

PLEASE BRING THIS AGENDA WITH YOU

1

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



## COMMON COUNCIL

SIR/MADAM,

You are desired to be at a Court of Common Council, at **GUILDHALL**, on  
**THURSDAY** next, the **10th day of March, 2022**.

Members of the public can observe the public part of this meeting at the below link:

<https://youtu.be/7yX4HVTesx0>

JOHN BARRADELL,  
*Town Clerk & Chief Executive.*

*Guildhall,  
Wednesday 2nd March 2022*

Sir Andrew Parmley

Bronek Masojada

}

*Aldermen on the Rota*

# 2

## 1 Apologies

## 2 Declarations by Members under the Code of Conduct in respect of any items on the agenda

## 3 Minutes

To agree the minutes of the meeting of the Court of Common Council held on 13 January 2022.

**For Decision**  
(Pages 9 - 28)

## 4 Mayoral Visits

The Right Honourable The Lord Mayor to report on his recent engagements.

## 5 Policy Statement

To receive a statement from the Chair of the Policy and Resources Committee.

**For Information**

## 6 Bills for Acts of Common Council

(A) To:-

- Make Supplementary Arrangements for Presiding Officers at Wardmotes.

(Third Reading).

Together with a report of the Policy and Resources Committee thereon.

**For Decision**  
(Pages 29 - 34)

(B) To:-

- Clarify the nationality requirement for Aldermen

(First and Second Reading).

Together with a report of the Policy and Resources Committee thereon.

**For Decision**  
(Pages 35 - 48)

**7 Finance Committee**

To consider reports of the Finance Committee, as follows:-

**(A) City Fund 2022/23 Budget Report and Medium-Term Financial Strategy**

To approve the budget for 2022/23.

**For Decision**  
(Pages 49 - 164)

**(B) 2022/23 City's Cash Budgets and Medium-Term Financial Plan**

To approve the budget for 2023/23.

**For Decision**  
(Pages 165 - 178)

**8 Bridge House Estates Board****(A) Bridge House Estates (BHE) Revenue Budget 2022/23 and Medium-Term Financial Plan**

To approve the budget for 2022/23.

**For Decision**  
(Pages 179 - 196)

**(B) Supplemental Charter**

To consider the form of a petition for the grant of a supplemental charter.

**For Decision**  
(Pages 197 - 216)

**9 Policy and Resources Committee**

To consider proposed changes to Standing Orders.

**For Decision**  
(Pages 217 - 290)

**10 Hospitality Working Party of the Policy and Resources Committee**

To consider recommendations concerning the provision of hospitality.

**For Decision**  
(Pages 291 - 296)

**11 Planning and Transportation Committee**

To consider the annual On-Street Parking Accounts and approve submission to the Mayor of London.

**For Decision**  
(Pages 297 - 302)

4

12 **Establishment Committee**

To consider the creation of two posts Grade I and above.

**For Decision**  
(Pages 303 - 308)

13 **Board of Governors of the Guildhall School of Music & Drama**

To consider amendments to the School's Instrument and Articles.

**For Decision**  
(Pages 309 - 318)

14 **The Freedom of the City**

To consider a circulated list of applications for the Freedom of the City.

**For Decision**  
(Pages 319 - 326)

15 **The Honourable The Irish Society**

(A) To appoint six Members on **The Honourable The Irish Society**, for three-year terms expiring in March 2025.

*\*denotes a Member standing for re-appointment.*

**Nominations received:-**

Peter Gordon Bennett

John Douglas Chapman

Mary Durcan

Shravan Jashvantrai Joshi, M.B.E.

Deputy John Scott, J.P.

Oliver Sells, Q.C.

\*Deputy Philip John Woodhouse

Dawn Linsey Wright

(B) To note that Alderman William Russell will continue to serve as Governor of The Honourable The Irish Society, having previously been appointed for a three-year term, expiring in March 2024.

(C) To endorse the appointment of Alderman Robert Howard as one of the appointed Aldermen on The Honourable The Irish Society, for a term expiring in March 2025, in the room of Alderman & Sheriff Nicholas Lyons.

(D) To note that Alderman Gregory Jones Q.C. will continue to serve as one of the appointed Aldermen on The Honourable The Irish Society, having previously been appointed for a term expiring in March 2023.

**For Decision**

16 **Appointments**

To consider the following appointments:

*\*denotes a Member standing for re-appointment.*

- (A) Four Members on **Christ's Hospital**, for four-year terms expiring in March 2026.

**Nominations received:-**

\*Deputy Kevin Malcolm Everett

- (B) One Member on the **City & Metropolitan Welfare Charity**, for a four-year term expiring in March 2026.

**Nominations received:-**

\*Henry Nicholas Almroth Colthurst

- (C) Three Members on the **Guild Church Council of St Lawrence Jewry**, for a one-year term expiring in March 2023.

**Nominations received:-**

\*Deputy Roger Arthur Holden Chadwick, O.B.E.

\*Simon D'Olier Duckworth, O.B.E., D.L.

\*Alderman Gregory Percy Jones, Q.C.

- (D) One Member on the **Thames Festival Trust**, for a three-year term expiring in March 2025

**Nominations received:-**

\*Deputy John George Stewart Scott, J.P.

- (E) Two Members on the **Mitchell City of London Charity & Educational Foundation**, for a five-year term expiring in March 2027 and the balance of a term expiring in March 2023.

**Nominations received:-**

\*Marianne Bernadette Fredericks

- (F) One Member on **Dr Johnson's House Trust**, for the balance of a term expiring in December 2022.

**Nominations received:-**

John Douglas Chapman

Jeremy Paul Mayhew, O.B.E.

**For Decision**

# 6

17 **Motions**

18 **Questions**

19 **Resolutions on Retirements, Congratulatory Resolutions, Memorials.**

20 **Policy & Resources Committee**

To receive reports advising of actions taken under urgency procedures, as follows:-

(A) **Report of Action Taken: London Councils Grant Scheme Levy**

To note action taken under urgency procedures in relation to the London Councils Grant Scheme Levy.

**For Information**  
(Pages 327 - 330)

(B) **Report of Action Taken: Indemnity for Officers on Outside Bodies**

To note action taken under urgency procedures relating to the indemnification of Officers serving on Outside Bodies.

**For Information**  
(Pages 331 - 332)

21 **Finance Committee and Policy and Resources Committee**

To note action taken under urgency procedures relating to the establishment of a business rate pool.

**For Information**  
(Pages 333 - 334)

22 **Legislation**

To receive a report setting out measures introduced into Parliament which may have an effect on the services provided by the City Corporation.

**For Information**  
(Pages 335 - 336)

23 **Docquets for the Hospital Seal.**

24 **Awards and Prizes**

**MOTION**25 **By the Chief Commoner**

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

**For Decision**

26 **Non-Public Minutes**

To agree the non-public minutes of the meeting of the Court held on 13 January 2022.

**For Decision**  
(Pages 337 - 342)

27 **Policy and Resources Committee**

To consider proposals relating to the Markets Co-location Programme.

**For Decision**  
(Pages 343 - 360)

28 **Finance Committee**

To consider reports of the Finance Committee, as follows:-

(A) **Highway Construction & Maintenance Contract**

To consider the award of a contract for Highway Construction & Maintenance.

**For Decision**  
(Pages 361 - 368)

(B) **Museum of London Pay Award**

To consider the annual pay award for Museum of London staff.

**For Decision**  
(Pages 369 - 372)

29 **Freedom Applications Committee**

To consider proposals in relation to the Freedom Fee.

**For Decision**  
(Pages 373 - 376)

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# KEAVENY, MAYOR

## COURT OF COMMON COUNCIL

13th January 2022

### MEMBERS PRESENT

#### ALDERMEN

Sir Charles Edward Beck Bowman (Alderman)	Timothy Russell Hailes (Alderman)	Ian Luder (Alderman)
Professor Emma Edhem (Alderman)	Robert Picton Seymour Howard (Alderman)	Sheriff Nicholas Stephen Leland Lyons (Alderman)
Sir Peter Estlin (Alderman)	Robert Charles Hughes-Penney (Alderman)	Professor Michael Raymond Mainelli (Alderman)
John Garbutt (Alderman)	Gregory Jones QC (Alderman)	Bronek Masojada (Alderman)
Sheriff Alison Gowman (Alderman)	The Rt Hon. The Lord Mayor Vincent Thomas Keaveny (Alderman)	Sir Andrew Charles Parmley, (Alderman)
Prem Goyal (Alderman)	Alastair John Naisbitt King DL (Alderman)	Sir David Hugh Wootton (Alderman)
David Andrew Graves (Alderman)	Susan Langley (Alderwoman)	Sir Alan Colin Drake Yarrow (Alderman)

#### COMMONERS

George Christopher Abrahams	Graeme Doshi-Smith	Shravan Jashvantrai Joshi	John Petrie
John David Absalom, Deputy	Simon D'Olier Duckworth	Gregory Alfred Lawrence	William Pimlott
Caroline Kordai Addy	Peter Gerard Dunphy, Deputy	Tim Levene	Judith Pleasance
Munsur Ali	Mary Durcan	Vivienne Littlechild	James Henry George Pollard, Deputy
Rehana Banu Ameer	John Ernest Edwards	Oliver Arthur Wynlayne Lodge	Henrika Johanna Sofia Priest
Randall Keith Anderson	Kevin Malcolm Everett, Deputy	Edward Lord, Deputy	Jason Paul Pritchard
Alexander Robertson Martin Barr	Helen Lesley Fentimen	Paul Nicholas Martinelli	Stephen Douglas Quilter
Douglas Barrow	Sophie Anne Fernandes	Jeremy Mayhew	Elizabeth Rogula, Deputy
Matthew Bell	Marianne Bernadette Fredericks	Catherine McGuinness, Deputy	James de Sausmarez
John Bennett	Tracey Graham	Andrew Stratton McMurtrie	Ruby Sayed
Peter Gordon Bennett	Caroline Wilma Haines	Wendy Mead	John George Stewart Scott, Deputy
Nicholas Michael Bensted-Smith	Graeme Harrower	Robert Allan Merrett, Deputy	Ian Christopher Norman Seaton
Christopher Paul Boden	Christopher Michael Hayward	Andrien Gereith Dominic Meyers, Deputy	Oliver Sells QC
Mark Bostock	Tom Hoffman, Deputy	Brian Desmond Francis Mooney, Deputy	Dr Giles Robert Evelyn Shilson, Deputy
Keith David Forbes Bottomley, Deputy	Ann Holmes	Hugh Fenton Morris	Jeremy Lewis Simons
Michael John Cassidy, Deputy	Michael Hudson	Alastair Michael Moss, Deputy	James Michael Douglas
Roger Arthur Holden Chadwick, Deputy	Wendy Hyde, Deputy	Benjamin Daniel Murphy	Thomson, Deputy
John Douglas Chapman	Jamie Ingham Clark, Deputy	Barbara Patricia Newman, Deputy	John Tomlinson, Deputy
Thomas Cowley Clementi	Clare James, Deputy	Graham Packham	James Richard Tumbridge
Henry Nicholas Almroth Colthurst	Henry Llewellyn Michael Jones, Deputy	Susan Jane Pearson	Philip Woodhouse, Deputy
			Dawn Linsey Wright

*This meeting was held as an informal one, with the views reached by the Court approved formally by the Town Clerk after the meeting, in accordance with the Court of Common Council's Covid Approval Procedure. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court's decision of 15 April 2021 (and subsequently 16th December 2021) to continue with virtual meetings, with formal confirmation of decisions provided through a delegation to the Town Clerk after the informal meeting has taken place and the will of the Court is known.*

1. Apologies      The apologies of those Members unable to attend this meeting of the Court were noted.

2. Declarations There were no additional declarations.
3. Minutes *Resolved* – That the minutes of the last Court are correctly recorded.
4. Mayoral Engagements The Right Honourable the Lord Mayor reported on his recent engagements, including a virtual visit to Edinburgh and inward visits by a delegation of Omani Ministers and a meeting with the Vietnamese Ambassador to the UK.
5. Policy Statement The Policy Chair delivered a statement regarding the ongoing Covid pandemic and the impact of the Omicron variant and latest Government guidance on the Recovery. In particular, she touched on the impact on the hospitality sector, noting that a report would be considered shortly by the Resource Allocation Sub-Committee in relation to what the City Corporation might be able to do to provide further assistance. The Chair also referenced the City Corporation’s continued support for Afghan evacuees in the City, as well as the forthcoming City-wide elections, taking the opportunity to place on record her thanks to the Electoral Services team for their hard work to-date.

In response to questions, concerning support for Afghan evacuees, the Chair agreed that she would welcome a contribution being made by the City’s International Disaster Fund toward the Disasters Emergency Committee’s relevant appeal for aid.

6. Bill for Act of Common Council

**Bill for an Act of Common Council: Supplementary arrangements for the Presiding Officer at a Wardmote**

A Bill for an Act of Common Council, intended to introduce more flexibility into the arrangements for presiding at a Wardmote by allowing a Lord Mayor’s Aldermanic Representative to preside where none of the traditional presiding officers are available, was presented to the Court for its first and second reading, together with a report of the Policy and Resources Committee thereon.

*Resolved* – That the report be agreed to and that the Bill be read a first and second time.

7. **ESTABLISHMENT COMMITTEE**

**(Tracey Graham)**

3 December 2021

**Draft Pay Policy Statement 2022/23**

The Court was asked to consider and agree the draft Pay Policy Statement for 2022/23 to ensure that the City Corporation meets its requirements under the Localism Act 2011.

*Resolved* – That the draft Pay Policy Statement for 2022/23 be approved, as set out in the appendix to the report.

8. **FINANCE COMMITTEE**

**(Deputy Jamie Ingham Clark)**

7 December 2021

**Extension to the contract for the provision of E-Services relating to the Pan London Sexual Health Transformation Programme**

The Court was asked to approve the recommended procurement strategy to extend the existing contract for the provision of E-Services relating to the Pan London Sexual Health Transformation Programme, with Preventx Ltd, for three years at an additional value of circa £50m. The Court's approval was required as the estimated contract value exceeded £4,000,000, as per Section 16.2 of the Procurement Code Part One.

*Resolved* – That:-

1. An extension of the contract for the provision of E-Services relating to the Pan London Sexual Health Transformation Programme be approved.
2. A variation to the contract be approved in respect of the duration of the initial extension period, from one year to three years, with a subsequent option of a further extension of one year.

9. **BOARDS OF GOVERNORS OF THE CITY OF LONDON SCHOOL FOR GIRLS  
BOARD OF GOVERNORS OF THE CITY OF LONDON SCHOOL**

**(Nicholas Michael Bensted-Smith, JP)  
(Tim Levene)**

5 January 2022

**City Junior School Governance**

At the meetings of the Boards of Governors of the City of London School and City of London School for Girls held on 8 and 10 December 2021 respectively, the Boards agreed formally to the creation of a joint sub-committee to undertake the duties of the Board of Governors of the City Junior School and to make such revisions as required to the Terms of Reference of the Boards of Governors of the City of London School and City of London School for Girls so as to include oversight of the City Junior School.

These recommendations were endorsed by the Policy and Resources Committee at its meeting on 16 December 2021, and the Court was now requested to agree minor revisions to the Terms of Reference of the Boards of Governors of the City of London School and the City of London School for Girls to include oversight of the City Junior School.

*Resolved* – That the proposed revisions to the Terms of Reference of the Board of Governors of the City of London School and Board of Governors of the City of London School for Girls, to include oversight of the City Junior School, be approved.

10. *Freedom*s The Chamberlain, in pursuance of the Order of this Court, presented a list of the under-mentioned, persons who had made applications to be admitted to the Freedom of the City by Redemption: -

**Muhammad Arif Anis**  
*Frederick Joseph Trowman*  
*David Robert Boston*

an Author  
*Citizen and Loriner*  
*Citizen and Gold & Silver Wyre Drawer*

Morden, Surrey

<b>Charles Jerome Caminada</b> <i>Martin Henry Charles Russell, TD John Woodruffe Eagle</i>	a Television Company Director <i>Citizen and Farrier Citizen and Shipwright</i>	Chelsea, London
<b>Daniel Stewart Reid Castle</b> <i>Ald. Timothy Russell Hailes, JP Deputy Robert James Ingham Clark</i>	a Financial Services Marketing Director <i>Citizen and Pewterer Citizen and Clothworker</i>	Weybridge, Surrey
<b>Dominic Cameron Clark</b> <i>Deputy Phillip Woodhouse Michael Hudson, CC</i>	a Student <i>Citizen and Grocer Citizen and Painter Stainer</i>	Leatherhead, Surrey
<b>Julia Anne Cleary</b> <i>Jonathan Martin Averns Jeremy Lewis Simons, CC</i>	a Local Government Officer <i>Citizen and Fletcher Citizen and Scientific Instrument Maker</i>	Islington, London
<b>Arthur Keith Fitzroy Davis</b> <i>Daryl Newsome David Guyon</i>	a Printer <i>Citizen and Spectacle Maker Citizen and Clothworker</i>	Plymouth, Devon
<b>Thomas James Foxton</b> <i>Timothy Luke Fitzgerald- O'Connor Michael Gunston</i>	a Barrister <i>Citizen and Gold &amp; Silver Wyre Drawer Citizen and Gold &amp; Silver Wyre Drawer</i>	Southwark, London
<b>Duncan Garrett</b> <i>Donald Henry McGarr Colin David Hellyer</i>	a Computer Technology Engineer <i>Citizen and Basketmaker Citizen and Wheelwright</i>	Islington, London
<b>Ivo Eric Graziani</b> <i>Justin Giles Joseph Morin- Carpentier James Anthony Drabble</i>	a Chivalric Order Officer <i>Citizen and Tyler &amp; Bricklayer Citizen and Art Scholar</i>	Rome, Italy
<b>Flora May Hamilton</b> <i>Deputy Catherine Sidony McGuinness Dominic Gerard Christian, CC</i>	a Business Advocate <i>Citizen and Solicitor Citizen and Insurer</i>	Camberwell, London
<b>Peter James Emory Horton</b> <i>Paul Malcolm Kennerley, RD Peter Ian Dunbar</i>	a Hospitality Director <i>Citizen and Coachmaker &amp; Coach Harness Maker Citizen and Needle-maker</i>	Brixton, London
<b>Bo Jiao</b> <i>Ald. Prof. Michael Raymond Mainelli Elisabeth Mainelli</i>	a Legal Executive and Business Manager <i>Citizen and World Trader Citizen and Mason</i>	Southend On Sea, Essex
<b>Sujan Katuwal</b> <i>Frederick Joseph Trowman David Robert Boston</i>	a Restauranter <i>Citizen and Loriner Citizen and Gold &amp; Silver Wyre Drawer</i>	Charlton, London

<b>Iain Cameron Lochrie</b> <i>Christopher James Caine</i> <i>Alan Robert Brumwell</i>	a Property Developer and Chief Executive Officer <i>Citizen and Maker of Playing Cards</i> <i>Citizen and Plumber</i>	Crewe, Cheshire
<b>John Derek Lunt</b> <i>Ann-Marie Jeffreys</i> <i>Christopher Michael Hayward, CC</i>	an Event Consultant <i>Citizen and Glover</i> <i>Citizen and Pattenmaker</i>	Surbiton, Surrey
<b>Nicola Katherine Lunt</b> <i>Ann-Marie Jeffreys</i> <i>Christopher Michael Hayward, CC</i>	a Teacher <i>Citizen and Glover</i> <i>Citizen and Pattenmaker</i>	Surbiton, Surrey
<b>Akaash Alexander Maximilien Maharaj</b> <i>Robert Andrews</i> <i>John A Welch</i>	a Global Organization Ambassador <i>Citizen and Gold &amp; Silver Wyre Drawer</i> <i>Citizen and Pattenmaker</i>	Toronto, Ontario, Canada
<b>Anthony Roland John Martin</b> <i>Deputy Philip Woodhouse</i> <i>Deputy Elizabeth Rogula</i>	a Transport Manager, retired <i>Citizen and Grocer</i> <i>Citizen and Common Councillor</i>	Gloucester, Gloucestershire
<b>Sue Martin</b> <i>Deputy Philip Woodhouse</i> <i>Deputy Elizabeth Rogula</i>	a Secretary, retired <i>Citizen and Grocer</i> <i>Citizen and Common Councillor</i>	Gloucester, Gloucestershire
<b>Jerry James Nolan</b> <i>Malcolm Alastair Campbell</i> <i>Steven Leslie Batty</i>	a Private Hire Driver <i>Citizen and Woolman</i> <i>Citizen and Woolman</i>	St Albans, Hertfordshire
<b>Peter Allen Norton, GC</b> <i>Malcolm Alastair Craig</i> <i>Mark Sutherland Johnson</i>	a Defence & Security Consultant <i>Citizen and Gold &amp; Silver Wyre Drawer</i> <i>Citizen and Woolman</i>	Shrivenham, Oxfordshire
<b>David Charles Pinchin</b> <i>Ald. Sir Charles Edward Beck Bowman</i> <i>The Rt. Hon The Lord Mayor</i>	a Charity Chairman <i>Citizen and Grocer</i>	Norwalk, Connecticut, United States of America
<b>Sarah Penelope Sinclair</b> <i>Judy Senta Tayler-Smith</i> <i>Anne Elizabeth Holden</i>	a Livery Company Clerk <i>Citizen and Upholder</i> <i>Citizen and Basketmaker</i>	Seaford, East Sussex
<b>Gurdeep Singh</b> <i>Colin Trevor Gurnett</i> <i>William Joseph Browning</i>	an Automotive Technician <i>Citizen and Wheelwright</i> <i>Citizen and Glass Seller</i>	Forest Gate, London
<b>Oliver William Theobald</b> <i>Barry John Frederick Theobald-Hicks</i> <i>John James Tunesi of Liongam, The Younger</i>	an Administrative Assistant <i>Citizen and Scrivener</i> <i>Citizen and Scrivener</i>	Burgess Hill, West Sussex

<b>Jane Susan Vyse</b> <i>John Anthony Hayton, TD</i> <i>David Laxton</i>	a Primary School Teacher, retired <i>Citizen and Bowyer</i> <i>Citizen and Bowyer</i>	St Albans, Hertfordshire
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<b>Carl Jonathan Woodcroft</b> <i>Kenneth William Endres</i> <i>Alan Robert Brumwell</i>	a Musician <i>Citizen and Baker</i> <i>Citizen and Plumber</i>	Denham, Buckinghamshire
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*Resolved* – That this Court doth hereby assent to the admission of the said persons to the Freedom of this City by Redemption upon the terms and in the manner mentioned in the several Resolutions of this Court, and it is thereby ordered that the Chamberlain do admit them severally to their Freedom accordingly.

11.  
Appointments

The Court proceeded to make appointments to various committees and outside bodies:-

- (A) One Member on the **Community & Children’s Services Committee**, for the balance of a term expiring in April 2022.

**Nominations received:-**  
Munsur Ali

Read.

Whereupon the Lord Mayor declared Munsur Ali to be appointed to the Community and Children’s Services Committee.

- (B) One Member on the **Bridge House Estates Board**, for the balance of a term expiring in April 2025.

**Nominations received:-**  
Jeremy Mayhew

Read.

Whereupon the Lord Mayor declared Jeremy Mayhew to be appointed to the Bridge House Estates Board.

- (C) One Member on the **Hospitality Working Party of the Policy & Resources Committee**, for the balance of a term expiring in April 2023.

**Nominations received:-**  
Michael Hudson

Read.

Whereupon the Lord Mayor declared Michael Hudson to be appointed to the Hospitality Working Party of the Policy & Resources Committee.

- (D) One Member on the **Board of Governors of the Museum of London** for a

one-year term expiring in December 2022.

**Nominations received:-**

Mark Bostock

Read.

Whereupon the Lord Mayor declared Mark Bostock to be appointed to the Board of Governors of the Museum of London.

12.  
Resolutions

*Mooney, B.D.F.,  
Deputy; Ingham  
Clark, R.J., Deputy*

*Resolved unanimously* – That the sincere congratulations of this Court be offered to Sir William Anthony Bowater Russell, on his recent appointment by Her Majesty the Queen as a Knight Bachelor, in recognition of his services to financial innovation, culture, and wellbeing in the City of London, particularly during Covid-19.

*Mooney, B.D.F.,  
Deputy; Ingham  
Clark, R.J., Deputy*

*Resolved unanimously* – That the sincere congratulations of this Court be offered to Jeremy Paul Mayhew, OBE, on his recent appointment by Her Majesty the Queen as an Officer of the Most Excellent Order of the British Empire, in recognition of his public and voluntary service.

Jeremy Mayhew was heard in reply.

*Mooney, B.D.F.,  
Deputy; Ingham  
Clark, R.J., Deputy*

*Resolved unanimously* – That the sincere congratulations of this Court be offered to Sharon Marie McLaughlin, BEM, on her recent award by Her Majesty the Queen of a British Empire Medal, in recognition of her services to community in the City of London.

*James, C.,  
Deputy; Mooney,  
B.D.F., Deputy*

*Resolved unanimously* – That the sincere gratitude of this Court be offered to:-

Karina Dostalova

for her dedication and service to the Ward of Farringdon Within, the City Corporation, and the City of London over the past eight years.

Elected to the Court of Common Council in 2013, Karina will be particularly remembered for her time as Chairman of the Hampstead Heath, Highgate Wood and Queen's Park Committee, during which time the Committee dealt with a range of contentious issues and strong feelings among the communities who use the public open spaces. Karina's tact, diplomacy and unwavering dedication as Chairman coupled with her good humour and pleasant disposition were crucial in managing these issues and helped to keep Hampstead Heath, Highgate Wood and Queen's Park among London's top public open spaces.

In particular, as Chairman Karina oversaw the development of the Heath Vision and the Hampstead Heath Management Strategy 2018-2028, which provides the overarching framework for the Heath for the next ten years. Karina also supported the development of crucial capital projects and led a Review to secure the long-term sustainability of the swimming facilities. The recent Covid-19 pandemic has demonstrated the vital importance of our open spaces and their value to Londoners, and we owe Karina a debt of gratitude for her diligent stewardship of

these crucial sites.

In addition to her invaluable work on the Hampstead Heath, Highgate Wood and Queen's Park Committee, Karina has been an active and willing Member of the Court of Common Council who has applied her skills and knowledge across the range of the City Corporation's activities, including tenures on the Policy & Resources, Finance, Planning & Transportation, Establishment, Community & Children's Services, and Markets Committees. We thank her for her valued contributions in all areas of the Corporation's activities.

In taking its leave of her, this Honourable Court therefore extends to Karina its thanks and appreciation for her hard work and achievements over the past eight years, as well as its very best wishes for the future.

*Meyers, A.G.D.,  
Deputy; Mooney,  
B.D.F., Deputy*

*Resolved unanimously* – That the sincere gratitude of this Court be offered to:-

Dhruv Patel, O.B.E.

for his dedicated service to the Ward of Aldgate, the City Corporation, and the City of London. Elected to the Court of Common Council in 2013, Dhruv has been an extremely compassionate and proactive Member of the Court, as well as a much-respected community figure.

Having served on a significant number of City Corporation bodies, Dhruv will be doubtless be particularly remembered for his service as Chair of both the Community and Children's Services Committee and the City Bridge Trust Committee.

Under his stewardship, the City Bridge Trust Committee awarded over £55m in grant funding and his innovation and enthusiasm was instrumental in implementing the 'Bridging Divides' Strategy, which included specific major grants of £400,000 to tackle some of the root causes of poverty and disadvantage amongst deaf and disabled Londoners, and a further grant of £400,000 to support digital transformation across the charity sector in London. During his tenure, the Trust also led in establishing the London Community Response Fund, which brought more than sixty funders together to respond to the COVID-19 emergency. Dhruv's many contributions and guidance throughout the pandemic, helping the Trust in its work, helped to change and improve the lives of so many at a time of particular national challenge.

When Dhruv chaired the Community and Children's Services Committee, his commitment to the safety of the City's children was noted in the Ofsted Inspection in 2016, which resulted in a judgement of 'Outstanding' for Leadership and Governance. Dhruv's compassion and diligence and was particularly notable in addressing fire safety issues in housing, following the Grenfell Tower fire. Dhruv's period as Chair established the Social Wellbeing Panel, which he chaired, and secured additional resources to help those who sleep rough on our streets, unaccompanied minors, and to meet growing pressures on the City's adult social care services.



Dhruv's passion for social mobility was a key driver in the City's Apprenticeships Programme, which seeks to maximise opportunities for young people from all backgrounds and abilities. Dhruv always gave his unrelenting support to community development work, particularly in the East of the City. In 2018, his extensive services to social cohesion and equalities was recognised when he was awarded an OBE.

In taking its leave of him, this Honourable Court extends to Dhruv its sincere thanks and appreciation for his all hard work at the City of London Corporation and for his legacy of compassion on the wellbeing of local communities, as well as its very best wishes for the future.

Thomson,  
J.M.D., Deputy;  
Mooney, B.D.F.,  
Deputy

*Resolved unanimously* – That Members of this Court wish to place on record their appreciation for the exemplary service that:-

Ian Dyson, QPM

the 15th Commissioner of the City of London Police, has given after an incredible 38 years in policing. Ian joined at a time when the police wore tunics, there was no body armour, radios were not widely available and there were no mobile phones or CCTV. Furthermore, Members will recognise the historical significance of his career being bookended by the Miners' Strike and the Extinction Rebellion Protests; two totemic social events in the modern history.

Ian joined the City of London Police as Commander in 2010 before becoming Assistant Commissioner 2012 and finally being appointed as Commissioner in 2016. In his time in the City, Ian has done much to make it the safest business district in the world and to ensure that the Force became the specialist for protective security and for fighting economic and cybercrime.

Ian has undertaken to strengthen the City's protective security and counter terrorism capability. In addition to the world-leading Servator programme, Ian oversaw countless counter terrorism operations including the response to the London Bridge terrorist attack in 2017, the other London attacks that year, and more recently the Fishmongers' Hall attack in 2019. Ian's strong personal commitment to the victims of these attacks is unparalleled.

During his tenure as Commissioner, Ian has overseen a significant strengthening of the City's National Lead Force capabilities for economic crime. This included securing increased national and local investment for fighting fraud, expanding the resources available to the Economic Crime Directorate, including creating an Assistant Commissioner for Economic and Cyber Crime for the first time. Ian also worked proactively with his colleagues in the National Police Chiefs' Council to secure the cyber portfolio for the City, which was already an intrinsic part of the City's national role and hugely complementary to the Force's specialisms for protective security and economic crime.

Reflecting on policing when Ian started his career in 1983, Ian has done much to improve diversity, inclusivity and force culture. Recognising that more can be done in this area, crucially he leaves the City with the Force committed to recruiting more

from diverse backgrounds.

