section 5.	Section 5
Identified misstatements and disclosure misstatements		
There were no unadjusted misstatements or disclosure deficiencies	<p>Audit materiality for BHE was £1.9m (2012 £1.7m). Audit materialities of the Charities are included in Appendix 4.</p> <p>Audit materiality for the other entities was set on the basis of incoming resources or net assets as appropriate.</p> <p>There were no unadjusted misstatements or disclosure deficiencies.</p>	Appendix 1
Significant representations		
We will request management representations	A copy of the representation letters to be signed on behalf of the City and The City of London Almshouses are included at Appendix 5. The letters remain the same as the previous year's letters.	Appendix 5

1. Significant audit risks

Investment properties (BHE)

● G

We believe the internal and external valuations produced for Bridge House Estates as at 31 March 2013 are a reasonable reflection of their market value

BHE has a substantial portfolio of investment properties which are subject to annual revaluation. These properties require the application of specialist valuation assumptions. The current and recent economic volatility has affected property values, generally, and BHE has recorded significant gains and losses over the last 3 years.

All properties are valued in accordance with the Royal Institution of Chartered Surveyors ("RICS") Appraisal and Valuation Manual ("the Red Book"). In March 2013, 54% of the BHE portfolio by capital value was valued externally by Cushman & Wakefield (compared to 58% valued by Montagu Evans in March 2012). The remainder of the portfolio was valued by the City Surveyors' Office.

A summary of the portfolio is shown below:

Market value at 1 April 2012	Additions	Disposals	Revaluations	Market value at 31 March 2013
£394.0m	£0.6m	Nil	£31.1m	£425.7m

The value of investment properties has increased by £31.7million from 2011-12, representing a like-for-like movement of +7.9%.

Deloitte response

Central London Office Market Commentary

Conditions within the London property market continue to improve. Leasing take-up rose by 2.6m sq ft, boosted by Google's 800,000 sq ft purchase at King's Cross Central. Availability rose by 8% to 17.9m sq ft, which remains at 9% below the long-term average. There is 9.0m sq ft under construction, one-third of which is already pre-let. Prime yields remained stable as investors continued to focus on Central London opportunities.

The Investment Property Databank ("IPD") index reports changes in capital values of various property types. Reported movements in Central London in the year to 31st March 2013 are summarised in the table below, and demonstrate that the performance of the BHE estate (like for like movement of 7.9%) is broadly in line with the London property market as BHE estate is spread across these 3 locations / property types:

Property Type	Change in Capital Value
Central & Inner London offices	+4.43%
City offices	+1.39%
Central London standard shops	+8.48%

There have been a range of valuation increases across the portfolio for various reasons including improved market conditions since March 2012 for prime assets and value gains derived via the pursuit of active asset management opportunities, which have in many instances, increased capital values.

Certain investments have outperformed IPD and increased in value, due to active asset management by the long leaseholder, a good example of which is demonstrated by Friars House. In this instance a comprehensive refurbishment and pre-let has increased the capital value of the ground lease interest by c. 50%.

1. Significant audit risks (continued)

Investment properties (BHE) (Continued)

Deloitte response

Whilst we note that Friars House has performed extremely well and the value of £5.7m (2012: £3.8m) is reasonable as at 31 March 2013, we recommend that its valuation is monitored in the coming year. This is because the valuation contains assumptions about the future head lease income which has not yet transpired.

Work performed:

We have evaluated BHE's arrangements for updating valuations, including the operation of its rolling programme of reviews and the qualifications, relevant experience and independence of the specialists utilised to carry out the valuations.

We involved valuation specialists from Deloitte as part of the engagement team to assist in our review of the valuation of investment properties in view of the size of this portfolio. We noted that the process followed in preparation of the valuations appears to be reasonable.

Our procedures performed identified that £454,000 had been double counted on the BHE balance sheet, whereby the City had recognised the full market value of investment properties whilst also recognising the lease incentive balance separately under debtors. Based on the guidance provided in the Charities SORP and UK GAAP accounting standard, UITF Abstract 28, lease incentives should be deducted from the investment property year end valuation so that the sum of investment properties and the lease incentive asset equates to the market value established in accordance with the Red Book.

An adjustment of £454,000 was made by officers as detailed in Appendix 1.

We believe the internal and external valuations produced for Bridge House Estates as at 31 March 2013 are a reasonable reflection of their market value, and are correctly recognised in the Annual Report following the audit adjustment.

1. Significant audit risks (continued)

Revenue recognition (All entities)

● G

Our testing has not identified any issues with the recognition of revenue

Deloitte response

Under ISA 240 (UK and Ireland) there is a presumption that each audit should recognise that potential fraud in revenue recognition is a significant risk. For BHE this has been identified as the completeness of rental income and service charges given its large property portfolio. Within each of the Charities, completeness of income has been identified as the specific risk.

BHE

We have held discussions with the officers to refresh our understanding of the process for recording rental income and service charges.

We reviewed the completeness of rental income and service charges given BHE's large property portfolio by performing the following procedures:

- Substantive analytical procedures have been performed on the investment property income balance with expectations based upon original budget figures;
- We selected a sample of new leases entered into 2012-13, tracing from original lease documentation through to the general ledger to verify that rental and service charge amounts had been billed in accordance with the terms of the lease and these amounts were accurately recorded in the correct period, and
- We note that rental income decreased during the year primarily due to a decrease in the number of leases which reduced from 313 leases in 2011-12 to 279 leases in 2012-13. This is primarily attributable to vacant properties at 1-5 London Wall Buildings which are currently undergoing renovation to improve the marketability of these properties.

We have not identified any issues with the recognition of revenue.

Charities

The material revenue stream for the Charities is investment income from units invested in the Charities Pool.

