



## Finance Committee – Appendices Pack

**Date:** TUESDAY, 17 FEBRUARY 2026

**Time:** 12.45 pm

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

**Members:**

Deputy Henry Colthurst (Chairman)	Adam Hogg
Deputy Andrien Meyers (Deputy Chair)	Deputy Ann Holmes
Shahnan Bakth	Sandra Jenner
Alderman Alexander Barr	Deputy Paul Martinelli
Deputy Emily Benn	Alderman Bronek Masojada
Nicholas Bensted-Smith	Deputy Benjamin Murphy
Deputy Timothy Butcher	Alderman Jennette Newman
Deputy Bethany Coombs	Fraser Peck
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	Deputy Christopher Hayward, Policy and Resources Committee (Ex-Officio Member)
Stephen Hodgson	<i>Vacancy</i>

**Enquiries:** John Cater

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<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**

10. **IMPROVING COMPLIANCE AND THE PROPER USE OF CORPORATE P-CARDS**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 119 - 122)
11. **CHAMBERLAIN'S BUSINESS PLAN QUARTER 3 2025/26 UPDATE**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 123 - 134)
12. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 135 - 156)
19. **DOMESTIC & COMMUNAL GAS & ELECTRICAL APPLIANCE TESTING AND MAINTENANCE AT DCCS HOUSING PROPERTIES PROCUREMENT STAGE 1 STRATEGY**  
Report of the Executive Director of Community and Children's Services.  
  
**For Decision**  
(Pages 157 - 160)
25. **MAJOR PROJECT DASHBOARD**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 161 - 166)
27. **NON-PUBLIC APPENDIX TO RISK REPORT**  
  
**For Information**  
(Pages 167 - 170)
28. **NON-PUBLIC APPENDIX TO CONTINGENCIES REPORT**  
  
**For Information**  
(Pages 171 – 174)





# Improving Compliance and the Proper Use of Corporate P-cards

## INTERNAL AUDIT INSIGHT REPORT

### BACKGROUND

Compliance and proper use of corporate P-cards has been consistently below expectations. There are two broad categories of non-compliance:

- Incorrect completion of expenditure reports (transactional errors)
- Failure to complete expenditure reports (unidentified potential misuse)

The focus of recent and current work is on improving the control framework to ensure completion of expenditure reports. Correct completion of expenditure reports is addressed by existing continuous improvement activity (monitoring and education)

### SUMMARY OF AUDIT FINDINGS

Approximately 4000 P-card transactions per year are not submitted for review or approval, this equates to roughly £350k of unverified expenditure.

Internal Audit has worked collaboratively with the Financial Shared Services team to review and enhance control arrangements

### KEY INSIGHTS

- There is no management oversight of expenditure where a P-card user fails to submit expenditure reports.
- Repeated non-compliance with simple processes, including expense reporting, can create the impression that financial controls are not taken seriously, which may negatively influence organisational culture.

### NEXT STEPS AND REQUIRED ACTION

A comprehensive management action plan is in place that will significantly increase the rigour of the control framework to ensure submission of expense reports, including:

- Enhanced monitoring and reporting
- Exploring system developments to improve transparency
- Targeted communication to Senior Leaders and budget managers
- Greater sanctions for persistent misuse

Matt Lock – Group Chief Internal Auditor  
30/01/2026

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## Improving Compliance and the Proper Use of Corporate P-cards

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### Key facts based on 2025/26 Q2 data:

- Approx. 13000 transactions in the period, of which over 1000 transactions were not submitted for review and approval
- Value of transactions not submitted: £89k
- 180 card holders failed to submit transactions for approval (from a total of 1000 cards in use at present)
- 800 of the transactions not submitted for approval are for P-cards in use in 5 of the Institutional departments, compliance within the Corporate departments is significantly better.

Added to which, this also contributes significantly to the loss of VAT unrecovered, estimated at £200k per annum.

### Significance:

Management/budget holders are not able scrutinise expenditure where transactions are not submitted for approval.

The transactions that are not submitted represent expenditure that the organisation has zero visibility of, we can provide no assurance that this expenditure is appropriate or necessary, that there has been no misuse of the P cards or the extent to which value for money has been achieved.