Members of this Court, particularly those who have served on the Police Authority Board, City residents, workers and visitors to London, have all gained greatly from Ian's loyalty and dedication to the Force. His unrelenting commitment during a rapidly changing and increasingly challenging climate, has ensured the continued success and improvement to the service provided by our Force. We wish Ian and Fiona a long and happy retirement and good fortunes for the years to come.

*McGuinness,  
C.S., Deputy;  
Mooney, B.D.F.,  
Deputy*

*Resolved unanimously* – That, following her retirement from the City of London Corporation, this Honourable Court wishes to place on record its sincere appreciation for the work, over nearly thirty-four years, of

Angela Roach

our recently retired Assistant Town Clerk and, indeed, the first female holder of the office.

Throughout her time at the City, Angela proved a model of dedication and discretion, serving as an invaluable resource for the Court both in terms of Governance support and Member Services.

As well as supporting Members in achieving our aims and implementing our decisions, importantly, her role demanded that she challenge us when needed, and manage our expectations when unrealistic. For the betterment of the City, Angela's advice and counsel has been exercised with both great delicacy and an undeniable strength of character.

Given the history and complexities of the City Corporation, Angela's long service at Guildhall and her extraordinary corporate memory proved particularly invaluable. Her experience fed directly into key policies and change programmes, including several Governance Reviews, and as Assistant Town Clerk her expertise also ensured the continued functioning of this Court and its Committees despite the unprecedented situation we found ourselves in as a result of the Covid-19 pandemic. Amongst many other things, this included the rapid procurement and installation of virtual meeting technology alongside the delivery of relevant training, bringing the Corporation – admittedly in some areas kicking and screaming - into the 21<sup>st</sup> century, ensuring we were able to continue to provide our democratic oversight in the most trying of circumstances.

We welcome the opportunity to pay tribute to Angela for her significant contributions to the work of this Court over many years and we are united in expressing the hope that she will enjoy a long, happy retirement with Neville and her family – splitting her time between Jamaica and South London - with time to savour many happy memories of her years with the City of London Corporation.

13. Motion

*Pearson, S.J.;*  
*Fredericks, M.B.*

*Motion* – “That this Honourable Court resolves that the City Corporation explores the use of City's Cash to fund the acceleration of the renovation of the housing estates which it owns both within and outside the boundaries of the City, so that it

completes this renovation as expeditiously as it carries out non-residential projects like the Fleet Street “Justice Quarter”.

Susan Pearson spoke to introduce the motion, suggesting that the Corporation had, for decades, neglected the maintenance of its own housing estates with renovation works being carried out slowly and with no end date in sight. She argued that, in the meantime, the estates continued to decay, increasing the cost of their renovation and that there was inadequate funding in the Housing Revenue Account (HRA) to complete the present five-year programme which was due to finish this year. She recognised that, by law, City Fund could not be used to supplement the housing revenue account, nor could Bridge House Estates. There was, however, no legal bar for City’s Cash being used for this purpose if Members so decided. Whilst she recognised that it was a matter of general policy that the City Corporation did not use the income from the assets of City Cash to fund expenditure which could be met from public funds, the Court had chosen at times to fund or support activities such as the grant funding of academies and the courts element of the Fleet Street project from this source. The Member went on to note that, last year, the Court set another precedent by choosing to use up to £50 million for a pandemic recovery fund for small businesses in the City who she argued had not suffered the same neglect over the decades as City residents. A balance of £37.5 million of this fund was currently unspent and would go a long way to ensuring that the major works programme could be accelerated and effectively managed. The Member underlined that the City Corporation, as a local authority, had a duty to provide decent homes for its social tenants.

Marianne Fredericks seconded the motion, agreeing that the situation with the City’s housing stock was unsatisfactory and that, with costs escalating and projects being delayed, this was a problem that needed to be tackled without further delay. She underlined the need for projects to be better coordinated and combined so as to achieve greater value for money and to expedite their delivery. Alongside already delayed projects, papers for the Housing Management & Almshouses Sub Committee’s meeting later this week suggested that there was a further £30 million of new projects identified by a conditions survey which were currently unfunded. Ms Fredericks suggested that exploring the use of City’s Cash for this purpose appeared to be the only option available to resolve swiftly this growing list of refurbishment projects, bring housing stock up to standard, and give tenants closure.

Members proceeded to debate the motion.

A Member, also the Chairman of the Community and Children’s Services Committee expressed her disappointment at seeing this Motion before the Court prior to any attempt at any form of consultation with herself or her Deputy Chair, or indeed the wider Committee, thereby circumventing appropriate channels. She cautioned against the Court being asked to make decisions on complex matters such as this without any of the relevant material to hand. She suggested that the Motion was being brought based on factually incorrect information or matters being presented out of context and sought to offer so context to the debate, reporting that the City Corporation was investing approximately £95 million in its current housing major works programme to bring homes up to the City standard which was beyond

the decent homes standard applied in other local authorities. She reported that 49 projects had already been completed across the City's 12 social housing estates as part of the programme at a cost of over £26 million. She also underlined that, as the Court was already aware, it was recognised that the originally planned programme would now take longer than the anticipated five years to complete. However, it was expected that the current programme would be completed by the end of March 2025. She reported that there were good reasons for the extension of the current five year programme such as the fact that it had now expanded by over 50% and some £30 million to include additional fire safety improvement works, roofing works, electrical upgrades amongst many other things. It was recognised that some of the works were complex and had taken longer than anticipated to progress which had been coupled with the challenges of recent years and the pandemic and the complexities of carrying out major works on listed buildings such as the grade II listed estate in Golden Lane. It was reported that, wherever possible, works were being co-ordinated to achieve efficiencies in costs and to minimise disruption to residents. At Crescent House for example, roofing works had been incorporated into the replacement curtain walling project which, whilst a sensible and practical way forward, did also come with drawbacks – not least the ability of leaseholders to pay for multiple projects at one time. The Member went on to state that this Motion implied that additional funds from City's Cash would provide a silver bullet and speed up the delivery of the programme however additional funds alone would not resolve all of the complexities highlighted and projects on the works programme were already fully funded from the HRA based on original estimates. It was recognised that funding gaps were always a possibility for reasons beyond the City's control with the Member underlining that this was by no means new and that the City had the normal processes in place to manage these should they arise. The Member went on to conclude that the financial constraints and decision-making challenges faced here were no different to those faced by other local authorities and that Members may wish to ask themselves whether the prospect of deciding whether to utilise private funds not available to other local authorities was the best approach, particularly when there was currently no funding shortfall for this round of maintenance works. She suggested that a better response might be to collectively lobby central Government alongside other authorities to achieve a better settlement for all social housing tenants across London and the nation.

During debate some Members concurred that a lack of resources was as much of an issue as funding, with it suggested that little progress had been made in terms of maintenance of the Golden Lane Estate, for example, since the last election in 2017 despite assurances that the programme was fully funded. It was suggested that the current backlog of works was the result of underfunding and neglect of the City's housing stock which carried not only a reputational risk for the City Corporation but also threatened the mental and physical health of City tenants. Members expressed concern at the fact that the timescale for completing these works could not be set confidently.

A Member spoke on the separate but related issue of fire safety, particularly in relation to the City's five residential tower blocks, and suggested that a strong message ought to be sent back to the Community and Children's Services Committee and its Housing Management Sub Committee to advise that any delay on completing this work beyond March 2023 would not be tolerated for any reason.

He also suggested that consideration should be given, through the appropriate channels, to the £4.2 million cost of these works being met by City's Cash.

The Chairman of Finance spoke to suggest that this Motion was asking the Court to sanction a course of action which he believed would be detrimental to the overall finances of the City Corporation and therefore its ability to support all of its stakeholders. He underlined that budgets were set on the basis of all of the priorities that the Corporation had set for itself. It was also noted that a joint meeting of the Resource Allocation Sub-Committee and Chairs tomorrow would examine budget papers which clearly showed that City's Cash was already overstretched in that the City Corporation was in revenue deficit over each of the five years being forecasted. It was underlined that it was no different in City's Fund, within which the HRA sat. Here, there was a statutory requirement to balance the budget over a five year period which was just possible. City's Fund included general contingencies which deal with financial risks that had not yet crystallised but were the main points highlighted by the mover of the Motion. The Member concluded by stating that he did not believe that these risks needed the immediate action suggested in the Motion. As already highlighted, £95 million has been allocated for these works and the City Corporation was amongst the better half of local authorities in London in terms of housing maintenance. The Member accepted that the HRA could look better and he hoped that this would be the case going forward with additional funds then used to progress the next phase of works. With regard to the COVID Support Fund referenced by the mover of the Motion, the Chairman of Finance underlined that this was a fund of *up to* £50 million. Whilst only £12.5 million of this had been spent, the remainder of the funds that might have been allocated had returned directly to the Capital Projects Reserve Fund from where they had originally been allocated. With regard to other City's Cash support, it was underlined that these had been for general, one-off issues rather than routine support of City Fund – something which he did not believe this Court could sanction and he therefore cautioned against supporting this motion.

The Chair of the Housing Management Sub-Committee spoke to state that she believed that the City Corporation had a programme which should be celebrated and of which Members should be proud. She stated that the two overriding priorities of her Sub-Committee had been to improve the City's housing stock and to provide additional social housing for existing tenants and those on the City's considerably long waiting list. She stressed that the Sub-Committee had been supported in these aims by all of its Members, by its parent Committee (Community and Children's Services) and by excellent Officers who had made every attempt to successfully carry out the much extended plans. She went on to stress that a programme for repairs and improvements costing £95 million for less than 3,000 existing properties demonstrated a considerable commitment to social housing from the City Corporation. Leaseholders would see a considerable increase in the value of their properties and all residents would see an improvement in their living conditions. Whilst recognising that there had been delays, with COVID bringing about its own difficulties in terms of accessing properties and a shortage of materials and labour, she noted that the consultation with residents had been over and above what was required and that the quality of the work undertaken to date had been exceptional. The Member recognised that Golden Lane had presented its own issues as a listed estate but, nonetheless, the Sub-Committee remained determined that its

properties would be improved to a high standard and this was backed by a full, ongoing maintenance programme. She encouraged Members who were not familiar with the City's estates to visit them and reported that new properties were being delivered at York Way and Sydenham Hill with planned improvements and expansions at other estates. Closer to home, she reported that Great Arthur House had been transformed and that the Golden Lane estate now housed a state-of-the-art community centre. She went on to state that the new flats on the COLPAI site would be of the highest quality. The Member reported that, unfortunately, there had not yet been an opportunity to discuss the funding of phase two of the Major Works Programme as this was on the agenda for the Sub-Committee's meeting tomorrow. It was hoped that it may be possible to bring projects forward with external grant funding from sources such as the Corporation's Net Zero Carbon Action Plan, with the Member stressing that talk of these projects was entirely separate to any emergency repairs and maintenance. As already highlighted, the Member concluded that plans were fully funded and stated that she found it unnecessary to decry the City's achievements to make an argument for the use of City's Cash for this purpose.

*Lord, C.E., O.B.E.,  
J.P., Deputy;  
Hayward, C.M.*

*Motion* – That the question be now put.

Upon the Motion being put, the Lord Mayor declared it to be carried.

The Mover of the original Motion took the opportunity to respond to points raised during the debate and to sum up. She underlined that she had asked, on several occasions, if this funding could be explored but had seen no progress; hence her decision to bring this Motion to Court today. She went on to state that the reports to be considered by the Housing Management Sub-Committee confirmed the desperate condition of the HRA, adding that, without additional funding, the condition of the housing stock would continue to decay. Despite assurances that the works were funded by the original budget, it was clear to all that costs had escalated since this was set and the Member therefore stressed the need to act now and explore alternative means of additional funding through City's Cash to allow for an accelerated and ambitious programme to complete the renovation of the City's estates and to set the City Corporation up in a position to be able to maintain these with a regular programme of maintenance. She asked Members to support this Motion today and to find a way to be innovative and creative to overcome this challenge facing the HRA or the benefit of the City's social housing tenants, its leaseholders and the Corporation as a whole.

A Division being demanded and granted, there appeared:-

*For the Affirmative – 19*

ALDERMEN

Graves, D.A.

COMMONERS

Ali, M.	Fredericks, M.B.	Pearson, S.J.
Anderson, R.K.	Harrower, G.G.	Pimlott, W.
Bell, M.L.	Jones, H.	Quilter, S.D.
Bostock, M.	Lawrence, G.A.	Pritchard, J.P.
Chapman, J.D.	Lloyd-Owen, N.M.C.	Scott, J.G.S., Deputy
Fentimen, H.L., O.B.E.	Newman, B.P., C.B.E., Deputy	Tomlinson J., Deputy

Tellers for the affirmative – Helen Fentimen (affirmative) and Deputy Edward Lord (negative).

*For the Negative – 75*

ALDERMEN

Bowman, Sir Charles	Hailes, T.R.	Luder, I.D.
Edhem, Prof. E.	Howard, R.	Lyons, N.S.L., Sheriff
Estlin, Sir Peter	Hughes-Penney, R.C.	Mainelli, Prof. M.R.
Garbutt, J.	Jones, G., P., Q.C.	Masojada, B.
Gowman, A.J., Sheriff	King, A.J.N.	Parmley, Sir Andrew
Goyal, P.B., O.B.E.	Langley, S., O.B.E.	Wootton, Sir David

COMMONERS

Abrahams, G.	Graham, T.	Merrett, R.A., Deputy
Absalom, J.D., Deputy	Haines, C.W.	Meyers, A.G.D., Deputy
Addy, C.	Hayward, C.M.	Mooney, B.D.F., Deputy
Ameer, R.B.	Hoffman, T. D.D., M.B.E. Deputy	Murphy, B.D.
Barr, A.R.M.	Holmes, A.	Packham, G.D.
Barrow, D.G.F., M.B.E.	Hudson, M.	Petrie, J., O.B.E.
Bennett, J.A., M.B.E.	Hyde, W., Deputy	Pleasance, J.L.
Bennett, P.G.	Ingham Clark, J., Deputy	Pollard, J.H.G., Deputy
Bensted-Smith, N.M., J.P.	James, C., Deputy	Rogula, E., Deputy
Boden, C.P.	Joshi, S.J., M.B.E.	de Sausmarez, H.J.
Bottomley, K.D.F., Deputy	Levene, T.C.	Sayed, R.
Chadwick, R.A.H., O.B.E., Deputy	Littlechild, V., J.P.	Seaton, I.C.N., M.B.E.
Clementi, T.C.	Lodge, O.A.W.	Sells, O.M., Q.C.
Duckworth, S.D., O.B.E., D.L.	Lord, C.E., O.B.E., J.P., Deputy	Shilson, G., Deputy
Dunphy, P.G., Deputy	Martinelli, P.N.	Simons, J.L., O.B.E.
Durcan, J.M.	Mayhew, J.P., O.B.E.	Thomson, J.M.D., Deputy
Edwards, J.E.	McGuinness, C.S., Deputy	Tumbridge, J.R.
Everett, K., Deputy	McMurtrie, A.S., J.P.	Woodhouse, P.J., Deputy
Fernandes, S.A.	Mead, W., O.B.E.	Wright, D.L.

Tellers for the negative – Natasha Lloyd-Owen (affirmative) and Christopher Hayward (negative).

*Resolved* – The Lord Mayor declared the Motion not to be carried.

14. Questions

*Boden, C.P., to  
the Chair of the  
Policy &  
Resources  
Committee*

**COVID19 Recovery Fund and support for SMEs**

Christopher Boden asked a question of the Chair of Policy and Resources Committee, seeking information concerning the Covid Recovery Fund and the potential re-opening of the scheme.

Responding, the Chair recognised the difficulties experienced by the City's SMEs over the past two years and the noted the support that the City Corporation had been able to provide. She clarified that up to £50m from City's Cash had been authorised to support the Recovery Scheme and noted that approximately £12m had been utilised to date; however, these funds had been reallocated from monies previously earmarked to finance the Corporation's Major Projects and, on the closure of the Scheme, the unspent monies returned to their original purpose.

In response to the questions around the criteria and communication of any new Scheme, the Chair confirmed that the City wished to help as many SMEs as possible and would seek to make as many people aware as possible; however, she also recognised the need to exercise responsibilities around management of the allocation of funds wisely, to ensure maximum effect. Careful consideration needed to be given to ensure the City met its responsibilities. To that end, the Resource Allocation Sub Committee would be considering the matter in detail the following day, with proposals to be considered around the launch of a new Business Recovery Scheme.

Christopher Boden asked a supplementary question, seeking assurance that in any future allocation priority would be given to small and micro enterprises in the City, as they had suffered disproportionately in the pandemic. He also noted the announcement from central government that additional grant monies had been allocated to the City Corporation which must be spent by 31 March, to which he sought confirmation that all such funds would be allocated and spent. Responding, the Chair acknowledged that focus would likely be on small and micro businesses at the discussion scheduled for Resource Allocation Sub Committee but that it would be for the Sub Committee to consider the proposals in detail. She confirmed that efforts would be made to allocate all the funding by the deadline of 31 March 2022 and thanked colleagues across London who had helped petition for a greater allocation for the City, as it the original allocation had been based on residential rather than business population.

Judith Pleasance asked a supplementary question concerning Leadenhall Market, tenants of which required assistance as a matter of urgency. She sought an expeditious decision on the matter and asked that consideration also be given on how the process could be made easier for applicants. She concluded by requesting that any new scheme also be open to previous applicants. In reply, the Chair confirmed that the matter was of great importance and was being dealt with at pace. She agreed that focus would be put on the simplicity of applications and that firms who had applied last year should be encouraged to apply again where eligible.

In closing the Chair cautioned that, with elections approaching, Members needed to



take care in becoming involved too closely with applications, emphasising the importance of the process being entirely impartial given the fact that the scheme involved distributing money to prospective electors.

## 15. **POLICY & RESOURCES COMMITTEE**

**(Deputy Catherine McGuinness)**

### **Report of Urgent Action Taken: Audio-Visual Participation in Meetings and Re-introduction of Covid-19 Protocol**

The Court was recommended to note action taken under urgency procedures to allow audio-visual participation in meetings and re-introduction of Covid-19 protocol.

*Resolved* – That the action taken under urgency procedures be noted.

## 16. Ballot Results

The Town Clerk reported the result of the ballot taken at the last Court, as follows:-

One Member to the **Policy & Resources Committee**.

	<b>Votes</b>				
	<b>First Round</b>	<b>Second Round</b>	<b>Third Round</b>	<b>Fourth Round</b>	<b>Final Round</b>
Randall Anderson -	9	10	12	17	-
Mary Durcan -	33	34	34	35	43
John Fletcher -	10	10	10	-	-
Paul Martinelli -	15	17	18	22	28
Susan Pearson -	5	5	-	-	-
James Tumbridge -	4	-	-	-	-

*With no candidate obtaining 50% of the first preference votes, the candidate with fewest first preference votes was eliminated and next preference votes (as appropriate and where indicated) were transferred. This step was repeated and, following the fourth round of counting, Mary Durcan received a majority of votes cast.*

Read.

Whereupon the Lord Mayor declared Mary Durcan to have been appointed to the Policy & Resources Committee.

## 17. Legislation

The Court received a report on measures introduced by Parliament which might have an effect on the services provided by the City Corporation as follows: -

### **Statutory Instruments**

#### **The Coroners (Inquests) (Amendment) Rules 2021 No. 1379**

This statutory instrument amends the standard form for recording an inquest into a death under the Coroners and Justice Act 2009. The amendment reflects a recent decision of the Supreme Court, which confirmed that the civil rather than criminal standard of proof is required for the short form conclusions of “unlawful killing” and “suicide”. This affects the services of the City of London Coroner’s Court and the work of the Senior Coroner and two

Assistant Coroners, who are appointed by the Corporation to investigate reported deaths within the Square Mile.

**The National Security and Investment Act 2021 (Commencement No. 2 and Transitional and Saving Provision) Regulations 2021 No. 1465**

These Regulations bring into force all provisions of the National Security and Investment Act 2021 that are not already in force. The Act provides for persons to notify the Secretary of State about acquisitions that constitute ‘trigger events’ (i.e. that might raise national security concerns) and to apply for retrospective validation of a notifiable acquisition. The Regulations also make transitional and saving provision.

**The Health Protection (Coronavirus, Wearing of Face Coverings) (England) Regulations 2021 No. 1340**

These Regulations list places where members of the public are required to wear face coverings, other than in certain limited cases. They also require businesses in places where wearing a face covering is required to display notices giving information about that requirement, and prohibit persons carrying on business in specified locations from preventing anyone from wearing a face covering, except in limited circumstances. The effects of these Regulations were due to cease on 20th December 2021 but the application of the provisions has been extended by subsequent Regulations, as detailed below.

**The Health Protection (Coronavirus, Wearing of Face Coverings) (England) (Amendment) Regulations 2021 No. 1400**

These Regulations amend the Coronavirus Regulations concerning face coverings. They add to the list of places where face coverings must be worn, provide for gatherings where face coverings need not be worn and clarify which persons are potentially liable to prosecution for an offence in relation to contraventions of the Regulations. They extend the period during which the above Regulations are in force until 26th January 2022.

**The Health Protection (Coronavirus, Restrictions) (Entry to Venues and Events) (England) Regulations 2021 No. 1416**

These Regulations impose obligations on those responsible for organising certain events, or managing venues including indoor music venues, exhibition halls, conference centres and other public halls, on occasions when such venues are attended by at least 500 people. In calculating the number of attendees, no account is taken of people who have assigned seats or who are providing services at the event. Organisers must take reasonable measures to ensure that they do not admit any person to such events unless the person has been fully vaccinated or has tested negative for coronavirus within the last 48 hours. Exceptions exist, for example for those under 18 years of age and those who should not be vaccinated for clinical reasons. Further exceptions apply to certain people attending the venue or event as part of their official duties, including diplomats, officers of an international organisation, and local authority officers. The restrictions are due to expire on 26th January 2022.

*(The text of the measures and the explanatory notes may be obtained from the Remembrancer’s Office)*

Read.

18. Hospital  
Seal

There were no docquets to be sealed.

19. Awards &  
Prizes

There was no report.

20. Exclusion  
of the Public

*Mooney, B.D.F.,  
Deputy; Ingham  
Clark, R.J., Deputy*

*Resolved* – That the public be excluded from the meeting for the following items of business below on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 and 4 of Part 1 of Schedule 12A of the Local Government Act, 1972.

**Summary of items considered whilst the public were excluded:-**

21. Non-public  
Minutes

*Resolved* – That the non-public minutes of the last Court are correctly recorded.

22. **Policy & Resources Committee and Culture Heritage & Libraries Committee**  
The Court approved the Destination City strategy together with related proposals.

23. **Finance Committee**  
The Court approved the award of a contract relative to the provision of water, wastewater and ancillary services.

24. **Bridge House Estates Board**  
The Court noted action taken under urgency procedures relating to the purchase of a property.

25. **Property Investment Board**  
The Court noted two separate reports of action taken under urgency procedures, both in relation to the disposal of long-term leases.

**The meeting commenced at 1.00 pm and ended at 2.59 pm**

**BARRADELL.**

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## Report – Policy and Resources Committee

# Supplementary arrangements for the Presiding Officer at a Wardmote – Bill for an Act of Common Council

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### SUMMARY

The accompanying Bill to this report is intended to introduce more flexibility into the arrangements for presiding at a wardmote, by allowing a Lord Mayor's Aldermanic Representative to preside where none of the traditional presiding officers are available.

Your Policy and Resources Committee has considered the matter and is minded that the proposed changes – which constitute a formalisation of pragmatic arrangements employed previously – should be progressed in advance of the City-wide elections in March 2022.

In order to effect the proposed change, a Bill for an Act of Common Council is required. In accordance with Standing Order No. 46, the terms of the Bill must be considered by the appropriate Committee(s) and be settled by the Recorder of London prior to its submission to the Court of Common Council for its first, second and third reading.

The draft Bill as set out in the appendix to this report was approved by the Policy and Resources Committee in January 2022 and settled by the Recorder prior to submission to the Court of Common Council later that month, where it was presented for its first reading and second reading and duly approved. The Bill is now submitted to the Court for its third and final reading, thereby allowing it to be ratified in advance of the City-wide elections.

### RECOMMENDATION(s)

Approval be given to:-

- Proposals to make supplementary arrangements for the presiding officer at a wardmote; and
- The draft Bill for an Act of Common Council to effect these changes, as set out in the Appendix to this report.

## **MAIN REPORT**

### **Background**

1. Traditionally, at an Aldermanic election, the Lord Mayor, or in their absence their locum tenens, acts as presiding officer.
2. At an election of Common Councilmen, the Alderman of the ward, or in their absence the Lord Mayor or their locum tenens, acts as presiding officer at the wardmote, and the Deputy of a ward can also preside at a wardmote to fill a casual vacancy.
3. When Members recently reviewed the Wardmote Book, they asked officers to look at these arrangements, to see if more flexibility could be introduced.

### **Current Position and Issues**

4. One issue is that there are many duties that the Lord Mayor is asked to undertake, both at home and abroad, and the number of senior Aldermen who have served as Lord Mayor and can act as locum tenens is quite limited. In any event it is not possible for the Lord Mayor and their locum tenens, or more than one locum tenens, to be present in the City at the same time and this limits the number of substitutions that can be put in place on the same day.
5. Whilst section 17(3) of the City of London (Various Powers) Act 1954 enables a poll to be delayed to a different date in some circumstances, to allow the Lord Mayor to preside in multiple wards, it would be better in many cases to avoid any delay in the holding of a poll, for example where the ordinary ward elections in relation to the whole number of Common Councilmen are scheduled to be held on the same day.
6. Another concern that has been expressed by some Members is around potential conflicts when acting in the presiding officer role, for example, where an Alderman has supported a particular candidate for Common Council at the election in question. In this context it is important to note that, under section 2 of the City of London Ballot Act 1887, the presiding officer at an election where a poll is held is also the returning officer for that election, with all of the powers and duties which are conferred and imposed on that position.

### **Proposal**

7. Whilst the link between an Alderman and their ward is very important, and in most cases such engagement will not give rise to an actual conflict or perception of bias, there is clearly a desire amongst some Aldermen to have increased flexibility to recuse themselves in some circumstances, for example through an exchange of duties with an Alderman in another ward.
8. It is known that, occasionally, the customary arrangements set out above have been departed from in the past, out of necessity, but it is felt that any deviation ought to be formalised and regularised.

9. The initial proposal from Members was that a Representative Lord Mayor could be authorised to preside at ward elections. However, this must still be an Alderman who has passed the chair and so would not address all of the above concerns.
10. Allowing any Alderman to preside in a different ward would maximise the available options and is, accordingly, proposed. It is also proposed that such arrangements should continue to be exercised under the authority of the Lord Mayor, through the appointment in writing of a Lord Mayor's Aldermanic Representative to act as presiding officer at a specific election.
11. It may be worth emphasising that is not intended to routinely depart from the current arrangements – the option of a Lord Mayor's Aldermanic Representative would be used where none of the traditional presiding officers were available, and this is reflected in the drafting of clauses 2 and 3 in the Bill.
12. Should Members be supportive of the proposed change, a Bill for an Act of Common Council is required. In accordance with Standing Order No. 46, the Bill must be considered and approved by the appropriate Committee(s) and submitted to the Recorder of London for settling before it can be considered by the Court of Common Council.
13. Following approval by Policy and Resources Committee, the draft Bill was settled by the Recorder and presented to the Court for its first and second reading in January 2022. Following the approval for the first and second readings, the Bill is now submitted to the Court for its third and final reading.

## **Conclusion**

14. Allowing for a Lord Mayor's Aldermanic Representative to act as Presiding Officer at any Ward election, where required, is considered a pragmatic and prudent measure to deal with potential logistical difficulties. Your Policy and Resources Committee commends it to you accordingly.

## **Appendices**

- Draft Bill for an Act of Common Council

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

DATED this 4<sup>th</sup> day of January 2022.

SIGNED on behalf of the Committee.

**Deputy Catherine McGuinness**  
Chair, Policy and Resources Committee

**To be considered at the Court of Common Council**

**2022**

**A BILL**

For an Act of Common Council to –

Make supplementary arrangements for the presiding officer at a wardmote.

**WHEREAS:-**

- (1) From time immemorial there has existed and still exists in the City of London (“the City”) a Common Council consisting of the Lord Mayor, Aldermen and Commons in Common Council assembled and the Common Council have made, passed, ordained and established divers Acts, Ordinances, Rules, Orders and Regulations for the regulation and good government of the City and its Liberties as to them from time to time has been found necessary and expedient;
- (2) At the election of an Alderman the Lord Mayor, or in their absence their locum tenens, acts as presiding officer at the wardmote;
- (3) At the election of a Common Councilman, or Common Councilmen as the case may be, the Alderman of the ward, or in their absence the Lord Mayor or their locum tenens, acts as presiding officer at the wardmote, and the Deputy of a ward can also preside at a wardmote to fill a casual vacancy;
- (4) Under section 2 of the City of London Ballot Act 1887 the presiding officer at an election where a poll is held is also the returning officer for that election, with all of the powers and duties which are conferred and imposed on that position;
- (5) A number of Aldermen have expressed concerns about acting as presiding officer where they have supported a particular candidate for Common Councilman within their own ward;
- (6) It is not possible for the Lord Mayor and their locum tenens, or more than one locum tenens, to be present in the City at the same time and in addition the number of senior Aldermen who can act as Lord Mayor locum tenens is at present fairly limited and is likely to diminish further in the next few years;
- (7) Where by reason of the illness, absence or other incapacity of any Alderman the Lord Mayor is required to take a poll in more than one ward on the same day, each such poll shall be taken on such a day as the Lord Mayor may appoint, in accordance with section 17(3) of the City of London (Various Powers) Act 1954, but it would be beneficial to avoid any delay in the holding of a poll, especially where the ordinary ward elections in relation to the whole number of Common Councilmen are scheduled to be held on the same day;



- (8) His late Majesty King Edward the Third by his Charter made and granted to the City in the fifteenth year of his reign afterwards confirmed and ratified by Parliament did (amongst other things) grant that if any customs in the City before that time obtained and used were in any part hard or defective or any things in the City newly arising in which no remedy had been ordained should need amendment the Mayor and Aldermen of the City and their successors with the assent of the Commonalty of the City might put and ordain thereto fit remedy as often as it should seem expedient to them so that such ordinance should be profitable to the King and to the citizens and to all other liege subjects resorting to the City and agreeable also to reason and good faith.

