



Finance Committee – Appendices Pack

Date: TUESDAY, 16 SEPTEMBER 2025

Time: 1.30 pm

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

Members:

Deputy Henry Colthurst (Chairman)	Deputy Ann Holmes
Deputy Andrien Meyers (Deputy Chair)	Sandra Jenner
Shahnan Bakth	Deputy Paul Martinelli
Alderman Alexander Barr	Alderman Bronek Masojada
Deputy Emily Benn	Deputy Benjamin Murphy
Nicholas Bensted-Smith	Alderman Jennette Newman
Deputy Timothy Butcher	Fraser Peck
Deputy Bethany Coombs	Sushil Saluja, Coleman Street
Deputy Anne Corbett	Hugh Selka
Elizabeth Corrin	Deputy Oliver Sells KC
Simon Duckworth OBE DL	Deputy Sir Michael Snyder
Susan Farrington	James St John Davis
Steve Goodman OBE	Deputy James Thomson CBE
Alderman Martha Grekos	James Tumbridge
Deputy Madush Gupta	Mark Wheatley
Stephen Hodgson	Deputy Christopher Hayward, Policy and Resources Committee (Ex-Officio Member)
Adam Hogg	

Enquiries: John Cater

Accessing the virtual public meeting

Members of the public can observe all virtual public meetings of the City of London Corporation by following the below link:

<https://www.youtube.com/@CityofLondonCorporation/streams>

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one civic year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

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

**Ian Thomas CBE
Town Clerk and Chief Executive**

AGENDA

7. CITY RE LIMITED – PERFORMANCE MONITORING

Report of the Chamberlain.

For Information
(Pages 193 - 214)

11. CHAMBERLAIN'S BUSINESS PLAN Q1 REPORT

Report of the Chamberlain.

For Information
(Pages 215 - 218)

12. RISK MANAGEMENT UPDATE REPORT

Report of the Chamberlain.

For Information
(Pages 219 - 240)

20. CONTINUATION OF WASTE MANAGEMENT SERVICE CONTRACT

Report of the Executive Director, Environment.

For Decision
(Pages 241 - 250)

21. EXTENSION OF WASTE COLLECTION, STREET CLEANSING AND ANCILLARY SERVICES CONTRACT

Report of the Executive Director, Environment.

For Decision
(Pages 251 - 260)

25. PROVISION FOR BAD AND DOUBTFUL DEBTS

Report of the Chamberlain.

For Information
(Pages 261 - 262)

30. MPO DASHBOARDS REPORTING

Report of the Chamberlain.

For Information
(Pages 263 - 270)

31. **NON-PUBLIC APPENDIX - CENTRAL CONTINGENCIES**

For Information
(Pages 271 - 272)

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(Guernsey) Limited
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Company Number: 65985

Our Ref: 2140/0205

15 July 2025

The Directors
City Re Ltd
PO Box 155
Mill Court
La Charroterie
St Peter Port
GY1 4ET

Dear Directors,

**CITY RE LIMITED (THE 'COMPANY')
MANAGEMENT AND GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2025**

The purpose of this letter is to provide the directors with constructive observations arising from the audit process. We set out below details of any expected modifications to our audit report, details of any uncorrected misstatements in the financial statements (except any misstatements which are clearly trivial) including the effect of uncorrected misstatements related to prior periods on the current period, any material weaknesses in systems we have identified during the course of our audit work and our views about the quality of accounting practices and financial reporting procedures, and any other relevant matters.

Our procedures are carried out solely for the purpose of our audit so that we can form and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Our audit does not necessarily disclose every weakness and for this reason the matters referred to below may not be the only shortcomings which exist.

We take this opportunity to remind you that:

- This report has been prepared for the sole use of the company;
- It must not be disclosed to any third party without our written consent; and
- No responsibility is assumed by us to any other person who may choose to rely on it for his or her own purposes.

Independence

The engagement team and the firm have complied with relevant ethical requirements regarding independence. There are no relationships between the firm, network firms and the Company that may reasonably be thought to affect our independence.

Expected modifications to the audit report

We do not expect to make any modifications to our audit report. However, our responsibilities with regard to the audit report extend up to the date on which it is signed and we will advise you of any changes to this position if necessary.

Unadjusted misstatements

There were no unadjusted misstatements noted during the audit, excluding those that we consider to be trivial.

Qualitative aspects of accounting practice and financial reporting

During the course of our audit, we consider the qualitative aspect of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. We have discussed with the Company the following observations:

- The appropriateness of the accounting policies to the particular circumstances of the company;
- The timing of transactions and the period in which they are recorded;
- The appropriateness of accounting estimates and judgements, including the consistency of assumptions and degree of prudence reflected in the accounting records;
- The potential effect on the financial statements of any uncertainties including significant risks and disclosures, such as pending litigation that are required to be disclosed in the financial statements.
- Material uncertainties related to events and conditions that may cast significant doubt on the company's ability to continue as a going concern;
- The extent to which the financial statements are affected by any unusual transactions during the period and the extent to which such transactions are separately disclosed in the financial statements;
- Apparent misstatements in the directors' report or material inconsistencies with the audited financial statements;
- Disagreements about matters that, individually or in aggregate, could be significant to the company's financial statements or the auditor's report. These communications include consideration of whether the matters have or have not been resolved and the significance of the matters.
- Significant difficulties, if any, encountered during the audit.
- Significant matters, if any, arising from the audit that we discussed, or subject to correspondence with management; and written representations the auditor is requesting from management.

Accounting system and internal controls

During the course of our audit of the financial statements for the above year we examined the principal internal controls which the directors have established to enable them to ensure, as far as possible, the accuracy and reliability of the company's accounting records and to safeguard the company's assets.

We are pleased to report that there are no significant weaknesses in control which came to our notice during the audit.

Concluding remarks

We shall be pleased to supply you with any further information you may require.

Yours faithfully,

A handwritten signature in black ink that reads "Moore Stephens". The signature is written in a cursive, flowing style.

Moore Stephens Audit and Assurance (Guernsey) Ltd

CITY RE LIMITED

Directors' Report and Financial Statements

For the year ended 31 March 2025

CITY RE LIMITED

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CITY RE LIMITED

CORPORATE INFORMATION

DIRECTORS:

Mr G A Hollingsworth
Ms C Al-Beyerty
Mr H Colthurst
Mr S A Le Prevost (resigned 10 December 2024)

INSURANCE MANAGER:

Marsh Management Services Guernsey Limited
Mill Court
La Charroterie
St Peter Port
Guernsey
GY1 4ET

SECRETARY:

Marsh Management Services Guernsey Limited
Mill Court
La Charroterie
St Peter Port
Guernsey
GY1 4ET

REGISTERED OFFICE:

PO Box 155
Mill Court
La Charroterie
St Peter Port
Guernsey
GY1 4ET

AUDITOR:

Moore Stephens Audit and Assurance (Guernsey) Limited
Level 2, Park Place
Park Street
St Peter Port
Guernsey
GY1 3HZ

CITY RE LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2025.

INCORPORATION

The Company was incorporated in Guernsey, Channel Islands on 20 December 2010 with registered number 52816. It operates in accordance with the provisions of The Companies (Guernsey) Law, 2008 and The Insurance Business (Bailiwick of Guernsey) Law, 2002 to carry out general insurance business, excluding domestic business.