Failure to submit transactions for approval is a direct breach of Financial Regulations, based on this data we have 4000 breaches of Financial Regulations per year just on this category of p-card use alone.

Note that: this is just one aspect of compliance with the proper use of P-cards but the area of greatest significance at present.

### Agreed Actions and Control Enhancements to Explore

1. Chamberlain's Financial Shared Services to adopt a more robust stance in relation to managing and driving improved compliant use of P-cards, reinforcing the position as a Second Line function.
2. A set of parameters will be defined to communicate exactly what constitutes "persistent non-conformance" and what management action should be taken to avoid suspension of P-cards.
3. Financial Shared Services to explore with Lloyds the possibility of introducing:
  - a. further management reports for non-compliant activities
  - b. visibility of "unsubmitted transactions" for Approvers within the Approver dashboard
4. Group Chief Internal Auditor and Assistant Director Financial Shared Services to communicate to FA18 group the significance of the issue, the need for change,

## Improving Compliance and the Proper Use of Corporate P-cards

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actions that management can take and the sanctions that are being explored should compliance not improve within 3-6 months.

To be explored and implemented subject to allocation of additional resource to meet the demands of this activity:

5. Financial Shared Services to develop monthly reporting and monitoring over a 12 month rolling period to identify and flag to senior leadership persistent failure to submit transactions for approval.
6. Financial Shared Services to directly suspend or terminate p-cards where cardholders persistently fail to submit transactions for approval.

Considered but not likely to be adopted:

7. Recover from/charge to P-card holders expenditure from any transactions not submitted for approval. (if any organisational appetite to explore this then Financial Shared Services will seek to establish if this is an approach in operation within other organisations)

### **Resource Implications:**

The Financial Shared Services team is not resourced to provide the enhanced monitoring required to oversee this aspect of P-card usage.

It is possible that some of the requirement may be met through system developments (if and only if Lloyds support this) and some through enhancement and use of automation in the data analysis.

The introduction of a robust position on terminating p-cards would create a significant volume of work, albeit in the short term, there are three aspects to this for the Financial Shared Services team:

- i. Placing the hold on the card
- ii. Communicating this to the card holder/approver/budget manager and responding to any challenges
- iii. Reinstating P-cards on the promise of proper use/providing replacement cards to alternative colleagues on the promise of proper use

**Matt Lock**  
**Group Chief Internal Auditor**

30/01/2026



# KPI Report –Q2 & Q3

Workstream	SAPphire (ERP) Programme	Lead Division	FSD	Due Date	April 2026	Status	At Risk
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01. ERP Programme	Lead	SV
KPI	Q2 Status	Q3 Status
Implementation of learning, performance and recruitment module	Complete	-
Implementation of HR and payroll module	On Track	At Risk
Implementation of Finance and Procurement module	At Risk	At Risk

Workstream Update
"The Programme updates by wave: Wave 1 (Learning Management, Performance & Goals, Recruitment) is complete (no further updates) Wave 2 (Core HR) scheduled for go-live on the 19th of January Wave 3 (Finance & Budget Management) which has been reported red previously requires a re-plan based on late delivery of the build and volume of errors found during Project Team Testing (PTT).

# KPI Report – Q2 & Q3

Workstream	Review the Chart of Accounts	Lead Division	FSD	Due Date	December 2025	Status	At Risk
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09. Review the Chart of Accounts	Lead	SV
KPI	Q2 Status	Q3 Status
Sign off the new Chart of Accounts Design	On Track	At Risk

Workstream Update
The Chart of Accounts is a part of Programme SAPphire. HCL are progressing with completion of the build phase having encountered some technical issues which have been resolved with SAP support and now being corrected in the build. Presentation of the Chart of Accounts has been made to Financial Leadership Group (FLG) with feedback received and reflected in the structure. An update to FLG will be taken in February. No material change has been required.