**BE IT THEREFORE and IT IS HEREBY ENACTED ORDAINED AND ESTABLISHED** by the Right Honourable the Lord Mayor, the Right Worshipful the Aldermen and the Commons of the City of London in Common Council assembled and the authority of the same **AS FOLLOWS:**

### **Interpretation**

1. In this Act –

“casual vacancy” means a vacancy in the office of Common Councilman arising from the death, disqualification or resignation of the incumbent;

“Lord Mayor’s Aldermanic Representative” means any Alderman appointed in writing by the Lord Mayor to act as presiding officer at the election in question.

### **Presiding Officer at the Election of an Alderman**

2. At the election of an Alderman a Lord Mayor’s Aldermanic Representative may act as presiding officer at the wardmote in the absence of the Lord Mayor and their locum tenens.

### **Presiding Officer at the Election of a Common Councilman or Common Councilmen**

3. At the election of a Common Councilman or Common Councilmen a Lord Mayor’s Aldermanic Representative may act as presiding officer at the wardmote in the absence of the Alderman of the ward, the Lord Mayor and their locum tenens, and also in the absence of the Deputy of the ward in the case of an election to fill a casual vacancy.

### **Commencement**

4. The provisions of this Act shall come into force on the day on which it is made and passed as an Act of Common Council.

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## Report – Policy and Resources Committee

### Nationality Requirements for Aldermen – Bill for an Act of Common Council

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

#### **SUMMARY**

The accompanying Bill is intended to clarify the nationality requirement for Aldermen by removing the erroneous reference in Acts of Common Council suggesting that there is a pre-existing requirement for Aldermen to be British subjects. For the avoidance of doubt, the Bill also makes it clear that Aldermanic candidates must either be British, Irish, or citizens of a Commonwealth country, which is the current position.

In order to effect the proposed change, a Bill for an Act of Common Council is required. In accordance with Standing Order No. 46, the terms of the Bill must be considered by the appropriate Committee(s) and must be submitted to the Recorder of London for settling prior to its submission to the Court of Common Council for its first, second and third reading.

Your Policy and Resources Committee agreed to progress this matter at its meeting in February 2022. The draft Bill at Appendix 1 was finalised by the Comptroller & City Solicitor in accordance with the Committee's direction following the meeting and has since been settled by the Recorder. It is now presented for its first reading and second reading and, if approved, would be presented for a third and final reading in April, so as to take effect and provide welcome clarification ahead of any Aldermanic elections from May onwards.

#### **RECOMMENDATION(s)**

Approval be given to:-

- Proposals to clarify the nationality requirement for Aldermen in existing Acts of Common Council.
- The draft Bill for an Act of Common Council to effect these changes, as set out in Appendix 1 to this report.

## **MAIN REPORT**

### **Background**

1. The nationality requirement for Aldermen has been the subject of some debate over recent months. The Law Officers set out the position in their Opinion dated 15 June 2021. The Wardmote Book (including the relevant electoral forms) was subsequently updated to clarify that an Alderman may be a Commonwealth citizen or a citizen of the Republic of Ireland and to more accurately explain the legislative basis for this.
2. The nationality requirement arises from section 3 of the Act of Settlement of 1701, as modified by Schedule 7 of the British Nationality Act 1981, and this is not therefore something that the Court of Common Council can remove. The term Commonwealth citizen includes any person who is a British citizen, British overseas territories citizen, British National (Overseas), British Overseas citizen or British subject and a citizen of a Commonwealth country as listed in Schedule 3 of the British Nationality Act 1981.
3. There is no additional requirement in the Act of Common Council of 15 April 1714 that Aldermen must be British subjects, despite references to the contrary in Acts of Common Council from 1998 onwards. This retrospective interpretation was probably based on the separate requirement to be a freeman. The freedom was originally limited to British subjects but was opened up to European Union citizens from 1996 and to persons of any nationality from 1999.
4. It is worth noting that the meaning of the term British subject has itself changed over time, with references in legislation passed before the commencement of the British Nationality Act 1981 being synonymous with a Commonwealth citizen, and later references relating only to a small residual class of individuals.
5. Whilst the Law Officers concluded that the reference in Acts of Common Council from 1998 onwards to there being a pre-existing requirement for Aldermen to be British subjects had no legal effect, this reference has understandably caused some confusion and the Policy and Resources Committee therefore asked for the position to be put beyond doubt through a new Act of Common Council. The original proposal was simply to remove the reference to British subjects from section 3(1) of the Act of Common Council of 10 September 1998 (at Appendix 2).

### **Power to legislate**

6. When a draft Bill was initially taken to the Policy and Resources Committee on 16 December 2021 it was queried whether the Court of Common Council has the power to legislate on the nationality issue. Officers were therefore requested to revert in due course with a further report providing clarification on this aspect.
7. As subsequently reported to the Policy and Resources Committee on 17 February 2022, the Remembrancer and the City Solicitor are of the opinion that a new Act of Common Council is not strictly necessary in the circumstances, but both the Policy and Resources Committee and the General Purposes Committee of the Court of Aldermen have expressed the view that they would wish the matter to be

confirmed through a new Act rather than the position being left to stand solely on the basis of the Law Officers' Opinion.

8. A translation of the Charter of King Edward the Third provides that, "if any customs in the City before that time obtained and used were in any part hard or defective or any things in the City newly arising in which no remedy had been ordained should need amendment the Mayor and Aldermen of the said City and their successors with the assent of the Commonalty of the City might put and ordain thereto fit remedy as often as it should seem expedient to them so that such ordinance should be profitable to the King and to the citizens and to all other liege subjects resorting to the City and agreeable also to reason and good faith."
9. In modern administrative law terms, the Charter is a broad power of general competence which allows the Corporation to govern and amend its own affairs within the bounds of Parliamentary sovereignty. This power is limited only by specific statutory requirements or limitations and nor may it be used for an improper purpose to seek to evade a statutory scheme. Subject to these restrictions it is a wide power which may be used to "fill in the gaps" left by Parliament in relation to the governance and powers of the City.
10. Municipal Elections in the City are a prime example of Parliament making a limited intervention in City affairs resulting in a complex mosaic of powers and duties rather than a single statutory scheme. Thus, Municipal elections are governed by some parts of the national scheme e.g., elements of the Representation of the People Act 1983; City specific local legislation e.g., the City of London (Various Powers) Act 1957; and numerous Acts of Common Council dating back centuries.
11. Furthermore, where Parliament has intervened, it has not treated Aldermen and Common Councilmen in the same manner. For example, section 5 of the City of London (Various Powers) Act 1957 makes provision for the qualification of candidates for election to the Common Council and specifically states that a person shall not be qualified for election as a Common Councilman otherwise than in accordance with this section. There is no corresponding Parliamentary provision for the election of Aldermen. The Common Council, therefore, retains the power to change the qualifications to be an Alderman through Acts of Common Council and did so most recently in 2013.
12. Section 3 of the Act of Settlement of 1701, by contrast, is a general provision that applies to a very wide range of civic and other offices. It is considered that this provision would not prevent the Common Council from imposing a more restrictive nationality requirement for Aldermen, if this was deemed appropriate. In any event, it must be right that the Common Council can remove a provision (or as in this case, an erroneous reference) that was included in a previous Act of Common Council.
13. In all the circumstances, the Remembrancer and the City Solicitor are of the opinion that:
  - (i) for the reasons set out in the Law Officers' Opinion dated 15 June 2021 a Commonwealth citizen or a citizen of the Republic of Ireland will satisfy the nationality qualification for Aldermanic office;

- (ii) any misunderstanding in a pre-existing Act of Common Council may be rectified, as is considered desirable, through a new Act of Common Council; and
- (iii) such a correction is within the Common Council's powers under the Charter of King Edward the Third as it does not override or evade legislation or any statutory scheme.

## **Proposal**

14. Your Policy and Resources Committee, having considered the matter, has determined that it would be desirable to progress a Bill for an Act of Common Council to provide helpful clarity. Members additionally considered that there should be a specific reference to the current nationality requirement for Aldermanic candidates in the Act of Common Council, notwithstanding that this is already provided for more generally in Acts of Parliament. Members also favoured splitting the definition of "Commonwealth citizen", used in the national legislation, into "British" and citizens of a "Commonwealth country". The wording of the Bill, which appears at Appendix 1, was finalised under delegated authority. The Bill substitutes an alternative section 3(1) into the Act of Common Council of 10 September 1998, at Appendix 2, together with the necessary definitions.
15. In accordance with Standing Order No. 46, the Bill must be considered and approved by the appropriate Committee(s) and submitted to the Recorder of London for settling before it can be considered by the Court of Common Council.
16. Therefore, the draft Bill has since been settled by the Recorder and is hereby presented to the Court for its first and second reading. Subject to the Court's approval, it will then be presented for a third reading and made an Act of Common Council, if approved, on 21 April 2022. It will then be in force in time for the resumption of Aldermanic elections from May.

## **Conclusion**

17. The accompanying Bill has been drafted at the behest of your Policy and Resources Committee, to clarify the nationality requirement for Aldermen. The Remembrancer and the City Solicitor are of the opinion that this action is within the Common Council's powers. The Bill is now submitted to the Court of Common Council for approval. If made and passed as an Act of Common Council, it will be in force for the resumption of Aldermanic elections in May 2022.

## **Appendices**

- Appendix 1: Draft Bill for an Act of Common Council
- Appendix 2: Act of Common Council of 10 September 1998 (as amended)

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

DATED this 17<sup>th</sup> day of February 2022.

SIGNED on behalf of the Committee.

**Deputy Catherine McGuinness**  
Chair, Policy and Resources Committee

**To be considered at the Court of Common Council**

**2022**

**A BILL**

For an Act of Common Council to –

Clarify the nationality requirement for Aldermen.

**WHEREAS:-**

- (1) From time immemorial there has existed and still exists in the City of London (“the City”) a Common Council consisting of the Lord Mayor, Aldermen and Commons in Common Council assembled and the Common Council have made, passed, ordained and established divers Acts, Ordinances, Rules, Orders and Regulations for the regulation and good government of the City and its Liberties as to them from time to time has been found necessary and expedient;
- (2) Acts of Common Council from 1998 onwards cite an Act of Common Council made and passed on the 15<sup>th</sup> day of April 1714 as providing that candidates for the office of Alderman must be British subjects, but this is not in fact the case;
- (3) The meaning of the term “British subject” has itself changed over time, with references in legislation passed before the commencement of the British Nationality Act 1981 being synonymous with a Commonwealth citizen, and later references relating only to a small residual class of individuals;
- (4) Section 3 of the Act of Settlement 1701, as modified by Schedule 7 of the British Nationality Act 1981, prevents any person who is not a Commonwealth citizen or a citizen of the Republic of Ireland from assuming the office of Alderman;
- (5) The reference in Acts of Common Council from 1998 onwards to Aldermen having to be British subjects accordingly has no effect but has caused some confusion on the Court of Common Council and more generally;
- (6) His late Majesty King Edward the Third by his Charter made and granted to the City in the fifteenth year of his reign afterwards confirmed and ratified by Parliament did (amongst other things) grant that if any customs in the City before that time obtained and used were in any part hard or defective or any things in the City newly arising in which no remedy had been ordained should need amendment the Mayor and Aldermen of the City and their successors with the assent of the Commonalty of the City might put and ordain thereto fit remedy as often as it should seem expedient to them so that such ordinance should be profitable to the King and to the citizens and to all other liege subjects resorting to the City and agreeable also to reason and good faith.



**BE IT THEREFORE and IT IS HEREBY ENACTED ORDAINED AND ESTABLISHED** by the Right Honourable the Lord Mayor, the Right Worshipful the Aldermen and the Commons of the City of London in Common Council assembled and the authority of the same **AS FOLLOWS:**

### **Interpretation**

1. In this Act –

“Act of 1998” means an Act of Common Council made and passed on the 10th day of September 1998;

“Act of 2013” means an Act of Common Council made and passed on the 16th day of May 2013.

### **Candidature for the Office of Alderman**

2. Section 3(1) of the Act of 1998, as substituted by section 2 of the Act of 2013, shall be omitted and substituted by the following –

“3. (1) Without prejudice to the provisions of an Act of Common Council made on the fifteenth day of April 1714 (which provide that candidates for the office of Alderman must be of full age, able and sufficient Citizens and Freemen of the City and not already Aldermen but are modified by subsection (6) below), such candidates shall either be British, Irish, or citizens of a Commonwealth country and at the time of their nomination and election shall satisfy the requirements of either subsection (2) or subsection (3) below, or both.”

### **Minor, incidental and consequential amendments**

3. The following definitions shall be included at the appropriate point in section 1 of the Act of 1998 –

““British” means a British citizen, a British overseas territories citizen, a British National (Overseas), a British Overseas citizen or a British subject under the British Nationality Acts 1981 and 1983 or the British Overseas Territories Act 2002;

“Commonwealth country” means any country mentioned in Schedule 3 of the British Nationality Act 1981;

“Irish” means a citizen of the Republic of Ireland;”

### **Commencement**

4. The provisions of this Act shall come into force on the day on which it is made and passed as an Act of Common Council.

### **Savings**

5. Save as hereby varied the provisions of the Act of 1998 and the Act of 2013 shall continue in full force and effect.



NICHOLS

Mayor

A Common Council holden in the Guildhall of the City of London on Thursday, the 10th September, in the year of Our Lord One Thousand Nine hundred and Ninety-eight, and in the 47th year of the reign of Elizabeth the Second, by the Grace of God, of the United Kingdom of Great Britain and Northern Ireland and Her other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith, before the Right Honourable Lord Mayor, Sir Richard Nichols, Sir Peter Gadsden, GBE, AC, MA, DSc, FEng, Sir Christopher Leaver, GBE, DMus, Sir David Rowe-Ham, GBE, DLitt, Sir Alexander Graham, GBE, DCL, Sir Paul Newall, TD, DL, MA, DLitt, Sir Christopher Walford, MA, DCL, Sir Roger Cork, Lord Levene of Portsoken, KBE, Gavyn Farr Arther, MA, Clive Haydn Martin, OBE, TD, DL, Robert Gerard Finch, Esq, Peter Anthony Bull, Esq, Richard Devenish Agutter, Esq, Michael Berry Savory, Esq, David William Brewer, Esq, Frederick Michael Everard, Esq, CBE, BA, DSc, John Stephen Hughesdon, Esq, and David Howarth Seymour Howard, Esq, Alderman and one of the Sheriffs of the said City and the greater part of the Commons of the said City in the said Common Council then and there assembled.

**An Act of Common Council to make further provision for the qualification of candidates for the office of Alderman of the City of London and amend further for such purpose an Act of Common Council made and passed on the 14th day of July 1960 relating to the election of Aldermen; provide for the approval of persons elected to that office; abolish fines and penalties upon Aldermen and disapply provisions of an Act of Common Council made on the 17th day of April 1812; provide for the governance of precedence or seniority of Aldermen and to amend an Act of Common Council made and passed on the 21<sup>st</sup> day of July 1932 relating to the nomination and election of Sheriffs of the City of London; and make further provision for vacancies among and the numbers of Common Councilmen.**

**WHEREAS** from time immemorial there has existed and still exists in the City of London a Common Council consisting of the Lord Mayor and Aldermen of the said City and certain Citizens being Freemen of the said City and called the Commons and the said Mayor, Aldermen and Commons in Common Council assembled have made, passed, ordained and established divers Acts, Ordinances, Rules, Orders and Regulations for the regulation and good government of the said City and its Liberties as to them from time to time has been found necessary and expedient;

**And Whereas** it is desirable to make changes to the Electoral Franchise of the said City by making it a qualification for Election to the office of Alderman that Candidates for that office would be justices of the peace (including Aldermen surrendering their Office who may intend to submit themselves for re-election for their Ward or otherwise for election as Aldermen) or persons suitable for appointment as justices of the peace for the City bench;

**And Whereas** Members of the Court of Lord Mayor and Aldermen have resolved that individual Aldermen should offer to surrender their Office as such on or before the expiry of a term of six years (or any subsequent such term) albeit as respects any of them with the intention of submitting themselves for re-election or election otherwise as Aldermen as hereinbefore recited;

**And Whereas** by an Act of Common Council made and passed on the 14th day of July 1960 as amended by Acts of Common Council made and passed on the 9th day of February 1978 and the 17th day of May 1979 further provision was made governing the election of Aldermen of the City of London;

**And Whereas** it is necessary for the purposes hereinbefore recited to amend further the said Act made and passed on the 14th day of July 1960 and to insert provisions therein;

**And Whereas** it is consequential upon the said purposes and desirable that provision be made in relation to the approval of persons qualified to be elected to the office of Alderman and so elected;

**And Whereas** it is desirable to abolish fines and penalties upon Aldermen as having fallen into disuse and accordingly to disapply provisions of an Act of Common Council made on the 17th day of April 1812;

**And Whereas** it is desirable and in accordance with the purposes hereinbefore recited that provision be made in relation to the precedence or seniority of Aldermen and accordingly to amend an Act of Common Council made and passed on the 21<sup>st</sup> day of January 1932 relating to the Nomination and Election of Sheriffs of the City of London;

**And Whereas** it is desirable to make further provision for vacancies among and the numbers of Common Councilmen of the said City;

**And Whereas** His late Majesty King Edward the Third by his Charter made and granted to the said City in the fifteenth year of his reign afterwards confirmed and ratified by Parliament did (amongst other things) grant that if any customs in the said City before that time obtained and used were in any part hard or defective or any things in the said City newly arising in which no remedy has been ordained should need amendment the Mayor and Aldermen of the said City and their successors with the assent of the Commonalty of the said City might put and ordain thereunto fit remedy as often as it should seem expedient to them so that such ordinance should be profitable to the King and to the Citizens and to all other liege subjects resorting to the said City and agreeable also to reason and good faith;

**Be it therefore enacted**, and it is hereby enacted ordained and established by the Right Honourable the Lord Mayor, the Right Worshipful the Aldermen and the Commons of the City of London in Common Council assembled and by the authority of the same as follows:-

## PART I – INTERPRETATION AND COMMENCEMENT

### Interpretation

[1. In this Act –

“bankruptcy restrictions interim order” means a bankruptcy restrictions interim order under paragraph 5 of Schedule 4A to the Insolvency Act 1986 or any re-enactment thereof;

“bankruptcy restrictions order” means a bankruptcy restrictions order under paragraph 1 of Schedule 4A to the Insolvency Act 1986 or any re-enactment thereof;

“debt relief restrictions order” means a debt relief restrictions order under paragraph 1 of Schedule 4ZB to the Insolvency Act 1986 or any re-enactment thereof;

“debt relief restrictions undertaking” means a debt relief restrictions undertaking under paragraph 7 of Schedule 4ZB to the Insolvency Act 1986 or any re-enactment thereof;

“imprisonable offence” means an offence –

- (a) for which a person who has attained the age of 18 years may be sentenced to a term of imprisonment, or
- (b) for which, in the case of such a person, the sentence is fixed by law as life imprisonment;

“interim debt relief restrictions order” means an interim debt relief restrictions order under paragraph 5 of Schedule 4ZB to the Insolvency Act 1986 or any re-enactment thereof; and

“Town Clerk” shall have the meaning set out in section 4 (Amendment to Procedures for the Election of Aldermen, etc.).]<sup>1</sup>

## Commencement

2. This Act shall come into force on such date or dates as the Court of Common Council may by resolution determine and the said Court may determine different dates for different provisions of this Act.

## PART II – ALDERMEN

### Candidature for the Office of Alderman

- [3. (1) Without prejudice to the provisions of an Act of Common Council made on the fifteenth day of April 1714 (which provide that candidates for the office of Alderman must be of full age, British subjects, able and sufficient Citizens and Freemen of the City and not already Aldermen but are modified by subsection (6) below), such candidates shall at the time of their nomination and election satisfy the requirements of either subsection (2) or subsection (3) below, or both.
- (2) Candidates shall satisfy the requirements of this subsection if they are justices of the peace.
- (3) Candidates shall satisfy the requirements of this subsection if they –

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<sup>1</sup> Substituted by section 4 of the Act of Common Council of 16 May 2013

- (a) are not the subject of a debt relief restrictions order, an interim debt relief restrictions order, a bankruptcy restrictions order, a bankruptcy restrictions interim order or a debt relief restrictions undertaking, and
  - (b) have not been convicted in the United Kingdom, the Channel Islands or the Isle of Man, of any imprisonable offence (whether or not sentenced to a term of imprisonment in respect of the offence).
- (4) Candidates shall, on the request of the Town Clerk, produce such evidence as is necessary to establish to his satisfaction that the condition stated in subsection (1) is met.
- (5) The Town Clerk may disclose for any purposes related to the nomination or election of a candidate for the office of Alderman whether he has seen evidence of the kind to which subsection (4) relates.
- (6) The Act of Common Council made on the fifteenth day of April 1714 referred to in subsection (1) shall apply to Aldermen to whom section 3A(1) of an Act of Common Council made on the 14th day of July 1960 (as amended) relates as if they were not already Aldermen.]<sup>2</sup>

#### Amendment to Procedures for the Election of Aldermen, etc

4. The Act of Common Council made and passed on the fourteenth day of July 1960 and entitled “An Act of Common Council to Repeal the Acts of Common Council made and passed on the 2<sup>nd</sup> day of December 1920 and the nineteenth day of September 1957 respectively; to amend the Act of Common Council made on the tenth day of October 1663; and to make further and better provision governing the election of Aldermen, Common Councilmen and Ward Beadles of the City of London” as amended by Acts of Common Council made and passed on the ninth day of February 1978 and the seventeenth day of May 1979 shall have effect subject to the following modifications –

(i) In Section 1 (Interpretation) there shall be inserted –

[...] <sup>3</sup>

“the Town Clerk” means the Town Clerk of the City of London from time to time.

(ii) After section 3 (Alderman – Report of death, resignation or disqualification) as substituted by [section 1] <sup>4</sup> of the Act of Common Council, made and passed on the seventeenth day of May 1979 hereinbefore referred to, there shall be inserted –

“Provision as to Surrender of Office by Aldermen

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<sup>2</sup> Substituted by section 2 of the Act of Common Council of 16 May 2013

<sup>3</sup> Omitted by section 3 of the Act of Common Council of 16 May 2013

<sup>4</sup> This is what the Act says, although it was actually section 2

3A. (1) An Alderman may offer to surrender his Office of Alderman in terms which also specify an intention by him to seek election at the wardmote for which section 4 of this Act provides.

(2) [...]<sup>5</sup>

(3) Subsection (2) shall not be taken into account in relation to the operation of sections 4 and 4A of this Act.”

(iii) [...]<sup>6</sup>

(iv) [...]<sup>7</sup>

[...] <sup>8</sup>

#### Approval of Persons elected to the Office of Alderman

5. The Court of Lord Mayor and Aldermen is deemed to have approved any person qualified to be elected to the office of Alderman under section 3 and so elected.

#### Abolition of Fines and Penalties upon Aldermen

6. (1) The provisions of an Act of Common Council made on the seventeenth day of April 1812 and entitled “An Act concerning the Election and Discharge of Aldermen of this City, and to prevent Expenses at such Elections” for an Alderman elected but refusing to take office to be liable to a fine unless he is discharged from the said office owing to insufficiency of estate shall cease to have effect.

(2) Without prejudice to subsection (1), no rule, provision or practice shall be made providing for fines or other penalties upon Aldermen, or for their discharge from the office of Aldermen on account of resources at their disposal.

#### Regulation of Precedence or Seniority of Aldermen

7. (1) It is hereby declared for the avoidance of doubt that the Court of Lord Mayor and Aldermen or any committee thereof duly authorised by that Court shall have power from time to time and at their discretion to determine the precedence or seniority of Aldermen in relation to each other in the said Court.

(2) The effect of any exercise of power contained in subsection (1) may be published in the form of lists of Aldermen or otherwise.

(3) All instruments, documents, customs and practices which relate to the precedence or seniority of Aldermen shall be construed and determined so as to be in accordance with the exercise of the power to which this section relates.

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<sup>5</sup> Disapplied by section 3(3) of the Act of Common Council of 4 June 2001

<sup>6</sup> Disapplied by section 4(2) of the Act of Common Council of 4 June 2001

<sup>7</sup> The provision inserting section 4A into the Act of Common Council of 14 July 1960 was disapplied by section 4(3) of the Act of Common Council of 04 June 2001

<sup>8</sup> The provision inserting section 4B into the Act of Common Council of 14 July 1960 was repealed by section 7 of the Act of Common Council of 16 May 2013

### PART III – THE SHRIEVALTY

#### Amendment to Provisions relating to the Nomination and Election of Sheriffs

8. Without prejudice to the generality of section 7, an Act of Common Council made and passed on the twenty-first day of January 1932 entitled “An Act of Common Council to consolidate and amend the Law relating to the Nomination and Election of Sheriffs of the City of London” shall have effect subject to the following modifications--
- (i) Section 7 is repealed;
  - (ii) In section 10, for the word “two”, the word “fifteen” shall be inserted;
  - (iii) In section 12, the words “an Alderman or” shall be omitted; and,
  - (iv) In section 13, the words “The Alderman or Aldermen of this City in nomination in accordance with the provisions of Clause 7 hereof, and if more than one, according to their seniority in the said Court of Lord Mayor and Aldermen” shall be omitted.

### PART IV – COMMON COUNCILMEN

#### Common Councilmen – Vacancies and Numbers

[9. (1) ...

- (2) This section shall apply to all Wards and Sides of Wards of the City and the Common Councilmen for those Wards and Sides of Wards except for the Ward of Farringdon Without and the Common Councilmen for that Ward and Sides thereof.
- (3) Where, apart from the provisions of this subsection, a vacancy would arise by reason of the death, resignation or disqualification of a Common Councilman for a Ward or Side of a Ward, either:-
  - (i) during his period of office, or
  - (ii) at any time after his election as a Common Councilman but before the Declaration is subscribed by him,

there shall be deemed not to be a vacancy for a Common Councilman for that Ward or Side and with effect from the next annual election for Common Councilmen in that Ward or Side the number of Common Councilmen representing the said Ward or Side shall (subject to the provisions of subsection (6) below as respects the Ward of Bishopsgate) be reduced by one.

- (4) In this subsection “the Declaration” means the declaration of a person elected to the office of Common Councilman as required by the Promissory Oaths Act 1868 or any declaration substituted therefor from time to time, and for the purpose of this section only a person who has been elected as Common Councilman but has not subscribed the Declaration shall be deemed to be a Common Councilman.

- (5) When a Common Councilman for a Ward or Side does not appear as a candidate for re-election in relation to that Ward or Side at a time when it is not possible under the procedures from time to time applicable to Ward elections, to reduce the number of Common Councilmen in accordance with this section, that reduction shall be effected at the next subsequent annual Ward election.
- (6) In relation to the Ward of Bishopgate, subsections (3) and (5) of this section shall have effect in relation to a Ward election so as to reduce the number of Common Councilmen representing that Ward by two (once on two successive occasions when either of those subsections has effect) and when such reduction has taken effect neither subsection shall thereafter apply to that Ward or the Common Councilmen representing it.
- (7) Subject to subsection (6) of this section, subsections (3) and (5) shall have effect in relation to a Ward election so as to reduce the number of Common Councilmen representing a Ward or Side by one, and when such reduction has taken effect in relation to a Ward or Side neither subsection shall thereafter apply to that Ward or Side or the Common Councilmen representing it.]<sup>9</sup>

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<sup>9</sup> Substituted by section 5 of the Act of Common Council of 4 June 2001



# Report – Finance Committee

## City Fund 2022/23 Budget Report and Medium-Term Financial Strategy

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### SUMMARY

This report presents the overall financial position of the City Fund (i.e. the City Corporation's finances relating to Local Government, Police and Port Health services).

The last year has been a huge catalyst for change, shaping a very different set of priorities for the Corporation – focusing on recovery following the pandemic, and rebuilding the Square Mile as a destination for residents, workers, students, and visitors. However, there is still a need to manage significant remaining COVID risks and an unprecedented range of external challenges as the economy recovers from a global pandemic e.g., Fair Funding Review, Business Rates income volatility, supply chain problems, and inflationary pressures.

For 2021/22, the Corporation family committed to a 12% budgetary reduction (or 6% in the case of social care and children's services) continuing to protect the most vulnerable services. In addition, the Corporation committed to Fundamental Review savings approved in 2019/20 to be delivered across five years from 2020/21 to 2024/25. Resource Allocation Sub-Committee signalled that 2022/23 should be a year of consolidation to bed down the 12% savings and take stock on Fundamental Review proposals.

Tough decisions have been needed, but Members have worked to:

- maintain a flat cash in 2022/23;
- re-prioritise existing resources to accommodate funding bids relating to additional resources within the Target Operating Model (TOM);
- prioritise the 2022/23 capital programme within the recommended funding allocation for schemes totalling £17.0m; and
- continue to invest in major projects.

The Local Government financial settlement assumes local authorities use locally levied taxes to support rising pressures, for example in social care, with the exception of additional one-off funding to support increases in national insurances. This is also the case for the Police funding settlement, where a flat cash has been applied with support for additional officer uplift and a slight increase to support an increase in national insurances. The government's assumption is that Policing cost pressures would be covered through the levy on council taxpayers.

The settlement also included an application for a single year only '8 Authority Pool' with 7 neighbouring billing authorities, which will enable the pool partners to keep more

of the business rate growth they generate – this pool will cover 4 of the 6 most deprived boroughs. For City Fund, this will potentially yield £12m. This pool is for one year only, after which the Corporation intends to return to a pan-London Pooling. Approval was received from the Secretary of State on 7<sup>th</sup> February to proceed. Income from the pool has not been factored into plans as it is volatile. However, should the City benefit from the income the arrangement could provide significant upside which would cover growth bids as part of the TOM and Destination City.

The medium-term financial outlook is summarised in the table 1 below:

**Table 1**

Surplus/ (Deficit)	2021/22	2022/23	2023/24	2024/25	2025/26
£m					
City Fund position	13.4	10.7	(13.4)	(8.5)	(4.3)
City of London Police deficit	-	(3.9)	(10.6)	(8.4)	(10.5)
City Fund position including Police deficit	13.4	6.8	(24.0)	(16.9)	(14.8)
*General Reserves	20.0	20.0	20.0	20.0	20.0
**Major Project Financing Reserve	90.7	74.9	45.9	37.7	33.7
***Build Back Better Fund Reserve	16.7	15.0	13.4	11.8	10.3
****Security Reserve	1.0	1.0	1.0	1.0	1.0

\*General fund reserve maintained at minimal prudent amount, to provide funds for emergencies and other unexpected requirements for funds.

\*\*Major project financing reserve, holding back £30m reserves under major project financing for COVID mitigation measures.

\*\*\*Build Back Better fund set up in 2021/22 to support Climate Action savings in the previous period.

\*\*\*\*Security Reserve recommended in light of reallocation of revenue security contingency.