ACTIVITIES

The principal activity of the Company during the year was to provide re-insurance protection to the RSA Group on the risks associated with material damage and loss of rent for the City of London's property portfolio.

RESULTS

The results for the year are shown on page 9.

DIVIDENDS

During the year a dividend was proposed in the sum of £100,000 but was not paid until after the year end (See Note 16) (2024 Declared and paid: £500,000).

DIRECTORS

The directors of the Company who held office during the period are detailed on page 3.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

The Auditor, Moore Stephens, has indicated its willingness to continue in office and offers itself for re-appointment at the forthcoming Annual General Meeting.

GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. of the Company. Therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

Approved by the Board of Directors and signed on behalf of the Board

Director:



Director:



Date:

11 July 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Financial Reporting Standard 103 "Insurance Contracts". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY RE LIMITED

Opinion

We have audited the financial statements of City Re Limited ("the Company") for year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Financial Reporting Standard 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and The Insurance Business (Bailiwick of Guernsey) Law, 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)'). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised or issued.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by the law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY RE LIMITED (Continued)

Matters on which we are required to report by exception (continued)

We have nothing to report in respect of the following matters where The Insurance Business (Bailiwick of Guernsey) Law, 2002 requires us to report to you if, in our opinion:

- the information given in the annual return prepared pursuant to section 33 is consistent with the financial statements; or
- there is any transaction outside of business which resulted in the statement of financial position showing a situation materially different from that of which would otherwise have obtained, and which is not adequately disclosed in the financial statements.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are UK Generally Accepted Accounting Practice, The Companies (Guernsey) Law, 2008, and The Insurance Business (Bailiwick of Guernsey) Law, 2002.
- We obtained an understanding of how the company complies with these requirements by discussions with management and examination of various statutory documentation such as the minutes and compliance reports.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.
- We inquired of management as to any known instances of non-compliance or suspected non-compliance with laws and regulations and examined correspondence with the GFSC and legal advisors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY RE LIMITED (Continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We assessed the information to be submitted to the GFSC together with the audited financial statements on the annual Insurer's Return such as the Regulatory and Solvency Assessment and confirmed that the information was appropriate and materially correct.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 36 of the Insurance Business (Bailiwick of Guernsey) Law, 2002. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



MOORE STEPHENS AUDIT AND ASSURANCE (GUERNSEY) LIMITED

Level 2 , Park Place
Park Street
St Peter Port
Guernsey, GY1 3HZ

Date 15 July 2025

CITY RE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

		31 Mar 2025	31 Mar 2024
	Notes	£	£
CONTINUING OPERATIONS			
REVENUE			
Gross premiums written	2	2,715,856	2,737,891
Change in unearned premium provision	2	40,562	(100,825)
Premium earned for the year		2,756,418	2,637,066
UNDERWRITING EXPENSES			
Claims charge	2	(1,736,756)	(1,976,992)
Claims reserve movement - outstanding loss reserves	2	(507,513)	341,748
IBNR reserve movement		(253,962)	-
Commission	2	(82,693)	(79,112)
Total underwriting expenses		(2,580,924)	(1,714,356)
UNDERWRITING RESULT FOR THE YEAR		175,494	922,710
Interest income	2	255,470	223,558
Administrative expenses	6	(91,505)	(91,094)
PROFIT BEFORE TAXATION		339,459	1,055,174
Taxation	5	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		339,459	1,055,174

The notes on pages 13 to 20 form part of these financial statements.

CITY RE LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	Notes	31 Mar 2025 £	31 Mar 2024 £
CURRENT ASSETS			
Deferred commission		59,611	60,828
Insurance receivables		2,625,811	111,966
Accrued interest		59,689	23,207
Prepaid expenses		7,460	5,381
Short term Investments		3,000,000	1,000,000
Cash and cash equivalents		1,781,585	5,222,369
TOTAL ASSETS		7,534,156	6,423,751
EQUITY AND LIABILITIES			
Issued capital	7	750,000	750,000
Retained earnings		904,545	665,086
TOTAL EQUITY		1,654,545	1,415,086
LIABILITIES			
Trade and other payables	8	305,007	154,974
TECHNICAL RESERVES			
Unearned premium reserve	2	1,987,024	2,027,586
Claims reserves	9	3,587,580	2,826,105
TOTAL EQUITY AND LIABILITIES		7,534,156	6,423,751

These financial statements were approved by the Board of Directors at a meeting on 11 July 2025

Signed on behalf of the Board of Directors


Director

Director 

The notes on pages 13 to 20 form part of these financial statements.

CITY RE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital	Retained Earnings £	Total £
Balance at 1 April 2023	750,000	109,912	859,912
Dividend paid during the year	-	(500,000)	(500,000)
Total comprehensive loss	-	1,055,174	1,055,174
Balance at 31 March 2024	750,000	665,086	1,415,086
Dividend declared during the year	-	(100,000)	(100,000)
Total comprehensive income	-	339,459	339,459
Balance at 31 March 2025	750,000	904,545	1,654,545

The notes on pages 13 to 20 form part of these financial statements.

CITY RE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	31 Mar 2025 £	31 Mar 2024 £
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	339,459	1,055,174
Less interest income	(255,470)	(223,558)
(Decrease) / increase in unearned premiums	(40,562)	100,825
Increase in insurance receivables	(2,513,845)	(15,255)
(Increase)/decrease in prepaid expenses	(2,079)	1,795
Increase / (decrease) in trade and other payables	150,033	(124,398)
Increase / (decrease) in claims reserves	761,475	(341,748)
Increase / (decrease) in deferred income	1,217	(3,025)
Net cash (outflow)/ inflow from operating activities	(1,559,772)	449,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	218,988	200,351
Increase in short term investments	(3,000,000)	(1,000,000)
Net cash inflow from investing activities	(2,781,012)	(799,649)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend declared / paid during the year	(100,000)	(500,000)
Net cash outflow from financing activities	(100,000)	(500,000)
Net (decrease)/ increase in cash and cash equivalents	(4,440,784)	(849,839)
Cash and cash equivalents brought forward	5,222,369	6,072,208
Cash and cash equivalents carried forward	781,585	5,222,369

The notes on pages 13 to 20 form part of these financial statements.

CITY RE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. BASIS OF PREPARATION

The company is a limited company, limited by shares and is incorporated in Guernsey. The address of its registered office is PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ET.

The principal activity of the company is to provide reinsurance protection to the RSA Group on the risks associated with the material damage and loss of rent insurance programmes of the City of London property investment portfolio.

The financial statements have been prepared in accordance with The Insurance Business (Bailiwick of Guernsey) Law, 2002, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts".

2. PRINCIPAL ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS102 and FRS103 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

(a) Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

(b) Gross premiums written

Gross premiums written is in respect of the provision of reinsurance protection to RSA Insurance Group Plc on the risks associated with material damage and loss of rent insurance programmes of the City of London portfolio.

(c) Unearned premiums

Unearned premium represents the proportion of premium which has been pre-paid for the following financial period.

(d) Claims

Claims are accounted for on an accruals basis. Provisions made for the cost of outstanding claims reported at the reporting date are included in the outstanding loss reserve. The estimate for the cost of claims incurred but not reported ("IBNR") is included in the IBNR reserve. The current IBNR is in the sum of £503,962 (2024: £250,000) is determined by the Board of Directors using both historical data and any data available up to the approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

(e) Commission

Fronting fees calculated as 3% of gross premiums written is payable to RSA Insurance Group Plc and are earned over the related policy period.