# KPI Report –Q2 & Q3

Workstream	Training and Development	Lead Division	CHB OFFICE	Due Date	March 2026	Status	On Track
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02. Training and Development	Lead	PB
KPI	Q2 Status	Q3 Status
Increase % of staff qualified or working towards a professional qualification	Q4 KPI	Q4 KPI
Competency Framework Completed for all teams	Q4 KPI	Q4 KPI
Relevant staff completed green book training	Q4 KPI	Q4 KPI

Workstream Update
Continued progress being made with ongoing lunch and learn sessions. New Learning & Development Newsletter to be launched in Q4.

# KPI Report –Q2 & Q3

<b>Workstream</b>	Commercial Transformation	<b>Lead Division</b>	CCPD	<b>Due Date</b>	May 2026	<b>Status</b>	At Risk
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<b>03. Commercial Transformation</b>	<b>Lead</b>	GW
<b>KPI</b>	<b>Q2 Status</b>	<b>Q3 Status</b>
100% of business processes mapped	At Risk	At Risk
Jagger implementation complete	Complete	-
Pipeline published with 90% accuracy	At Risk	Complete
New contract management operating model agreed, and funding source identified	On Track	On Track

<b>Workstream Update</b>
Reset of Commercial Transformation Programme with mandate hoping to be agreed by PPSC in November 2026.

# KPI Report – Q2 & Q3

Workstream	Income Generation	Lead Division	CCPD	Due Date	March 2026	Status	At Risk
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04. Income Generation	Lead	GW
KPI	Q2 Status	Q3 Status
£3-6m income generated	At Risk	At Risk
Consolidate COL capability at level 1 of maturity across all criteria	At Risk	At Risk

Workstream Update
Capacity continues to be a key issue with time limited activity, such as the Lady Mayor's Show, needed to be prioritised. Several income generation opportunities have been identified and supported through the Star Chamber process however these are serving to mitigate existing budget pressures rather than contributing to the overall income generation target.
Additional capacity has been secured to support the advertising workstream as a priority.

# KPI Report – Q2 & Q3

<b>Workstream</b>	Replacement Freedom System	<b>Lead Division</b>	CHB OFFICE	<b>Due Date</b>	March 2026	<b>Status</b>	Paused
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<b>06. Replacement Freedom System</b>	<b>Lead</b>	HP
<b>KPI</b>	<b>Q2 Status</b>	<b>Q3 Status</b>
Delivery of a new Freedom Application System and Database	Paused	

<b>Workstream Update</b>
Work is continuing with DITS colleagues to find an internal solution or to find an external provider. During Q4 other improvements to the Freedom process are being proposed.

# KPI Report – Q2 & Q3

Workstream	FSD Transformation	Lead Division	FSD	Due Date	March 2026	Status	At Risk
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07. FSD Transformation	Lead	SV
KPI	Q2 Status	Q3 Status
Implementation of the FIT Strategy	At Risk	At Risk

Workstream Update
Using the Objectives and Key Results (OKR) framework, owners have been assigned to the 8 objectives of the FIT Strategy. The FIT Strategy working group have met with each owner to discuss their objectives, establish Key Results (KR) and brainstorm possible actions to take place that will achieve the KR. Presentations are being constructed which document this.

# KPI Report – Q2 & Q3

Workstream	Programme Governance	Lead Division	CCPD	Due Date	December 2025	Status	On Track
08. Programme Governance				Lead	GW		
KPI				Q2 Status	Q3 Status		
Launch of new project gateway process				On Track	On Track		
25% reduction in Red rated projects on the corporate portfolio				On Track	On Track		
Workstream Update							
The workstream remains on track, with the new P3 Framework launched in November 2025.							



# KPI Report – Q2 & Q3

Workstream	Internal Audit Quality Assurance and Improvement Programme	Lead Division	Internal Audit	Due Date	March 2026	Status	On Track
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11. Internal Audit Quality Assurance and Improvement Programme	Lead	ML
KPI	Q2 Status	Q3 Status
Increase the number of Internal Audit Days	On Track	On Track
Alignment to the Global Internal Audit Standards - 90% alignment by 2027	On Track	On Track

Workstream Update
Experienced some long-term sickness absence during the year but fully resourced for Q4 and supported by a co-sourced 3rd party provider of Internal Audit services and still expecting to exceed 1000.