The Government has pushed back its reform of Business Rates to 2023/24. This means that we have an extra year of retained Business Rates growth of £27m, which is very welcome. In addition, City Fund has benefited from one-off funding of £1.88m in 2022/23, producing a small surplus of £10.7m, giving a much-needed boost to the financial position across the medium-term financial plan. However, despite the additional income, the medium-term clearly highlights City Fund finances, including Police, are on a knife edge, with significant deficits forecast across the remainder of the medium-term financial plan. Deficits are largely caused by the reset in retained business rates growth in 2023/24 and forecast annual deficits in Police.

There are increasing demands on Police services for protest activity; combating increasing violence and disorder; creating a safe and secure environment for Destination City; and combating increasing cyber threats. These demands sit within the context of a notable shift in the balance of central funding towards locally levied taxes, provided elsewhere through increases in Council Tax.

There is a statutory duty to remain balanced across the medium-term taking one year with the next over the five-year period. There are two options to close the medium-term deficits:

- Further savings, potentially through a zero based budget exercise; and /or

- Revenue raising i.e. increases in Council Tax and Business Rate Premium. City Fund can be balanced across the medium-term plan if the Business Rate Premium is increased by 0.4p in the £, or a combination of up to 0.4p and further savings.

However, this leaves very little margin to support unforeseen financial challenges. Modelling of a more pessimistic view on retained business rates income removes almost all of the £27m growth – pushing City Fund into an estimated £16m deficit. Alongside potential impact of a more pessimistic rents position, we recommend not releasing the £30m of general fund reserves for major project spend in mitigation – to be assessed in December 2023.

Turning to the **capital position**, under the annual process, bids for capital funding totalling £17.0m for City Fund were approved in principle by Resource Allocation Sub-Committee. This remains within the overall recommended funding allocation of £20m; the sum is considered manageable over the medium term. Given the pressures on construction and labour inflation rising up to 15%, it is recommended a contingency is held under the capital programme up to the allocated amount - £3.0m, this takes into account capital programmes in-flight and due to be delivered over the next 1-2 years. However, optimism bias/costed risk is presumed to contain inflationary pressures within the overall capital programmes. If the contingency is approved a business case will be required for approval under the correct governance process.

This report recommends a number of measures to stabilise the position in 2022/23 and that will support the steps that will need to be taken over the medium-term, supported by:

- Zero based budgeting – prioritising within the overall envelope – supporting the change in the operating model, plus a review of operational property and income generation.
- The need to move to service transformation; and pin down the fundamental review proposals – through an officer Star Chamber led by the Town Clerk and Chamberlain.
- Scope for embedding change, removal of duplication as part of the TOM review, and introduction of greater ways of working.
- Barbican renewal programme included, also subject to business case approval and future net spending benefit targets in City Fund.

For 2022/23, Members will need to consider whether to:

- Increase business rates premium by 0.4p in the £ / increasing the Business Rates Premium to 1.2p in the £.
- Levy a Social Care precept of 1%; but otherwise freeze council tax (Recommended).
- Levy a Social Care precept of 1% and a general increase of 1.99%, the maximum increase allowed.

Members will also want to note that increased revenue pressures have been accommodated by reprioritising existing budgets and signal an expectation that additional pressures that might arise during 2022/23 will be absorbed within local risk budgets. However, where one-off cost pressures have been approved by Members these have been built into the medium-term.

## **Recommendations**

Following your Finance Committee's consideration of this City Fund report, it is recommended that the Members of Court of Common Council:

- Note the overall budget envelopes, this incorporates additional one-off funding from Government of £1.88m and retained business rates growth of £27m in 2022/23. For Police, an increase of additional grant to support the officer uplift plus £6.1m mitigations combined with £2.3m Business Rate Premium reinstated – noting this leaves the Police budget in deficit for 2022/23.
- Continue to monitor COVID income risk during 2022/23 and maintain a COVID contingency fund, not releasing £30m of general fund reserves for major project spend – to be reassessed in December 2023.
- Approve the overall financial framework and the revised Medium-Term Financial Strategy (paragraph 24).
- Approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2022/23, including the treasury indicators.
- Approve the City Fund Net Budget Requirement of £167.3m (paragraph 57)

### **Key decisions:**

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

### **Business Rates**

- To approve an increase of 0.4p in the £ in Business Rate Premium (paragraph 39), in line with your Finance Committee's support for this increase at its meeting on 15th February.
- Set a Non-Domestic Rate multiplier of 52.4p and a Small Business Non-Domestic Rate Multiplier Rate of 51.1p for 2022/23.
- Note that, in addition, the GLA is levying a Business Rate Supplement in 2022/23 of 2.0p in the £ on properties with a rateable value of £70,000 and above (paragraph 61).
- Delegate to the Chamberlain the award of discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988 (paragraphs 60).

### **Council Tax**

- To approve an increase in the Adult Social Care Precept of 1.00% (paragraph 36).
- To otherwise consider whether to freeze council tax (paragraph 38).

- Determine the amounts of Council Tax for the three areas of the City (the City, the Middle Temple and the Inner Temple to which are added the precept of the Greater London Authority (GLA) - appendix A.
- Determine that the relevant (net of local precepts and levies) basic amount of Council Tax for 2022/23 will not be excessive in relation to the requirements for referendum.
- Determine, the current 100% discount awarded to unoccupied and unfurnished and uninhabitable dwellings is continued at zero (0%) for the financial year 2022/23 and future years.
- Determine that the premium levied on long-term empty property for 2022/23 and future years of 100% and 200% is continued and that for properties that have been empty for over ten years, a premium of 300% is levied.
- It is recommended that, having regard to the government guidance issued, the Chamberlain be given the discretion, delegated to the Head of Shared Services, to reduce or waive the long-term empty premium charge in exceptional circumstances.
- Approve that the cost of highways, street cleansing, waste collection and disposal, drains and sewers, and road safety functions for 2022/23 be treated as special expenses to be borne by the City's residents outside the Temples (appendix A).
- Should a general increase of 1.99% be agreed in addition to the 1% Social Care Levy, the information contained in Appendix I will need to be agreed. This appendix will supersede appendix A and H.

### **Capital Expenditure**

- Approve the Capital Strategy (appendix E).
- Approve the Capital Budgets for City Fund and the allocation of central funding from the appropriate reserves to meet the cost of the 2022/23 new bids– release of funding being subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub Committee at gateway 4(a) (paragraph 67).
- Approve the continuation of the allocation of central funding in 2022/23 to provide internal loan facilities for police and the HRA, currently estimated at £4.9m and £19.0m respectively (paragraph 70).
- Approve the Prudential Code indicators (appendix C).
- Approve the authorised limit for external debt (which is the maximum the City Fund may have outstanding by way of external borrowing) at £216.6m for 2022/23; and the Minimum Revenue Provision (MRP) for 2022/23 at £1.2m (MRP policy is included within appendix D – Treasury Management Strategy Statement and Investment Strategy Statement 2022/23 – sub appendix 2).

### **Treasury Management Strategy Statement and Investment Strategy Statement 2022/23 (Appendix D)**

- Approve the addition of multi-asset funds to the list of permitted non-specified investments subject to an overall limit of £50m (Appendix D, sub appendix 3).

The Corporation is expected to maintain significant surplus cash balances for the foreseeable future. Multi-asset funds enable the Corporation to mitigate the gradual erosion of the real value of these long-term cash balances from the effects of inflation.

- Approve the new policy for managing environmental, social and governance (ESG) risks within treasury investment activity (Appendix D, paragraph 5.4).

## **Chamberlain's Assessment**

- Take account of the Chamberlain's assessment of the robustness of estimates and the adequacy of reserves and contingencies (paragraphs 78-81 and appendices B and G respectively).

## **Main Report**

### **Background**

1. This report sets out the revenue and capital budgets for City Fund for the Court of Common Council to approve.
2. The last year has been a huge catalyst for change, shaping a very different set of priorities for the Corporation:
  - The City Corporation has a crucial role to play in helping London in its recovery following the pandemic, through:
    - providing an ecosystem for businesses to access talent and capital;
    - creating a vibrant place to spend time; and
    - providing adaptable workspace underpinned by excellent digital infrastructure, renewable energy networks, and a sustainable and resilient built environment across the Square Mile.
  - Ensuring the Square Mile is a more compelling place to visit, work and invest – Destination City sets out a renewed vision for the Square Mile to become the world's most attractive destination for residents, workers, students and visitors.
  - It is a sign of this ambition for the future of London that we are investing in major projects such as the new courts and City of London Police HQ complex at Salisbury Square, the relocation of the wholesale markets to Dagenham Dock and the relocation of the Museum of London at West Smithfield. Furthermore, consideration is also being given to include the Barbican renewal.
  - Tackling climate change, with ambitious climate action to achieve our net zero targets; and influencing action across the country.
  - Progressing with the new target operating model across the Corporation family, incorporating the design principles and permanent savings required to meet the 12% (6% in the case of community and children's services) budget reductions from 2021/22 budgets.

- With the global pandemic and challenging economic position, pressures and risks to the City Corporation's finances are likely to continue into the 2022/23 financial year. Resource Allocation Sub-Committee signalled that 2022/23 should be a year of consolidation to bed down the 12% savings and take stock on Fundamental Review proposals. Additionally, there is a need to manage significant remaining COVID risks and unprecedented range of external challenges e.g., Fair Funding Review, Business Rates income volatility, supply chain problems, and inflationary pressures.
3. Tough decisions have been needed to maintain flat cash in 2022/23 which has meant additional resources are prioritised within the overall envelope. Bilateral meetings have taken place during the autumn – providing an opportunity for service committees to highlight risks and opportunities.
  4. Existing resources have been reprioritised to accommodate bids for additional resources within the Target Operating Model (TOM). For one-off pressures to support corporate initiatives, which cannot be accommodated within the overall envelope, time limited resource uplifts have been included under the medium-term.
  5. Aggressive assumptions have been made in respect of inflationary pressures - where inflation is expected to be significantly above the Bank of England's 2% target in the near future reaching 5% in 2022/23 before gradually returning to target in 2024/25. The current upward pressure on inflation is expected to subside over the medium-term as supply chains recover, global demand rebalances, and the effects of energy price increases wear off.
  6. In setting the budget for 2022/23 and the Medium-Term Financial Strategy (MTFS) for future years, consideration has been given to the high degree of uncertainty and therefore risk in determining local government funding levels.
  7. The Government recently confirmed the Local Government Finance Settlement for 2022/23 and the Policing Minister published the revenue allocations for Police forces for 2022/23. The Local Government Finance Settlement assumes local authorities use locally levied taxes to support rising pressures, for example in social care, with the exception of additional one-off funding to support increase in national insurances. This is also the case for the Police funding settlement, where a flat cash has been applied with support for additional officer uplift and a slight increase to support increase in national insurances. The Government's assumption is that Policing cost pressures would be covered through the levy on council taxpayers.
  8. Revenue streams are likely to be under considerable pressure as the Government intends to change current funding mechanisms to reflect an increased emphasis on need and to reset the current business rates retention system:
    - a. **One Year Settlement** – the 2022/23 Local Government Finance Settlement .4increase in grant funding will be distributed to local authorities.
    - b. The **Fair Funding Review** of local government funding is likely to shift resources away from London.

- c. **Business Rates** – danger from a reset which would remove the City’s recent growth receipts (forecast at £27m) in 2023/24.
- o
9. The settlement also included an application for a single year only ‘8 Authority Pool’ with 7 neighbouring billing authorities, which will enable the pool partners to keep more of the business rate growth they generate. For City Fund this will potentially yield £12m. Following the collective decision not to form a London wide business rates pool for 2022/23, the opportunity was still available for authorities to form their own pool groupings. Having considered the experience from the London Pool, which whilst challenging in 2020/21, did produce significant financial gains in previous years, the City of London alongside Brent, Barnet, Enfield, Hackney, Haringey, Tower Hamlets, and Waltham Forest, have applied to form a tactical pool in 2022/23. The pool is formed with the aim of keeping the levy payments the City of London and Tower Hamlets make to Government, in London. This pool will cover 4 of the 6 most deprived boroughs, which supports the Government’s levelling up agenda. This pool is for one year only, after which the Corporation intends to return to a pan-London Pooling. Approval was received from the Secretary of State on 7<sup>th</sup> February to proceed. Income from the pool has not been factored into plans as it is volatile. However, should the City benefit from the income the arrangement could provide significant upside which would cover growth bids as part of the TOM and Destination City.
10. The forecast includes the revenue impact from funding £17.0m of second tier projects from capital reserves, with capital receipts reserves standing at £50m by 2025/26.
11. Although the City Fund excluding Police is forecast to be in surplus by £10.7m in 2022/23, it can only be balanced, over the next four years, with the use of general fund reserves and further savings and/or revenue raising by increasing Council Tax and Business Rate Premium. Despite the savings planned to date through the Fundamental Review, 12% (6% in case of community and children’s services) budget reductions, and mitigations in place under Police - overall, City Fund including Police are on an absolute knife edge with significant deficits over the planning period and the 10-year horizon.
12. Over the next year we will focus on making operational efficiencies through the target operating model (TOM) as well as improving how we prioritise our resources to ensure:
- That we are spending on key priorities; and
  - That our plans are sustainable in the medium-term.

The coming year will see the work for the next Corporate Plan, highlighting our priorities post-pandemic for the City, alongside this we will engage in a zero-based budgeting exercise to ensure we have the right resources to support our post pandemic priorities.

13. There are two options to close the medium-term deficits, or more realistically a combination of the two:
- Further savings, potentially through zero-based budget exercise; and/or



- Revenue raising through taxation i.e. increases in Council Tax and Business Rate Premium.

## **Overall Financial Strategy**

14. The City of London Corporation's overall financial strategy seeks to:
- manage the effects/recovery of a global pandemic impacting on the economy and income;
  - maintain and enhance the financial strength of the City Corporation through its investment strategies for financial and property assets;
  - pursue budget policies which seek to achieve a sustainable level of revenue spending and create headroom for capital investment and policy initiatives, such as Destination City – renewed vision for the square mile;
  - create a stable framework for budgeting through effective financial planning;
  - promote investment in capital projects which bring clear economic, policy or service benefits;
  - manage the affordability to support major projects programmes now and in the future; and
  - financial strategy to be developed following review of the investment asset base and fund income requirements during 2022.

## **Measures to the 2022/23 budget**

15. At its December meeting, Resource Allocation-Sub Committee approved the budget envelopes that service committees will use to deliver their services in 2022/23. It is intended that business planning will address how service committees intend to focus their resources to achieve key outcomes in-year. Zero based budgeting will be needed to reprioritise current resources in line with new corporate priorities requiring investment, rather than being able to deliver significant savings – supporting the change in the operating model, plus a review of operational property and income generation.
16. For City Fund, our local authority fund, the government has pushed back its reform of Business Rates for another year to 2023/24, which is very welcome. This means that we have an extra year of retained Business Rates income.
17. Key risks from COVID's impact to our income streams are expected to continue into 2022/23, especially for rental income for the investment property portfolio and further support is likely to be required from reserves. Detailed stress testing and scenario analysis has been carried out on key income assumptions for City Fund and more sophisticated funds modelling has enabled a holistic assessment of overall financial health, including ability of net assets and reserve balances to meet risks of potential funding shortfalls. We should nonetheless continue to monitor COVID income risk during 2022/23.

18. Tough decisions have been needed to maintain flat cash in 2022/23, but Members have worked together to re-prioritise the following cost pressures within existing resources, such as:
- New Chief Officer teams;
  - Growth bids under the Target Operating Model to support corporate initiatives; and
  - Change in financing model for IT equipment from capital to revenue (e.g. E5 licences).

Measures include reallocating the Transformation Fund monies and headroom within the security contingencies.

19. Time limited additional resources have been included within the budget for policy initiatives such as:

- Destination City (£2.3m\* in 2022/23, thereafter split equally between City Fund and City's Cash in 2023/24 and 2024/25 – For City Fund £1.15m p.a.).

\*This amount has been updated from the report received by the Joint Resource Allocation and Efficiency & Performance Sub Committee's – full costs to be borne by City Fund in the first year, thereafter reviewed - depending on how the strategy is developed this will determine the amounts under each fund. For the purpose of this report the amounts for 2023/24 and 2024/25 are split equally between City Fund and City's Cash.

20. Additional funding is required for new on-going cost pressures and have been included under the medium-term, these include:

- Pay award added back for 2022/23, including agreed pay award for A-C grade from 1st July 2021;
- Increase in National Insurance at 1.25%;
- Extended Member Support Scheme;
- Additional pressure on audit fees – rising by 307% (uplift of £170k p.a.);
- Support to high hostel agreed in 2021/22 now included in MTFP; and
- Secure City pressures from 2023/24 - £1 p.a.

21. In light of pressures on construction and labour inflation rising up to 15%, it is recommended a contingency is held under the capital programme up to £3m from Major Projects reserve. However, optimism bias/costed risk is presumed to contain inflationary pressures within the overall capital programmes. If the contingency is approved, a business case will be required for approval under the correct governance process.

22. With reallocation of revenue security contingency to support additional pressures within the envelope – it is recommended the earmarked security reserve retains £1m as a minimum to support future revenue security pressures and is reviewed regularly to ensure sufficient funds are available at all times.

23. Delivering the 2022/23 budget will enable us to push ahead on reshaping the City Corporation and re-aligning resources to new Corporate priorities in a post-pandemic world. Key follow up themes for 2022/23 include:

- Zero-based budgeting – prioritising within the overall envelope – supporting the change in the operating model, plus a review of operational property and income generation.
- The need to move to service transformation; and pin down the fundamental savings through an officer Star Chamber led by the Town Clerk and Chamberlain.

- Scope for embedding change, removal of duplication as part of the TOM review, and introduction of greater ways of working.
- Barbican renewal - future net spending benefit targets in City Fund, subject to business case approval
- Guildhall masterplan – delivering future savings across City Fund and City Cash, subject to business case approval.

## Latest forecast position

24. Whilst City Fund (excluding Police) is in surplus in 2022/23, the medium term is in overall deficit by £2.2m, taking one year with the next over the five-year period. Despite taking measures set out under paragraphs 17-18, City Fund is struggling to accommodate the £3m cost pressures under Secure City after accommodating the Barbican renewal – a much needed investment subject to business case approval.

25. The City Fund position is exacerbated when including Police increasing the overall deficit by £35.5m across the medium-term.

26. Going forward, there are significant risks and a great deal of uncertainty. The overall medium-term financial position is shown in the table 2 below. Despite the additional income from retained Business Rates growth and one-off funding, the medium-term clearly highlights City Fund finances including Police are absolutely on the knife edge with significant deficits forecast across the remainder of the medium-term financial plan.

27. City Fund including police cannot be balanced without further measures put in place, either through further flightpath savings or through the levy on council taxpayers. City Fund (including Police) has a statutory requirement to remain balanced over the medium-term. The Medium-Term financial position is shown in the table 2 below, illustrated by funding from an increase in social care percept and increase in Business Rate Premium. Replacing this with flightpath savings requires a further £35.5m savings across the medium term - £2.2m for City Fund and £33.3m for Police:

**Table 2**

Surplus/ (Deficit)	2021/22	2022/23	2023/24	2024/25	2025/26
£m					
City Fund*	4.2	(1.3)	(25.3)	(23.2)	(19.0)

<b>Fundamental Review savings</b>	<b>2.0</b>	<b>2.6</b>	<b>2.6</b>	<b>5.4</b>	<b>5.4</b>
<b>12% incl. TOM</b>	<b>7.2</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>
<b>City Fund before Police deficit</b>	<b>13.4</b>	<b>10.6</b>	<b>(13.4)</b>	<b>(8.5)</b>	<b>(4.3)</b>
<b>City of London Police</b>	<b>-</b>	<b>(3.9)</b>	<b>(10.6)</b>	<b>(8.4)</b>	<b>(10.5)</b>
<b>City Fund position including Police deficit before additional funding required</b>	<b>13.4</b>	<b>6.7</b>	<b>(24.0)</b>	<b>(16.9)</b>	<b>(14.8)</b>
<b>Social Care Percept</b>	<b>-</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Proposed 0.4p increase in BRP</b>	<b>-</b>	<b>9.2</b>	<b>9.2</b>	<b>9.2</b>	<b>9.2</b>
<b>City Fund, incl. Police after increase in taxes</b>	<b>13.4</b>	<b>16.0</b>	<b>(14.7)</b>	<b>(7.6)</b>	<b>(5.5)</b>

#### City Fund Reserves

<b>**General Reserve</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>
<b>***Major Project Financing Reserve</b>	<b>90.7</b>	<b>71.9</b>	<b>42.9</b>	<b>34.7</b>	<b>30.7</b>
<b>****Build Back Better Fund Reserve</b>	<b>16.7</b>	<b>15.0</b>	<b>13.4</b>	<b>11.8</b>	<b>10.3</b>
<b>*****Security Reserve</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

\*After Major Projects financing

\*\*General fund reserve maintained at minimal prudent amount, to provide funds for emergencies and other unexpected requirements for funds.

\*\*\*Major project financing reserve, holding back £30m reserves under major project financing for COVID mitigation measures.

\*\*\*\*Build Back Better fund set up in 2021/22 to support Climate Action savings in the previous period.

\*\*\*\*\*Security Reserve recommended in light of reallocation of revenue security contingency.

28. 2022/23, is forecasting a small surplus, largely due to an extra year of business rates retention income (albeit at a much-reduced level to previous years). Key points to note include:

- Revenue streams are likely to be under considerable pressure as COVID-19 continues to impact businesses through government restrictions. In addition, all indications are that the business rates reset due in 2023/24 will be a hard reset and the Medium-Term Financial Plan has been compiled on this basis. If a more pessimistic view is taken on retained business rates income, it removes the £27m growth- pushing City Fund into an estimated £16m deficit in 2022/23. Alongside potential impact of a more pessimistic rents position, we recommend holding back £30m of reserves in mitigation; and
- Significant pressures highlighted by departments through Member bilateral meetings will require close monitoring and mitigations to be put in place. This is also the case for further requests for Fundamental Review savings to be pushed out – giving time to pin down the TOM.
- The Police commitment to secure £6.1m savings in 2022/23 will need to be reviewed to ensure savings are sustainable across the medium-term.
- In parallel with the external threats, the City Fund revenue budget will start to come under increasing pressure from major projects financing costs and opportunity costs – through loss in rental income/asset growth. This takes into account the Barbican renewal programme, however, it does not include any costs or potential savings from the Guildhall Master Plan.
- It should be noted the latest forecast position under City Fund has been updated since the report to the Joint Resource Allocation and Efficiency & Performance Sub Committees. These changes have reduced the overall

deficit over the medium-term financial plan by £0.6m and have impacted the following areas:

- City Fund to include the full cost of Destination City in year 1 – 2022/23;
- Guildhall recharges updated with final estimate budgets received by departments;
- Capital and Supplementary Revenue Programme (SRP) updated with latest forecast and carry forwards into subsequent years;
- Major Projects programme updated with latest forecast – subsequently reprofiling the required funding to later year(s).

## **Police**

29. The Force is under increasing pressure despite having implemented £9m savings over the last two years and have committed to implement a further £6.1 mitigations in 2022/23, alongside reinstatement of £2.3m funding from City Fund (which had been reduced in 2021/22 following a dip in Business Rate Premium Income). Additionally, funding for Cyber Griffin (which provides City businesses with bespoke training and advice on countering a range of cyber threats) is included in the medium-term financial plan.
30. The Police Settlement is flat cash with a ringfenced amount to support the additional officer uplift and slight increase to support national insurance measures. This amount is less than assumed and required in the Police MTFP. The Police budget is facing significant medium-term pressures at a time of increasing demand on Police services e.g. for protest activity; combating violence and disorder; combating cyber threats and creating a safe and secure environment for 'Destination City'.
31. The Police Settlement also enables Forces to set up to a £10 precept on Council Taxpayers to cover rising cost pressures. The City Corporation's small residential population does not yield anywhere near the sums provided by local funding for other police forces and City Fund funding to the Force is now substantially out of kilter with the local funding allocations of other forces, with City of London Police local funding (including rent-free benefit) being £7.5m less than it would be at the national average proportion. Not addressing this gap now will increase further pressures over the next 3 years.
32. To sustain and improve vital policing services, including building a highly visible Sector Policing service, in the context of increasing demand will require an aggregate medium-term deficit of £33m in the Police MTFP. The Police bilateral on 15th December acknowledged the structural problem and Finance Committee Members at their December committee meeting largely supported an increase in BRP in 2022/23 to resolve this and other City Fund pressures. Committee members noted that the Police local funding % is well below the national average and a significant hike in GLA council tax precept is likely for the Metropolitan Police Force.
33. The Rate Payers consultation took place on 1<sup>st</sup> February 2022 where the Chair of Policy, Chairman of Finance and Chairman Police Authority Board, alongside Assistant Commissioner Betts presented a compelling narrative to ratepayers in

support of an increase in Business Rate Premium. The responses from those that attended was not unduly hostile.

34. City Fund's overall financial position include significant risks and a great deal of uncertainty. Despite the extra income from retained Business Rates growth, one-off funding combined with 12% budget reductions in 2021/22, and mitigations in place, City Fund finances, including Police, are on a knife edge with significant deficits forecast across the remainder of the Medium-Term Financial Plan. The fund is forecast, to move into deficit, from 2023/24 onwards due to the inclusion of financing costs of major projects: the Museum of London Relocation Project, Police Accommodation in the Salisbury Square Project and Barbican Renewal (subject to approval) together with the increase in Police pressures.
35. **Council Tax:** The Council Tax for the current year, 2021/22, is £952.91, expressed at band D and excluding the GLA precept of £95.53. Given the pressures to City Fund, Members will wish to consider council tax increases. Local authorities are permitted to levy a social care precept of 1% to address funding pressures and this has been modelled in the 2022/23 budget. Local Authorities are permitted a further uplift of Council Tax by 1.99% within the referendum threshold. In this context, Members may wish to consider:
- There is not a pressing financial need to uplift Council Tax in 2022/23.

However,

- Current intelligence suggests that most authorities, including those at the lowest end of the Council Tax league table, are considering increases of up to 2.99%, including the social care precept. There is a risk that the Corporation will stand out if it does not increase and will move closer to the bottom of the table.
  - There is a cumulative benefit in the medium-term.
  - It could reduce any penalisation in the fair funding review, where an implied council tax level might be assumed (above our current level) which could result in a loss of funding.
  - Those on lowest incomes will be eligible for council tax relief (Council Tax Reduction Scheme).
36. The City has seen increasing cost pressures in social care and tackling homelessness; and social care has been protected from the full impact of 12% reductions. **The recommendation is, therefore, to levy an Adult Social Care precept of 1%.**
37. The Adult Social Care precept of 1% would generate around £70k. An increase of 1.99% in council tax, would generate around £140k. For comparative purposes, Westminster band D excluding GLA precept is currently £463.90 (£780.28 including the GLA precept); Wandsworth, £475.44 (£793.56 including the GLA precept); and Hammersmith and Fulham £831.96 (£1227.55 including the GLA precept).

38. Finance Committee was unanimous in the recommendation to levy a social care precept. There were a range of views on whether to freeze council tax reflecting that although the sums involved were small, there are wider considerations in positioning for the fair funding review. In making this decision, Members may wish to consider the points in paragraph 35 above. Should a general increase of 1.99% be agreed, supporting information found in appendix I will require approval to reflect this decision.

39. Business Rates Premium - The premium on City businesses was last increased in 2020/21, from 0.6p to 0.8p in the £ which, while not formally hypothecated to policing, supported the funding of an uplift of 67 priority policing roles at a cost of £5.4m. Given the pressures on security and Policing, Members may wish to consider increasing the Business Rate Premium by 0.4p in the £, raising up to circa £9.2m p.a. in particular to enable the provision of vital policing services as set out in paragraphs 50-55 to be sustained and enhanced.

However,

- Police funding settlement enables most Forces in the country to levy a £10 local precept to support rising pressures; due to the very small residential population, the City of London Police Authority does not have the ability to raise local funding through this route.
- There is a statutory requirement to balance City Fund (including Police), if we do not increase the BRP by 0.4p over the medium term we cannot balance City Fund, without new significant savings targets, changes to major project assumptions and/or service impact.

### **A strategic response to continuing challenges**

40. This report recommends measures to stabilise the position in 2022/23 and that will support the steps that will need to be taken over the medium-term, through

- further work on securing permanent year on year savings;
- securing flight path savings through an officer Star Chamber led by the Town Clerk and Chamberlain;
- building on collaboration through the bi-lateral approach; progressing with service transformation and a zero-based review – supporting the change in the operating model plus a review of operational property and income generation; as well as
- containing the cost of major projects and other programmes.

### **Key assumptions used in the forecast**

41. The following paragraphs detail the key assumptions that have been used in the construction of the 2022/23 budget and Medium-Term Financial Strategy:

### **Income**

42. The City Fund has two key income streams, investment property rental and treasury income. Detailed stress testing and scenario analysis has been carried out on key income assumptions for all funds and more sophisticated funds modelling has enabled a holistic assessment of overall financial health, including ability of net assets and reserve balances to meet risks of potential funding shortfalls.

- Property rental income is forecast on the expected rental income for each property, allowing for anticipated vacancy levels, expiry of leases and lease renewals. Throughout 2020/21 and 2021/22, the effect of COVID-19 has had a wide-ranging impact on the economy. This has included income losses from rental income from our property investment portfolio, plus further pressure on void costs where properties are not fit for relet. With the government's moratorium for non-payment of rent being lifted on 1<sup>st</sup> April 2022 there is a significant risk on rental income and early termination of tenancy agreements, where tenants have gone into liquidation, to continue into 2022/23. It should be noted, a further reduction in rental income is anticipated in later years as a consequence of the planned disposal of properties to fund the major projects. Outside these changes, the City's rental income is protected to some extent in the short-term, as our leases are long term with medium-term specified break clauses. Forecast rental income is regularly reviewed and any potential reduction will be factored into updates to the medium-term financial plan.
- Cash balances are invested in a diversified range of money market and fixed income instruments in accordance with the Treasury Management Strategy with the aim of providing a yield once security and liquidity requirements have been satisfied. The forecast for treasury management income takes account of the likely path of short-term interest rates (chiefly, the Bank of England base rate) over the upcoming financial year. Base rates are expected to increase incrementally over the next few years from 0.50% today to 1.25% in 2024/25. The actual path of short-term interest rates is likely to depend on how the pandemic develops; whether labour and supply shortages prove to be persistent; the fiscal and monetary responses to managing inflation; as well as global economic developments (particularly in the US). A change of +/-0.25% to the base rate is expected to translate to approximately £1.5m additional/less income for the City Fund per year, based on current cash balances. Interest income is monitored throughout the year and any potential change to the forecast will be reported through updates to the Medium-Term Financial Plan.