We have audited the completeness and accuracy of allocation of investment income from the Charities Pool by performing the following procedures:

- Confirmed opening units held in the Charities Pool to prior year signed accounts and verified all movements during the year to supporting documentation;
- Consulted with our internal Financial Investment Specialists team;
- Agreed samples of income to investment manager statements;
- Checked the accuracy of officer's calculations; and
- Re-performed the allocation split.

No issues were noted with our testing.

1. Significant audit risks (continued)

Accounting for bursary awards (the Schools Charities as marked with an * in Appendix 4)

● G

Our testing has not identified any issues with the recognition of revenue

In the prior year a review was performed of the commitment terms for a number of bursary awards. The assessment showed that there are a variety of terms and conditions attached to the bursary awards given by the schools. These include the statements that the awards are subject to annual review, that they are subject to sufficient funds being available and that they are subject to satisfactory conduct of the pupil in the view of the school head. The applicants are also duty bound to advise the schools of any change of circumstances.

It was concluded that the bursary could be withdrawn by the school following each annual assessment and therefore the funding commitment over the total bursary should not be recognised on the date of award. However, as the academic year end for each school is not coterminous with the financial year end 31 March, the funding commitment for the summer term should be recognised in the annual financial statements.

The Charities affected by the accounting for bursary awards are:

- City of London School Education Trust;
- Charities ICW City of London Freeman's School;
- City of London School Bursary Fund;
- City of London School for Girls Bursary Fund; and
- City of London Freeman's School Bursary Fund.

Deloitte response

We have held discussions with officers to determine that there has been no change in the terms and conditions attached to the bursary awards and that the recognition should be on annual basis in line with the school year for the reasons outlined above.

For a sample of bursaries we have requested the award letters and reviewed the terms and conditions attached, to determine whether the award has been treated correctly.

There were no misstatements noted on the bursary awards as these had been accrued for the summer term. However, there were some scholarships which were paid post year end, which should have been accrued at 31 March 2013 in the accounts for The City of London School Bursary Fund and The City of London School for Girls Bursary Fund. The underaccrual on scholarships was immaterial but officers confirmed the misstatement and these have been adjusted. The details of the adjustments are shown in Appendix 1.

1. Significant audit risks (continued)

Management override of controls (All entities)

● G

Our testing did not identify any issues with officers bias

Under auditing standards the risk of management override is explicitly identified as a non-rebuttable significant risk. Therefore specific procedures are required to evaluate officers' processes for addressing estimation uncertainty, unusual transactions, related party transactions and the use of journals.

Deloitte response

We have focused our work on testing of journals, significant accounting estimates and any unusual transactions, including those with related parties.

We have used computer assisted audit techniques to select our samples for testing of journals covering both manual and automated journals. We placed particular focus on manual journals which exhibit certain key identifying characteristics such as large revenue entries reversed after quarter end, entries with round numbers or recurring ending digits and large income statement entries posted before quarter end to name a few. Except for an internal control observation point surrounding the review and authorisation of journals discussed further in Section 4 below, we did not identify any other issues.

Our consideration of key accounting estimates focused on the significant judgements identified separately above as areas of audit risk.

We considered through our detailed planning procedures and substantive procedures whether there were any transactions where the business rationale was not clear. We did not identify any such transactions.

2. Other issues

We identified the following issues in our planning document, in addition to the significant risks detailed in Section 1:

Guildhall Improvement Project (GIP) & Bovis Claims

Background

Bovis were the main contractors for the Guildhall Improvement Project which undertook refurbishment works to the North Wing, the Old Library and the Old Museum. The practical completion certificate for this project was issued in February 2010 by the contract administrator, therefore providing Bovis with six months to submit their final claim for costs incurred. There has been minimal communication from Bovis since practical completion to substantiate their initial claim of £89.2 million. The City has engaged Northcroft, a consultant quantity surveyor, to provide an assessment of the potential future costs, and has accrued for the additional expenditure in line with the estimate provided by them.

City's Cash was the entity that contracted with Bovis and settled the invoices relating to the construction. A portion of this cost was then re-charged to BHE and City Fund.

We continue to identify this area as an area of focus as final negotiations could have a material impact on the financial statements.

Deloitte Response

We met with officers to update our understanding for the level of the accrual in City's Cash. As BHE capitalises its share of the GIP costs, any movement in the accrual made in City's Cash would result in a portion being recharged to BHE impacting the cost of the asset.

We have corroborated these discussions through examination of supporting documentation from third parties, including any updated reports from Northcroft, to assess whether the cost of the asset is appropriate.

After discussions, the Officers have agreed to remove the disclosure of the Contingent Liability note in the 2012-13 BHE financial statements as the actual contract with the contractor of GIP and the resulting obligation lies with another entity under the City of London Corporation – City's Cash.

We consider that the amounts recognised in BHE's financial statements are appropriate. They will, however, require regular review and reconsideration as discussions with Bovis progress to ensure that they remain materially correct.

2. Other issues (continued)

VAT (BHE)

Background

The City can recover input tax directly attributable to its exempt business activities where HMRC consider it to be an 'insignificant' proportion of the total VAT incurred ('insignificant' means that this input tax is less than 5% of the total VAT incurred on all goods and services purchased for both business and non-business activities).

The City is required to undertake a calculation for the VAT year ending 31 March 2013 to confirm that its input tax relating to exempt supplies did not exceed the 5% de minimis limit. The exempt input tax percentage has been calculated at 4.67%.

Officers have confirmed that they are satisfied with the calculation and that they do not expect a breach of the 5% de minimis level, however a number of errors were identified and corrected by the City during preparation of the 2012-13 calculation.

Deloitte response

We have reviewed the City's partial exemption calculation for 2012-13 in conjunction with our internal VAT specialists. The calculation of the 2012-13 VAT partial exemption return shows that the input tax relating to exempt supplies did not exceed the 5% de minimis limit.