# KPI Report – Q2 & Q3

Workstream

Pensions Dashboards

Lead Division

CT&P

Due Date

October 2025

Status

On Track

## 12. Pensions Dashboards

### KPI

Appointment of Integrated Service Provider (ISP) required to 'onboard' with the national digital framework

Overall connection deadline set by legislation 31/10/2026

Recommended connection date for public sector pension schemes 31/10/2025

### Lead

### Q2 Status

Complete

On Track

On Track

KL

### Q3 Status

-

On Track

On Track

## Workstream Update

Project is on track for completion statutory deadline. Contract is in place and on implementation process has begun.

All requirements have been met in early Q3, awaiting switch on requirements from Government. Noting there is a required minimum 6-month notice period. Further updates will be provided in Q3 reporting.

# KPI Report – Q2 & Q3

<b>Workstream</b>	Corporate Insurance Programme Tender	<b>Lead Division</b>	CT&P	<b>Due Date</b>	March 2026	<b>Status</b>	On Track
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13. Corporate Insurance Programme Tender	Lead	KL
KPI	Q2 Status	Q3 Status
Appointment of broker able to support risk and insurance requirements of the City Corporation	On Track	On Track
Placement of insurance contracts to meet legal requirements, provide financial protection for unforeseen losses, and provide claims handling services	On Track	On Track

Workstream Update
The Insurance Team have appointed an Insurance Advisor and Broker Service via the YPO Insurance Brokerage and Associated Service Framework Agreement to support the procurement of insurance policy cover. It is due to go to market in Q4, with contracts awarded in May 2026.

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# Finance Committee - Detailed Report



## Quick links

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

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

[CR42 – Housing Revenue Account Financials](#)

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

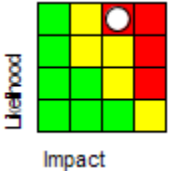
[CHB005 - Resistance to Transformation and Change \(Change Fatigue\)](#)

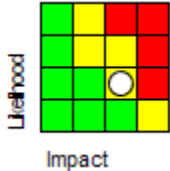
## Risk Level Description Corporate


Risk Code	CR35	Risk Title	<i>Unsustainable Medium Term Finances - City Fund</i>
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Description	<p><b>Causes:</b></p> <ul style="list-style-type: none"><li>• Persistent high inflation, as reported and forecast by the Office for Budget Responsibility.</li><li>• 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.</li><li>• The Provisional Local Government Funding Settlement released in December is materially different to what was expected for 27/28. The settlement for 26/27 was in line with expectations and contains transitional funding. The Government's Fair Funding settlement from 26/27 has significant impacts for the City Corporation. The updated formula has a foundation on residents and does not consider daily commuter populations and the costs affiliated with this. The City Corporation unlike all other local authorities have received a one-year settlement rather than the standard three years. Consequently, the government has committed to a bespoke funding arrangement and discussions are ongoing. Until the position is clarified, there is tremendous fiscal uncertainty.</li></ul> <p><b>Event:</b> 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>
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	<p><b>Effect:</b> 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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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>24</b>	Possible	Extreme
Red	<b>Creation Date</b>	19-Jun-2020