## **Expenditure**

43. The starting point for the 2022/23 budget is 'flat cash' from the previous resource allocation in 2021/22, with provision made for the third year of the pay award. The Spending Review announcement on 17 December confirmed that there will not be a significant uplift in government funding. The increase in CPI inflation has meant 3% central inflationary contingency is held to ease the pressure of living with flat cash budgets. In particular, the Environment Department and the Barbican are exposed to inflationary increases through e.g., energy prices.



44. Policy and Resources Committee and Finance Committee have messaged clearly that cost pressures should be managed within existing resources. Requests for funding have been accommodated through re-prioritisation of existing resources relating to policy initiatives and the TOM. Where one-off funding is required, this is accommodated through time limited resource uplifts.

45. Also underlines the need for additional unfunded revenue bids to be avoided during 2022/23.

### **Grant settlement – City Fund**

46. The provisional local authority grant settlement was received before Christmas and debated in the Commons early February. The final settlement was published on 7<sup>th</sup> February, stating the funding settlement is for three years with one year funding confirmed for 2022/23, this still leaves a great deal of uncertainty regarding Local Government funding after March 2023.

### **Business Rates Retention**

47. A further one-year delay on business rates reset enables the Corporation to continue to benefit from growth in office space over the years which has generated surpluses within the City. This growth in business rates income over the past six years has provided headroom, continuing in 2022/23 to fund:

- Much needed investment in one-off projects, such as: the Museum of London relocation project; the Salisbury Square project; and Barbican renewal (subject to Member approval)
- Support the rise in inflationary pressures;
- Helping London in its recovery following the pandemic
- Destination City – setting out a renewed vision for the Square Mile to become the world's most attractive destination for residents, workers, students and visitors – whilst retaining as a leading centre for financial and professional services.

48. However, the growth is vulnerable to bad debts, appeals, and potential changes to office demand as we move out of the pandemic. Following the demise of the pan-London business rate retention pool, the Corporation has applied to establish a small-scale business rate pool with 7 neighbouring billing authorities, enabling partners to keep more of the business rate growth it has generated – this pool will cover 4 of the 6 most deprived boroughs. This pool is for a single year only, after which the Corporation intends to move to pan-London Pooling. Approval was received from the Secretary of State on 7<sup>th</sup> February to proceed. Income from the pool has not been factored into plans as it is volatile. However, should the City benefit from the income the arrangement could provide significant upside which would cover growth bids as part of the TOM and Destination City.

### **City Police**

49. The Police is facing significant medium-term pressures at a time of increasing demand.

50. This increasing demand is experienced both day and night. Daytime, the City is experiencing increased levels of protest activity. Night-time, we see a changing economy with increasing violence and disorder.
51. The ambition of Destination City relies on the force providing a safe and secure environment. This is especially important at a time when policing needs to build trust and confidence; and create safe spaces to prevent Violence Against Women and Girls. It is also essential to acknowledge the threat from terrorism which remains in the City. The current sector and servitor models provide a solid foundation to build on, however the force must continue to evolve and develop its services to keep pace with modern threats, including those that are cyber related (Cyber Griffin is an excellent example of how the force is keeping businesses safe in the virtual world).
52. Nationally, the force's responsibilities have grown significantly; recent examples are the adoption of lead status for cyber and business crime. It is well documented that the threat from economic and cybercrime, particularly fraud, are the fastest growing threats in the UK. Whilst these national responsibilities bring demand, they also bring opportunity for the force to work closer with the City's Financial and Professional Services sectors. This is essential if the City is to be a safe place to do business and remain the economic heart of the UK. These increasing demands are in the context of a notable shift of balance from central towards local Police funding. This is provided elsewhere through continuing precept increases on Council Tax. Comparatively speaking, the City of London is behind the curve in this regard. The City Corporation's small residential population does not yield anywhere near the sums provided by local funding for other police forces, and City Fund funding to the Force is now substantially out of kilter with the local funding allocations of other forces, with Force local funding (including rent-free benefit) being 25% compared to 34% nationally. Instead, the City is uniquely able to levy a business rate premium as part of its strategy for allocating local funding to the Police.
53. In addition, there are other needs which are appropriate to fund through the Business Rates Premium. These include strengthening the Police Authority function in line with the policing ambitions of the City, and comparisons across other Home Office Forces; and the running of a more sophisticated technological Secure City infrastructure – using technology to create safe spaces and compliment the policing presence.
54. As addressed under paragraph 29, despite efficiencies playing a significant part in securing fiscal sustainability, the Force is forecasting significant deficits across the Police medium-term financial plan in supporting the pressures highlighted above.

### **Revenue Spending Proposals 2022/23**

55. The overall budget requirements have been prepared in accordance with the strategy and the requirements for 2021/22 and 2022/23 are summarised by

Committee in the table below. Explanations for significant variations were contained in the budget reports submitted to service committees.

**Table 3: City Fund Summary Budget**

<b>City Fund Summary by Committee</b>	<b>2021/22 Original £m</b>	<b>2021/22 Latest £m</b>	<b>2022/23 Original £m</b>
<b><i>Net Expenditure (Income)</i></b>			
Barbican Centre*	(37.3)	(36.0)	(26.5)
Barbican Residential	(2.4)	(2.4)	(2.2)
Community and Children's Services	(14.2)	(15.6)	(15.5)
Culture Heritage and Libraries	(19.7)	(20.9)	(19.7)
Finance**	2.2	6.2	(2.9)
Licensing	(0.1)	(0.1)	(0.2)
Markets	0.7	0.1	0.4
Open Spaces	(1.7)	(1.8)	(1.6)
Planning and Transportation	(14.4)	(15.6)	(13.3)
Police	(85.1)	(86.2)	(91.1)
Policy and Resources	(4.1)	(4.5)	(4.2)
Port Health and Environmental Services	(14.7)	(16.9)	(14.3)
Property Investment Board	37.3	37.2	33.4
<b>City Fund Requirement</b>	<b>(153.5)</b>	<b>(156.5)</b>	<b>(157.7)</b>

\* Significant variance under the Barbican Centre relates to one-off Covid support (£7m) received in 2021/22 with 12% savings recognised in 2022/23.

\*\* Finance includes changes to: capital revenue expenditure, supplementary revenue programme, additional one-off cost pressure highlighted in this report.

Figures in brackets denote expenditure, increases in expenditure, or shortfalls in income.

56. The following table further analyses the budget to indicate:

- the contributions from the City's own assets towards the City Fund requirement (interest on balances [line 5] and investment property rent income [line 6])
- the funding received from government grants and from taxes [lines 8 to 11]; and
- the estimated surpluses to be transferred to reserves, or deficits to be funded from reserves [line 14].

**Table 4: City Fund net budget requirement and financing (excluding Police)**

City Fund Revenue Requirements 2021/22 and 2022/23
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		2021/22 Original £m	2021/22 Latest £m	2022/23 Original £m	Para. No.
1	Net expenditure on services	(185.1)	(193.5)	(189.6)	
2	Capital Expenditure funded from Revenue Reserves	(3.3)	(2.5)	(3.9)	
3	Cyclical Works Programme expenditure financed from revenue	(11.0)	(8.5)	(10.3)	
4	Requirement before investment income from the City's Assets	(199.4)	(204.5)	(203.8)	
5	Interest on balances	2.6	4.8	6.4	
6	Estate rent income	43.2	43.2	39.7	
7	<b>City Fund Requirement</b>	<b>(153.6)</b>	<b>(156.5)</b>	<b>(157.7)</b>	
	Financed by:				
8	Government formula grants	122.5	122.5	128.5	
9	City offset	12.1	12.1	12.1	
10	Council tax	8.4	8.4	8.3	
11	NNDR premium	18.6	18.6	18.4	
12	Total Government Grants and Tax Revenues	161.6	161.6	167.3	
13	Drawdown on Reserves	0.0	6.7	0.0	
14	<b>(Deficit)/Surplus transferred (from)/to reserves</b>	<b>8.0</b>	<b>11.8</b>	<b>9.6*</b>	

\*Excludes transfer from major projects reserves to support 21 New St Rent

Line 8 in table 4 is shown in further detail below:

**Table 5: Analysis of Core Government Grants**

	2021/22 Original £m	2022/23 Draft £m	Variance £m	Variance %
Revenue Support Grant	6.3	8.2	1.9	
Rates Retention: baseline funding	16.7	16.7	0.0	
Rates Retention: growth	29.3	29.3	0.0	
<b>Subtotal:</b>	<b>52.3</b>	<b>54.2</b>	<b>1.9</b>	
Police	70.2	74.3	4.1	
<b>Total Core Government Grants</b>	<b>122.5</b>	<b>128.5</b>	<b>6.0</b>	<b>5%</b>

57. The City Fund budget requirement for 2022/23 is £157.7m plus a contribution to reserves of £9.6m resulting in a net City Fund budget requirement of £167.3m, an increase of £4.1m on the previous year. The following table shows how this is financed and the resulting Council Tax requirement. Appendix A details the consequent determination of council tax by property band.

**Table 6: Council Tax requirement**

<b>Council Tax Requirement</b>	<b>2021/22 Original £m</b>	<b>2022/23 Original £m</b>
Net Expenditure	(199.4)	(203.8)
Estate Rental Income	43.2	39.7
Interest on balances	2.6	6.4
Budget Requirement	(153.6)	(157.7)
Proposed contribution to reserves	(8.0)	(9.6)
<b>Net City Fund Budget Requirement</b>	<b>(161.6)</b>	<b>(167.3)</b>
<u>Financing Sources:</u>		
Business Rates Retention	52.3	54.2
Police Grant	70.2	74.3
City Offset	12.1	12.1
NDR Premium	18.6	18.4
Collection Fund Surplus (CoL share)	0.6	0.3
<b>Council Tax Requirement</b>	<b>(7.8)</b>	<b>(8.0)</b>

58. Included within the net budget requirement is provision for any levies issued to the City Corporation by relevant levying bodies and the precepts anticipated for the forthcoming year by the Inner and Middle Temples (after allowing for special expenses, detailed in appendix A).

## **Business Rates**

59. The Secretary of State has proposed a National Non-Domestic Rate multiplier of 51.2p and a small business National Non-Domestic Rate multiplier of 49.9p for 2022/23. These multipliers remain at the 2021/22 levels as government have opted not to apply the usual inflationary increase. They exclude the City's Business Rate Premium. The actual amount payable by each business will depend upon its rateable value.

60. It is proposed the Business Rate Premium is increased by 0.4p in the £, the proposed premium will result in a National Non-Domestic Rate multiplier of 52.4p and a small business National Non-Domestic Rate multiplier of 51.1p for the City for 2022/23.

- As in previous years, authority is sought for the Chamberlain to award the following discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988:
- The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.
- Covid-19 Additional Relief Fund (CARF) Scheme. - This is new relief. This government scheme requires local authorities to provide an allowance against ratepayer NNDR liabilities, rather than pay as a cash grant to the business. The City's proposed scheme will provide relief of around £64m

against the net 2021/22 NNDR Liability. The full proposals and recommendation for the scheme will be the subject of a future report to Finance Committee

61. **Business Rates Supplement** - The Mayor of London is proposing to levy a Business Rates Supplement of 2.0p in the £ on properties with a rateable value of £70,000 and above to fund Crossrail.

### **Council Tax - Long-Term Property Premiums**

62. For council tax purposes a property is defined as empty if it is unoccupied and substantially unfurnished. Property that is furnished is treated as a second home.
63. The empty property premium was introduced in 2013/14 to encourage landlords to bring long-term empty property back into use. The City introduced the long-term empty premium for the first time in 2019/20, with a premium increase of 100%.
64. From 20/21 properties that have been empty over 5 years can be charged a higher premium of up to 200%. From 21/22 properties empty over 10 years can be charged a premium of 300%. The introduction of the Empty Property Premium has resulted in additional income of approximately £400k since 20/21.

### **Council Tax Reduction Scheme**

65. In 2013/14, the Government introduced a locally determined Council Tax Reduction Scheme. This replaced the national Council Tax Benefit scheme and assisted people on low incomes with their council tax bills. There are no proposals to make any specific amendments to the Council Tax Reduction Scheme for this or future years, beyond keeping the scheme in line with the national Housing Benefit regulations.
66. The Council Tax Reduction Scheme will therefore remain the same for 2022/23 as was administered in previous years subject to the annual uprating of amounts in line with Housing Benefit applicable amounts.

### **Capital**

67. The City Corporation has a significant programme of works to the operational property estate (including residential), investment property redevelopments, and highways infrastructure, together with significant expenditure on the major programmes. Spending on these types of activity is classified as capital expenditure.
68. Capital expenditure is primarily financed from capital reserves derived from the sale of properties, earmarked reserves and grants or reimbursements from third parties. The City has historically not used external loans to finance these

schemes and current plans do not envisage borrowing from third parties. Financing is summarised in the table below.

**Table 7: Capital Financing**

	2021/22 £m	2022/23 £m
<b>Estimated Capital Expenditure</b>	<b>156.6</b>	<b>217.1</b>
<u>Financing Sources:</u>		
Housing Revenue Account (HRA) Major Repairs Reserve	4.7	3.0
Disposal Proceeds	52.4	65.5
Earmarked and General Revenue Reserves	25.1	65.6
External Grants and Reimbursements	74.4	83.0
External borrowing	-	-
<b>Total:</b>	<b>156.6</b>	<b>217.1</b>

69. The main areas of capital expenditure in 2022/23 are as follows:

- Major Projects – Museum of London (£37.8m)
- Major Projects – Salisbury Square (£25.0m)
- Housing Revenue Account – decent homes\* (£28.9m)
- Housing Revenue Account – new build (£23.3m)
- Highways and Transport (£17.5m)
- Investment Property Refurbishments (£8.8m)
- New Bids (£17.0m)

\*includes loan facility of £19.0m

70. In order to ensure capital expenditure is aligned to key priorities, the City Corporation's Resource-Allocation Sub Committee has carried out a robust review of all service's annual capital bids and prioritised funding approval. The Resource-Allocation Sub Committee has granted approval in principle to central funding for a number of new bids with a total estimated cost of £17.0m, of which £13.4m is expected to fall within 2022/23. In addition, approval in principle was granted for the continuation of central funding for internal loans for the police and HRA capital spending plans, which amount to £4.9m and £19.0m respectively in 2022/23. Allowance has been made in the City Fund MTFP for all of these items to demonstrate affordability; financial provision will need to be included within the City Fund revenue and capital budgets as appropriate as part of the 2022/23 budget setting process.

71. City of London Police need to prioritise investment in their capital programme and the resourcing of new activities. New arrangements for financing the Capital Programme were introduced in 2020/21, with capital expenditure (excluding Secure City and the Police Accommodation programme) being funded through a loan arrangement between the City Corporation and the Force, with an annual borrowing cap of £5m. The Police repay this loan with interest.

72. The Local Government Act 2003 requires the City to set prudential indicators as part of the budget setting process. The indicators that the Court of Common Council will be asked to set are:

- Ratio of financing costs to net revenue stream (City Fund and HRA)
- Gross debt and the capital financing requirement
- Estimates of capital expenditure 2022/23 to 2025/26
- Estimates of the capital financing requirement 2022/23 to 2025/26
- Times cover on Unencumbered Revenue Reserves.

73. The prudential indicators listed above have been calculated in Appendix C. In addition, treasury-related prudential indicators are required to be set, and these are included within the 'Treasury Management Strategy Statement and Investment Strategy Statement 2022/23' at Appendix E.

74. The Court of Common Council needs to formally approve these indicators.

75. Local authority borrowing is permitted for capital purposes within the current capital control regime, but the cost of borrowing must be charged to the relevant revenue budget, including interest and a statutory provision for repayment of principal known as the Minimum Revenue Provision (MRP). The MRP Policy Statement 2022/23 is set out in sub-appendix 2 within the Treasury Management Strategy Statement and Investment Statement 2022/23 at Appendix D. The typically long-term nature of borrowing means these revenue sums are unavailable to fund other activity for a significant period of time. By agreeing to fund capital schemes through borrowing, Members are agreeing to divert this funding away from other revenue activity in order to deliver the major projects. Borrowing can either be internal (use of internal cash balances) or external (third party loan finance).

76. Funding for the major projects is currently planned to come from external contributions, retained rates growth monies, and property disposal proceeds, rather than external loans from third parties. However, there is an interim requirement for internal borrowing utilising City Fund general cash balances – effectively a bridging facility pending receipts from disposal of investment properties. Such short-term internal borrowing does not require an MRP to be made.

77. In addition, the funding of some other capital schemes is being met from cash received from long lease premiums which are deferred in accordance with accounting standards - this also counts as internal borrowing. To ensure that this cash is not 'used again' when the deferred income is released to revenue, the City Corporation will make a MRP equal to the amount released, resulting in an overall neutral impact on the revenue account bottom line.

## **Robustness of Estimates and Adequacy of Reserves and Contingencies**



78. Section 25 of the Local Government Act 2003 requires the Chamberlain to report on the robustness of estimates and the adequacy of reserves underpinning the budget proposals.

79. In coming to a conclusion on the robustness of estimates, the Chamberlain needs to assess the risk of over or under spending the budget. To fulfil this requirement the following comments are made:

- provision has been made for all known liabilities, together with indicative costs (where identified) of capital schemes yet to be evaluated, but continue to monitor COVID income risk during 22/23 and maintain a COVID contingency fund, not releasing £30m of general fund reserves for major project spend;
- the estimates and financial forecast have been prepared at this stage on the basis of the Corporation remaining debt free until such time as external borrowing may be needed to bridge the gap for major capital projects (the Museum of London relocation and the Combined Courts project);
- prudent assessments have been made regarding key assumptions;
- an annual capital bids process is in place seeking to ensure that capital expenditure is contained within affordable limits and that it can be demonstrated that each project is of the highest corporate priority;
- although the City Fund financial position is vulnerable to COVID income losses, rent levels and interest rates, it should be noted that:
  - the City Surveyor has carried out an in-depth review of rent incomes; and
  - the assumed interest rate remains low across the planning period;
- a strong track record in achieving budgets gives confidence on the robustness of estimates; and
- balancing 2022/23 with 'one-off' measures will give more time to implement the Target Operating Model - securing permanent year on year savings, and enabling support to recovery in the square mile and renewed vision.
  
- zero-based budgeting will realign existing resources to new corporate priorities.

80. An analysis of usable City Fund Reserves is set out in Appendix C. Depletion of City Fund reserves is a consideration for the medium-term: although reserve balances are forecast to remain healthy in 2022/23, the potential call on reserves to support revenue and capital expenditure beyond 2022/23 reinforces the need for flight path savings and income generation.

81. In assessing the adequacy of contingency funds, the Chamberlain has reviewed the allocation and expenditure of contingency funds over the past four years and concluded that the estimates are robust. This takes account of the Finance Committee contingencies, the Policy and Resources Committee contingency and the Policy Initiatives Fund. In each of the past four years the provision of funds has been more than sufficient resulting in an uncommitted balance for each contingency fund in each year. On this basis the existing contingency

provision will remain unchanged for 2022/23. A full analysis of contingency fund provision and expenditure is provided in Appendix G.

## **Risks- Summary**

82. There are risks to the achievement of the latest forecasts:

### Within the City Corporation's control:

- Securing permanent year on year permanent savings from the 12% savings programme and income schemes under the Fundamental Review;
- Achievement of Police savings targets needed to mitigate the Force deficit; and Action Fraud overspending and changes in cash flow requirement; and
- Major projects not being delivered within estimated costs.

### Outside the City Corporation's control:

- Significant remaining COVID risks including income losses from the closure of many services and facilities, and losses from rental income. There continues to be a significant risk for further income losses in 2022/23 as the economy recovers;
- Business Rates income - volatility around the growth forecasts and appeals, are dependent on full occupation of new builds and potential changes to office demand as we move out of the pandemic; and
- Fair Funding review which could affect government support to fund services.

## **Equalities Implications**

During the preparation of this report, all Chief Officers were asked to consider whether there would be any potential adverse impact of the various budget policy proposals on equality of service. This was with particular regard to service provision and delivery that affects people, or groups of people, in respect of disability, gender and racial equality. An update will be provided to the Finance Committee.

## **Conclusion**

83. There has been a significant effort across the Corporation family to commit to delivering year on year permanent savings against the 12% savings required to get us to a balanced 22/23 budget, and on track for a sustainable MTFP, and we appreciate Officers efforts in achieving this. But this is only the 'end of the beginning'; there is a big task still ahead to secure future savings ('flightpath') and to manage the significant remaining COVID risks and unprecedented range of external challenges e.g., Spending Review and Business Rates reset, as well as supply chain issues and inflationary pressures.

84. There are risks to the achievement of the 2022/23 budget position and MTFP, in particular income volatility impact from COVID; significant pressures highlighted by departments through bilateral meetings and tough decisions have been needed. But Members have worked together to mitigate on-going pressures through re-prioritisation.
85. The Local Government Financial Settlement intends that taxes are levied locally to support rising pressures. The Government's assumption is that Policing cost pressures would be covered through the levy on council taxpayers. There is a statutory requirement for the City Fund, including Police, to remain balanced across the Medium-Term-Financial Plan.
86. Delivering the 2022/23 budget enables us to push ahead on reshaping the City Corporation, through implementation of the TOM, to be able to respond in a more agile and flexible way to the challenges ahead.
87. This report recommends a number of measures to stabilise the position in 2022/23. Increases in Social Care, Council Tax and Business Rate Premium should be considered in view of wider developments across London, Government expectations to maximise taxes locally, the Fair Funding Review, and pressures on security and Police budgets.
88. The Court is, therefore, asked to approve the recommendations set out at the start of this report.

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

DATED this 15<sup>th</sup> day of February 2022.

SIGNED on behalf of the Committee.

**Deputy Jamie Ingham Clark**  
Chairman, Finance Committee

## **Appendices**

- Appendix A – Calculating Council Tax
- Appendix B – City Fund Useable Reserves
- Appendix C – Prudential Indicators
- Appendix D – Treasury Management Strategy Statement and Investment Strategy Statement 2021/22
- Appendix E – Capital Strategy
- Appendix F – City Fund Budget Policy

- Appendix G – Review of contingency funds
- Appendix H – Council Tax Resolution (1% ASC increase)
- Appendix I – Calculating Council Tax and Council Tax Resolution (1% ASC and 1.99% General Council Tax increase)

## Calculating Council Tax

### Step One ('B1')

This requires calculation of the basic amount of Council Tax for a Band D dwelling for the whole of the City's area by applying the formula:

$$'B1' = \frac{R}{T}$$

Where

'B1' is the Basic Amount 'One':

R is the amount calculated by the authority as its council tax requirement for the year;

T is the amount which is calculated by the authority as its Council Tax base for the year. This amount was approved by the Chamberlain under the delegated authority of the City of London together with the Council Tax bases for each part of the City's area.

The above calculation is as follows:

$$'B1' = \frac{\pounds 7,952,253.70}{8,317.30}$$

$$'B1' = \pounds 956.11$$

**Note:** Item R consists of the following components:

	£	£
City Fund Net Budget Requirement		167,183,396
Less:		
Business Rates Retention	(45,979,000)	
Government Grant Funding	(8,191,000)	
Police Grant	(74,328,654)	
City's Offset	(12,064,000)	
Estimated Non-Domestic Rate Premium (Net)	(18,400,000)	
Estimated Collection Fund Surplus as at 31 March 2021 (City's share)	(268,489)	(159,231,143)
<b>TOTAL COUNCIL TAX REQUIREMENT ®</b>		<b>7,952,253</b>

### Step Two ('B2')

This calculation is for the basic amount of tax for the area of the City excluding special items. The prescribed formula is:

$$'B2' = 'B1' - \frac{A}{T}$$

Where:

'B2' is the Basic Amount 'Two';

'B1' is the Basic Amount of Council Tax (Basic Amount 'One')  
NB included with 'B1' is the aggregate of special items

A is the Aggregate of all special items;

T is the Council Tax base for the whole area

The above calculation is as follows:

$$'B2' = \quad \quad \quad \pounds 956.11 - \frac{\pounds 18,646,024.63}{8,317.30}$$

$$'B2' = \quad \quad \quad \pounds 1,285.73 \quad \underline{CR}$$

**Note:** Item A consists of the following components:

	£	£
Highways Net Expenditure	8,159,000.00	
Street Cleansing	5,933,000.00	
Waste Collection	2,138,000.00	
Waste Disposal	1,212,000.00	
Road Safety	356,000.00	
Drains and Sewers	510,000.00	
Total City's Special Expenses		18,308,000.00
Inner Temple's Precept	196,138.58	
Middle Temple's Precept	141,886.05	338,024.63
Total Special Items		<u>18,646,024.63</u>

### Step Three 'B3'

The next calculation is for the basic amount of each of the three parts of the City (the Inner and the Middle Temples and the remainder of the City area) to which special items relate (Basic Amount 'Three'). The calculations for each of the areas are as follows:

$$'B3' = 'B2' + \frac{S}{TP}$$

Where:

- 'B3' is the Basic Amount 'Three'
- 'B2' is the Basic Amount 'Two'
- S is the amount of the special items for the part of the area
- TP is the billing authority's Tax base for the part of the area to which the special items relate as determined by the Chamberlain under the delegated authority of the City of London Finance Committee.

### City Area Excluding the Temples

$$\text{'B3'} = \text{£1,285.73 CR} + \frac{\text{£18,308,000}}{8,166.52}$$

$$\text{'B3'} = \text{£956.11}$$

### Inner Temple

$$\text{'B3'} = \text{£1,285.73 CR} + \frac{\text{£196,138.58}}{87.49}$$

$$\text{'B3'} = \text{£956.11}$$

### Middle Temple

$$\text{'B3'} = \text{£1,285.73 CR} + \frac{\text{£141,886.05}}{63.29}$$

$$\text{'B3'} = \text{£956.11}$$

### Step Four

Finally, Council Tax amounts have to be calculated for each valuation band (A to H) in each of the three areas (i.e. 24 Council Tax categories). The formula to be used is:

$$\text{Council Tax for particular category} = A \times \frac{N}{D}$$

- A is the Basic Amount 'Three' ('B3') calculated for each part of its area;
- N is the proportion applicable to dwellings listed in the particular valuation Band for which the calculation is being made;
- D is the proportion applicable to dwellings listed in valuation Band D.

**Council Tax per Property Band: calculated by applying nationally fixed proportions from Band D.**

	£							
	A	B	C	D	E	F	G	H
Proportion	6	7	8	9	11	13	15	18
CoL	637.41	743.64	849.88	956.11	1168.58	1381.05	1593.52	1912.22
GLA	78.97	92.14	105.30	118.46	144.78	171.11	197.43	236.92
Total	716.38	835.78	955.18	1074.57	1313.36	1552.16	1790.95	2149.14



## Reserves

<b>Forecast Movements in City Fund Usable Reserves 2022/23</b>				
	Notes	Estimated Opening Balance	Forecast Net Movement in Year	Estimated Closing Balance
		01-Apr-22		31-Mar-23
		£m	£m	£m
<b>Revenue Usable Reserves</b>				
General Reserve	a	20.0	0.0	20.0
Earmarked				
Major Projects Financing Reserve	b	60.7	(21.8)	44.9
Business Rate Equalisation	c	10.2	(10.2)	0.0
Highways Improvements	d	47.8	(14.7)	33.1
Risk Reserve	e	30.0	0	30.0
Build Back Better Fund	f	16.7	(1.7)	15.0
London Pool Strategic Investment Pot	g	8.8	(8.8)	0.0
Police Future Expenditure	h	3.5	0.0	3.5
VAT Reserve	i	4.2	0.0	4.2
Renewals and Repairs	j	3.5	0.0	3.5
Proceeds of Crime Act	k	2.2	0.0	2.2
Judges Pensions	l	1.1	0.0	1.1
Service Projects	m	9.6	0.0	9.6
Total Revenue Earmarked		<b>218.3</b>	<b>(57.2)</b>	<b>167.1</b>
Housing Revenue Account (HRA)	n	0.6	0.2	0.8
<b>Total Revenue Usable Reserves</b>		<b>218.9</b>	<b>(57.0)</b>	<b>167.9</b>
<b>Capital Usable Reserves</b>				
Capital Receipts Reserve	o	157.1	(38.3)	118.8
Capital Grants Unapplied	p	30.6	(10.8)	19.8
HRA Major Repairs Reserve	q	0.3	0.0	0.3
<b>Total Capital Usable Reserves</b>		<b>188.0</b>	<b>(49.1)</b>	<b>138.9</b>
<b>Total Usable Reserves</b>		<b>406.9</b>	<b>(106.1)</b>	<b>306.8</b>

Notes

- a. General Reserve – The accumulated balance from annual surpluses or deficits on the City Fund Revenue Account less any transfers to, or plus any transfers from, earmarked reserves.
- b. Major Projects Financing Reserve – This reserve will contain the balance of the general reserve above £20m to fund investment in major projects, either as a direct revenue contribution or to generate income to fund revenue costs.

- c. Business Rate Equalisation Reserve - Will be used to fund collection fund deficits that will be accounted for in future years following govt support for business during the COVID-19 pandemic.
- d. Highway Improvements - Created from on-street car parking surpluses to finance future highways related expenditure and projects as provided by section 55 of the Road Traffic Regulation Act 1984, as amended by the Road Traffic Act 1991.
- e. Risk Reserve – Additional fund set aside to manage the uncertainties stemming from COVID-19 on income and expenditure.
- f. Build Back Better Fund – funds set aside to support the economic recovery following the pandemic and climate action goals.
- g. London Pool Strategic Investment Pot - This relates to yet to be allocated SIP funds generate through the London NNDR Pool. The City Corporation acts a lead authority for the pool and in that role holds these fund on behalf of London.
- h. Police Reserve - Revenue expenditure for the City Police service is cash limited. Underspends against this limit may be carried forward as a reserve to the following financial year and overspends are required to be met from this reserve.
- i. VAT Reserve – Should the City Corporation no longer be able to recover VAT incurred on exempt services as a result of exceeding the 5% partial exemption threshold, this reserve will be the first call for meeting the associated costs.
- j. Renewals and Repairs – Sums set aside for future repairs and maintenance costs.
- k. Proceeds of Crime Act – Cash forfeiture sums awarded to the City. Under the guidelines of the scheme, the funds must be ringfenced for crime reduction initiatives.
- l. Judges Pensions - Sums set aside to assist with the City of London's share of liabilities.
- m. A number of reserves for service specific projects and activities where the balance on each individual reserve is less than £0.5m have been aggregated under this generic heading.
- n. These reserves are ringfenced by statute to the Housing Revenue Account.
- o. The capital receipts reserve will be exhausted due to the City's commitment to Major projects over the life of the MTFP, subject to further receipts being received.