We conclude that the methodology applied to the partial exemption calculation for 2012-13 is reasonable in establishing that a breach of the 5% de minimis level has not occurred.

Whilst we consider the calculation to be reasonable, we have not undertaken a detailed line-by-line review of the calculation. However, we have performed a review of the calculation on a sample basis and no errors were noted on the samples tested.

Confirmation that the calculation is accurate is included as a non-standard representation in the management representation letter. In addition, we have also raised the following recommendations.

To assist the City in its VAT compliance and to reduce the potential for errors or a breach of the 5% de minimis level occurring in future years, we recommend the following:

- The procedures for in-year monitoring continue to be developed;
- The development of partial exemption forecasting for future years is explored although it is recognised that the significant and unpredictable nature of some of the City's property transactions could compromise the accuracy of forecasts;
- Continuing to liaise with and instruct finance personnel, to minimise the likelihood of errors in VAT treatment – particularly in relation to income;
- In addition to the Group Accountant and the graduate trainee, one other individual be involved in the preparation and oversight of COL's partial exemption calculations to provide resilience;
- Subscriptions to VAT technical updates to be maintained for all personnel in the City involved in VAT accounting; and

2. Other issues (continued)

In addition to the issues above, we identified one further issue during performance of our audit procedures which is detailed below.

Prior period adjustment – The Vickers Dunfee Memorial Benevolent Fund

Background

A prior year adjustment has been posted to the Vickers Dunfee Memorial Benevolent Fund. This arose as a result of a review carried out by officers during the year on the Endowment value which had been held historically at a value of £3,322 since the charity was set up in 1927. Officers estimated the value of the endowment held in the Charities Pool to be £139,396 at 31 March 2013. This value was tested for reasonableness by officers by applying long term growth rates to the earliest recorded investment value of £9,759 which was shown in the Charity Commission Scheme Document of 22 December 1961. An adjustment was required to reflect the transfer of £136,074 to the endowment fund from the unrestricted fund. This is just a reclassification of reserves and does not impact net assets in either the current year or prior year. As this reclassification was identified by the Officers prior to the commencement of the audit, it has not been included in Appendix 1.

Deloitte response

We concur and agree with the assumptions and adjustment to the endowment fund.

3. Our observations on the “front half” of your annual report

We are required to read the “front half” of your annual report to consider consistency with the financial statements and any apparent misstatements. The following section summarises the regulatory requirements for narrative reporting applicable to charities subject to statutory audit in the UK along with other key areas of focus for the Financial Reporting Council:

Charities SORP

The trustees' annual report should provide a fair review of the charity's structure, aims, objectives, activities and performance to summarise what the charity has achieved in the year and what impact it has made.

The annual reports explain to the reader the basis for the charities and the way they carry out their business.

The annual reports include detailed information on aims, achievements, performance against charitable objectives and future plans.

We have completed a Charity SORP checklist to ensure that BHE's and the Charities financial statements contain the required disclosures.

Risk disclosures

The Charity Commission guidance requires that charities produce a risk management statement.

The disclosures in the annual reports explain the risk management processes put in place by the Trustee(s).

However, Section C4 of the Charity Commission's 'Charity and Risk Management (CC26)' guidance recommends the inclusion of a description of the major risks faced by larger charities or those with more complex activities as best practice. This is currently not disclosed in the annual report of Bridge House Estates.

Public Benefit Reporting

The Charity Commission published in 2008 guidance on public benefit reporting which stated that public benefit is an integral part of what every charity does and should be integrated into any overall report of the charity's activities and performance during the year.

The annual reports include a public benefit statement confirming that the Trustee(s) have referred to the Charity Commission guidance on public benefit when reviewing aims and objectives and when making future plans and setting policy.

Remuneration

"The Government continues to have concerns about the disconnect between how the largest companies perform and the rewards that are on offer."

Vince Cable September 2011

The BHE Annual Report explains that members of the City of London Corporation are unpaid and do not receive allowances in respect of City of London Corporation activities in the City.

As required by the Charity SORP the number of staff earning more than £60,000 is disclosed.

None of the Charities have staff earning more than £60,000. This has been appropriately disclosed.

4. Risk management and internal control systems

Our audit approach in relation to internal control was set out in our 'Briefing on audit matters' and our planning report circulated to you in December 2012.

Risk management and control observations

In addition to the recommendations provided in relation to significant audit risks, we also identified a number of risk management and control observations, the most significant of which are detailed below.

VAT

Prior year observation

The City encountered difficulties in completing the VAT partial exemption claim to fit with the audit timetable, due to the death of the highly experienced VAT accountant.

The calculation of the finalised claim for 2011-2012 was performed by a contractor and was received late in the audit process. We recommended the City should ensure that the knowledge gained from this temporary role is adequately captured and utilised in planning for future years and the timetable is again revisited.

Current year update

The City has recruited a Group Accountant for VAT, Research, Technical and Projects, and he is rapidly gaining knowledge and experience from the VAT Consultant. In addition, the City has recruited a Graduate Trainee assistant for the Group Accountant to assist on the VAT matters and is also recruiting a Senior Accountant to his team. The City decided to retain the services of the VAT consultant to ensure a smooth handover of duties and the consultant is currently still part of the team. The consultant undertook the Partial Exemption calculation this year, passing on his experience to the Group Accountant along the way. The calculation has been performed in a very precise manner, drawing on last year's experience and advice from PwC. The exempt input tax percentage has been calculated at 4.67%. Officers have confirmed that they are satisfied with the calculation and that they do not expect a breach of the 5% de minimis level.