(f) Interest income

Interest income is accounted for on an accruals basis.

(g) Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term fixed deposits and short term notice accounts ie those being of original maturity of three months or less.. These amounts are carried on the balance sheet at amortised cost.

(h) Short term investments

Short term investments are those fixed deposits and short term notice accounts, with an original maturity of over three months. These amounts are carried on the balance sheet at amortised cost.

CITY RE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

3. FINANCIAL INSTRUMENTS

Financial Assets

Basic financial assets, including debtors and cash and cash equivalents, are initially recognised at transaction price, and are subsequently carried at amortised cost.

Debtors arising out of insurance operations

Debtors arising out of insurance operations consist of balances due from the insurer in respect of outstanding premiums.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. None of the financial assets at the year end are deemed to be impaired.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

All financial liabilities are initially recognised at transaction price and are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

Creditors arising out of insurance operations

Creditors arising out of insurance operations consist of balances due to the insurer in respect of outstanding claims payable.

Offsetting

Financial assets and liabilities are not offset in the accounts and the gross amounts are shown in the financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of the applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate.

CITY RE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The most significant assumptions made relate to the level of future claims, the level of future claims settlements and the legal interpretation of insurance policies. Whilst the directors consider that the gross provision for claims are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amount provided. Adjustments to the amounts of provision are reflected in the financial statements for the period in which the adjustments are made.

Outstanding loss reserves.

The carrying amount of the reserve is £3,083,618 (2024: £2,576,105). There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. The level of provision has been set on the basis of the information that is currently available, including potential outstanding loss advices, experience of development of similar claims and on the advice of expert loss adjusters where appropriate.

IBNR

The current IBNR is in the sum of £503,962 (2024: £250,000) is determined by the Board of Directors using both historical data and any data available up to the date of approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

5. TAXATION

The Company is taxed at the standard rate of income tax for Guernsey companies of 0%.

6. ADMINISTRATIVE EXPENSES

	31 Mar 2025 £	31 Mar 2024 £
Management fees (note 14)	65,000	65,025
Audit fees	7,500	8,070
Directors' fees (note 14)	7,500	7,500
Company registration fees	7,880	6,774
Directors and officers insurance premium	2,033	2,235
Sundry expenses	1,592	1,490
	91,505	91,094

7. SHARE CAPITAL

	31 Mar 2025 £	31 Mar 2024 £
AUTHORISED, ISSUED AND FULLY PAID SHARE CAPITAL		
750,000 GBP1 Ordinary Shares	750,000	750,000

Dividends

Shareholders of ordinary shares are entitled to receive dividends declared by the Company.

Capital

On winding up of the assets of the Company, the holder of ordinary shares is entitled to repayment of the nominal amount paid thereon. Any surplus is attributable to holders of ordinary shares pro rata in proportion to the number of ordinary shares.

Voting rights

Ordinary shares carry one vote per shareholder at general meetings.

CITY RE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

8. TRADE AND OTHER PAYABLES	31 Mar 2025	31 Mar 2024
	£	£
Claims payable	186,091	112,860
D&O Premium	-	39
Dividend payable	100,000	-
Reinsurance balances payable	9,341	-
Audit fees	7,500	7,500
Management fees (note 14)	-	32,500
Directors' fees	2,075	2,075
	305,007	154,974

9. CLAIMS RESERVES	31 Mar 2025	31 Mar 2024
	£	£
IBNR reserve	503,962	250,000
Outstanding loss reserves	3,083,618	2,576,105
	3,587,580	2,826,105

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to a range of financial risks through its financial assets, financial liabilities and policyholder liabilities. The most important components of these financial risks are market risk (interest rate risk), credit risk, currency risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below.

a) Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company manages the levels of credit risk it accepts by limiting its exposure to a single counterparty, or groups of counterparty. Such risks are subject to regular review by the Board of Directors.

The assets bearing credit risk and their associated S&P credit ratings are shown below:

	31 Mar 2025	31 Mar 2024
	£	£
<i>Assets bearing credit risk</i>		
Cash and cash equivalents	1,781,585	5,222,369
Short term investments	3,000,000	1,000,000
<i>By Rating</i>		
A+ rated	4,781,585	6,222,369

No financial assets are past due or impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

b) Liquidity risk

Liquidity risk is the risk that the company cannot meet its obligations associated with financial liabilities as they fall due. The company has adopted an appropriate liquidity risk management framework for the management of the company's liquidity requirements. The company manages liquidity risk by maintaining banking facilities and monitoring premiums due and by continuously monitoring the forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The company is exposed to liquidity risk arising from its insurance activities. Liquidity management ensures that the company has sufficient access to funds necessary to cover insurance liabilities and expenses. All financial liabilities are due to be settled within the next twelve months.

There were no significant changes to the company's liquidity risk exposure in the financial year nor the objectives, policies and processes for managing liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

10. FINANCIAL RISK MANAGEMENT (Continued)

c) Interest rate risk

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its bank deposits, cash and cash equivalents and cash flows. At 31 March 2025 the Company had various interest bearing accounts bearing interest rates ranging from 4.42% to 4.73% (2024: 0.45% to 5.08%).

During the year to 31 March 2025, if Bank of England interest rates had been 50 basis points higher with all other variables held constant, the profit for the year would have increased by £23,908 (2024: Profit increased by £31,112), as a result of interest received on cash and cash equivalents. However if Bank of England interest rates had been 50 basis points lower with all other variables held constant, the profit for the year would have decreased by £23,908 (2024: Decrease to the profit of £31,112).

The following are the underlying assumptions made in the model used to calculate the effect on profits and other components of equity:

- The bank balances at 31 March 2025 formed the basis of the calculation.
- A 50 basis point charge on these principal balances reflects the absolute increase or decrease in profit that could arise with such an interest rate movement. The directors have chosen the estimate of 50 basis points as this reflects the directors best estimate of the change in interest rates which could reasonably be expected to occur.

d) Currency risk

The company manages their foreign exchange risk by currently ensuring all commercial transactions or recognised assets and liabilities are denominated in its functional currency.

e) Concentration risk

Concentration risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Board does not feel that the company is exposed to significant concentration risk at the current time.

11. MANAGEMENT OF INSURANCE RISK

The principal risk that the Company faces under its insurance contracts is that the actual claims are significantly different to the amounts included in the technical reserves. This could occur because the frequency or severity of claims and benefits are greater or lower than estimated. Insurance events are fortuitous and the actual number and amounts of claims may vary from year to year from the estimate established.

The Company provides re-insurance protection to the RSA Insurance Group Plc on the risks associated with material damage and loss of rent for the City of London's property portfolio. The re-insurance protection is limited to a maximum liability of £250,000 for each and every loss with an aggregate limit equal to £250,000 in excess of net written premium.

All risks covered under the insurance policy are within the United Kingdom.

Claims development tables

The claims development table that follows shows claims reported per underwriting year which remain open in the respective policy year.