- p. Capital grants and contributions received for specific purposes. This includes receipts from the City's Community Infrastructure Levy.
- q. HRA Major Repair Reserve – funds set aside to finance HRA capital expenditure.

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## PRUDENTIAL INDICATORS

The following Prudential Indicators (and those included in Appendix (E) have been calculated in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities. In addition, a local indicator has been calculated to reflect the City's particular circumstances. Those indicators relating to estimates for the financial years 2022/23, 2023/24 and 2024/25 (values shown in bold) are required to be set by the Court of Common Council as part of the budget setting process and should be taken into account when considering the affordability, prudence and sustainability of capital investments.

### Prudential Indicators for Affordability

#### Estimate of the ratio of financing costs to net revenue stream

Table 1

	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
HRA	0.29	0.26	0.25	0.22	<b>0.24</b>	<b>0.31</b>	<b>0.30</b>
Non-HRA	-0.49	-0.46	-0.35	-0.28	<b>-0.24</b>	<b>-0.29</b>	<b>-0.30</b>
Total	-0.41	-0.39	-0.30	-0.24	<b>-0.20</b>	<b>-0.24</b>	<b>-0.24</b>
<i>At this time last year</i>	-0.41	-0.39	-0.26	-0.23	-0.25	-0.26	-

This ratio is intended to represent the extent to which the net revenue consequences of capital financing and borrowing impact on the net revenue stream. Since the City Fund is currently a net lender in its Treasury operations and is in receipt of significant rental income from investment properties, the Non-HRA and Total ratios are usually negative. The fall in the Non-HRA ratios from 2019/20 until 2021/22 reflects the reduction in investment income as a proportion of total revenue streams. The increase in HRA ratios from 2023/24 reflect the additional cost of internal borrowing from City Fund to finance the HRA programme of capital works necessary to maintain the housing estates.

### Prudential Indicator of Prudence

#### Gross Debt and the Capital Financing Requirement

Table 2

	Period 2021/22 to 2024/25
	£m
Gross External Debt	<b>13,399</b>
Capital Financing Requirement	<b>138,013</b>

To ensure that, over the medium term, borrowing will only be for capital purposes, this indicator demonstrates that gross external debt will not exceed the capital financing requirement over the

period 2021/22 to 2024/25. The current plans for funding of the capital programme, including the major projects, do not anticipate any new external borrowing.

## **Prudential Indicators for Capital Expenditure and External Debt**

### **Estimate of Capital Expenditure**

**Table 3**

	2018/19 Actual £m	2019/20 Actual £m	2020/21 Actual £m	2021/22 Revised £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
HRA	10.854	10.867	13.233	52.561	<b>52.169</b>	<b>15.068</b>	<b>0.560</b>
Non-HRA	67.199	41.874	48.524	104.001	<b>164.885</b>	<b>283.212</b>	<b>260.439</b>
Total	78.053	52.741	61.757	156.562	<b>217.054</b>	<b>298.280</b>	<b>260.999</b>
<i>At this time last year</i>	<i>78.053</i>	<i>52.741</i>	<i>123.915</i>	<i>245.118</i>	<i>233.729</i>	<i>232.469</i>	-

This indicator is based on the capital budget, augmented to reflect the indicative cost of schemes which have been approved in principle but have yet to be formally agreed for progression. It should be noted that the figures represent gross expenditure and that a number of schemes are wholly or partially funded by external contributions. Comparisons with the figures calculated at this time last year are generally reflective of the re-phasing of capital expenditure, including more robust estimates relating to the major projects.

### **Estimate of the Capital Financing Requirement**

**Table 4**

	2018/19 Actual £m	2019/20 Actual £m	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
HRA	0.000	0.000	0.000	6.080	<b>24.819</b>	<b>28.019</b>	<b>23.842</b>
Non-HRA	43.592	46.386	53.455	45.606	<b>78.264</b>	<b>188.169</b>	<b>114.171</b>
Total	43.592	46.386	53.455	51.686	<b>103.083</b>	<b>216.188</b>	<b>138.013</b>
<i>At this time last year</i>	<i>46.592</i>	<i>46.386</i>	<i>64.877</i>	<i>123.982</i>	<i>261.886</i>	<i>299.071</i>	-

The capital financing requirement (CFR) reflects the underlying need to borrow to finance capital expenditure and is calculated by identifying the shortfall in capital financing sources (e.g. capital receipts, grants, revenue reserves etc) to be applied. Borrowing can either be internal (use of internal cash balances) or external (third party loan finance).

Since 2016/17, the City Fund has been financing some capital expenditure from cash sums received from the sale of long leases, which are treated as deferred income in accordance with accounting standards. For the purposes of this indicator, such funding counts as 'internal borrowing'. In addition, in 2023/24 some of the major project expenditure will be funded from internal borrowing, using general City Fund cash balances on an interim basis pending the application of disposal proceeds from the sale of investment properties in 2024/25.

In accordance with the guidance contained in the Prudential Code, the 'Actual' indicators are calculated directly from the Balance Sheet, whilst the method of calculating the HRA and Non-HRA elements is prescribed under Statute.

The remaining prudential indicators relating to external debt and treasury management are included within Appendix D.

### **Local Indicators**

A local indicator which gives a useful measure of both sustainability and of the adequacy of revenue reserves has been developed.

### **Times Cover on Unencumbered Revenue Reserves**

**Table 5**

	2021/22	2022/23	2023/24	2024/25
Times cover on unencumbered revenue reserves	+1.5	<b>+3.0</b>	<b>-0.8</b>	<b>-1.2</b>
<i>At this time last year</i>	+8.4	-13.1	-70.0	-

This indicator is calculated by dividing the balance of forecast unencumbered general reserves by annual revenue deficits(-)/surpluses(+). For 2021/22 and 2022/23 revenue surpluses are forecast, with annual deficits from 2023/24 as the benefits of business rates retained growth ends. Ratios below -1.0 indicate insufficient general reserves to cover the deficit in a particular financial year, which is not sustainable. However, the revenue position is forecast to be much improved by 2025/26 as savings from the fundamental review are fully realised and incomes improve, albeit partially offset by the impact of major project financing.

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# **TREASURY MANAGEMENT STRATEGY STATEMENT**

**AND**

# **ANNUAL INVESTMENT STRATEGY**

**2022/23**

**Issue Date: 09/02/2022  
Agreed by Court of Common Council: XX/XX/2022**

# Treasury Management Strategy Statement and Annual Investment Strategy 2022/23

## 1. Introduction

### 1.1. Background

The City of London Corporation (the City) is required in its local authority capacity to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the City's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of capital expenditure plans. These capital plans provide a guide to the borrowing needs of the City, essentially the longer-term cash flow planning, to ensure that the organisation can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans where permitted for individual Funds of the City, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

### 1.2. The Treasury Management Policy Statement

The City defines its treasury management activities as:

*The management of the organisation's investments and cash flows, its banking, money market and capital market transaction; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.*

The City regards the security of its financial investments through the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

The City acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

### 1.3. Reporting Requirements

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by the Court of Common Council (the Court) on 3 March 2010, and is applied to all Funds held by the City.

The primary requirements of the Code are as follows:

- (i) The City of London Corporation will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- (ii) This organisation (i.e. the Court of Common Council) will receive reports on its treasury management policies, practices and activities, including as a minimum an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.
- (iii) The Court of Common Council delegates responsibility for the implementation and regular monitoring of its treasury management policies to the Finance Committee and the Financial Investment Board (which currently acts in an advisory capacity on behalf of the BHE Board); the execution and administration of treasury management decisions is delegated to the Chamberlain, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- (iv) The Court of Common Council nominates the Audit and Risk Management Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

The CIPFA 2017 Prudential Code for Capital Finance in Local Authorities and Treasury Management Code of Practice require all local authorities to prepare a capital strategy. The capital strategy provides a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services as well as an overview of how the associated risk is managed and the implications for future financial sustainability. The Treasury Management Strategy Statement is reported separately from the Capital Strategy. This ensures the separation of the core treasury function under security, liquidity and yield principles from the policy and commercial investments usually driven by expenditure on an asset. It is considered good practice by the City to include all of its Funds within these strategies.

## 1.4. Recent changes to the CIPFA Treasury Management and Prudential Codes

CIPFA published revised versions of both the Treasury Management Code of Practice and the Prudential Code for Capital Finance in Local Authorities on 20<sup>th</sup> December 2021. Formal adoption is not required until the 2023/24 financial year and the Treasury Management Strategy for 2022/23 has been prepared in accordance with the 2017 editions of both Codes.

The revised codes will have the following implications:

- All investments and investment income must be categorised into one of three types:

### **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

### **Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

### **Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a local authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

- a requirement to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
- clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
- address ESG issues within the Capital Strategy;
- require implementation of a policy to review commercial property, with a view to divest where appropriate;
- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);
- ensure that any long term treasury investment is supported by a business model;

- a requirement to effectively manage liquidity and longer term cash flow requirements;
- a requirement to address ESG policy within the treasury management risk framework;
- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;
- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

As this Treasury Management Strategy Statement and Annual Investment Strategy deals solely with treasury management investments, the categories of service delivery and commercial investments will be dealt with as part of the Capital Strategy report.

Furthermore it should be noted that any new requirements are mandatory for the City Fund only.

Members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

## **1.5. Treasury Management Strategy for 2022/23**

The Local Government Act 2003 (the Act) and supporting regulations require the City to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the City's capital investment plans are affordable, prudent and sustainable. The City's Prudential Indicators are set in its annual Budget Report and Medium-Term Financial Strategy, while Treasury Indicators are established in this report (Appendix 2).

The Act requires the Court of Common Council to set out its treasury strategy for borrowing (section 4 of this report) and to prepare an Annual Investment Strategy (section 5 of this report). The Investment Strategy sets out the City's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The suggested strategy for 2022/23 in respect of the required aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the City's treasury adviser, Link Asset Services, Treasury Solutions.

The strategy covers:

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy
- the current treasury position
- treasury indicators which limit the treasury risk and activities of the City

- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the DLUHC MRP Guidance, the CIPFA Treasury Management Code and the DLUHC Investment Guidance.

## 1.6. Current Portfolio Position

The City's treasury portfolio position at 31 December 2021 compared to the position at 31 March 2021 comprised:

	<b>Actual</b>	<b>Actual</b>	<b>Current</b>	<b>Current</b>
	<b>31/03/21</b>	<b>31/03/21</b>	<b>31/12/21</b>	<b>31/12/21</b>
	<b>£m</b>	<b>%</b>	<b>£m</b>	<b>%</b>
<b>Treasury investments</b>				
Banks	£495.0	52%	£655.0	50%
Building societies (rated)	£25.0	3%	£60.0	5%
Local authorities	£15.0	2%	£10.0	1%
Liquidity funds	£138.5	17%	£278.8	21%
Ultra-short dated bond funds	£112.6	12%	£137.6	11%
Short dated bond funds	£161.0	17%	£160.8	12%
<b>Total treasury investments</b>	<b>£947.1</b>	<b>100%</b>	<b>£1,302.2</b>	<b>100%</b>
<b>Treasury external borrowing</b>				
LT market debt (City's Cash)	£250.0	100%	£450.0	100%
<b>Total external borrowing</b>	<b>£250.0</b>	<b>100%</b>	<b>£450.0</b>	<b>100%</b>

## 2. Capital Expenditure Plans and Prudential Indicators

### 2.1. City Fund

The City's capital expenditure plans are a key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

The City's capital expenditure plans in respect of its local authority functions (the City Fund) are detailed in the 2022/23 Budget Report and Medium-Term Financial Strategy, which also contains the City's Prudential Indicators. The Prudential Indicators summarise the City Fund's annual capital expenditure and financing plans for the medium term.

Estimate of Capital Expenditure and Financing (City Fund)

<b>Table 2</b>	<b>2020/21 Actual £m</b>	<b>2021/22 Estimate £m</b>	<b>2022/23 Estimate £m</b>	<b>2023/24 Estimate £m</b>	<b>2024/25 Estimate £m</b>
<b>Capital Expenditure:</b>					
Non-HRA	48.5	104.0	164.9	283.2	260.3
HRA	13.2	52.6	52.2	15.1	0.1
<b>Total</b>	<b>61.7</b>	<b>156.6</b>	<b>217.1</b>	<b>298.3</b>	<b>260.4</b>
<b>Financed by:</b>					
Capital grants	16.4	74.4	83.0	50.1	34.6
Capital reserves	20.4	52.4	12.4	90.3	288.4
Revenue	15.7	29.8	68.5	43	14.4
<b>Total</b>	<b>52.5</b>	<b>156.6</b>	<b>163.9</b>	<b>183.4</b>	<b>337.4</b>
<b>Net financing need:</b>	<b>9.2</b>	<b>0.0</b>	<b>53.2</b>	<b>114.9</b>	<b>-77.0</b>

The Prudential Indicators also establish the City Fund's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the City Fund's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource (the net financing need in Table 2), will increase the CFR.

Estimate of the Capital Financing Requirement (City Fund)

<b>Table 3</b>	<b>2019/20 Actual £m</b>	<b>2020/21 Estimate £m</b>	<b>2021/22 Estimate £m</b>	<b>2022/23 Estimate £m</b>	<b>2023/24 Estimate £m</b>
Non-HRA	53.4	45.6	78.3	188.2	114.2
HRA	0	6.1	24.8	28.0	23.8
<b>Total</b>	<b>53.4</b>	<b>51.7</b>	<b>103.1</b>	<b>216.2</b>	<b>138.0</b>

Minimum Revenue Provision (City Fund)

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used. The City's MRP Policy is detailed in Appendix 2.

## 2.2. City's Cash

As with the City Fund, any capital expenditure incurred by City's Cash which has not immediately been paid for through a revenue or capital resource, will increase the City's Cash borrowing requirement. The medium term financial plan for City's Cash

includes an increase in capital expenditure in the coming years, primarily relating to the major projects programme. All projected capital expenditure in 2022/23 will be financed from the existing £450m stock of debt or other sources. Table 3 summarises the planned City’s Cash borrowing over the next few years.

<b>Table 4</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	£250m	£450m	£450m	£450m	£450m

A debt financing strategy will be established to ensure borrowing for City’s Cash is reduced gradually over time as set out in the City’s Cash Borrowing Policy Statement (Appendix 8).

### **2.3. Bridge House Estates**

The Bridge House Estates’ financial plans focus on the charity’s primary object, namely the support and maintenance of the five Thames bridges that the charity owns, alongside their future replacement. Any surplus income each year is available for its ancillary purposes, namely charitable funding undertaken in the name of the City Bridge Trust. The charity’s revenue expenditure plans over the short and medium term are funded from ongoing income and the returns on investments held within the unrestricted income fund. Capital spend on the charity’s investment property portfolio is funded from the designated sales pool, with receipts from disposals or lease premiums being available for this. The current governing documents for BHE do not include powers to access the gains on investments held within the endowment fund, nor to undertake borrowing. The charity is anticipating approval of its Supplemental Royal Charter during 2022, which will amend these powers. This strategy will reflect these new powers once in place.

### **2.4. Treasury Indicators for 2022/23 – 2024/25**

Treasury Indicators (as set out in Appendix 2) are relevant for the purposes of setting an integrated treasury management strategy.

## **3. Prospects for Interest Rates**

The City of London has appointed Link Asset Services (Link) as its treasury advisor and part of their service is to assist the City to formulate a view on interest rates. Appendix 1 draws together a number of forecasts for both short term (Bank Rate – also known as “the Bank of England base rate”) and longer term interest rates. The following table and accompanying text below gives the Link central view.



	Bank Rate <sup>1</sup> %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 years	25 year	50 year
Dec 2021	0.25	1.40	1.60	1.80	1.50
Mar 2022	0.25	1.50	1.70	1.90	1.70
Jun 2022	0.50	1.50	1.80	2.00	1.80
Sep 2022	0.50	1.60	1.80	2.10	1.90
Dec 2022	0.50	1.60	1.90	2.10	1.90
Mar 2023	0.75	1.70	1.90	2.20	2.00
Jun 2023	0.75	1.80	2.00	2.20	2.00
Sep 2023	0.75	1.80	2.00	2.20	2.00
Dec 2023	0.75	1.80	2.00	2.30	2.10
Mar 2024	1.00	1.90	2.10	2.30	2.10
Jun 2024	1.00	1.90	2.10	2.40	2.20
Sep 2024	1.00	1.90	2.10	2.40	2.20
Dec 2024	1.00	2.00	2.20	2.50	2.30
Mar 2025	1.25	2.00	2.30	2.50	2.30

Over the last two years, the coronavirus outbreak has had a significant impact on the UK economy and on economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged before raising it to 0.25% at its meeting on 16th December 2021, and again to 0.50% on 3<sup>rd</sup> February 2022.

As shown in the forecast table above, the forecast for Bank Rate now includes three further increases (see footnote 1 below), one in quarter 1 of 2023 to 0.75%, then in quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

### 3.1. Significant risks to the forecasts

There is a high level of uncertainty surrounding the forecast tabled above. Some of the key risks to the forecasts are as follows:

- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. The pace and extent of vaccine take up may also have an impact.
- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.

<sup>1</sup> Link's forecast was compiled on 21 December 2021 and as such does not take account of the Bank of England's change to Bank Rate at its meeting on 3 February 2022, which at the time of writing was expected to occur in quarter 2.

- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate. Alternatively, the MPC tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in resolving significant remaining issues.
- **Longer term US treasury yields** rise strongly and pull gilt yields up higher than forecast. While monetary policy in the UK will have a major impact on gilt yields, there has traditionally been a positively correlation between US and UK borrowing rates. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that the Federal Reserve's actions to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the "moral hazard" risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- **Geopolitical risks**, for example in Ukraine, Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.

### 3.2. Investment and borrowing rates

- Investment returns are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate increases, actual economic circumstances may see the MPC fall short of these expectations.
- Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England. Borrowing rates have also been impacted by changes in Government policy. In November 2020, the Chancellor announced the conclusion to a review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme.
- Because borrowing rates are expected to be higher than investment rates, any new borrowing undertaken by the City will have a "cost of carry" (the difference between higher borrowing costs and low investment returns) to any new borrowing that causes a temporary increase in cash balances.

### **3.3. Interest Rate Exposure**

The City is required to set out how it intends to manage interest rate exposure.

This organisation will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements and management information arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates.

## **4. Borrowing Strategy**

The borrowing strategy is developed from the capital plans and prospect for interest rates outlined in sections 2 and 3 above, respectively.

For both the City Fund and City's Cash, the capital expenditure plans create borrowing requirements and the borrowing strategy aims to make sure that sufficient cash is available to ensure the delivery of the City's capital programme as planned. Bridge House Estates, as stated in section 2.3, does not currently hold the power to borrow.

The City can choose to manage the borrowing requirements through obtaining external debt from a variety of sources; through the temporary use of its own cash resources ("internal borrowing"); or via a combination of these methods.

### **4.1. City Fund**

The City Fund has a positive Capital Financing Requirement, and this is expected to grow over the next few years (see table 2 above). As the City Fund currently has no external debt, it is therefore maintaining an under-borrowed position which is forecast to increase if the City Fund does not acquire external debt. This means that the capital borrowing need is being managed within internal resources, i.e. cash supporting the City Fund's reserves, balances and cash flow is being used as a temporary measure. This strategy is prudent because it helps the City Fund to minimise borrowing costs in the near term and because it leads to lower investment balances which reduces counterparty risk. Against these advantages the City is conscious of the increased exposure to interest rate risk that is inherent in internal borrowing (i.e. the risk that the City Fund will need to replace internal borrowing with external borrowing in the future when interest rates are high).

Therefore, against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Chamberlain will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. For example,

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the Finance Committee and the Court of Common Council at the next available opportunity.

The City must set two treasury indicators representing the upper limits for the total amount of external debt for City Fund. These limits are required under the Prudential Code in order to ensure borrowing is affordable and is consistent with the City Fund's capital expenditure requirements.

- The **operational boundary for external debt** should represent the most likely scenario for external borrowing. It is acceptable for actual borrowing to deviate from this estimate from time to time. The proposed limit is set to mirror the estimated CFR for the forthcoming year and the following two years.
- The **authorised limit for external debt** is the maximum threshold for external debt for over 2022/23, 2023/24 and 2024/25. This limit is required by the Local Government Act 2003 and is set above the operational boundary to ensure that the City is not restricted in the event of a debt restructuring opportunity.

The proposed limits for 2022/23 are set out in Appendix 2.

The City is also required to set a treasury indicator in respect of the maturity structure of external debt to ensure that the external debt portfolio remains appropriately balanced over the long term. Under the revised Treasury Management Code of Practice, the City is required to set limits for all borrowing (i.e. both fixed rate and variable debt), and the proposed limits are detailed in Appendix 2.

## 4.2. City's Cash

The capital expenditure plans for City's Cash also create a borrowing requirement. City's Cash has issued fixed rate market debt totalling £450m to fund its capital programme. **Of this total, £250m was received in 2019/20 and the remaining £200m was received in 2021/22. City's Cash is likely to have a further temporary borrowing requirement arising in 2023/24. It is not anticipated that any new external borrowing will be acquired by City's Cash in 2022/23.** However, the Chamberlain will keep this position under review and in doing so will have regard for liquidity requirements, interest rate risk and the implications for the revenue budget.

The regulatory framework established through the CIPFA professional codes and MHCLG guidance pertains to the City's local authority function, the City Fund. To facilitate effective management of the City's Cash borrowing requirement, this

organisation has adopted the City's Cash Borrowing Policy Statement (Appendix 8), which sets out the principles for effectively managing the risks arising from borrowing on behalf of City's Cash. Under this framework, the City has resolved to establish two further treasury indicators, which will help the organisation to ensure its borrowing plans remain prudent, affordable and sustainable:

- **Estimates of financing costs to net revenue stream.** This indicator is given as a percentage and establishes the amount of the City's Cash net revenue that is used to service borrowing costs.
- **Overall borrowing limits.** This indicator represents an upper limit for external debt which officers cannot exceed.

The proposed indicators for 2022/23 are set out in Appendix 2 alongside the City Fund treasury indicators.

#### **4.3. Bridge House Estates**

Bridge House Estates does not currently hold the power to borrow. The changes to its governing documents being sought by way of a Supplemental Royal Charter will address this, enabling borrowing to take place for specific purposes relating to its primary objective. There are no current plans for borrowing to take place in the short to medium term.

#### **4.4. Policy on borrowing in advance of need**

The City will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the City can ensure the security of such funds.

#### **4.5. Debt rescheduling**

The City does not anticipate any debt rescheduling in the near term. However, should any opportunities for debt rescheduling arise (through a decrease in borrowing rates, for instance), such cases will need to be considered in the context of the current treasury position and the size of the cost of debt repayment (i.e. any penalties incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

All rescheduling will be reported to the Court of Common Council, at the earliest meeting following its action.

#### **4.6. Sources of borrowing**

Historically, the main source of borrowing for UK local authorities has been the PWLB. Any new loans issued by the PWLB are subject to the PWLB's revised

lending arrangements with effect from 26 November 2020. Currently the PWLB Certainty Rate is set at gilts + 80 basis points for new loans. Local authorities have recourse to other sources of external borrowing including financial institutions, other local authorities and the Municipal Bonds Agency. Our advisors will keep us informed as to the relative merits of each of these alternative funding sources

## **5. Annual Investment Strategy**

The Annual Investment Strategy sets out how the City will manage its surplus cash balances for the forthcoming year (i.e. investments held for treasury management purposes). It does not apply to other long-term investment assets, which are dealt with variously by other strategy documents (for instance the Capital Strategy for City Fund, or the Investment Strategy Statement for Bridge House Estates).

### **5.1. Investment Policy**

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This strategy deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The City of London's investment policy will have regard to the DLUHC's Guidance on Local Government Investments ("the Guidance"), the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectorial Guidance Notes 2017 ("the CIPFA TM Code") and CIPFA Treasury Management Guidance Notes 2018.

The City's investment priorities are:

- (a) security; and
- (b) liquidity.

The City will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of the City is low in order to give priority to the security of its investments.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and the City will not engage in such activity.

In accordance with the above guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the City applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions

operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration, the City will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties. Investment instruments identified for use in the financial year are listed in Appendix 3 under the ‘specified’ and ‘non-specified’ investments categories.

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.

The City will also set a limit for the amount of its investments which are invested for longer than 365 days (see Appendix 2).

## 5.2. Expected investment balances

The City’s medium term financial plans for City Fund and City’s Cash imply that total investment balances within the treasury investment portfolio are expected to decline over the next few years as the capital programme is progressed (Bridge House Estates’ cash balances are expected to remain consistent) but to remain above a minimum constant level of £422m.

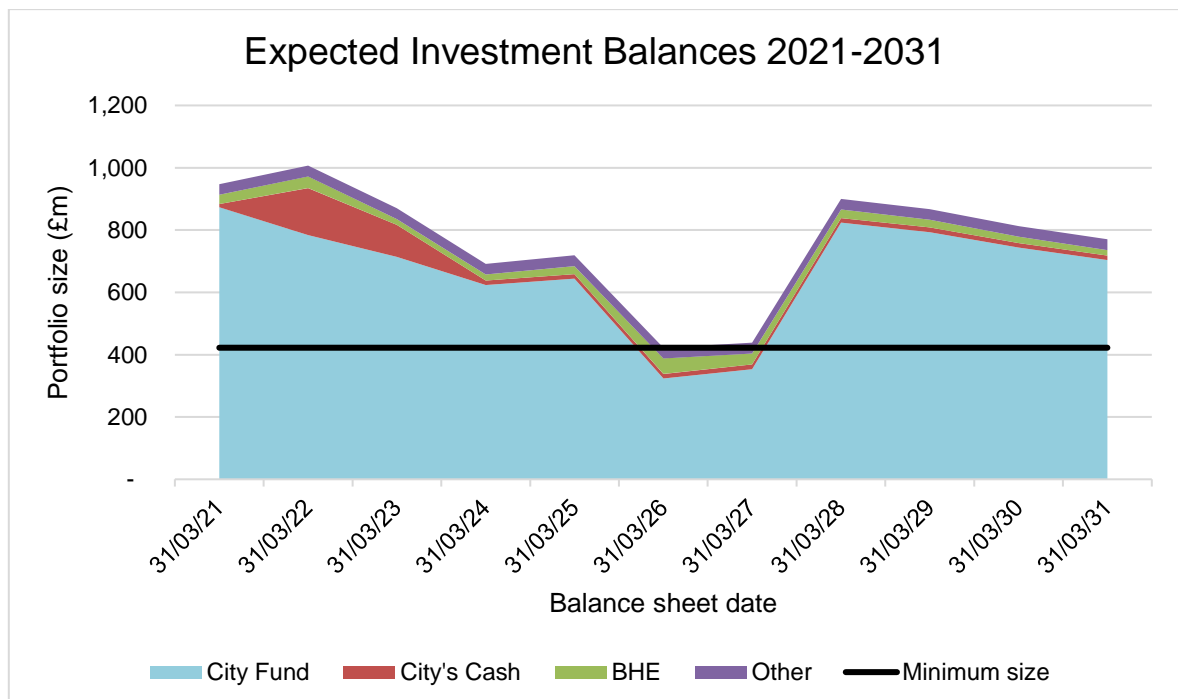


Figure 1 shows projected investment balances across the three funds and others over the coming years as at the end of each financial year.<sup>2</sup> Most of the investment balances relate to City Fund and it should be noted that generally investment balances are expected to be higher between reporting dates.

As the City, and the City Fund in particular, is expected to maintain significant cash balances over the forecast horizon, the treasury management strategy will duly consider how best to protect the capital value of resources, particularly in the context of elevated inflation and low (by historical standards) investment returns. This will include, where appropriate, exposure to investments with an expected investment horizon in excess of one year such as short dated bond funds and multi asset funds. Such investments will only be conducted following a thorough assessment of the City's liquidity requirements and will be subject to ongoing monitoring practices as specified in paragraph 5.13 below.

### 5.3. Creditworthiness policy

The primary principle governing the City's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the City will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the City's prudential indicators covering the maximum principal sums invested.

The Chamberlain will maintain a counterparty list in compliance with the following criteria and will revise these criteria and submit them to the Financial Investment Board for approval as necessary. These criteria are separate to those which determine which types of investment instruments are classified as either specified or non-specified as it provides an overall pool of counterparties considered high quality which the City may use, rather than defining what types of investment instruments are to be used.

Regular meetings are held involving the Chamberlain, the Deputy Chamberlain, Corporate Treasurer and members of the Treasury team, where the suitability of prospective counterparties and the optimum duration for lending is discussed and agreed.

Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of a possible longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is

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<sup>2</sup> "Other" refers to other entities for whom the City provides treasury management services.



considered before dealing. For instance, a negative rating Watch applying to a counterparty would result in a temporary suspension, which will be reviewed in light of market conditions.

All credit ratings will be monitored daily. The City is alerted to credit warnings and changes to ratings of all three agencies through its use of the Link creditworthiness service.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) are:

- Banks 1 – good credit quality – the City will only use banks which:
  - (i) are UK banks; and/or
  - (ii) are non-UK and domiciled in a country which has a minimum sovereign long-term rating of AA+ (Fitch rating)

and have, as a minimum the following Fitch, credit rating:

- (i) Short-term – F1
  - (ii) Long-term – A-
- Banks 2 – Part nationalised UK banks – Royal Bank of Scotland ring-fenced operations. This bank can be included if it continues to be part nationalised, or it meets the ratings in Banks 1 above.
  - Banks 3 – The City's own banker (Lloyds Banking Group) for transactional purposes and if the bank falls below the above criteria, although in this case, balances will be minimised in both monetary size and duration.
  - Bank subsidiary and treasury operation - The City will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above. This criteria is particularly relevant to City Re Limited, the City's Captive insurance company, which deposits funds with bank subsidiaries in Guernsey.
  - Building Societies – The City may use all societies which:
    - (i) have assets in excess of £10bn; or
    - (ii) meet the ratings for banks outlined above
  - Money Market Funds (MMFs) Constant Net Asset Value (CNAV)\* – with minimum credit ratings of AAA/mmf
  - Money Market Funds (MMFs) Low-Volatility Net Asset Value (LVNAV)\* – with minimum credit ratings of AAA/mmf
  - Money Market Funds (MMFs) Variable Net Asset Value (VNAV)\* – with minimum credit ratings of AAA/mmf
  - Ultra-Short Dated Bond Funds with a credit rating of at least AAA/f (previously referred to as Enhanced Cash Plus Funds)

- Short Dated Bond Fund – These funds typically do not obtain their own standalone credit rating. The funds will invest in a wide array of investment grade instruments, the City will undertake all necessary due diligence to ensure a minimum credit quality across the funds underlying composition is set out within initial Investment Manager Agreements and actively monitor the on-going credit quality of any fund invested.
- Multi-Asset Funds – these funds have the potential to provide above inflation returns with a focus on capital preservation, thus mitigating the erosion in value of long-term cash balances by investing in a range of asset classes that will typically include equities and fixed income. The value of these investments will fluctuate and they are not suitable for cash balances that are required in the near term. Before any investment is undertaken a rigorous due diligence process will be undertaken to identify funds that align with the City’s requirements.
- UK Government – including government gilts and the debt management agency deposit facility.
- Local authorities

A limit of £400m will be applied to the use of non-specified investments.