The consultant also proposes to set up simplified procedures so that the Group Accountant can monitor the position on a quarterly basis as accurately as possible, thereby enabling him to advise officers of any concerns he may have at an early stage. However, we appreciate that it is difficult to accurately forecast future periods, given the City's perspective on property issues and management. The City's resilience with regard to VAT matters is thus enhanced this year.

Please see page 11 for recommendations.

The officers concur with the recommendations set out on page 11, most of which are already being progressed.

4. Risk management and internal control systems (continued)

Approval of journals

Prior year observation

The City introduced a new system in 2011-12 whereby all journal lines that have a value over £100,000 are retrospectively reviewed by a more senior member of staff. This was introduced following recommendations in previous years, to reduce the risk of errors arising from inappropriate journals going undetected. In the past we also noted that journals can be the means by which an individual might seek to hide fraud or commit fraud through manipulation of reported financial information. We reviewed the authorisation process in 2011-12 as part of our journals testing and no issues were noted.

Current year update

Current year testing of journals identified that the authorisation process was put in place; however, there are instances where this has been inconsistently followed. Two of our samples were not substantiated with evidence of authorisation although the entries were appropriate. We recommend that all officers maintain evidence of their reviews / authorisation via the sign off forms which indicate that the journal has been reviewed and approved, to ensure compliance with the controls in place in the journals review process.

4. Risk management and internal control systems (continued)

Investment Property Ownership

Current year observation

Testing of investment properties in BHE identified that no title deeds were held for 8 properties with a total valuation of £35.6m as at 31 March 2013. We had to perform alternative procedures such as verifying that rental income was derived from these properties to gain assurance that these properties were held by BHE. In particular, for one property (34 Engate Street, value £575k) there were no reasonable means by which BHE's ownership could be verified. We could not obtain evidence from the land registry and there were no title deeds in existence. Additionally there was no evidence of receipt of rental income in the current year, as the most recent lease agreement came to an end in June 2012 and was not subsequently renewed. We noted that negotiations for the granting of a new lease are on-going.

Lack of evidence to confirm ownership may potentially result in the recognition of assets on the balance sheet that the entity does not have rights to, resulting in an overstatement of the investment property balance. Therefore we recommend that there should be sufficient appropriate ownership evidence available in order that the ownership of all investment properties (across all entities) can be satisfactorily verified.

We note that a programme of title registration commenced in 1999, initially focusing on properties within the City boundaries. The next phase of the programme will cover the Open Spaces followed by properties outside the City boundaries. We note that the 34 Engate Street property is located outside the City boundaries in Lewisham. However, Officers are satisfied that they own the title to this property as they have collected rental income on this property until the expiry of the lease in June 2012 and there were no property disposals during the year. Furthermore, there hasn't been any challenge of ownership arising from previous sales of properties. We agree with management's justification and are satisfied given the inclusion of a specific representation confirming ownership of this property in the management representation letter. We support the City in continuing with the programme of title registration.

Officers comments

It is not unusual for organisations such as the City, which have a long history of land ownership, to own real property without having title registered at HM Land Registry or to be in possession of title deeds and documents. A significant amount of property was gifted or granted to the City some hundreds of years ago and in these cases, for example, no conventional title deeds would have been drawn up. The City is, however, continuing with its programme of title registration, albeit presently in respect of properties within the City boundaries.

In 1999 the Property Sub-Committee approved the City Surveyor's programme of researching and registering the City's unregistered freehold titles to its land holdings within the City. This programme is integral to the City fulfilling its property asset management responsibilities, while also taking account of Land Registry's target of achieving a comprehensive land register by 2017. Since the start of the registration project, title to 86 properties in the City has been registered as at February 2013.

4. Risk management and internal control systems (continued)

Open Spaces Capitalisation Policy

Current year observation

We note that the current capitalisation policy for all open space charities is £50,000. If this policy is applied for some of the smaller open space charities this could potentially result in material (refer appendix 4) capital items not being appropriately capitalised in accordance with accounting standards.

We understand that Officers do not anticipate spending material amounts on fixed assets for the Open Spaces Charities, and as such it is unlikely that material items which meet the definition of a fixed asset would be significant in any one year.

We recommend that the capitalisation spend is monitored in the smaller charities on an annual basis so that a material fixed asset is not expensed within the accounts.

Officers comments

At present there is no reference to the £50,000 capitalisation threshold in the accounting policy note of the Open Spaces charities. We will update the financial statement note to include this policy. In our opinion, it would not be pragmatic to administer an arrangement which has different thresholds for different services. Therefore, we propose to maintain the policy of having costs capitalised in accordance with a clearly stated policy.

5. Independence

As part of our obligations under International Standards on Auditing (UK & Ireland) and the Companies Act, we are required to report to you on the matters listed below.

Confirmation	
We confirm we comply with APB Revised Ethical Standards for Auditors	We confirm that we comply with APB Revised Ethical Standards for Auditors and that, in our professional judgement, we are independent and our objectivity is not compromised.

Non-audit services		
We confirm that our independence is not compromised by our provision of non-audit services	In our opinion there are no inconsistencies between APB Revised Ethical Standards for Auditors and the company's policy for the supply of non-audit services or of any apparent breach of that policy.	
	We apply the following safeguards to eliminate identified threats to independence or reduce them to an acceptable level are as follows:	
	Service provided	Identified threats to independence
Advice provided by Deloitte Real Estate (DRE) in relation to leasing matters	Self-review and management threat	We have discussed independence issues with officers in the current year. This work is performed by an independent partner and does not have a material impact on the valuation of the asset portfolio.

Fees	
The level of non-audit fees is within appropriate guidelines	An analysis of professional fees earned by Deloitte in the period from 1 April 2012 to 31 March 2013 is included in Appendix 3.