CITY RE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

11. MANAGEMENT OF INSURANCE RISK (Continued)

Claims development table at 31 March 2025

<u>Underwriting year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
accounting period end	233,724	837,927	495,995	189,228	360,520	360,520	173,399	287,493	68,457	3,007,263
one year later	1,436,816	2,172,013	1,511,546	1,897,176	2,330,911	2,330,911	1,723,389	2,016,876	-	15,419,638
two years later	1,603,168	2,240,475	1,431,278	1,871,543	2,770,148	2,505,066	1,694,773	-	-	14,116,451
three years later	1,525,342	2,281,671	1,400,675	1,796,195	2,729,398	2,505,067	-	-	-	12,238,348
four years later	1,531,492	2,224,412	1,390,470	1,817,363	2,748,345	-	-	-	-	9,712,082
five years later	1,405,066	2,223,612	1,265,169	1,944,003	-	-	-	-	-	6,837,850
six years later	1,405,066	2,181,212	1,339,204	-	-	-	-	-	-	4,925,482
seven years later	1,383,045	2,061,663	-	-	-	-	-	-	-	3,444,708
eight years later	1,508,017	-	-	-	-	-	-	-	-	-
Current estimate of cumulative claims	1,508,017	2,061,663	1,339,204	1,944,003	2,748,345	2,505,067	1,694,773	2,016,876	68,457	15,886,405
Cumulative payments to date	(1,265,367)	(1,650,303)	(1,254,859)	(1,724,314)	(2,657,246)	(2,348,801)	(1,302,589)	(598,459)	(850)	(12,802,788)
Statement of Financial Position Reserves	242,650	411,360	84,345	219,689	91,099	156,266	392,184	1,418,417	67,607	3,083,617

The Company has currently provided for an Incurred but not Reported Reserve in the sum of £503,962 (2024: £250,000) which has been agreed by the Board.

CITY RE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

12. CAPITAL MANAGEMENT

The Company defines capital in accordance with regulations prescribed by the Guernsey Financial Services Commission ("GFSC") . The Company's capital consists of:-

	31 Mar 2025	31 Mar 2024
	£	£
Share Capital	750,000	750,000
Retained earnings	904,545	665,086
Capital to meet Minimum Capital Requirements	1,654,545	1,415,086
Adjustments	-	-
Capital to meet Prescribed Capital Requirements	<u>1,654,545</u>	<u>1,415,086</u>

Its objectives when managing capital are:

- i) to comply with legal and statutory obligations and maintain capital resources commensurate with the nature, scale and risk profile of its business;
- ii) to provide a framework for monitoring the financial and capital position of the Company, including the procedures to be followed during periods of general financial distress, either due to internal or external events; and
- iii) to safeguard the Company's ability to continue as a going concern.

Under the rules prescribed by the GFSC, the Company must at all times maintain assets of a value sufficient to cover its liabilities, including liabilities arising under or in connection with contracts of insurance and that there is a suitable matching of assets and liabilities.

Under the current regulations, the GFSC rules require the Company to maintain a surplus of admissible assets over its liabilities which is at all times at least higher than both its MCR and PCR. The MCR represents the point at which the regulator would invoke the strongest action, while the PCR is the level of capital above which no action is required, with varying degree of action required if capital lies between MCR and PCR.

As at 31 March 2025, the Company held a surplus of £1,004,344 (2024:£873,378) above its MCR requirement of £650,201 (2024: £541,708) and a surplus of £783,392 (2024: £657,887) above its PCR requirement of £871,153 (2024: £757,199).

Management information to monitor the Company's capital requirements and solvency position is produced and presented to the Board on a regular basis ensuring that the Company meets its capital requirements at all times.

13. TECHNICAL PROVISIONS

Technical provisions arising from insurance contracts are included in these financial statements as follows:

	31 Mar 2025	31 Mar 2024
	£	£
Gross		
Unearned premium reserve	1,987,024	2,027,586
IBNR provision	503,962	250,000
Outstanding loss reserves	3,083,618	2,576,105
Total technical provisions, gross	<u>5,574,604</u>	<u>4,853,691</u>

Provisions for claims reported are estimated using the latest available information which comprises up to date reports from the claims handlers, loss adjusters and fronting insurers, on that basis there are no significant assumptions impacting on the level of the claims other than the assumption that the information used is complete and accurate.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2025

14. RELATED PARTY DISCLOSURE

The parent Company and ultimate controlling party which has interests in 100% (2024: 100%) of the issued share capital of the company is the City of London Corporation, the municipal body of the City of London, acting in its City's Cash capacity.

Key management personnel of the company

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £7,500 (2024: £7,500).

For the year ended 31 March 2025, management fees of £65,000 (2024: £65,025) were charged by Marsh Management Services Guernsey Limited, of which Nil (2024: £32,500) was outstanding as at 31 March 2025.

15. LETTER OF CREDIT

The City of London Corporation as the parent Company have arranged a Letter of Credit on behalf of the Company in favour of Royal Sun Alliance Insurance Limited in the sum of £4,500,000 for the policy period to 24 December 2025 (2024 Policy Period: £2,955,000).

16. SUBSEQUENT EVENTS

On 11th March 2025, the Board declared a dividend in the sum of GBP 100,000. This has been included within the creditors in these Financial Statements and was paid to the shareholder on the 13 May 2025. There are no other subsequent events that require adjustment or disclosure in these financial statements.

Q1 BUSINESS PLAN WORKSTREAM PROGRESS REPORT

Workstream	Sub-section	Comments
Executive Summary & Cross Cutting Themes	Executive Summary	Overall the Chamberlain's Department has made good progress on its business plan with key programmes moving forward and on track as below. More work is to be done on Income Generation as progress has been slow due to a lack of capacity and skills across the organisation that are needed to develop income generation opportunities. The Income Generation Working Party (IGWP) has been set up and has agreed priority areas which are showing good progress. More work is to be done on the benefits realisation of programme SAPphire but this is underway.
Executive Summary & Cross Cutting Themes	Cross-Cutting Theme :01. EEDI	Our EEDI Group continues to meet regularly To better our EQIA understanding key individuals will be encouraged to complete training while all will be invited to do the course. Under our training and development programme all training is offered to all with equal opportunities for everyone. At our next all staff call we will be inviting one of the Staff networks to come and introduce themselves and the work that they do.
Executive Summary & Cross Cutting Themes	Cross-Cutting Theme: 02. Transformation	Programme SAPphire (ERP) completed the build and testing for the first deliverable; the learning management system. However the project team are continuing hyper care before transitioning back to HR for BAU, this has impacted the full benefits realisation. More work is to be completed on this in quarter 2. Work continues the design of the chart of accounts for the finance system. Work continues on the Financial Services Transformation (FIT Strategy), it is now undergoing the approval process while budget holder training and business partner training is underway. A decision to delay the development of the new procurement code was made to allow for further consideration of the freedoms provided by the new procurement act.
Executive Summary & Cross Cutting Themes	Cross-Cutting Theme: 03. Risk and Interdependencies	Risks are reviewed on a monthly basis good progress is being made on ensuring records are completed in full. Risks are reported to appropriate committees regularly. In the next quarter a risk appetite session is to be held with risk owners. Internal audit are making good progress on the audit plan and this is aligned to corporate risks and top level departmental risks. Early indications from audit findings are showing fewer limited assurance opinions.
Workstream: 01. ERP Programme	RAG Status	AMBER
Workstream: 01. ERP Programme	Performance Measure: 01. Implementation of learning, performance and recruitment module	system went live 09/06/2025
Workstream: 01. ERP Programme	Performance Measure: 02. Implementation of HR and payroll module	To be measured in Q3
Workstream: 01. ERP Programme	Performance Measure: 03. Implementatoion of Finance and Procurement module	To be measured in Q4
Workstream: 01. ERP Programme	Workstream Assessment	The first wave of Programme SAPphire (SuccessFactors) has gone live, introducing new modules for e-learning, performance management, and recruitment. The project team provided hyper care for a period of one month following the launch, the services have transitioned to business as usual, with recruitment due to transition in July. Ongoing support from ERP HR subject matter experts will continue throughout the implementation. The handover includes the Benefits Realisation plan which will be owned by the new People Director to ensure delivery of the long term benefits of ERP SuccessFactors.
Workstream: 01. ERP Programme	Next Steps	Certain areas such as the schools and the police, have not fully implemented Wave 1. Discussions are ongoing to prepare these teams for the on-boarding process.
Workstream: 02. Training and Development	RAG Status	GREEN
Workstream: 02. Training and Development	Performance Measure: 01. Increase % of staff qualified or working towards a professional qualification	To be measured in Q4
Workstream: 02. Training and Development	Performance Measure: 02. Competency Framework Completed for all teams	To be measured in Q4
Workstream: 02. Training and Development	Performance Measure: 03. Relevant staff completed green book training	To be measured in Q4