Page 136	<p>The Government have now released the provisional Local Government Settlement that includes the Fair Funding 2.0 and Business Rate reset in April 2026. While other Local Authorities have a three-year funding settlement from 26/27 to 28/29 with allocations driven primarily by deprivation data. This is not the case for the City Corporation, which has been given a one-year settlement. This combined with the reduction in weighting for daily commuters has meant that the assessment of need for the City Corporation has significantly reduced from the proposals consulted on over the summer. The City Corporation will also get transitional relief for one-year 2026/27 and government have committed to a bespoke funding arrangement. Discussions are ongoing, once the settlement is released on 9<sup>th</sup> February, the risk score will be updated.</p> <p>Business Rate growth will continue to be retained so that income stream will be key to supporting the City Fund MTFP moving forward. In addition, the Secretary of State is removing the council tax referendum threshold for the City and 5 other Local Authorities in 27/28 and 28/29. The 5% remains in place for 26/27. Whilst council tax is a local decision, core grant will assume that we levy above the 5% during 27/28 and 28/29.</p> <p>Inflation rates have stabilised, but are still above the government target of 2%, these continue to be monitored quarterly and consideration of an inflation contingency is to be maintained in 2026/27 depending on the availability of carry forwards from 25/26 underspends. Ongoing pressures on adult social care, children services, security and policing continue and are addressed through increase in taxes and business rates premium. The 26/27 MTFP also includes funding to address gaps within the Housing Revenue Account (HRA) capital programme. Much of this spend is after the MTFP period but ensuring suitable resources are available when needed is being factored into the latest position.</p>	29 Jan-2025
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	<p>The medium-term financial plan includes:</p> <ul style="list-style-type: none"> <li>• Reprofiting of remainder of the £133m cyclical works programme</li> <li>• Additional funding for the HRA capital programme</li> <li>• Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</li> <li>• Quarterly monitoring of capital programme against budgets, monthly monitoring on the major projects</li> <li>• Securing income generation opportunities.</li> </ul> <p>The pressures outlined reinforce the need in developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services. This is needed to ensure operational budgets remain in-line with available funding for both City Fund and City's Estate.</p>	
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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

## Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR35a Impact of inflation	<p>Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme</p> <ul style="list-style-type: none"> <li>• Use of inflation contingency</li> </ul>	<p>Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.4% in the 12 months to December 2025, up from 3.2% in the 12 months to November (source Office for National Statistics).</p> <p>Identify areas that are forecasting to exceed budget envelope due to inflation increases.</p>	22-Jan-2026	Iain Jenkins	31-Mar-2026
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	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. There is also regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.	18-Dec-2025	David Abbott	31-Mar-2029

		All projects are currently forecast to be completed within budget, though there remain several risks (i.e. cost increases within SSD/FPEP; fundraising for the Barbican; cashflow and fundraising for the MoL), which will continue to be reviewed.			
CR35f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority) • 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 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 with a further update on 3rd February. 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 16<sup>th</sup> July along with Members receiving a briefing pack at its Policy and Resource Away Day; a different approach taken at the January meeting of Joint RASC with Service Committee Chairs as well as comms from this Committee's Chairman to all Members.</p> <p>Savings programmes/initiatives will continue to be considered during the 2025/26 financial year in line with</p>	31-Jan-2025	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Mar-2026



		<p>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 been held for key areas under pressure. These have helped to identify plans and proposals to bring those areas currently overspending back within their budget envelopes over the MTFP period. Moving forward there now also needs to be an identification of opportunities across the Corporation to generate savings that will reduce the bottom line position to further support the financial sustainability and this will need to be delivered for the 27/28 budget.</p>			
<p>CR35p Plans in place to reduce future deficits</p> <p>Page 139</p>	Plans in place to reduce future deficits.	<p>The Government has set the Business Rate reset for April 2026.</p> <p>The focus of the 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 during September-October has finalised and confirm the value of proposals identified by Chief Officers. Although savings have been found this has just addressed on-going pressures.</p> <p>A new approach to savings will be required as discussed in January with Joint RASC and Service Committee Chairs.</p>	31-Jan-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

Risk Code	CR38
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Risk Title	<i>Unsustainable Medium Term Finances - City's Estate</i>
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Description	<p><b>Causes:</b></p> <ul style="list-style-type: none"> <li>The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility).</li> <li>Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves.</li> <li>Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</li> </ul> <p><b>Event:</b> 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><b>Effects:</b> 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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Current Risk		
Risk Score	Likelihood	Impact
12	Possible	Major
Amber	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	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>	18-Dec-2025
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	<p>The five-year financial plan includes:</p> <ul style="list-style-type: none"> <li>• Reprofiting of cyclical works programmes to cover bow-wave of outstanding works and provision of works going forward.</li> <li>• Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</li> <li>• Quarterly monitoring of capital programmes against budget</li> <li>• Securing income generation opportunities.</li> <li>• Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy</li> </ul> <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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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

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#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR38a Impact of inflation	<p>Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme</p> <ul style="list-style-type: none"> <li>• Monitor the use of inflation contingency</li> </ul>	Regular monitoring the office of budget responsibility's inflation forecasts. The Consumer Prices Index (CPI) rose by 3.4% in the 12 months to December 2025, up from 3.2% in the 12 months to November (source Office for National Statistics).	22-Jan-2026	Iain Jenkins	31-Mar-2026
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams	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,	18-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