6. Responsibility statement

This report should be read in conjunction with the "Briefing on audit matters" circulated to you in our audit plan dated 3 December 2012 and sets out those audit matters of governance interest which came to our attention during the audit. Our audit was not designed to identify all matters that may be relevant to the board and this report is not necessarily a comprehensive statement of all deficiencies which may exist in internal control or of all improvements which may be made.

This report has been prepared for the City of London Corporation, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.



Deloitte LLP

Chartered Accountants

St Albans

11 July 2013

Appendix 1: Audit adjustments

Uncorrected misstatements

No uncorrected misstatements have been identified up to the date of this report.

Recorded audit adjustments

Officers have adjusted all misstatements identified in excess of our clearly trivial threshold (set at 5% of materiality). We report all individual identified recorded audit adjustments in excess of £96,000 for Bridge House Estates and other identified misstatements in aggregate adjusted by officers in the table below.

		Credit/ (charge) to current year income statement £'000	Increase/ (decrease) in net assets £'000	Increase/ (decrease) total funds £'000	Increase/ (decrease) in turnover £'000
Factual misstatements					
Bridge House Estates					
Investment Property Value	[1]	-	(454)	-	-
Revaluation Movement	[1]	-	-	454	-
Charities					
Epping Forest – accruals	[2]	-	196	-	-
Epping Forest – cash	[2]	-	(196)	-	-
Hampstead Heath – cash	[3]	-	20	-	-
Hampstead Heath – creditor	[3]	-	(20)	-	-
Hampstead Heath – grant received	[4]	(15)	-	-	-
Hampstead Heath – fixed assets	[4]	-	(15)	-	-
The City of London School Bursary Fund – scholarships	[5]	13	-	-	-
The City of London School Bursary Fund – accruals	[5]	-	-	(13)	-
City of London School for Girls Bursary Fund – scholarships	[5]	5	-	-	-
City of London School for Girls Bursary Fund – accruals	[5]	-	-	(5)	-
The City of London School Bursary Fund – Permanent endowment	[6]	-	-	119	-
The City of London School Bursary Fund – Expendable endowment	[6]	-	-	(119)	-

[1] As per Charities SORP and UK GAAP, UITF Abstract 28 states that where a lease incentive has been provided, the amount at which the property is reported should be (to avoid double counting) the open market value less the lease incentive reported as a separate asset. Testing revealed that only the movement between the prior year and current year balance had been excluded. However the total year end lease incentive balance should have been excluded. An adjustment for the difference was agreed with officers and corrected.

[2] Correction of an overaccrual for works being undertaken at Epping Forest.

Appendix 1: Audit adjustments (continued)

Recorded audit adjustments (continued)

[3] Correction of a misallocated payment.

[4] Correction of an overpayment of grant from City's Cash due to overaccrual. This was reversed by officers post year end.

[5] As per Charities SORP, grant liabilities should be recognised when an obligation arises. Testing revealed that an additional accrual for scholarships was required for The City of London Bursary Fund and The City of London Schools for Girls Bursary Fund. An adjustment was agreed with officers and corrected and details are shown as in the above table.

[6] The accounts of The City of London School Bursary Fund included a transfer for £118,595 from the expendable endowment fund to the permanent endowment. As there has been no change in the status of the endowment fund this was considered incorrect. An adjustment was agreed with officers and has been corrected.

Disclosure misstatements

Auditing standards require us to highlight significant disclosure misstatements to enable audit committees to evaluate the impact of those matters on the financial statements.

There are no significant disclosure misstatements that we consider require consideration by the committee.

Appendix 2: Important future developments

For reference, the following developments may impact Bridge House Estates and the Charities.

Summary updates

Digital Giving

It is recognised that the current gift aid system presents a number of obstacles to charities using new fundraising channels in the digital age such as text donations.

The Government launched a consultation on "Digital Giving" on 3 July 2013 with the aim of introducing proposals to make it easier to claim Gift Aid on donations to charity made through digital channels. The consultation document seeks specific proposals about the administration of Gift Aid, in particular changes to the Gift Aid declaration and allowing non-charity intermediaries a greater role in operating Gift Aid than currently. It also asks for views on aspects of a universal Gift Aid declaration database, and on other barriers charities may experience in attracting Gift Aid on donations.

Responses to the consultation are requested by 20 September 2013 and The Government would like to hear from charities, intermediaries, donors and any other interested parties by then with the aim of introducing new legislation in Finance Bill 2014 and/or 2015.

Approved alterations to listed buildings

There is a change to remove the VAT zero rate for approved alterations to protected buildings. This will apply to both listed residential dwellings as well as listed buildings used for charitable and other residential purposes. It does not apply to supplies of repairs and maintenance which are already subject to VAT.

Energy saving materials in charity buildings

At present, the installation of energy saving materials in buildings used for non-business purposes by charities qualifies for the 5% rate of VAT. Legislation to remove the relief from such work (and hence to make it liable to VAT at the standard rate) is to be introduced in the Finance Bill 2013. The 5% rate will continue to be available for energy saving materials installed in residential accommodation (including that owned and operated by charities).

VAT cost-sharing exemption

The VAT cost-sharing exemption is a provision in EU law that allows businesses and organisations making VAT exempt and/or non-business supplies to form cost-sharing groups to achieve cost savings and economies of scale whilst reducing the burden of irrecoverable VAT. The Government is planning to introduce this provision into UK legislation. Currently, the irrecoverable VAT creates a barrier to the sharing of costs and services by these businesses and organisations. The cost-sharing exemption aims to remove this barrier in certain circumstances.

Appendix 2: Important future developments (continued)

Summary updates

Changes to pensions legislation

New legislation will soon come into effect requiring businesses to automatically enrol their new employees into a qualifying pension scheme. These new duties, designed to increase levels of workplace pension saving, are being staged in between 1 October 2012 to 1 February 2017 - starting with larger employers first.