Workstream: 02. Training and Development	Workstream Assessment	Good progress is being made on this workstream with lots of actions being undertaken by the group including lunchtime learning sessions. Training plans are being developed but these need to be reviewed to ensure synergies across the departments.
Workstream: 02. Training and Development	Next Steps	Training plans to be collated, comms plan for the Learning and Development group to be implemented.
Workstream: 03. Commercial Transformation	RAG Status	AMBER
Workstream: 03. Commercial Transformation	Performance Measure: 01. 100% of business processes mapped	33% on track first quarter
Workstream: 03. Commercial Transformation	Performance Measure: 02. Jagger implementation complete	Not yet ready to measure
Workstream: 03. Commercial Transformation	Performance Measure: 03. Pipeline published with 90% accuracy	Not yet ready to measure
Workstream: 03. Commercial Transformation	Performance Measure: 04. New contract management operating model agreed, and funding source identified	Not yet ready to measure
Workstream: 03. Commercial Transformation	Workstream Assessment	Decision made to delay the development of the new procurement code to allow for further consideration of the freedoms provided by the new procurement act.
Workstream: 03. Commercial Transformation	Next Steps	More engagement needed particularly with institutions, agree with PPSC new timeline to deliver the code.
Workstream: 04. Income Generation	RAG Status	RED
Workstream: 04. Income Generation	Performance Measure: 01. £3-6m income generated	To be measured in Q4
Workstream: 04. Income Generation	Performance Measure: 02. Consolidate COL capability at level 1 of maturity across all criteria	To be measured in Q4
Workstream: 04. Income Generation	Workstream Assessment	Progress has been slow due to a lack of capacity and skills across the organisation that are needed to develop income generation opportunities. Focus areas were recommended through Efficiency and Performance Working Party (EPWP) in March 2025, which include Heathrow Animal Reception Centre, Guildhall School of Music and Drama (GSMD) , Natural Environment Charities Review, Advertising and Lord Mayors Show are all underway showing good progress. The Income Generation Working Party (IGWP) has been set up which was approved through Policy and Resources Committee in June 2025. Income Gen working party has been set up chaired by Chair of Policy & Resources. The group have agreed priority areas of focus which include advertising and piloting key indicatives through the Lord Mayor's Show 2025. A proposal on progressing advertising initiatives will be considered by the Policy and Resources Committee in September. Expertise will be sought in relevant areas including Intellectual PropertyProperty Rights (IPR) and through the development of the Transformation Strategic Partner to build capacity gaps.
Workstream: 04. Income Generation	Next Steps	
Workstream: 06. Replacement Freedom System	RAG Status	AMBER
Workstream: 06. Replacement Freedom System	Performance Measure: 01. Adherence to budgetary spend profiles (projects)	To be updated as the project moves forward
Workstream: 06. Replacement Freedom System	Performance Measure: 02. Delivery of back-end database	To be updated as the project moves forward
Workstream: 06. Replacement Freedom System	Performance Measure: 03. Data transfer	To be updated as the project moves forward
Workstream: 06. Replacement Freedom System	Performance Measure: 04. Training for team	To be updated as the project moves forward
Workstream: 06. Replacement Freedom System	Performance Measure: 05. Comms for liveries	To be updated as the project moves forward
Workstream: 06. Replacement Freedom System	Performance Measure: 06. Full implementation	To be updated as the project moves forward
Workstream: 06. Replacement Freedom System	Workstream Assessment	Previous solution did not work out. We are now seeking an alternative solution. In the meantime we are working with the internal IT team to see what can be done in house either to replace or as an interim solution.
Workstream: 06. Replacement Freedom System	Next Steps	Continue work with the IT team to find an internal solution or to find an external provider.
Workstream: 07. FSD Transformation	RAG Status	GREEN

Workstream: 07. FSD Transformation	Workstream Assessment	Budget holder training and business Partner training is underway. FIT strategy undergoing approval process.
Workstream: 07. FSD Transformation	Next Steps	Assign workstream leads and confirm timescales on deliverables.
Workstream: 08. Programme Governance	RAG Status	GREEN
	Performance Measure: 01. Launch of new project gateway process	To be measured in Q2
Workstream: 08. Programme Governance	Performance Measure: 02. 25% reduction in Red rated projects on the corporate portfolio	To be measured in Q2
Workstream: 08. Programme Governance	Workstream Assessment	Enabling progress reporting in Autumn.
Workstream: 08. Programme Governance	Next Steps	Sharing information when its ready.
Workstream: 09. Review the Chart of Accounts	RAG Status	AMBER
Workstream: 09. Review the Chart of Accounts	Workstream Assessment	HCL undergoing build stage, they are currently under resourced there has been a change to public cloud and learning from both sides. This is the right thing to do as it is the direction of travel across the industry. Internal team have worked considerably hard to get back on track.
Workstream: 09. Review the Chart of Accounts	Next Steps	Assurance partner to provide feedback to Financial Leadership Group to sign off.
Workstream: 11. Internal Audit Quality Assurance and Improvement Programme	RAG Status	GREEN
Workstream: 11. Internal Audit Quality Assurance and Improvement Programme	Performance Measure: 01. Increase the number of Internal Audit Days	On track to deliver 1000 audit days this year.
Workstream: 11. Internal Audit Quality Assurance and Improvement Programme	Performance Measure: 02. Alignment to the Global Internal Audit Standards - 90% alignment by 2027	94%
Workstream: 11. Internal Audit Quality Assurance and Improvement Programme	Workstream Assessment	Experienced some long term sickness absence but we are still expecting to exceed 1000.
Workstream: 11. Internal Audit Quality Assurance and Improvement Programme	Next Steps	N/A workstream is on track
Workstream: 12. Pensions Dashboards	RAG Status	GREEN
Workstream: 12. Pensions Dashboards	Performance Measure: 01. Appointment of Integrated Service Provider (ISP) required to 'onboard' with the national digital framework	Complete
Workstream: 12. Pensions Dashboards	Performance Measure: 02. Overall connection deadline set by legislation 31/10/2026	To be measured in Q3
Workstream: 12. Pensions Dashboards	Performance Measure: 03. Recommended connection date for public sector pension schemes 31/10/2025	To be measured in Q3
Workstream: 12. Pensions Dashboards	Workstream Assessment	Project is on track for completion statutory deadline. Contract is in place and on implementation process has begun.
Workstream: 12. Pensions Dashboards	Next Steps	N/A workstream is on track