	<ul style="list-style-type: none"> <li>• i.e. rental income from the property investment portfolio.</li> </ul>	<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 concluded and have identified potential savings and pressures. 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. This has continued throughout the year, and where savings have not been delivered, alternative mitigations have been found, although these can be one off in nature.</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 a further update will be taken in the New Year. 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 16<sup>th</sup> July along with Members</p>	26-Jan-2026	Daniel Peattie	31-Mar-2026

		<p>receiving a briefing pack at its Policy and Resource Away Day.</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 held during September-October has finalised and confirmed the value of proposals identified by Chief Officers. Although savings have been found this has just addressed on-going pressures and is set out within the budget papers.</p> <p>A new approach to savings will be required as discussed in January with Joint RASC and Service Committee Chairs.</p>			
<div>Page 143</div> <p>38g Major Projects Financial Envelope</p>	Remain within the financial envelopes approved for major projects.	<p>As per City Fund, projects are routinely reviewed by the Chamberlain's Assurance Board, and reported to Finance Committee, Capital Buildings Board, and Policy &amp; Resources Committee.</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. Throughout 2025/26 City Estate has maintained a positive cash balance, with drawdowns being made from the long-term financial portfolio and the liquidity fund.</p>	18/Dec/2025	David Abbott	31-Mar-2029

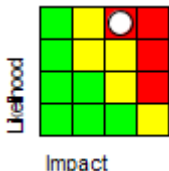
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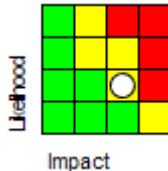
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	<p>Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the Corporation. This includes creating opportunities to generate more income in support of their operational ambitions and operational property requirements.</p> <p>Finance Committee on 14 January 2025, agreed to proceed with the implementation phase and move to a grant funding model (GFM), with two NE Charities (WHP and EF) transferring from 1 April 2025.. This was confirmed by RASC and P&amp;R in February 2025. The two-year implementation phase commenced in April 2025 and has progressed well, reporting to NE Committees during 2025 and presenting interim outcomes to the Efficiency &amp; Performance Review Group in November 2025. Finance Committee on 13 January 2026 approved the proposed GFM and associated arrangements and principles for application to all eight NE Charities from 1 April 2026. A follow-up approval paper will now be submitted to P&amp;R in February 2026. Finalisation of the formal Grant Funding Framework Document has been delegated to the NECR Co-sponsors in consultation with their Chairs. To support an effective transition to the new model, Finance Committee approved holding of a one-year contingency of £2.9M for 2026/27, with drawdown subject to suitable business cases supported by a H&amp;S Risk Assessment and workforce efficiency review.</p>	22-Jan-2026	Emily Brennan; Sonia Virdee; Marguerite Jenkin	31-Mar-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.	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 addition 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	18-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

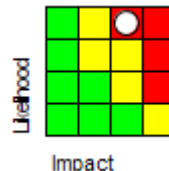
		<p>co-location programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which according to longer term modelling, 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&amp;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 have now concluded, but have not addressed on-going deficits – Members of Joint RASC and Service Committee Chairs supported a new approach to savings will be required.</p> <p>.</p> <p>.</p> <p>A report regarding the proposals will be submitted to Policy and Resources Committee in the spring, aiming to identify programme savings within the five-year financial plan.</p>			
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<b>Risk Code</b>	CR42 (Formerly CHB 002)	<b>Risk Title</b>	<i>Housing Revenue Account Financials</i>
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<b>Description</b>	<p><b>Cause:</b> The Housing Revenue Account must be self-financing, cost pressures include:</p> <ul style="list-style-type: none"> <li>Ongoing delays in building statutory new homes causing delays to income streams and increased costs</li> <li>Resourcing for health and safety to ensure meeting of compliance requirements</li> <li>Substantial improvement works required on existing stock</li> <li>Existing funding streams are constrained, with reliance on temporary or uncertain sources such as National Insurance grant allocations, external grants, and re-prioritisation decisions regarding City Fund Capital Reserves</li> <li>Delays to new units reducing rental income at the same time</li> </ul> <p><b>Event:</b> Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties.</p> <p><b>Effect:</b> Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.</p>
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Page 146	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-Mar-2026