The duties will apply to a new tranche of employers on a monthly basis. By 1 January 2014, any employer with 350 or more staff on its books will be obliged to enrol those employees who are eligible into a Qualifying Pension Scheme. The phasing will apply to employers with less than 350 staff over the remaining period to 1 February 2017, more information is available at: <http://www.legislation.gov.uk/ukxi/2010/4/regulation/4/made>

Eligible employees must be auto-enrolled into a Qualifying Pension Scheme that provides minimum levels of benefits. Where the employer uses a defined contribution arrangement, the employer will have to ensure that at least a minimum level of contributions are paid. The minimum level of contributions will be phased in rising to 8% of Qualifying Earnings, of which the employer will have to pay at least 3%. Qualifying Earnings are earnings between £5,564 and £42,475.

Although this impacts on an employer's pension provision, it is not just a pension's issue. Achieving compliance is likely to require changes to payroll, HR and communications processes. Proactive planning now can help employers identify what they need to do to comply with the new duties as well as what options are available to mitigate any increase in costs and disruption to existing business processes.

Charity Commission publications

In March 2013 the Charity Commission published an independent research report into "**charities and social investment**". The research aimed to explore the regulatory risks, challenges and opportunities facing charities and gain insight into the likely development of the social investment market over the next 5 years.

The Charity Commission issued advice in February 2013 in its **Safer giving alert** reminding charities how to minimise the risk posed by bogus fundraising collectors. The advice includes reminding charities to collect back promptly from volunteer collectors any official material, such as identity badges, collecting tins, etc.

The Charity Commission published guidance in January 2013 to "**help trustees protect their charities from abuse for extremist purposes**". The guide explains trustees' duty to prevent their charity being used to promote extremist views and the toolkit also suggests steps trustees can take to minimise risks associated with particular activities, such as organising public events and debates and circulating information. It is aimed at charities hosting regular events involving external speakers and those with educational purposes that distribute material and information.

The Charity Commission has published a checklist in December 2012 for Trustee Boards entitled **Big Board Talk - 15 questions Trustees need to ask**. The checklist is designed to be used as a template to help structure discussion or prompt agenda items at board meetings, away days or planning meetings. The areas of focus are strategy, financial health, governance and making the best of resources.

Appendix 2: Important future developments (continued)

Summary updates

New UK GAAP

FRS 102 "The Financial Reporting Standard Applicable in the UK and Ireland" was published in March 2013 and replaces current UK GAAP.

For periods beginning on or after 1 January 2015, charities will need to move to FRS 102. However, the FRSSE will continue to be an option for those within its scope, regardless of whether they currently adopt it. The option to move to EU-adopted IFRSs or FRS 101 remains unavailable to charities.

A new Charities SORP will assist in interpretation of the new standard, with consultation expected during the summer of 2013. It is not expected that early adoption of the SORP or FRS 102 will be possible. The revised SORP will be modular in approach and amongst other changes is expected to set out a simplified SOFA, and place greater emphasis on the disclosures relating to risk management and going concern in the trustees report.

The most significant changes are expected to be in the areas of cash flows, donated income, accounting for grants, investment property, listed investments, financial instruments, and foreign currency.

Appendix 3: Independence – fees charged during the year

The professional fees earned by Deloitte in the year ended 31 March 2013 across all Bridge House Estates and the Charities are as follows.

We have not included those fees earned by Deloitte in respect of the Corporation of London City's Cash and City Fund entities as these will be separately reported to the Audit and Risk Management Committee:

	Current year £	Prior year £
Audit of Corporation of London Charity entities:		
Bridge House Estates & the Charities	41,514	41,514
Charities one-off fee for reorganisation	n/a	6,100
Total audit fees	41,514	47,614
Other services		
Deloitte Real Estate services*:		
Bridge House Estates	5,000	6,500
Total non-audit services	5,000	6,500
Total fees	46,514	54,114

* The Deloitte Real Estate services relate to planning and development services comprising of consultancy advice and sales of real estate for development.

Appendix 4: List of entities

The list of entities on which we have reported on, and which are covered by this document are included in the table below. We have included in the table incoming resources, surplus/deficit and net assets along with the materiality level we have used during the audit. Materiality was calculated based on either the net assets of the entity or incoming resources.

Detailed planning and risk assessments were carried out for each entity and the key risks and other issues we identified during the audit have been discussed in the body of the report above. Our testing was particularly focused on investments, income completeness and grants.

With the exception of the matters referred to in the main body of the report, there were no major issues encountered during our testing, however we do note that there are procedures remaining to be completed which are detailed in the executive summary.

* The following Charities (collectively known as 'the Schools Charities' for the purposes of this report) are affected by the significant audit risk – Accounting for bursary awards in Section 1 of this report.

Appendix 4: List of entities (continued)

Activities	Incoming resources £	Surplus/ (Deficit) £	Net Assets £	Materiality £
Bridge House Estates	43,200,000	89,600,000	959,600,000	1,900,000
Corporation of London Charities Pool Investments pool for Sundry Trusts	4,292,922	5,726,433	18,418,005	552,540
Hampstead Heath Trust Fund To manage Hampstead Heath	1,127,754	3,182,959	26,907,318	807,220
Guildhall Library Centenary Fund Education and training, to provide library, archives, museum, and gallery services	545	2,137	19,836	595
City Educational Trust Fund Grants for education	103,228	306,532	3,193,843	95,815
City of London School Education Trust* Advancing education	1,363	(8,172)	5,187	95,815
The City of London Corporation Combined Relief of Poverty Charity Relief of poverty	3,964	10,211	142,621	4,279
Charities Administered in Connection with The City of London Freeman's School * To provide prizes in various subjects	10,332	13,291	151,908	456
City of London School Bursary Fund* Promotion of education through scholarships and prizes	220,288	454,861	2,927,235	88,217
City of London School for Girls Bursary Fund* Promotion of education through bursaries	552,251	183,063	3,530,505	106,061
City of London Freeman's School Bursary Fund* Promotion of education through bursaries	18,792	74,237	676,595	20,298
Emanuel Hospital Payment of pensions of poor people	54,592	213,753	2,054,433	61,633
Sir William Coxen Trust Fund Income applied for the benefit of Orthopaedic Hospitals	111,815	375,867	2,381,506	71,445