Workstream: 13. Corporate Insurance Programme Tender	RAG Status	GREEN
Workstream: 13. Corporate Insurance Programme Tender	Performance Measure: 01. Appointment of broker able to support risk and insurance requirements of the City Corporation	Not yet ready to measure
Workstream: 13. Corporate Insurance Programme Tender	Performance Measure: 02.Placement of insurance contracts to meet legal requirements, provide financial protection for unforeseen losses, and provide claims handling services	Not yet ready to measure
Workstream: 13. Corporate Insurance Programme Tender	Workstream Assessment	Procurement is on track for broker service via the framework. Work on the insurance policies is due to commence in due course.
Workstream: 13. Corporate Insurance Programme Tender	Next Steps	N/A workstream is on track

Finance Committee - Detailed Report



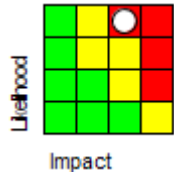
Rows are sorted by Risk Score

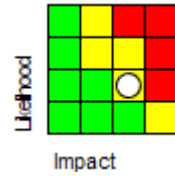
Risk Level Description Corporate

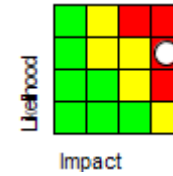
Risk Code	CR35	Risk Title	Unsustainable Medium Term Finances - City Fund
Description	<p>Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth. The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit.</p> <p>Effect: Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community. Challenges in executing the capital program and major projects within affordable limits.</p>		

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Agenda Item 12

Current Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
8	Unlikely	Major
Amber	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
24	Possible	Extreme
Red	Creation Date	19-Jun-2020

<div>Page 220</div> <div>Latest Note</div>	<p>Government have confirmed the Business Rate reset in April 2026. Government are consulting on the fair funding review and outcomes will be confirmed in the Local Government Settlement in the Autumn. There is likely to be transitional funding which will reduce the risk in the short term, but we await the Settlement for confirmation of impact.</p> <p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2025/26 through carried forward from 2024/25 underspends. Pressures on adult social care, children services, security and policing continue and are addressed through increase in taxes and business rates premium.</p> <p>The medium-term financial plan includes:</p> <ul style="list-style-type: none"> • Reprofiting of cyclical works programme to cover bow-wave of outstanding works and provision for works going forward. • Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves. • Quarterly monitoring of capital programme against budgets. • Securing income generation opportunities. <p>Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.</p>	29-Aug-2025
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Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR35a Impact of	Monitoring the impact of inflationary	Regular monitoring the office of budget responsibility's	14-Aug-2025	Sonia Virdee	31-Mar-2026

inflation	<p>pressures (including pressures on energy costs) and construction inflation impacts on capex programme</p> <ul style="list-style-type: none"> • Use of inflation contingency 	<p>inflation forecasts, The Consumer Prices Index (CPI) rose by 4.2% in the 12 months to July 2025, up from 3.4% in the 12 months to March.</p> <p>Identify areas that are forecasting to exceed budget envelope due to inflation increases.</p>			
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	<p>Monthly update on major projects forecasts and issues arising.</p> <p>Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Portfolio Board chaired by the Town Clerk/Chief Executive.</p> <p>Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.</p> <p>All projects are currently forecast to be completed within budget, although there are quite significant risks to funding and costs, which will continue to be reviewed, particularly relating to Salisbury Square Development / Future Police Estate Programme.</p>	31-Aug-2025	David Abbott	31-Mar-2029
CR35f Achievement of current Savings Programme	<p>Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)</p> <ul style="list-style-type: none"> • Develop income generation opportunities 	<p>Court of Common Council, in March 2025 reaffirmed the profiling of remaining fundamental review savings.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges. An Income Generation Working Party has been established to recommend direction, momentum and prioritisation on income generation opportunities. This coupled with 2025 Star Chamber outputs will provide a cross-corporation programme to deliver.</p> <p>Pressures and mitigations are being recorded at a more</p>	31-Aug-2025	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Mar-2026

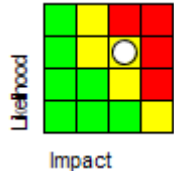
Page 222		<p>granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting. One of the outcomes was to review how we inform Committee Chairs on City Funds' overall position. This was addressed in an informal Member briefing session on 16th July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>Savings programmes/initiatives will continue to be considered during the 2025/26 financial year in line with the Town Clerk's Fantastic Five Years with the aim to deliver the plan by April 2026.</p> <p>Officer Star Chambers led by the Town Clerk have commenced and will continue into October 2025, with a progress update being presented to Policy and Resources Committee in November 2025 on income generation and savings across the Corporation to inform the 2026/27 budget setting work.</p>			
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	<p>The Government has set the Business Rate reset for April 2026. They are consulting on the fair funding review, with outcomes to be confirmed in the Autumn Local Government Settlement. Transitional funding is likely, but its impact will be clarified in the Settlement. In the absence of transitional funding, additional cost savings, increased income generation, or an increase in Council Tax and Business Rate Premium, the City Fund is projected to enter into deficit from 2026/27 onwards.</p> <p>A statutory requirement exists to maintain balance both annually and throughout the medium-term financial plan.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

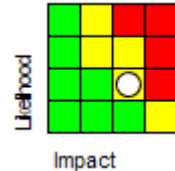
		<p>Future deficits should not be ignored, previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible.</p> <p>The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the medium-term-financial plan.</p>			
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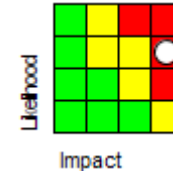
Risk Code	CR38
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Risk Title	<i>Unsustainable Medium Term Finances - City's Estate</i>
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Description	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p>Effects: The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>
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Page 224		
	Risk Score	Likelihood
	12	Possible
	Amber	Trend
		Impact
		Major
		Constant

Target Risk			
Risk Score	Likelihood		
8	Unlikely		
Amber	Target Date	31-Mar-2026	

Original Risk			
Risk Score	Likelihood		
24	Possible		
Red	Creation Date	31-Oct-2022	