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

<b>Latest Note</b>	<p>Court of Common Council has approved an uplift of £152m (including optimism bias) to the major improvement works programme, ensuring that corporate ambitions around housing can be met.</p> <p>Officers from Chamberlain's, Surveyors and housing meet regularly to ensure that schemes for new unit delivery are on track for delivery and ensure that units are tenanted as soon as possible.</p>	17-Nov-2025
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<b>Risk Level</b>	Corporate	<b>Risk Approach</b>	Reduce
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<b>Department</b>	Chamberlain's
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<b>Risk Owner</b>	Mark Jarvis; Sonia Virdee
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#### Associated Actions

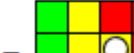
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR42a Capital Schemes Monitoring	Close monitoring of delivery of new housing units and improvement works is required during 2025/26. Continue to assess the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.  Impact of inflation - capital schemes forecast to exceed budget	The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial funding gap of approximately £152m (including a 50% Optimism Bias) if corporate ambitions around housing are to be met. Finance, P&R & CoCo has approved capital funding through a mixture of City Fund and 3 <sup>rd</sup> party sources (November and December)	18-Dec-2025	Mark Jarvis	31-Mar-2026
CR42b Short term revenue pressures	Impact of inflation - 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.  A report on the current years financial position including management action to reduce costs and offset lost income was presented in December to Finance and P&R.  An efficiency review is scheduled for the new year.	18-Dec-2025	Mark Jarvis	31-Mar-2026
CR42c MHCLG Engagement	Engagement with government departments (e.g., MHCLG) and other stakeholders to discuss challenges and options.	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.	18-Dec-2025	Mark Jarvis	31-Mar-2026
CR42d Grant Funding for 2025/26	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs for 2025/26	Modelling full staff costs in the 5 year HRA plan.	18-Dec-2025	Mark Jarvis	31-Mar-2026


CR42e Ensuring a long term sustainable social housing provision	Review options to improve long term sustainability, including partnering with third parties	We will be exploring options in the first two quarters of 2026, once we have solution to the more immediate risks.	19-Dec-2025	Sonia Virdee	30-June-2026
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## Risk Level Description Departmental

Risk Code	CHB 005	Risk Title	<i>Resistance to Transformation and Change (Change Fatigue)</i>
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<div> <div>Description</div> <div>Page 149</div> </div>	<div> <div> <div>Cause:</div> <ul style="list-style-type: none"> <li>• Ineffective change management and business transformation activities</li> <li>• Culture of resisting change within the organisation</li> <li>• Resource capacity – staff are consumed by BAU tasks they have no further capacity to support change</li> <li>• Ineffective prioritisation of programmes</li> </ul> </div> <div> <div>Event:</div> <ul style="list-style-type: none"> <li>• Low user acceptance rates and failure to integrate the necessary cultural changes.</li> <li>• Low change readiness</li> <li>• Un-utilised technologies or enhancements</li> </ul> <p>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> </div> <div> <div>Effect:</div> <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> </div> </div>
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Current Risk		
	Risk Score	
	12	
	Amber	
	Likelihood	Impact
	Possible	Major
	Trend	Constant

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

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

<b>Latest Note</b>	Currently, numerous transformation/improvement programs and new strategies are being implemented across the Chamberlain's department and the wider City of London Corporation.	22-Jan-2026
	A Transformation Portfolio Lead and Change Portfolio Lead have been appointed over the summer to support the transformation agenda. A programme integration lead has also been appointed to oversee the Programme Sapphire and Ambition 25 programmes.	
	Staff	