Appendix 4: List of entities (continued)

Activities	Incoming resources £	Surplus/ (Deficit) £	Net Assets £	Materiality £
Signore Pasquale Favale Bequest To provide marriage dowries	321	973	11,422	343
Samuel Wilson's Loan Trust Grants loans to young people at a low rate of interest	54,180	218,981	1,834,781	55,043
Vickers Dunfee Memorial Benevolent Fund Relief for distressed past and present Members of the City of London Police	5,328	5,298	58,674	5,439
King George's Field – City of London Open space for sports, games and recreation	22,419	-	-	1,121
The City of London Almshouses Almshouses for poor or aged people	324,954	28,375	1,249,055	37,472
Sir Thomas Gresham Charity To provide a programme of public lectures	36,496	67	535	1,825
Ashted Common Preservation of the common at Ashted	563,849	-	-	19,082
Burnham Beeches Preservation of the Open Space known as Burnham Beeches	939,947	(3,349)	837,883	27,067
Epping Forest Preservation of Epping Forest in perpetuity	7,010,713	562,120	6,471,222	138,405
Hampstead Heath Preservation of Hampstead Heath for the recreation and enjoyment of the public	8,436,216	(173,634)	27,958,984	155,814
Highgate Wood and Queen's Park Kilburn Preservation of the Open Spaces known as Highgate Wood and Queen's Park Kilburn	1,334,403	(5,553)	421,257	36,294
West Ham Park To maintain and preserve the Open Space known as West Ham Park	1,430,079	9,140	149,380	38,516
West Wickham Common and Spring Parks Wood, Coulsdon and other Commons Preservation of West Wickham Common and Spring Parks Wood, Coulsdon and other Commons	1,355,775	-	-	36,590

Appendix 5: Management representation letters – Bridge House Estates and the Charities

Included in this appendix are two management representation letters, one for Bridge House Estates and the Charities and a separate letter for The City of London Almshouses, a registered social landlord which requires a management representation letter referring to the Housing Act 1996.

Bridge House Estates and the Charities

Note: Non-standard representations have been included in points 6 and 12 to 18 and are consistent with the prior year. These are highlighted in yellow for reference. Appendix 1 & 2 are not shown as the information is provided elsewhere within this document.

The Chamberlain of London
City of London
PO Box 270
Guildhall
London EC2P 2EJ

Date: [xx] July 2013

Our Ref: HAB/SRC/LC

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Bridge House Estates ("BHE") and the Charities (as listed at Appendix 2) for the year ended 31 March 2013 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of these charities as of 31 March 2013 and of the results of its operations, other recognised gains and losses and its cash flows for the year then ended in accordance with the applicable accounting framework and the Charities Act 2011.

We acknowledge as trustees our responsibilities for preparing financial statements for the charities which give a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework and the Charities Act 2011 which give a true and fair view, as set out in the terms of the audit engagement letter.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of FRS8 "Related party disclosures".

Appendix 5: Management representation letters (continued) – Bridge House Estates and the Charities

4. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements and disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements and disclosure deficiencies is detailed in Appendix 1 to this letter.
6. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to liquidate the charities or cease trading as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the charities' ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
7. Having considered our income streams and based on officers' close monitoring of donations, response rates and appeals for funds we are satisfied that the total value of income as reported is not materially misstated.
8. All grants, donations and other incoming resources, the receipt of which is subject to specific restrictions, terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
9. All constructive obligations for grants meeting the conditions set out in FRS 12 "Provisions, Contingent Liabilities and Contingent Assets" and the Charities SORP have been recognised in the financial statements.
10. We have drawn to your attention all correspondence and notes of meetings with regulators, including, any serious incident reports.
11. We consider there to be appropriate controls in place to ensure overseas payments are applied for charitable purposes.
12. Except as disclosed in Note 16 to the BHE accounts, as at 31 March 2013 there were no significant capital commitments contracted for by any of the charities.
13. The charities have satisfactory title to all assets and there are no liens or encumbrances on the charities assets.
14. We are of the opinion that the property valuations at 31 March 2013 as updated from the internal valuations at 31 March 2012 are not materially misstated. It is our opinion that the property listing provided by the City of London is complete and includes all properties owned by the City of London. Furthermore, we are not aware of any current disputes regarding ownership of any properties within our current portfolio.

Appendix 5: Management representation letters (continued) – Bridge House Estates and the Charities

15. We are of the opinion that the costs involved in the reconstruction or analysis of past accounting records of heritage assets (bridges) or in valuation are onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the assets.
16. In our professional opinion, the input tax relating to exempt supplies is not expected to exceed the 5% de minimis limit for the years ended 31 March 2011, 31 March 2012, 31 March 2013 and as such, the City expects to be able to recover any of the input tax relating to exempt supplies.
17. That the split of venture capital investments recognised in BHE accounts, being 28% of the fund held by City's Cash, BHE and the Pension Fund, represents an accurate allocation to BHE.
18. We have satisfactory title to all assets and there are no liens or encumbrances on the entity's assets and assets pledged as collateral. We confirm that we own satisfactory title to 34 Engate Street, Lewisham.