\*Under EU money market reforms implemented in 2018/19, three classifications of money market funds exist:

- Constant Net Asset Value (“CNAV”) MMFs – must invest 99.5% of their assets into government debt instruments and are permitted to maintain a constant net asset value.
- Low Volatility Net Asset Value (“LVNAV”) MMFs – permitted to maintain a constant dealing net asset value provided that certain criteria are met, including that the market net asset value of the fund does not deviate from the dealing net asset value by more than 20 basis points.
- Variable Net Asset Value (“VNAV”) MMFs – price assets using market pricing and therefore offer a fluctuating dealing net asset value

#### **5.4. Environmental, Social and Governance Risks**

The City of London Corporation is committed to being a responsible investor. It expects this approach to protect and enhance the value of the assets over the long term. The City recognises that the failure to identify and manage financially material environmental, social and governance risks can lead to adverse financial and reputational consequences. The City will incorporate ESG risk monitoring into its ongoing counterparty monitoring processes, alongside traditional creditworthiness monitoring. This risk analysis will be consistent with the City’s investment horizon, which in many cases will be short term (under one year) in nature.

## 5.5. Use of additional information other than credit ratings.

Additional requirements under the Code require the City to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties

## 5.6. Time and monetary limits applying to investments.

The time and monetary limits for institutions on the City's counterparty list are as follows (these will cover both specified and non-specified investments):

	<b>Minimum Creditworthiness Criteria</b>	<b>Money Limit</b>	<b>Time Limit</b>
<b>Banks 1 higher quality</b>	Fitch Rating Long Term: A+ Short Term: F1	£100m	3 years
<b>Banks 1 medium quality</b>	Fitch Long Term Rating Long Term: A Short Term: F1	£100m	1 year
<b>Banks 1 lower quality</b>	Fitch Long Term Rating Long Term: A- Short Term: F1	£50m	6 months
<b>Banks 2 – part nationalised</b>	N/A	£100m	3 years
<b>Banks 3 – City's banker (transactions only, and if bank falls below above criteria)</b>	N/A	£150m	1 working day
<b>Building Societies higher quality</b>	Fitch Long Term Rating A or assets of £150bn	£100m	3 years
<b>Building Societies medium quality</b>	Fitch Long Term Rating A- or assets of £10bn	£20m	1 year
<b>UK Government (DMADF, Treasury Bills, Gilts)</b>	UK sovereign rating	unlimited	3 years
<b>Local authorities</b>	N/A	£25m	3 years
<b>External Funds*</b>	<b>Fund rating</b>	<b>Money and/or % Limit</b>	<b>Time Limit</b>
<b>Money Market Funds CNAV</b>	AAA	£100m	liquid

<b>Money Market Funds LVNAV</b>	AAA	£100m	liquid
<b>Money Market Funds VNAV</b>	AAA	£100m	liquid
<b>Ultra-Short Dated Bond Funds</b>	AAA	£100m	liquid
<b>Short Dated Bond Funds</b>	N/A	£100m	liquid
<b>Multi Asset Funds</b>	N/A	£50m	liquid

\*An overall limit of £100m for each fund manager will also apply.

A list of suitable counterparties conforming to this creditworthiness criteria is provided at Appendix 4. The Chamberlain will review eligible counterparties prior to inclusion on the approved counterparty list and will monitor the continuing suitability of existing approved counterparties.

### 5.7. Country limits

The City has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ (Fitch) or equivalent. The country limits list, as shown in Appendix 5, will be added to or deducted from by officers should individual country ratings change in accordance with this policy. The UK (which is currently rated as AA-) will be excluded from this stipulated minimum sovereign rating requirement.

### 5.8. Local authority limits

The City will place deposits up to a maximum of £25m with individual local authorities. In addition the City imposes an overall limit of £250m for outstanding lending to local authorities as a whole at any given time. Although the overall credit standing of the local authority sector is considered high, officers perform additional due diligence on individual prospective local authority borrowers prior to entering into any lending.

### 5.9. Investment Strategy

**In-house funds:** The City's in-house managed funds are both cash-flow derived and also represented by core balances which can be made available for investment over a longer period. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

**Investment returns expectations:** Based on our treasury consultant's latest forecasts, Bank Rate is projected to rise incrementally from 0.50% to 1.25% over the medium term. In these circumstances it is likely that investment earnings from money market-related instruments will increase from the very low levels experienced in recent years. Bank Rate forecasts for financial year ends (March) are:

- 2021/22 0.50%

- 2022/23 0.75%
- 2023/24 1.00%
- 2024/25 1.25%

#### 5.10. Investment Treasury Indicator and Limit

Total principal funds invested for greater than 365 days are subject to a limit, set with regard to the City's liquidity requirements and to reduce the need for an early sale of an investment, and are based on the availability of funds after each year end. The Board is asked to approve the treasury indicator and limit:

<b>Maximum principal sums invested for more than 365 days (up to three years)</b>			
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
Principal sums invested >365 days	500	400	300

#### 5.11. Investment performance benchmarking

The City will monitor investment performance against Bank Rate and 3- and 6-month compounded SONIA (Sterling Overnight Index Average).

#### 5.12. End of year investment report

At the end of the financial year, the City will report on its investment activity as part of its Annual Treasury Report.

#### 5.13. External fund managers

A proportion of the City's funds, amounting to £577.2m as at 31 December 2021, are externally managed on a discretionary basis by the following fund managers:

- Aberdeen Standard Investments
- CCLA Investment Management Limited
- Deutsche Asset Management (UK) Limited
- Federated Investors (UK) LLP
- Invesco Global Asset Management Limited
- Legal and General Investment Management
- Payden & Rygel Global Limited
- Royal London Asset Management

The City's external fund managers will comply with the Annual Investment Strategy, and the agreements between the City and the fund managers additionally stipulate guidelines and duration and other limits in order to contain and control risk.

The credit criteria to be used for the selection of the Money Market fund manager(s) is based on Fitch Ratings and is AAA/mmf. The Ultra-Short Dated Bond Fund managers (including the Payden & Rygel Sterling Reserve Fund, Federated Sterling Cash Plus Fund and Aberdeen Standard Liquidity Fund (Lux) Short Duration Sterling Fund) are all rated by Standard and Poor's as AAA.

The City also uses two Short Dated Bond Funds managed by Legal and General Investment Management and Royal London Asset Management. Both funds are

unrated (as is typical of these instruments). The funds offer significant diversification by being invested in a wide range of investment grade instruments, rated BBB and above and limiting exposure to any one debt issuer or issuance.

The City fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund managers. In order to aid this assessment, the City is provided with a suite of regular reporting from its managers. This includes monthly valuations and fund fact sheets as well as quarterly and annual reports. In addition to formal reports, officers also meet with representatives of the fund manager on a regular basis. These meetings allow for additional scrutiny of the manager's activity as well as discussions on the outlook for the fund as well as wider markets.

## **6. Policy on the use of external service providers**

The City uses Link Asset Services, Treasury Solutions as its external treasury management advisers.

The City recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon its external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The City will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## **7. Scheme of Delegation**

Please see Appendix 6.

## **8. Role of the Section 151 officer**

Please see Appendix 7.

## **9. Training**

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. The training needs of members and treasury management officers are periodically reviewed. Training was most recently undertaken by Members in February 2019 and will be renewed in 2022/23.

## **APPENDICES**

1. Interest Rate Forecasts 2022-2025
2. Treasury Indicators 2022/23 – 2024/25 and Minimum Revenue Provision Statement
3. Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management
4. Current Approved Counterparties
5. Approved Countries for Investments
6. Treasury Management Scheme of Delegation
7. The Treasury Management Role of the Section 151 Officer
8. City's Cash Borrowing Policy Statement

**LINK INTEREST RATE FORECASTS 2022 – 2025 (Dated 2021-12-21)**

Link Group Interest Ra 20.12.21													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
<b>BANK RATE</b>	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30
<b>Bank Rate</b>													
Link	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
Capital Economics	0.50	0.75	0.75	1.00	1.25	1.25	1.25	1.25	-	-	-	-	-
<b>5yr PWLB Rate</b>													
Link	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
Capital Economics	1.80	1.90	2.10	2.20	2.20	2.30	2.40	2.40	-	-	-	-	-
<b>10yr PWLB Rate</b>													
Link	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
Capital Economics	2.00	2.10	2.20	2.30	2.30	2.40	2.50	2.50	-	-	-	-	-
<b>25yr PWLB Rate</b>													
Link	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
Capital Economics	2.20	2.30	2.50	2.70	2.70	2.70	2.80	2.90	-	-	-	-	-
<b>50yr PWLB Rate</b>													
Link	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30
Capital Economics	1.90	2.00	2.20	2.40	2.50	2.60	2.70	2.90	-	-	-	-	-

**Note:** The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective since 1<sup>st</sup> November 2012.



**TREASURY INDICATORS 2022/23 – 2024/25 AND MINIMUM REVENUE PROVISION STATEMENT**

<b>TABLE 1: TREASURY MANAGEMENT INDICATORS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>actual</b>	<b>probable outturn</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Authorised Limit for external debt (City Fund) -</b>					
Borrowing	153.4	151.7	203.1	316.2	238.0
other long-term liabilities	13.7	13.6	13.5	13.4	13.3
<b>TOTAL</b>	<b>167.1</b>	<b>165.3</b>	<b>216.6</b>	<b>329.6</b>	<b>251.3</b>
<b>Operational Boundary for external debt (City Fund) -</b>					
Borrowing	53.4	51.7	103.1	216.2	138.0
other long-term liabilities	13.7	13.6	13.5	13.4	13.3
<b>TOTAL</b>	<b>67.1</b>	<b>65.3</b>	<b>116.6</b>	<b>229.6</b>	<b>151.3</b>
<b>Actual external debt (City Fund)*</b>	0	0			
<b>Upper limit for total principal sums invested for over 365 days (per maturity date)</b>	£500m	£500m	£400m	£400m	£300m

\*Actual external debt at the end of the financial year

<b>TABLE 2: Maturity structure of borrowing during 2021/22</b>	<b>upper limit</b>	<b>lower limit</b>
- under 12 months	50%	0%
- 12 months and within 24 months	50%	0%
- 24 months and within 5 years	50%	0%
- 5 years and within 10 years	75%	0%
- 10 years and above	100%	0%

<b>TABLE 3: CITY'S CASH BORROWING INDICATORS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>actual</b>	<b>probable outturn</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Estimates of financing costs to net revenue stream</b>	7.7%	9.4%	7.5%	6.9%	8.0%
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Overall borrowing limits</b>	250	450	450	450	450

## MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT 2022/23

To ensure that capital expenditure funded by borrowing is ultimately financed, the City Fund is required to make a Minimum Revenue Provision (MRP) when the Capital Financing Requirement (CFR) is positive. A positive CFR is indicative of an underlying need to borrow and will arise when capital expenditure is funded by 'borrowing', either external (loans from third parties) or internal (use of cash balances held by the City Fund).

MHCLG regulations have been issued which require the Court of Common Council to approve **an MRP Statement** in advance of each year. The regulatory guidance recommends four options for local authorities. Options 1 and 2 relate to government supported borrowing prior to 2008. As the City Fund does not have any outstanding borrowing from this period, these options are not relevant. For any prudential borrowing undertaken after 2008, options 3 and 4 apply:

- **Option 3: Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
- **Option 4: Depreciation method** – MRP will follow standard depreciation accounting procedures;

For any new borrowing under the prudential financing system, the City Fund will apply the asset life method over the useful economic life of the relevant assets. MRP commences in the financial year following the one in which the expenditure was incurred. When borrowing to provide an asset, the asset life is deemed to commence in the year in which the asset first becomes operational. Therefore, MRP will first be made in the financial year following the one in which the asset becomes operational. 'Operational' here means when an asset transfers from Assets under Construction to an Assets in Use category under normal accounting rules.

As in previous years, the City will continue to apply a separate MRP policy for that portion of the CFR which has arisen through the funding of capital expenditure from cash received from long lease premiums which are deferred in accordance with accounting standards. This deferred income is released to revenue over the life of the leases to which it relates, typically between 125 and 250 years.

The City's MRP policy in respect of this form of internal borrowing is based on a mechanism to ensure that the deferred income used to finance capital expenditure is not then 'used again' when it is released to revenue. The amount of the annual MRP is therefore to be equal to the amount of the deferred income released, resulting in an overall neutral impact on the bottom line.

MRP will fall due in the year following the one in which the expenditure is incurred, or the year after the asset becomes operational.

The MRP liability for 2021/22 is £1.2m and is estimated at £1.2m for 2022/23.

**TREASURY MANAGEMENT PRACTICES (TMP 1) – Credit and Counterparty Risk Management**

**SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ quality criteria where appropriate.

	<b>Minimum ‘High’ Credit Criteria</b>	<b>Use</b>
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies, including part nationalised banks	Short-term F1, Long-term A-,	In-house via Fund Managers
Money Market Funds CNAV	AAA/mmf (or equivalent)	In-house via Fund Managers
Money Market Funds LVNAV	AAA/mmf (or equivalent)	In-house via Fund Managers
Money Market Funds VNAV	AAA/mmf (or equivalent)	In-house via Fund Managers
Ultra-Short Dated Bond Fund	AAA/f (or equivalent)	In-house via Fund Managers
UK Government Gilts	UK Sovereign Rating	In-house & Fund Managers
Treasury Bills	UK Sovereign Rating	In-house & Fund Managers
Sovereign Bond issues (other than the UK government)	AA+	Fund Managers

**NON-SPECIFIED INVESTMENTS:** These are any investments which do not meet the Specified Investment criteria. A maximum of £400m will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the categories set out below.

	<b>Minimum Credit Criteria</b>	<b>Use</b>	<b>Maximum</b>	<b>Maximum Maturity Period</b>
Term deposits – other LAs (with maturities in excess of one year)	-	In-house	£25m per LA	Three years
Term deposits, including callable deposits – banks and building societies (with maturities in excess of one year)	Long-term A+, Short-term F1,	In-house and Fund Managers	£300m overall	Three years
Certificates of deposits issued by banks and building societies with maturities in excess of one year	Long-term A+, Short-term F1,	In-house on a buy-and-hold basis and fund managers	£50m overall	Three years
UK Government Gilts with maturities in excess of one year	AA-	In-house on a buy-and-hold basis and fund managers	£50m overall	Three years
UK Index Linked Gilts	AA-	In-house on a buy-and-hold basis and fund managers	£50m overall	Three years
Short Dated Bond Funds	--	In-house via Fund Managers	£100m per Fund	n/a*
<b>Multi Asset Funds</b>	<b>--</b>	<b>In-house via Fund Managers</b>	<b>£50m overall</b>	<b>n/a*</b>

\*Short Dated Bonds Funds and Multi Asset Funds are buy and hold investments with no pre-determined maturity at time of funding, liquidity access is typically T + 3 or 4.

**APPROVED COUNTERPARTIES AS AT 31 DECEMBER 2021**

**UK BANKS AND THEIR WHOLLY OWNED SUBSIDIARIES**

FITCH RATINGS		BANK*	LIMIT PER GROUP	DURATION
A+	F1	Barclays Bank PLC (NRFB) Barclays Bank UK PLC (RFB)	£100M	Up to 3 years
A+	F1			
A+	F1	Goldman Sachs International Bank	£100M	Up to 3 years
AA	F1+	Handelsbanken PLC	£100m	Up to 3 years
AA-	F1+	HSBC (RFB) HSBC (NRFB)	£100M	Up to 3 years
AA-	F1+			
A+	F1	Lloyds Bank Corporate Markets PLC (NRFB) Lloyds Bank PLC (RFB) Bank of Scotland PLC (RFB)	£150M	Up to 3 years
A+	F1			
A+	F1			
A+	F1	NatWest Markets PLC (NRFB) National Westminster Bank PLC (RFB) Royal Bank of Scotland PLC (RFB)	£100M	Up to 3 years
A+	F1			
A+	F1			
A+	F1	Santander UK PLC (RFB)	£100M	Up to 3 years

\*Under the ring-fencing initiative, the largest UK banks are now legally required to separate the core retail business into a ring-fenced bank (RFB) and to house their complex investment activities into a non-ring-fenced bank (NRFB).

**BUILDING SOCIETIES**

FITCH RATINGS		BUILDING SOCIETY	ASSETS	LIMIT PER GROUP	DURATION
A	F1	Nationwide	£285Bn	£100M	Up to 3 years
A-	F1	Yorkshire	£49Bn	£20M	Up to 1 year
A-	F1	Coventry	£53Bn	£20M	Up to 1 year
A-	F1	Skipton	£29Bn	£20M	Up to 1 year
A-	F1	Leeds	£21Bn	£20M	Up to 1 year

**FOREIGN BANKS**

(with a presence in London)

FITCH RATINGS		COUNTRY AND BANK	LIMIT PER GROUP	DURATION
		<b>AUSTRALIA (AAA)</b>		
<b>A+</b>	<b>F1</b>	Australia and New Zealand Banking Group Ltd	£100M	Up to 3 years
<b>A+</b>	<b>F1</b>	National Australia Bank Ltd	£100M	Up to 3 years
		<b>CANADA (AA+)</b>		
<b>AA-</b>	<b>F1+</b>	Bank of Montreal	£100M	Up to 3 years
<b>AA-</b>	<b>F1+</b>	Royal Bank of Canada	£100M	Up to 3 years
<b>AA-</b>	<b>F1+</b>	Toronto-Dominion Bank	£100M	Up to 3 years
		<b>GERMANY (AAA)</b>		
<b>A+</b>	<b>F1+</b>	Landesbank Hessen-Thueringen Girozentrale	£100M	Up to 3 years
		<b>NETHERLANDS (AAA)</b>		
<b>A+</b>	<b>F1</b>	Cooperatieve Rabobank U.A.	£100M	Up to 3 years
		<b>SINGAPORE (AAA)</b>		
<b>AA-</b>	<b>F1+</b>	DBS Bank Ltd.	£100M	Up to 3 years
<b>AA-</b>	<b>F1+</b>	United Overseas Bank Ltd.	£100M	Up to 3 years
		<b>SWEDEN (AAA)</b>		
<b>AA-</b>	<b>F1+</b>	Skandinaviska Enskilda Banken AB	£100M	Up to 3 years
<b>A+</b>	<b>F1</b>	Swedbank AB	£100M	Up to 3 years
<b>AA</b>	<b>F1+</b>	Svenska Handelsbanken	£100M	Up to 3 years

### MONEY MARKET FUNDS

FITCH RATINGS	MONEY MARKET FUNDS Limit of £100M per fund	DURATION
AAA/mmf	CCLA	Liquid
AAA/mmf	Federated Short-Term Sterling Prime Fund*	Liquid
AAA/mmf	Aberdeen Sterling Liquidity Fund	Liquid
AAA/mmf	Invesco	Liquid
AAA/mmf	Deutsche Liquidity Fund	Liquid

### ULTRA SHORT DATED BOND FUNDS

FITCH RATINGS (or equivalent)	ULTRA SHORT DATED BOND FUNDS Limit of £100M per fund	DURATION
AAA/f	Payden Sterling Reserve Fund	Liquid
AAA/f	Federated Sterling Cash Plus Fund*	Liquid
AAA/f	Aberdeen Standard Investments Short Duration Managed Liquidity Fund**	Liquid

\*A combined limit of £100m applies to balances across the Money Market Fund and Ultra Short Dated Bond Fund both managed by Federated and Aberdeen Standard

### SHORT DATED BOND FUNDS

FITCH RATINGS (or equivalent)	SHORT DATED BOND FUNDS Limit of £100M per fund	DURATION
-	Legal and General Short Dated Sterling Corporate Bond Index Fund	Liquid
-	Royal London Investment Grade Short Dated Credit Fund	Liquid

**LOCAL AUTHORITIES**

**LIMIT OF £25M PER  
AUTHORITY AND £250M  
OVERALL**

Any UK local authority



**APPROVED COUNTRIES FOR INVESTMENT**

This list is based on those countries which have sovereign ratings of AAA and AA+ from Fitch Ratings as at 28 January 2022.

**AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- United States

**AA+**

- Canada
- Finland

**AA-**

- United Kingdom

**TREASURY MANAGEMENT SCHEME OF DELEGATION**

The roles of the various bodies of the City of London Corporation with regard to treasury management are set out below. Financial Investment Board and the Audit & Risk Management Committee current hold on oversight role on behalf of Bridge House Estates in line with formal references agreed with the Bridge House Estates Board.

**(i) Court of Common Council**

- Receiving and reviewing reports on treasury management policies, practices and activities
- Approval of annual strategy.

**(ii) Financial Investment Board and Finance Committee**

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- Budget consideration and approval
- Approval of the division of responsibilities
- Receiving and reviewing regular monitoring reports and acting on recommendations
- Approving the selection of external service providers and agreeing terms of appointment.

**(iii) Audit & Risk Management Committee**

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

**THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER**

**The Chamberlain**

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- Submitting regular treasury management policy reports
- Submitting budgets and budget variations
- Receiving and reviewing management information reports
- Reviewing the performance of the treasury management function
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Ensuring the adequacy of internal audit, and liaising with external audit
- Recommending the appointment of external service providers.

**CITY'S CASH BORROWING POLICY STATEMENT**

1. The City Corporation shall ensure that all of its City's Cash capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so, it will take into account its arrangements for the repayment of debt and consideration of risk and the impact, and potential impact, on the overall fiscal sustainability of City's Cash.
2. Borrowing shall be undertaken on an affordable basis and total capital investment must remain within sustainable limits. When assessing the affordability of its City's Cash investment plans, the City Corporation will consider both the City's Cash resources currently available and its estimated future resources, together with the totality of its City's Cash capital plans, income and expenditure forecasts.
3. To ensure that the benefits of capital expenditure are matched against the costs, a debt financing strategy will be established.
4. To the greatest extent possible, expected finance costs arising from borrowing are matched against appropriate revenue income streams.
5. The City Corporation will organise its borrowing on behalf of City's Cash in such a way as to ensure that financing is available when required to manage liquidity risk (i.e. to make sure that funds are in place to meet payments for capital expenditure on a timely basis). The City Corporation will only borrow in advance of need on behalf of City's Cash on the basis of a sound financial case (for instance, to mitigate exposure to rising interest rates).
6. The City Corporation will ensure debt is appropriately profiled to mitigate refinancing risk.
7. The City Corporation will monitor the sensitivity of liabilities to inflation and will manage inflation risks in the context of the inflation exposures across City's Cash (e.g. the City Corporation will be mindful of the potential impact of index-linked borrowing on the financial position of City's Cash).
8. The City Corporation will seek to obtain value for money in identifying appropriate borrowing for City's Cash. Where internal borrowing (i.e. from City Fund or Bridge House Estates) is used as a source of funding, the City Corporation will keep under review the elevated risk of refinancing.
9. All borrowing is expected to be drawn in Sterling. Where debt is raised in foreign currencies, the City Corporation will consider suitable measures for mitigating the risks presented by fluctuation in exchange rates.
10. Interest rate movement exposure will be managed prudently, balancing cost against likely financial impact.
11. The City Corporation will maintain the following indicators which relate to City's Cash borrowing only:
  - Estimates of financing costs to net revenue stream
  - Overall borrowing limits

**DRAFT CAPITAL STRATEGY**  
**Financial Years 2022/23 to 2025/26**

INTRODUCTION AND BACKGROUND

1. This Capital Strategy is an overarching document covering City Fund and City's Cash activities which sets the policy framework for the development, management and monitoring of capital investment. The strategy focuses on core principles that underpin the City Corporation's capital programme. In particular it covers:
  - the short, medium and longer-term objectives.
  - the key issues and risks that will impact on the delivery of the programme.
  - and the governance framework in place to ensure the capital programme is delivered and provides value for money.
2. This capital strategy aligns with the priorities set out in the City Corporation's Corporate Plan and other key strategy documents such as those covering the investment estates.
3. The strategy is integrated with the medium-term financial plan and treasury management strategy.
4. The Court of Common Council will agree the capital strategy and programme at least annually and as necessary in the event of a significant change in circumstances.
5. Note that the governance review currently underway may impact on the committee and departmental responsibilities stated below.

CORE PRINCIPLES THAT UNDERPIN THE CAPITAL PROGRAMME

6. The key principles for the capital programme are summarised below and shown in more detail as Annex A.
7. Capital investment decisions reflect the aspirations and priorities included within the City Corporation's Corporate Plan and supporting strategies.
8. Schemes to be included in the capital programme will be subject to a gateway process, currently overseen by Projects Sub Committee (likely to be replaced with a new combined Operational Property, Projects and Procurement Sub Committee). The only exception to this is for the major projects that are dealt with by Capital Buildings Committee and Policy and Resources Committee, and investment property acquisitions and disposals which are overseen by Property Investment Board. This oversight includes feasibility and option appraisal costs which are classified as supplementary revenue project expenditures. All schemes are prioritised according to availability of resources and scheme specific funding, and factors such as

legal obligations, health and safety considerations and their longer-term impact on the City Corporation's financial position.

9. A key consideration is affordability of the capital programme in terms of the City's Medium Term Financial Plans. In any programme presented to Members for agreement this issue will have been considered and, where resources are limited, new bids must be prioritised to ensure the optimum use of available funds.
10. Commissioning and procuring for capital schemes will comply with the requirements set out in the City Corporation's Standing Orders, Financial Regulations and Procurement Code.

### GOVERNANCE FRAMEWORK

11. The City Corporation in its local authority capacity is required to agree the capital strategy annually in accordance with the Prudential Code. To be consistent with the City Corporation's Treasury Management Strategy Statement the capital strategy for City's Cash is being reported on the same basis. The Bridge House Estates charity is excluded.
12. The impact of the capital programmes for each fund, including the major projects and new schemes approved via the annual bid process is incorporated into the medium-term financial plans to demonstrate affordability, sustainability and prudence.
13. To assist in the resource allocation process, project proposals are prioritised and categorised, with only essential schemes within the following criteria being considered for central funding:
  - health and safety or statutory requirements
  - substantially reimbursable
  - spend to save/income generating (payback within 5 years)
  
  - major renewals of income generating assets
  - must address a risk on the Corporate Risk Register or that would otherwise be escalated to the register e.g., replacement of critical end of life assets, schemes required to deliver high priority policies and schemes with high reputational impact
  - must have a sound business case clearly demonstrating the negative impact of the scheme not going ahead such as material penalty costs or loss of income

In preparation for the 2022/23 annual budget, the annual capital bids for new funding from 2022/23 have been agreed in principle in accordance with the process introduced to facilitate the strategic allocation of resources to the highest priority schemes.

## Appendix E

14. Projects are one of the key ways that the City Corporation delivers its strategic aims and priorities. The City Corporation is committed to ensuring that projects are delivered efficiently and that the best use is made of the resources available to the organisation. Approval of projects is the responsibility of the Policy and Resources Committee through its Project Sub-Committee, which scrutinises individual projects, and the Resource Allocation Sub-Committee, which considers the overall programme of project activity and funding. Decisions about projects are made in conjunction with service committees and the Court of Common Council (for high value projects). Major Programmes (generally those over £100m) are managed directly through the Capital Buildings Committee or Policy and Resources Committee.
15. Where the Town Clerk considers a scheme has policy implications, or where the Policy and Resources Committee has indicated it wishes to consider a particular project further, project reports will also be submitted to that Committee.
16. The Finance Committee is responsible for obtaining value for money, improving efficiency and overseeing procurement generally across the organisation. The Finance Committee therefore receives periodic reports on the City Corporation's capital expenditure.
17. The gateway process is contained in the Project Procedure, which is approved by the Policy and Resources Committee and the Court of Common Council. It applies to all projects over £50,000. The Town Clerk monitors the progress of reports from start to finish and project managers maintain information about the progress of projects on the Project Vision system. Project Boards are usually established for individual projects, particularly those that require officers from a number of departments to deliver them.
18. Inclusion of schemes in the capital programme is subject to agreement by the relevant City Corporation committees which, depending on value, will include the Court of Common Council.
19. All projects progressing to the capital programme comply with standing orders, financial regulations, and *generally* the project procedure (with the main exception of the major programmes under the direct control of the Capital Buildings Committee) and procurement code - and are subject to confirmation of funding.

### SHORT, MEDIUM AND LONG-TERM CAPITAL PLANNING OBJECTIVES

20. The City Corporation maintains an approved capital programme that covers a five-year period which is agreed by the Court of Common Council as part of the annual budget setting process.
21. Going forward the intention is to extend the capital programme over a longer term, especially with regard to the major programmes, to aid in the

## Appendix E

financial planning process. Planning the capital programme over a ten-year + period will ensure that the City Corporation does not over-commit to a capital programme that is not affordable, sustainable and prudent.

22. The impact of the major programmes on available funding over the medium to long term will be significant and it will be a requirement to prioritise the remaining capital spend to make best use of the limited resources that will be available.
23. The City Corporation has substantial operational property and investment property portfolios. Strategic plans are produced for each fund for the investment properties which are agreed by Property Investment Board. Social Housing properties are overseen by the Community and Children's Services Committee. Other operational properties are overseen by Corporate Asset Sub Committee within the framework of the Corporate Property Asset Management Strategy 2020/25.
24. Such sizeable property portfolios require significant capital and revenue investment to maintain them and in the case of the investment property to maximise the returns. These schemes are therefore likely to make ongoing major calls on the City Corporation's limited capital resources.
25. To assist with managing this commitment the City Corporation has conducted a fundamental review to focus capital investment on priorities and is also in the process of streamlining its activities in line with a target operating model. This is expected to result in the identification of surplus assets through rationalisation of the operational property estate.