<b>Risk Level</b>	Departmental
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	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.  The Integration and Change Director supporting Ambition 25 and ERP is now in post. The role will focus on aligning interdependencies between these two major transformation programmes to facilitate their successful implementation.	17 Nov 2025	Genine Whitehorne	30-Apr-2026
CHB 005b Change Management Strategy	Develop a change management strategy	The change management strategy is currently being developed and tested through application in City of London Corporation's key priority programmes and projects, with a focus on A25, SAP and People Strategy	13-Nov-2025	Julie Simmons	01-Jun-2026
CHB 005d Strategic Transformation Partner	Procure a transformation partner to deliver the transformation agenda.	The Transformation vision and approach is currently being refined following officer and Member engagement.	17-Nov-2025	Steve Strain	30 April 2026

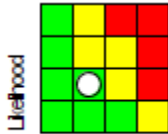
		<p>The Transformation Project Team are meeting with members of the Executive Leadership Group to obtain their input for specification for the procurement of the transformation partner.</p> <p>The specification for a Partner will focus on developing a digital by design service delivery model enabled by AI.</p> <p>Soft market testing is planned for early 2026 before issuing the full tender. The intention is to have a contract in place for the start of the new Financial Year.</p>			
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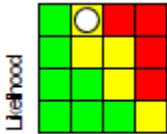
Risk Code	CHB 003
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Risk Title	<i>Inconsistent application of the internal control environment</i>
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Description Page 152	<b>Cause:</b> Inconsistent application of internal controls across the City of London Corporation, including but not limited to: <ul style="list-style-type: none"> <li>• Failure of staff management to adhere to financial and procurement regulations, leading to: • Poor Purchase Order Compliance</li> <li>• Inefficient budget management</li> <li>• Delays in setting up Project Codes due to governance</li> <li>• Ineffective contract and supplier management</li> <li>• Lack of management oversight of purchasing activities</li> <li>• Misinterpretation and inconsistent understanding of financial and procurement regulations</li> <li>• Inconsistent guidance from subject matter experts</li> <li>• Complex procedures driving officers towards using workarounds</li> </ul>
	<b>Event:</b> <ul style="list-style-type: none"> <li>• Increase in transactional errors</li> <li>• Decrease in payment performance</li> <li>• Impact on cashflow management and accuracy of forecasting</li> <li>• Heightened demand for customised approvals and urgent decisions</li> <li>• Diminished strategic challenge capacity</li> <li>• Disrupted delivery of Business as Usual (BAU) operations</li> </ul>
	<b>Effect:</b> <ul style="list-style-type: none"> <li>• Failure to achieve value for money</li> <li>• Negative internal and external audit opinions</li> <li>• Detrimental effects on supplier partnerships and commercial appeal to the market</li> </ul>

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-2026

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

<b>Latest Note</b> Page 153	Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.	18-Dec-2025
	The financial leadership group (FLG), 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	Review of Commercial Transformation Programme and specifically the Procurement Code	PPSC agreed the reset of the Transformation Programme in November 2025 and work is now underway led by and Interim Head of Commercial	17-Nov-2025	Kashi Akhtar; Genine Whitehorne	30-May-2026

Procurement Code		<p>Transformation. The initial focus will be on the Procurement Code and will include flexibilities for Institutions, governance and thresholds. There are also a number of workstreams in which will support the Commercial Transformation. Some of these have commenced already including:</p> <ul style="list-style-type: none"> <li>• Corporate Assurance Board</li> <li>• Contract Management Delivery Model</li> <li>• SAP Integration</li> <li>• Pipeline &amp; Planning</li> <li>• Jaggaer Workflows</li> <li>• Templates, Guidance &amp; Training</li> </ul> <p>Priorities to be progressed for the start of the new Municipal Year, with a subsequent engagement, approvals, training and launch approach to be considered.</p>			
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.</p> <p>Regular reporting of procurement performance to Chief Officers and the Projects and Procurement sub-Committee will begin in January 2026. This will include Procurement Code breaches and waivers.</p>	18-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Dec-2026
CHB003i Finance Leadership	The Finance Leadership Group are responsible for partnering with departments and services to improve	Current actions and mitigations are reviewed and discussed at the monthly Finance Leadership Group. The performance of departments and institutions are	18-Dec-2025	Sonia Virdee	31-Dec-2025



Group Interventions	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.	reviewed monthly, with finance reps sharing their best practice on reducing non-compliance.  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.			
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