Information provided

19. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
20. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
21. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
22. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
23. We are not aware of any material fraud or suspected fraud that affects the entity or group and involves:
 - (i). officers;
 - (ii). employees who have significant roles in internal control; or
 - (iii). others where the fraud could have a material effect on the financial statements.

Appendix 5: Management representation letters (continued) – Bridge House Estates and the Charities

24. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations and contractual agreements whose effects should be considered when preparing financial statements.
25. We have disclosed to you the identity of the charities' related parties and all the related party relationships and transactions of which we are aware.
26. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework. On the basis of legal advice we have set them out in the attachment with our estimates of their potential effect. No other claims in connection with litigation have been or are expected to be received.
27. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

We confirm that the above representations are made on the basis of adequate enquiries of officers and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed on behalf of the Trustees

Appendix 5: Management representation letters (continued) – The City of London Almshouses

The City of London Almshouses

The Chamberlain of London
City of London
PO Box 270
Guildhall
London
EC2P 2EJ

Date: [xx] July 2013

Our Ref: HAB/SRC/LC

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of The City of London Almshouses for the year ended 31 March 2013 for the purpose of expressing an opinion as to whether the final statements give a true and fair view of the financial position of this charity as of 31 March 2013 and of the results of its operations, other recognised gains and losses and cash flows for the year then ended in accordance with the applicable accounting framework and the Charities Act 2011 and the Housing Act 1996.

We acknowledge as trustee our responsibility for preparing financial statements for the charity which give a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework and the Charities Act 2011 and the Housing Act 1996 which give a true and fair view, as set out in the terms of the audit engagement letter.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of FRS8 "Related party disclosures".
4. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements and disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements and disclosure deficiencies is detailed in the appendix to this letter.

Appendix 5: Management representation letters (continued) – The City of London Almshouses

6. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to liquidate the charity or cease trading as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the charity's ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
7. Having considered our income streams and based on management's close monitoring of donations, response rates and appeals for funds we are satisfied that the total value of income as reported is not materially misstated.
8. All grants, donations and other incoming resources, the receipt of which is subject to specific restrictions, terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
9. All constructive obligations for grants meeting the conditions set out in FRS 12 "Provisions, Contingent Liabilities and Contingent Assets" and the Charities SORP have been recognised in the financial statements.
10. We have drawn to your attention all correspondence and notes of meetings with regulators, including, any serious incident reports.
11. We consider there to be appropriate controls in place to ensure overseas payments are applied for charitable purposes.
12. Except as disclosed in the notes to the Almshouses accounts, as at 31 March 2013 there were no significant capital commitments contracted for by the charity.
13. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets.
14. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

Information provided

15. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
16. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

Appendix 5: Management representation letters (continued) – The City of London Almshouses

17. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
18. We are not aware of any fraud or suspected fraud that affects the entity or group and involves:
 - (iv). management;
 - (v). employees who have significant roles in internal control; or
 - (vi). others where the fraud could have a material effect on the financial statements.
19. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
20. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations and contractual agreements whose effects should be considered when preparing financial statements
21. We have disclosed to you the identity of the charity's related parties and all the related party relationships and transactions of which we are aware.
22. No claims in connection with litigation have been or are expected to be received.
23. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed on behalf of the Trustee

The City of London Corporation

Appendix 6: Additional resources available to you

Additional information on current and future technical developments

Life is change. Growth is optional



The challenges facing the charity and not for profit sector are putting organisations under pressure to do more with less and engage on public service delivery and deliver more for their partners and donors. Finding new ways of working with and benefitting from supporters, large and small, is therefore essential.

The donor landscape is changing and corporate partnerships which were typically based on the company simply raising cash for the charity now need to be richer, deeper and mutually beneficial relationships. Harnessing the expertise and insight of a business partner can have a more dramatic impact than traditional financial support.

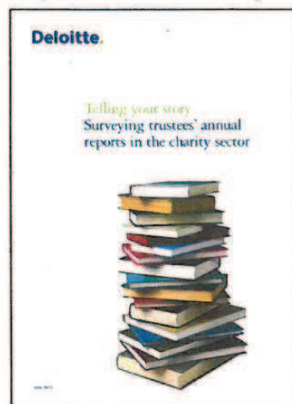
Similarly, individual donors are becoming increasingly insistent on seeing tangible results for how their money is spent. Charities therefore need to give evidence of successful outcomes while driving down costs and communicating effectively with the public.

The publication can be found via:

https://www.deloitte.com/view/en_GB/uk/industries/charities-not-for-profit/8c7fb432dcbd1310VgnVCM3000001c56f00aRCRD.htm#.UctR3o1s69w.e
[mail](#)

Additional information on current and future technical developments

Telling Your Story - Surveying Trustees' Annual Reports in the charity sector



As the pressure has increased on charities to report more effectively on the impact of their achievements, the way they 'tell their story', has become more critical and attracted more interest amongst the users of Annual Reports.

It is surprising however, that even now some major charities fail to connect effectively with the users of the annual report of trustees.

Competition for donors is fierce and an accessible, appealing report clearly demonstrating the achievements of the charity and its value to the wider society is likely to draw more interest.

Times are hard; only charities with not just a story to tell but who tell it well are likely to succeed with others may fail.

As the pressure has increased on charities to report more effectively on the impact of their achievements, the way they 'tell their story', has become more critical and attracted more interest amongst the users of Annual Reports.

We have recently published "Telling Your Story - Surveying Trustees' Annual Reports in the charity sector"

The publication can be found via:

https://www.deloitte.com/view/en_GB/uk/industries/charities-not-for-profit/03187f0e25648310VgnVCM2000001b56f00aRCRD.htm#.UctQZlrSXRg.e
[mail](#). Alternatively, please speak to Heather Bygrave who will provide you with copies or add you to our mailing list.

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Agenda Item 19

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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