Latest Note	<p>City's Estate maintains a balance budget with its regular revenue activities. However, when factoring in major project financing, cyclical works programmes, capital programmes, and exceptional items, additional drawdowns are still necessary to support annual budgets throughout the five-year financial year plan and beyond.</p> <p>Inflation rates will be reviewed on a quarterly basis, and an inflation contingency will be maintained for 2025/26 through carrying forward underspends from 2024/25</p> <p>The five-year financial plan includes:</p>	31-Aug-2025
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	<ul style="list-style-type: none"> • Reprofiting of cyclical works programmes to cover bow-wave of outstanding works and provision of works going forward. • Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves. • Quarterly monitoring of capital programmes against budget • Securing income generation opportunities. • Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy <p>Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.</p>	
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Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme <ul style="list-style-type: none"> • Monitor the use of inflation contingency 	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 4.2% in the 12 months to July 2025, up from 3.4% in the 12 months to March.	14-Aug-2025	Sonia Virdee	31-Mar-2026
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams <ul style="list-style-type: none"> • i.e. rental income from the property investment 	This is being monitored monthly, with action being taken within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored,	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

	portfolio.	<p>these include but not limited to; Lord Mayor Show and events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges.</p> <p>Benchmarking exercises are currently being undertaken to provide a market comparison.</p> <p>Officer Star Chambers led by the Town Clerk have commenced and will continue into October 2025. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>			
CR38f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	<p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting. One of the outcomes was to review how we inform Committee Chairs on City's Estate' overall position. This was addressed in an informal Member briefing session on 16th July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>The focus of the May/June Star Chamber meetings</p>	31-Aug-2025	Sonia Virdee	31-Mar-2026

		provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round scheduled during September-October to finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.			
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	<p>Monthly updates and budget monitoring on major projects forecasts and issues arising. Projects are routinely reviewed by the Chamberlain's Assurance Board.</p> <p>The only major project remaining within City Estate is the MoL Landlord Works, which is nearing completion, as well as the funding contribution towards SSD.</p> <p>The achievement of property disposals on time as well as drawdown from financial investments, will be needed to fund cashflows, which is being monitored as part of the cashflow reporting to Investment Committee.</p>	31-Aug-2025	Sonia Virdee	31-Mar-2029
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	<p>Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the Corporation. This includes creating opportunities to generate more income in support of their operational ambitions and operational property requirements.</p> <p>Finance Committee on 14 January, agreed to proceed with the implementation phase and move to a grant funding model for 2025/26. This was confirmed by RASC and P&R in February 2025. The two-year implementation phase commenced in April 2025 and will report progress to NE Committees in 2025 and</p>	31-Aug-2025	Emily Brennan; Sonia Virdee	31-Mar-2026

		interim outcomes to the Finance Committee in December 2025 with further reporting in 2026.			
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	<p>Despite the Court of Common Council decision on the markets, City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the revised cumulative deficit is forecast to be £395m in additional to the financial gain already modelled. Balance sheet modelling indicates this is manageable in the medium term, but not sustainable over the longer term. Stopping the markets co-location programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which according to longer term modelling, suggests recovery and a transition into surplus in 15 years. Implementing these decisions shifts the risk dial from red to amber.</p> <p>However, Members should note failure to implement the investment strategy will compromise the recovery of City's Estate's I&E position. Therefore, it is not recommended to add any additional pressure on City's Estate investment assets to allow time for the strategy to be embedded.</p> <p>Additionally, continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.</p> <p>Star Chambers led by the Town Clerk are underway and will continue into October 2025. Phase one of the Star Chambers meeting helped to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

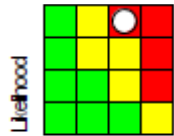
		<p>income generation strategies. Phase two scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers.</p> <p>A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>			
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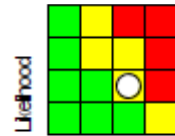
Risk Level Description Departmental

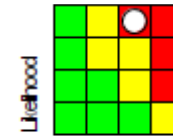
Risk Code	CHB 002
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Risk Title	<i>Housing Revenue Account Financials</i>
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Description	<p>Cause: The embedded increased impact of inflation, following peak of 10.7% in Autumn 2022. Potential issue around non-recoverability of elements of service charge costs due to inadequate s20 consultation process</p> <p>Event: Inability to contain financial pressures on the Housing Revenue Account, especially around repairs and maintenance costs, management costs and depreciation charges. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risk.</p> <p>Effect: The City Corporation's reputation is damaged due to failure to deliver housing services.</p>
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Current Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
8	Unlikely	Major
Amber	Target Date	30-Sep-2025

Original Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Creation Date	16-Oct-2023

Latest Note	<p>The Housing Revenue Account is at a pivotal point, needing decisive changes to ensure its sustainability and effective delivery.</p> <p>The Housing Revenue Account is undergoing significant changes aimed at strengthening its financial position and operational effectiveness. Revised capital financing plans have reduced borrowing requirements, providing additional annual headroom that will be used to rebuild reserve balances over the next three years. Simultaneously, the HRA delivery model is being reviewed to ensure it remains both efficient and adaptable to changing needs.</p> <p>To support these improvements, stronger monitoring procedures are being implemented for housing unit delivery, featuring enhanced reporting and accountability so that targets can be met and any issues addressed promptly. Recognising previous weaknesses, new budget oversight measures are also being put in place, including real-time tracking of expenditure, early warning systems, clear escalation protocols, and empowering managers to halt or adjust spending where necessary.</p> <p>Collectively, these steps are designed to boost the HRA's financial resilience, improve the delivery of housing services, and</p>	31-Aug-2025
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	ensure robust oversight into the future.	
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Risk Level	Departmental
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Mark Jarvis; Sonia Virdee

Associated Actions

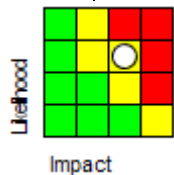
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB002a Capital Schemes Monitoring	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	<p>The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial challenges and a funding gap of approximately £100m. Failure to address this gap across the major project programmes presents significant health and safety risks. Additionally, potential delays to new build projects may impact the revenue projections outlined in the 10 Year Plan. Ongoing monitoring of the risk associated with non-recovery of leaseholder contributions to capital projects remains essential. Efforts are in progress to address the funding gap through City Fund by considering external and third-party funding sources. A report detailing available options will be presented to the committee in October 2025 for review.</p> <p>Many other London Boroughs also have very fragile HRAs and we are working with local government colleagues as well as MHCLG and Treasury on wider solutions to current challenges.</p>	31-Aug-2025	Mark Jarvis	31-Oct-2025
CHB002b Repairs & maintenance	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	The Savills report and Pennington review identified high repairs and maintenance costs, management costs and depreciation charges. When compared to other local authorities, this outcome is expected given the relatively low housing stock—3,000 units as opposed to 15,000	31-Aug-2025	Mark Jarvis	31-Oct-2025

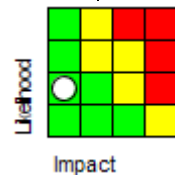
		units in comparable jurisdictions.			
		Property condition surveys will be available in October, along with further recommendations.			

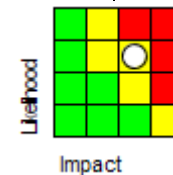
Risk Code	CHB 005
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Risk Title	<i>Resistance to Transformation and Change (Change Fatigue)</i>
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<div>Page 233</div> <div>Description</div>	<p>Cause:</p> <ul style="list-style-type: none"> • Ineffective change management and business transformation activities • Culture of resisting change within the organisation • Resource capacity – staff are consumed by BAU tasks they have no further capacity to support change • Ineffective prioritisation of programmes <p>Event:</p> <ul style="list-style-type: none"> • Low user acceptance rates and failure to integrate the necessary cultural changes. • Low change readiness • Un-utilised technologies or enhancements • Additionally, the broader transformation programme (such as users not fully adopting the new ERP system), may face resistance. This can result in resistance to the business transformation that the transformation programme and other initiatives aim to achieve. <p>Effect:</p> <p>Decreased productivity, increased operational costs, and failure to achieve the desired outcomes of the Transformation programme and the broader transformation initiatives. The lack of business transformation may hinder the corporation's ability to modernise operations and align with the current corporate plan and strategies. Furthermore, the failure to achieve the transformation goals, such as improved efficiency, increased capacity, and better information management, may negatively impact the corporation's ability to deliver on its strategic objectives and maintain a competitive edge.</p>

Current Risk		
Risk Score	Likelihood	Impact
12	Possible	Major
Amber	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Target Date	30-Jun-2026

Original Risk		
Risk Score	Likelihood	Impact
12	Possible	Major
Amber	Creation Date	12-May-2025

Latest Note	Currently, numerous transformation/improvement programs and new strategies are being implemented across the Chamberlain's department and the wider City of London Corporation.	28-Aug-2025
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Risk Level	Departmental
Department	Chamberlain's

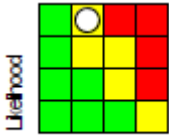
Risk Approach	Reduce
Risk Owner	Genine Whitehorne

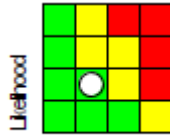
Associated Actions


Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB 005a Stakeholder Engagement	Identifying and engaging with key stakeholders to enable success of the transformation	Introducing change leadership role to Future Ambition 18, utilising the bi-monthly meetings to present the change and transformation programmes. Recruitment for the Integration and Change Director position is in progress to support Ambition 25 and ERP. The role will focus on aligning interdependencies between these two major transformation programmes to facilitate their successful implementation.	31-Aug-2025	Genine Whitehorne	30-Apr-2026
CHB 005b Change Management Strategy	Develop a change management strategy	A need for a change management strategy has been identified. A Change Portfolio Lead has now been onboarding and has commenced work on the change management strategy	28-Aug-2025	Julie Simmons	30-Nov-2025
CHB 005d Strategic Transformation Partner	Procure a transformation partner to deliver the transformation agenda.	The specification for the strategic partner is being finalised.	28-Aug-2025	Genine Whitehorne	31-Oct-2025

Risk Code	CHB 003	Risk Title	<i>Inconsistent application of the internal control environment</i>
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Description Page 235	Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to:
	<ul style="list-style-type: none"> • Failure of staff management to adhere to financial and procurement regulations, leading to: • Poor Purchase Order Compliance • Inefficient budget management • Delays in setting up Project Codes due to governance • Ineffective contract and supplier management • Lack of management oversight of purchasing activities • Misinterpretation and inconsistent understanding of financial and procurement regulations • Inconsistent guidance from subject matter experts • Complex procedures driving officers towards using workarounds
	Event:
	<ul style="list-style-type: none"> • Increase in transactional errors • Decrease in payment performance • Impact on cashflow management and accuracy of forecasting • Heightened demand for customised approvals and urgent decisions • Diminished strategic challenge capacity • Disrupted delivery of Business as Usual (BAU) operations
	Effect:
	<ul style="list-style-type: none"> • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market

Current Risk	 <p>Likelihood</p> <p>Impact</p>
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Target Risk	 <p>Likelihood</p> <p>Impact</p>
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Original Risk	 <p>Likelihood</p> <p>Impact</p>
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Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	Trend	Constant

Risk Score	Likelihood	Impact
4	Unlikely	Serious
Green	Target Date	31-Dec-2025

Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	Creation Date	28-Feb-2024

Latest Note Page 236	Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.	31-Aug-2025
	The financial leadership group, consisting of finance representatives from across the corporation and its institutions, has been appointed to mitigate the risk of inconsistent application of the internal control environment by working with business customers.	
	A number of mitigations have been identified to improve compliance and overall benefits of controls. FLG have been instructed to provide a list and evidence of further in-place actions to be added to the action list below.	
	A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls.	
	Poor performance sanctions have been agreed by the Finance Leadership Group which includes reporting repeat offenders to Chief Officers, removal of purchase cards as a result of non-compliance and performance management.	
	This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.	

Risk Level	Departmental
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

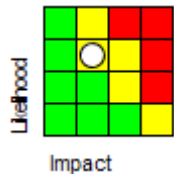
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB003e Review of procurement regulation	Review of procurement regulations and are explicit around requirements	Procurement Code is being updated however the first presentation of the revised policy format has not landed well so it is being revisited. The revised Code will be brought to Projects and Procurement sub-Committee and Finance Committee.	31-Aug-2025	Sue Smith; Genine Whitehorne	31-Dec-2025

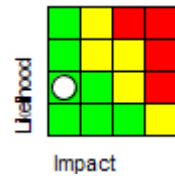
CHB003h Escalation and enforcement of non-compliance activities	Escalation and enforcement of non-compliance activities	<p>Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director.</p> <p>Further non-compliance to be escalated to the Chamberlain.</p> <p>Monthly reviews are taking place at Financial Leadership Group to highlight any areas of concern. A deep dive session focusing on issues is being planned for its June meeting.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Dec-2025
CHB003i Finance Leadership Group Interventions Page 237	The Finance Leadership Group are responsible for partnering with departments and services to improve overall compliance. An action plan for each department/institution will be details and reviewed monthly at the FLG meetings. This will encourage sharing of strategies and best practice.	<p>Current actions and mitigations are reviewed and discussed at the monthly Finance Leadership Group. The performance of departments and institutions are reviewed monthly, with finance reps sharing their best practice on reducing non-compliance.</p> <p>A special session of the FLG was held in August to refocus members of their role and responsibility in the application of the internal controls. The Group Head of Internal Audit introduced the Three Line Model.</p>	20-Aug-2025	Sonia Virdee	31-Dec-2025

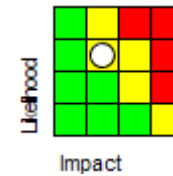
Risk Code	CHB 004
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Risk Title	<i>Vetting Delays</i>
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Description	<p>Cause: Due to the high demand for vetting services, CHB staff applications for security vetting are experiencing significant delays, potentially taking over 12 months from the point of application.</p> <p>Event: The reduced capacity of DITS and CCPD staff allocated to COLP projects would cause significant delays in service delivery. This shortage of resources is creating a strain on the services provided to COLP, leading to a lack of resilience and impacting the timely execution of programs and support initiatives.</p> <p>Effect: The shortage of eligible staff is creating a strain and reducing the resilience of services provided to COLP. This lack of resources is impacting the timely execution of programs and the ability to provide necessary support, leading to delays and inefficiencies.</p>
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Current Risk		
Risk Score	Likelihood	Impact
6	Possible	Serious
Amber	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
6	Possible	Serious
Amber	Creation Date	12-May-2025

Latest Note	This risk has been identified due to the high demand for vetting services Chamberlain's staff applications (especially those in IT, Procurement and Projects) for security vetting are experiencing significant delays (both new applications and renewals). The timeframes for vetting, have identified weakened resource for the increasing demand of COLP projects.	23-Jun-2025
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Risk Level	Departmental
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Chamberlain

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB 004a Hold regular Vetting Review Meetings	Monthly meetings have now been scheduled to review current vetting status and prioritise.	Monthly meetings have now been scheduled to review current vetting status and prioritise.	23-Jun-2025	Zakki Ghauri	31-Dec-2025
CHB 004b Utilisation of the Police National Vetting Service (provided by Warwickshire Police)	Using the national vetting service, applications can be made to reduce the demand on the COLP service.	Using the national vetting service, applications can be made to reduce the demand on the COLP service. The EPMO team have access to submit applications on behalf of staff.	20-Aug-2025	Michael Curtis	31-Dec-2025

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