### CAPITAL INVESTMENT PRIORITIES

26. Capital investment plans are driven by the City Corporation's Corporate Plan, the key strategic document that sets out the City Corporation's vision, ambitions, values and priorities. The Corporate Plan is underpinned through the departmental business plans which include assets required in their delivery and highlight capital investment requirements and aspirations. The latest draft capital and supplementary revenue project plans, which include costs of feasibility and option appraisal and the indicative cost of schemes still under development, are as follows:

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Later Years £m	Total £m
City Fund	175.3	231.9	305.2	264.3	150.2	209.4	1,336.3
City's Cash	130.3	91.2	139.3	245.9	320.2	450.9	1,377.8
	305.6	323.1	444.5	510.3	470.4	660.3	2,714.2



The current plans have been further analysed into three main groups:

	City Fund £m	City's Cash £m	Total £m
Major Programmes	891.6	1,219.7	2,111.3
Capital and SRP Programme	427.7	149.1	576.8
New Bids	17.0	9.0	26.1
	1,336.3	1,377.8	2,714.2

27. There are currently five potential major programmes at various stages of development:

- Museum of London Relocation (City Fund and City's Cash)
- Salisbury Square Development (City Fund and City's Cash)
- Markets Co- location Programme (City's Cash)
- Guildhall Redevelopment (City's Cash)
- Barbican Centre Renewal (City Fund)

28. These projects represent a substantial funding requirement of unprecedented scale in the context of the City Corporation's more recent capital plans. They therefore present a significant challenge to the finances of the organisation, resulting in a step change in the previously debt-free status of City's Cash and also necessitating significant liquidation of investments for both funds. The revenue impact from loss of rental/investment income presents a further challenge to limited resources and the need to demonstrate financial sustainability. Therefore, the progression of the major programmes is dependent on the business cases and demonstration of sustainable funding strategies.

29. Other significant schemes within the current capital programme include:

- Investment Property refurbishments
- School refurbishment/expansion projects (including a new Junior School building)
- IT systems investment
- Social Housing Decent Homes refurbishments and new affordable housing units
- Remaining capital contribution to Government Crossrail Project
- Capital Investment to deliver Climate Action Strategy targets
- Various highways and public realm projects.

30. New bids include:
- Critical end of life asset replacements (mainly building infrastructure and IT)
  - Statutory compliance/health and safety projects
  - 
  - 'Secure City' Infrastructure
31. Following the progression of the new corporate target operating model, revised prioritisation criteria may ensue to inform future resource allocation.

### ASSET MANAGEMENT PLANNING

32. The overriding objective of asset management within the City Corporation is to achieve a portfolio of property assets that is appropriate, fit for purpose and affordable.
33. The City Corporation's overall property portfolio consists of both operational and investment property. The City has specific reasons for owning and retaining property:
- Operational purposes e.g., assets that support core business and service delivery such as schools, social housing, office buildings, Barbican Arts Centre, Central Criminal Court, cleansing depot, cemetery and crematorium, port health offices, wholesale markets, City Police, car parks, libraries, Mansion House and various open spaces across London.
  - Investment properties held to provide a financial return to the City Corporation to provide financial support for service provision.
  - Strategic investment to enable growth in the City fringe - the strategic property estate.
34. Asset management is an important part of the City Corporation's business management arrangements and is crucial to the delivery of efficient and effective services. The ongoing management and maintenance of operational property assets is considered as part of the Corporate Property Asset Management Strategy 2020-25. This strategy has the following objectives relating to capital investment:
- Ensure capital and revenue investment into the operational estate is 'relevant and needed' to achieve Corporate Plan objectives.
  - Ensure capital and revenue projects are affordable, sustainable, prudent and directed to corporate priorities.
  - Ensure future capital investment in the operational estate is aligned with 'invest to save' outcomes, full life cycle and both financial and non-financial assessments.
35. The development of Asset Management Plans for non-housing properties across the operational portfolio assists in delivering the asset management component of service department business plans and strategies and supporting the aims of the Corporate Plan. In so doing, these plans support

the prioritisation of future capital requirements and incorporation of corporate objectives across the operational portfolio.

### COMMERCIAL ACTIVITY AND INVESTMENT PROPERTY

36. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both.
37. Returns from property ownership can be both income-driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth).
38. The combination of these is a consideration in assessing the attractiveness of a property for acquisition. In the context of the Capital Strategy, the City Corporation uses capital to invest in property to provide a positive surplus/financial return which is a key source of funding for the ongoing provision of services.
39. Investment properties may also be sold to provide capital to fund the capital programme. Some significant disposals are currently planned to provide funding for the major programmes. The resulting loss of rental returns needs to be carefully managed to ensure sufficient income to deliver services.
40. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant. These risks are mitigated in part by the mixed lease structure of holdings with some properties directly managed with multiple lettings, some single lettings to tenants on fully repairing and insuring leases and some to tenants on geared ground rent leases where the City Corporation is guaranteed a minimum rent but also shares in the actual rent received over a certain threshold.
41. The property portfolio is overseen by Members through a dedicated Property Investment Board appointed by Investment Committee which meets on a monthly basis to receive reports on performance, set strategy, and agree major lettings, acquisitions and disposals.
42. Performance of each estate is benchmarked through MSCI against the overall MSCI Universe and against the MSCI "Greater London Properties including owner occupied" benchmark. The target set is to outperform the MSCI Return Benchmarks for Total Return on an annualised five-year basis. There is a subsidiary target to maintain rental income levels and to endeavour to secure rental income growth at least in line with inflation.
43. The properties forming the Strategic Property Estate have been acquired for large scale redevelopment. They are part of the strategy of supporting growth in the business cluster in the City Fringes by providing high quality

floor space and returns from these properties are focussed on capital appreciation through their redevelopment.

44. The Property Investment Board receives quarterly five-year rental forecast reports and regular reports on the level of voids and debtor arrears. From time to time the Board also receives presentations, usually from major firms of surveyors, on the state of the UK and London property market and potential future trends.

### REVENUE BUDGET IMPLICATIONS FROM CAPITAL INVESTMENT DECISIONS

45. Capital expenditure for the City Corporation is financed through a variety of sources, typically
- Receipts from the sale of capital assets
  - Capital grants
  - External contributions such as S106 or Community Infrastructure Levy
  - The use of general reserves or from revenue budget contributions
  - Earmarked reserves set aside for specific purposes.

Any capital expenditure not financed by the above will need to be funded by prudential borrowing which can be internal or external.

46. For City Fund, the City Corporation can utilise its temporary cash balances in lieu of external borrowing to fund capital expenditure. This is referred to as internal borrowing. External borrowing refers to loans from third parties e.g., banks.
47. To date, the City Corporation has funded its City Fund capital expenditure from the sources listed above or through internal borrowing. A programme of property disposals is currently being planned to fund the City Fund major projects in preference to external borrowing. City's Cash capital expenditure has been funded from cash balances supplemented by external borrowing through private placement for the City's Cash major programmes.
48. In approving the inclusion of schemes and projects within the capital programme, the City Corporation ensures all its capital and investment plans are affordable, prudent and sustainable. In the event of borrowing, the City Corporation will take into account the arrangements for the repayment of debt, through a prudent Minimum Revenue Provision (MRP) policy for City Fund in line with MRP guidance produced by the Department for Levelling Up, Housing and Communities. For City's Cash, provision will need to be made for the repayment of private placement borrowing (which falls due beyond the current medium term financial planning period).
49. The capital financing costs and any additional running costs arising from capital investment decisions are incorporated within the annual budget and medium-term financial plans. Loss of income resulting from property disposals are also incorporated into these plans. This enables members to

consider the consequences of capital investment and disposal alongside other competing priorities for revenue funding.

50. As part of the appraisal process, and at the discretion of the Chamberlain, the financing costs of prudential borrowing, may be charged to the relevant service.
51. Capital investment decision making is not only about ensuring that the initial allocation of capital funds meets corporate and service priorities but ensuring the asset is fully utilised, sustainable and affordable throughout its whole life. This overarching commitment to long term affordability is a key principle in any capital investment appraisal decision. In making its capital investment decisions the City Corporation must have explicit regard to consider all reasonable options available.
52. The revenue implications of the major projects are significant. The cost of borrowing must be charged to the relevant revenue budget whether this is on an interest-only or repayment basis. The long-term nature of borrowing means these revenue sums are unavailable to fund other activity for a significant period of time. Likewise, loss of rental income arising from asset disposals impacts on funding to deliver services. By agreeing to fund capital schemes through external borrowing or asset disposals, Members are agreeing to divert this funding away from revenue activity in order to meet their priorities.

### RISK MANAGEMENT

53. This section considers the City Corporation's risk appetite with regard to its capital investments and commercial activities, i.e., the amount of risk that the City Corporation is prepared to accept, tolerate, or be exposed to at any point in time. It is important to note that risk will always exist in some measure and cannot be removed in its entirety.
54. A risk review is an important aspect of the consideration of any proposed capital or investment proposal. The risks will be considered in line with the City Corporation's corporate risk management strategies. Subject to careful due diligence, the City Corporation will consider the appropriate level of risk for strategic initiatives, where there is a direct gain to the City Corporation's revenues or where there is Member appetite to deliver high profile projects.
55. The City Corporation maintains a Corporate Risk Register and priority will be given to schemes that significantly and demonstrably mitigate a previously identified corporate risk.
56. The gateway approval process currently has three approval tracks: Complex, Regular and Light, with varying levels of member scrutiny. The decision about which track a project should follow depends on the estimated cost and level of risk. Projects can move between tracks at any stage if it becomes evident that a project is more or less complex than originally anticipated.

57. Maintenance of a costed risk register to identify and keep under review the risks associated with projects is Corporation best practice and most projects comply. Costed risks are informed by previous experience of similar projects and other factors, where relevant, such as the age of the asset, its size and its type. The risk register includes mitigations that will be taken to minimise the risk and a financial assessment of the likely cost should the mitigated risks crystallise. In addition, the costs of major programmes include an element of optimism bias in line with HM Treasury guidance to mitigate the financial implication of delays and/or increased costs.
58. The current level of inflation presents a significant risk to the cost and affordability of construction projects over the short to medium term. A risk assessment has been undertaken to quantify the potential financial impact on existing capital funding plans and contingency provisions included in the City Fund and City's Cash 2022/23 budgets to mitigate this.

### TREASURY MANAGEMENT

59. The capital strategy is integrated with its treasury management activity as the City Corporation's capital expenditure plans and its approach to financing that expenditure will drive the organisation's need for borrowing.
60. The Treasury Management Strategy Statement outlines how the City Corporation will carry out its treasury management activities. This statement is reviewed annually by the Court of Common Council. Treasury management activity is scrutinised by the Audit and Risk Management Committee.
61. The Treasury Management Strategy Statement outlines the organisation's borrowing strategy, which aims to make sure that sufficient cash is available to ensure the delivery of the City Corporation's capital programme as planned. Any borrowing decision will be undertaken in the context of managing interest rate exposure in order to contain the organisation's interest costs.
62. The City Corporation faces a number of key risks in terms of servicing its current and future debt requirement including interest rate risk, refinancing risk and liquidity risk. To control these risks, the City Corporation maintains treasury indicators which are set out in the Treasury Management Strategy Statement.

### KNOWLEDGE AND SKILLS

63. The City Corporation has professionally qualified staff across a range of disciplines including finance, legal and property that follow continuous

professional development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

64. The City Corporation establishes project teams from all the professional disciplines from across the City Corporation as and when required. External professional advice is taken where required and will generally be sought in consideration of any major commercial property investment decision.
65. Within the Court of Common Council there are also a number of Members who have substantial professional expertise which assist when making crucial capital investment decisions. Some specialist committees, such as Property Investment Board, co-opt external members with specific expertise to further inform the decision making process.

### BACKGROUND DOCUMENTS

Strategic Property Estate (City Fund & City's Estate) Annual Update & Strategy for 2022 January 2022

City Fund Investment Portfolio Annual Update and Strategy January 2022

City's Estate Annual Update & 2021 Strategy - January 2022

Treasury Management Strategy Statement 2022/23

Corporate Property Asset Management Strategy 2020/25

Corporate Project Procedure

City of London Corporate Plan

Corporate Risk Register

### Annex A

#### CORE PRINCIPLES UNDERPINNING THE CAPITAL PROGRAMME

In considering schemes for inclusion in the capital programme, regard will be paid to the following principles:

- schemes to be included in the Capital Programme, in accordance with the Project Procedure, follow an appropriate level of due diligence and assurance regarding deliverability/practicable.
- prior to mobilisation, all projects (except major programmes) follow the gateway process which ensure they are affordable and sustainable. This includes careful consideration of value for money and options appraisal.
- mobilisation of the major projects is subject to scrutiny of the Capital Buildings Committee.
- capital appraisal should promote schemes which provide a direct gain to the City Corporation's revenues within agreed risk appetite, e.g., commercial investment return, "invest to save" or "income generation" outcomes or attract external investment.
- environmental and social sustainability issues should be built into project appraisal.
- the financial implications of capital investment decisions is considered at Gateway 4 and will be properly appraised as part of the determination process.
- projects will not proceed to implementation unless full funding has been identified and approved as part of the Gateway process.
- available capital funding will be optimised e.g., through surplus asset disposal strategy and strategic investment disposals.
- maximising available capital resources through use of planning gain, corporately pooling capital receipts and by exploring external financing sources.
- that capital funding decisions minimise or mitigate the ongoing revenue implications of capital investment decisions.
- the financial implications of capital investment decisions should be fully integrated into revenue budget and longer-term financial plans.
- robust governance arrangements through the Corporate Project Procedure and other member oversight are in place for all programmes and projects, clearly defining responsibility for the delivery of individual schemes within the capital programme.
- all capital schemes follow appropriate project management arrangements
- a Project Management Academy is being rolled out to ensure appropriate project management skills are applied.
- there are effective working relationships with partners.
- that projects are reviewed on completion to ensure key learning opportunities are maximised.



## Medium Term Financial Strategy/Budget Policy

### City Fund

The main constituents of the City Fund medium term financial strategy/budget policy are as follows:-

- (i) to aim to achieve as a minimum over the medium-term planning period the 'golden rule' of matching on-going revenue expenditures and incomes;
- (ii) to implement budget adjustments and measures that are sustainable, on-going and focused on improving efficiencies;
- (iii) in line with (ii), as far as possible to protect existing repairs and maintenance budgets from any efficiency squeezes or budget adjustments and to ring-fence all other non-staffing budgets (to prevent any amounts from these budgets being transferred into staffing budgets);
- (iv) within the overall context of securing savings and budget reductions, to provide Chief Officers with stable financial frameworks that enable them to plan and budget with some certainty;
- (v) for the Police service, ordinarily to set an annual cash limit determined from the national settlement allocation to the City Police together with the allocation from the Business Rates Premium;
- (vi) to identify and achieve targeted/selective budget reductions and savings programmes;
- (vii) to continue to review critically all financing arrangements, criteria and provisions relating to existing and proposed capital and supplementary revenue project expenditures;
- (viii) to reduce the City Fund's budget exposure to future interest rate changes by adopting a very prudent, constant annual earnings assumption in financial forecasts. If higher earnings are actually achieved, consideration to be given to only making the additional income available for non-recurring items of expenditure;
- (ix) to accept that in some years of the financial planning period it may be necessary to make contributions from revenue balances to balance the revenue budget;
- (x) to finance capital projects first from disposal proceeds rather than revenue resources and supplementary revenue projects from provisions set aside within the financial forecast followed by external borrowing (if required) in an affordable, prudent and sustainable way; and
- (xi) to minimise the impact of rate/tax increases on City businesses and residents.

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### Review of Contingency Funds

The following tables support the review of contingency funds within the City Corporation. They demonstrate that in each of the last four years the provision of funds has been sufficient to result in an uncommitted balance remaining.

The Bridge House Estates (BHE) Contingency is now overseen by the BHE Board and is no longer reported to Finance Committee.

<b>Finance Committee Contingencies</b>						
		City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Disaster Fund £'000	<b>Total £'000</b>
<b>2021/22</b>	Provision	950	800	0	125	1,875
	Provision brought forward	0	206	0	0	206
	<b>Total Provision</b>	<b>950</b>	<b>1,006</b>	<b>0</b>	<b>125</b>	<b>2,081</b>
	Less Allocations	(773)	(749)	0	(75)	(1,597)
	<b>Uncommitted Balance</b>	<b>177</b>	<b>257</b>	<b>0</b>	<b>50</b>	<b>484</b>
<b>2020/21</b>	Provision	950	800	50	100	1,900
	Provision brought forward	24	541	0	25	590
	<b>Total Provision</b>	<b>974</b>	<b>1,341</b>	<b>50</b>	<b>125</b>	<b>2,490</b>
	Less Allocations	(164)	(741)	(0)	(100)	(1,005)
	<b>Uncommitted Balance</b>	<b>810</b>	<b>600</b>	<b>50</b>	<b>25</b>	<b>1,485</b>
<b>2019/20</b>	Provision	950	800	50	100	1,900
	Provision brought forward	50	15	0	0	65
	<b>Total Provision</b>	<b>1,000</b>	<b>815</b>	<b>50</b>	<b>100</b>	<b>1,965</b>
	Less Allocations	(481)	(621)	0	(50)	(1,152)
	<b>Uncommitted Balance</b>	<b>519</b>	<b>194</b>	<b>50</b>	<b>50</b>	<b>813</b>
<b>2018/19</b>	Provision	950	800	50	100	1,900
	Provision brought forward	109	60	0	0	169
	<b>Total Provision</b>	<b>1,059</b>	<b>860</b>	<b>50</b>	<b>100</b>	<b>2,069</b>
	Less Allocations	(920)	(733)	(4)	(100)	(1,757)
	<b>Uncommitted Balance</b>	<b>139</b>	<b>127</b>	<b>46</b>	<b>0</b>	<b>312</b>
<b>2017/18</b>	Provision	950	800	50	100	1,900
	Provision brought forward	85	0	0	0	85
	<b>Total Provision</b>	<b>1,035</b>	<b>800</b>	<b>50</b>	<b>100</b>	<b>1,985</b>
	Allocations	(788)	(697)	(22)	(100)	(1,607)
	<b>Uncommitted Balance</b>	<b>247</b>	<b>103</b>	<b>28</b>	<b>0</b>	<b>378</b>

<b>Policy Initiative Fund</b>		
	<b>City's Cash</b>	
2020/21	Provision	1,250
	Provision brought forward for unspent provisions	437
	Provision brought forward for agreed allocations not yet completed	282
	Total Provision	1,969
	Less Allocation	(1,442)
	<b>Uncommitted balance as at 25/01/2021</b>	<b>527</b>
2019/20	Provision	1,250
	Provision brought forward for unspent provisions	105
	Provision brought forward for agreed allocations not yet completed	324
	Balance moved from P&R Contingency to cover multiyear allocations	100
	Total Provision	1,779
	Less Allocations	(1,342)
	<b>Uncommitted balance</b>	<b>437</b>
2018/19	Provision	1,250
	Provision brought forward for unspent provisions	161
	Provision brought forward for agreed allocations not yet completed	174
	Total Provision	1,585
	Less Allocations	(1,480)
		<b>Uncommitted balance</b>
2017/18	Provision	1,250
	Provision brought forward for unspent provisions	72
	Provision brought forward for agreed allocations not yet completed	38
	Allocation from P&R Contingency	200
	Total Provision	1,560
	Less Allocations	(1,399)
	<b>Uncommitted balance</b>	<b>161</b>

<b>Policy and Resources Contingency</b>		
2020/21	City's Cash Provision	300
	Provision brought forward for unspent provisions	234
	Provision brought forward for agreed allocations not yet completed	131
	Total Provision	665
	Less Allocations	(607)
	<b>Uncommitted balance as at 25/01/2021</b>	<b>58</b>
2019/20	Provision	300
	Provision brought forward for unspent provisions	79
	Provision brought forward for agreed allocations not yet completed	302
	Balance moved to P&R Contingency to cover multiyear allocations	(100)
	Total Provision	581
	Less Allocations	(347)
	<b>Uncommitted balance</b>	<b>234</b>
2018/19	Provision	300
	Provision brought forward for unspent provisions	18
	Provision brought forward for agreed allocations not yet completed	193
	Total Provision	511
	Less Allocations	(432)
	<b>Uncommitted balance</b>	<b>79</b>
2017/18	Provision	300
	Provision brought forward for unspent provisions	152
	Provision brought forward for agreed allocations not yet completed	150
	Allocation to P&R Contingency	(200)
	Total Provision	402
	Less Allocations	(384)
	<b>Uncommitted balance</b>	<b>18</b>

<b>Brexit Contingency</b>		
	<b>City's Cash</b>	
2020/21	Provision brought forward for unspent provisions	640
	Total Provision	640
	Less Allocations	-
	<b>Uncommitted balance as at 25/01/2021</b>	<b>640</b>
2019/20	Extra provision provided by MHGL	210
	Provision brought forward for unspent provisions	2,017
	Provision brought forward for agreed allocations not yet completed	-
	Provision moved to create COVID Contingency	(1,500)
	Total Provision	727
	Less Allocations	(87)
	<b>Uncommitted balance</b>	<b>640</b>
2018/19	Provision	2,000
	Extra provision provided by MHGL	105
	Provision brought forward for unspent provisions	-
	Provision brought forward for agreed allocations not yet completed	-
	Total Provision	2,105
	Less Allocations	(88)
	<b>Uncommitted balance</b>	<b>2,017</b>

<b>COVID Contingency</b>		
	<b>City's Cash</b>	
2020/21	Provision brought forward for unspent provisions	1,500
	Provision brought forward for unspent provisions	
	Total Provision	1,500
	Less Allocations	(1,108)
	<b>Uncommitted balance as at 25/01/2021</b>	<b>392</b>
2019/20	Provision moved to create COVID Contingency	1,500
	Total Provision	1,500
	Less Allocations	-
	<b>Uncommitted balance</b>	<b>1,500</b>

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**City Fund 2022/23 Budget Report and Medium-Term Financial Strategy including Non Domestic Rates and Council Taxes for the Year 2022/23**

**Resolution by the Court of Common Council**

1. It is recommended that for the 2022/23 financial year the Court of Common Council approves:
  - the Premium multiplier on the Non-Domestic Rate and Small Business Rate multipliers be set at 0.012 (an increase of 0.004 on the present multiplier) to enable the City to continue to support the City of London Police, security and contingency planning activity within the Square Mile at an enhanced level;
  - an increase of 1% in the 'relevant basic amount' of Council Tax to £956.11 based on a 1% increase for Adult Social Care for a Band D property (excluding the GLA precept);
  - the overall financial framework and the revised Medium-Term Financial Strategy for the City Fund; and
  - the City Fund Net Budget Requirement of £167,183,396

**Council Tax**

2. It be noted that in 2012 the Finance Committee delegated the calculation of the Council Tax Base to the Chamberlain and the Chamberlain has calculated the following amounts for the year 2022/23 in accordance with Section 31B of the Local Government Finance Act 1992:
  - (a) 8,317.30 being the amount calculated by the Chamberlain (as delegated by the Finance Committee), in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the City's Council Tax Base for the year; this amount includes a calculation of the amount of council tax reduction; and
  - (b) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
87.49	63.29	8,166.52

being the amounts calculated by the Chamberlain, in accordance with the Regulations, as the amounts of the City's Council Tax Base for the year for dwellings in those parts of its area to which the special items relate.

3. For the year 2022/23 the Common Council determines, in accordance with Section 35(2)(d) of the Local Government Finance Act 1992, that any expenses incurred by the Common Council in performing in a part of its area a function performed elsewhere in its area by the Sub-Treasurer of the Inner Temple and the Under Treasurer of the Middle Temple shall not be treated as special expenses,

apart from the amount of £18,308,000 being the expenses incurred by the Common Council in performing in the area of the Common Council of the City of London the City highways, street cleansing, waste collection and disposal, road safety, drains and sewer functions.

4. That the following amounts be now calculated by the Common Council for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

- |                    |  |
|--------------------|--|
| (a) £483,193,000   | Being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act, including the local precepts issued by the Inner and Middle Temples   |
| (b) £475,240,746   | Being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;   |
| (c) 7,952,254      | Being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Common Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;  |
| (d) £956.11        | Being the amount of 4(c) above, divided by the amount at 2(a) above, calculated by the Common Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;   |
| (e) £18,646,024.63 | Being the aggregate amount of all special items referred to in Section 34(1) of the Act, including the local precepts issued by the Inner and Middle Temples;  |
| (f) £1,285.73      | Being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by the amount at 2(a) above, calculated by the Common Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates. |

(g) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
£	£	£
956.11	956.11	956.11

being the amounts given by adding to the amount at 4(f) above the amounts of the special item or items relating to dwellings in those parts of the Common Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Common Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one of the special items relate; and

(h) Council Tax Valuation Bands

Valuation Bands	Inner Temple	Middle Temple	City excluding Temples (special expense area)
	£	£	£
A	637.41	637.41	637.41
B	743.64	743.64	743.64
C	849.88	849.88	849.88
D	956.11	956.11	956.11
E	1,168.58	1,168.58	1,168.58
F	1,381.05	1,381.05	1,381.05
G	1,593.52	1,593.52	1,593.52
H	1,912.22	1,912.22	1,912.22

being the amounts given by multiplying the amounts at 4(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that proportion, is applicable to dwellings listed in valuation band D, calculated by the Common Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. It be noted that for the year 2022/23 the Greater London Authority has proposed the following amounts in precepts issued to the Common Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<u>Valuation Bands</u>	<u>Precepting Authority</u>
	Greater London Authority
	£
A	78.97
B	92.14
C	105.30
D	118.46
E	144.78
F	171.11
G	197.43
H	236.92

6. Having calculated the aggregate in each case of the amounts at 4(h) and 5 above, the Common Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby proposes the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwelling as shown below:

Council Tax Valuation Bands Inclusive of GLA Precept

Valuation Bands	Inner Temple	Middle Temple	City excluding Temples (special expense)
	£	£	£
A	716.38	716.38	716.38
B	835.78	835.78	835.78
C	955.18	955.18	955.18
D	1,074.57	1,074.57	1,074.57
E	1,313.36	1,313.36	1,313.36
F	1,552.16	1,552.16	1,552.16
G	1,790.95	1,790.95	1,790.95
H	2,149.14	2,149.14	2,149.14

7. The Common Council of the City of London hereby determines that the following amounts of discount be awarded:
- i. dwellings in Class B as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 should be nil;
  - ii. dwellings in Class C as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992:

- (a) in the case of a vacant dwelling that has been such for a continuous period of less than 6 months ending immediately before the day in question: should be nil;
  - (b) in the case of a vacant dwelling that has been such for a continuous period of 6 months or more: should be nil;
- iii. dwellings in Class D as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 should be nil;
  - iv. care leavers within the City up to the age of 25, under Section 13A(1)(c) of the Local Government Finance Act 1992 subject to liability considerations should be 100%; and
  - v. discretionary discounts up to 100% under Section 13A(1)(c) of the Local Government Finance Act 1992 to provide council tax support in exceptional circumstances as agreed by the Finance Committee at its meeting in November 2017.
8. The Common Council of the City of London determines that for 2022/23 a long-term empty property premium is levied under the provisions of Section 11B of the Local Government Finance Act 1992 at the maximum rate in accordance with legislation. (For 2022/23 this will result in an additional levy of 100% i.e. a council tax charge of 200% for applicable vacant dwellings empty over 2 years but empty less than 5 years. An additional levy of 200% i.e. a council tax charge of 300% will be applicable for dwellings empty over 5 years but empty less than 10 years. An additional levy of 300% i.e. a council tax charge of 400% will be applicable for dwellings empty over 10 years).
9. The Common Council of the City of London hereby determines that its relevant basic amount of council tax for 2022/23, calculated in accordance with Section 52ZX of the Local Government Finance Act 1992 is not excessive in accordance with the Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23.

### **Council Tax Reduction (formerly Council Tax Benefit)**

10. It be noted that at the Court of Common Council meeting in January 2017 Members approved the Council Tax Reduction Scheme for 2017/18 and future years to be the same as the scheme for 2016/17. There were no proposals to make any specific amendments to the Council Tax Reduction Scheme for that or future years, beyond keeping the scheme in line with Housing Benefit.

Effectively, therefore, the City's Local Council Tax Reduction Scheme for 2022/23 will remain the same as was administered in 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 subject to the annual uprating of non-dependent income and deductions, and income levels relating to Alternative Council Tax Reduction, or any other uprating as it applies to working age claimants, adjusted in line with inflation

levels by reference to relevant annual uprating in the Housing Benefit Scheme or The Prescribed Council Tax Reduction Scheme for Pensioners.

### **Non Domestic Rates**

11. The Common Council of the City of London being a special authority in accordance with Section 144(6) of the Local Government Finance Act 1988 hereby sets for the chargeable financial year beginning with 1st April 2022, a Non-Domestic Rating Multiplier of 0.524 and a Small Business Non-Domestic Rating Multiplier of 0.511 in accordance with Part II of the Schedule 7 of the said Act. (Both multipliers are inclusive of the City business rate premium of 0.012).
12. In addition, the levying by the Greater London Authority of a Business Rate Supplement in 2022/23 of 0.020 (i.e. 2.0p in the £) on hereditaments with a rateable value greater than £70,000, to finance its contribution to Crossrail, be noted.
13. A copy of the said Council Taxes and the Non-Domestic Rating Multipliers, signed by the Town Clerk, be deposited in the offices of the Town Clerk in the said City, and advertised within 21 days from the date of the Court's decision, in at least one newspaper circulating in the area of the Common Council.

### **Capital Expenditure and Financing for the Year 2022/23**

Having considered the circulated report, we further recommend that the Court passes a resolution in the following terms: -

14. The City Fund capital budget is approved, and its final financing be determined by the Chamberlain, apart from in regard to any possible borrowing options.
15. For the purpose of Section 3(1) of the Local Government Act 2003, for the financial years 2022/23 to 2025/26, the Court of Common Council hereby determines that at this stage the amount of money (referred to as the "Authorised Limit"), which is the maximum amount which the City may have outstanding by way of external borrowing, shall be £216,600,000.
16. For the purpose of Section 21(A) of the Local Government Act 2003, for the financial year 2022/23, the Court of Common Council hereby determines that the prudent amount of Minimum Revenue Provision is £1,200,000 using the asset life method over the useful economic life of the relevant assets and which equals the amount of deferred income released from the premiums received for the sale of long leases in accordance with the Minimum Revenue Provision Policy at Appendix F.
17. Any potential external borrowing requirement and associated implications will be subject to a further report to Finance Committee and the Court of Common Council.
18. The Chamberlain be authorised to lend surplus monies on the basis set out in the Annual Investment Strategy, with an absolute limit of £400m for maturities in excess of 365 days.
19. The following Prudential Indicators be set:

	2022/23	2023/24	2024/25
Estimates of the ratio of financing costs to net revenue stream:			
HRA	0.24	0.31	0.30
Non-HRA	(0.24)	(0.29)	(0.30)
Total	(0.20)	(0.24)	(0.24)
Estimates of Capital Expenditure & External Debt	£m	£m	£m
HRA	52.169	15.068	0.560
Non-HRA	164.885	283.212	260.439
Total	217.054	298.280	260.999
Estimates of Capital Financing Requirement – underlying need to borrow	£m	£m	£m
HRA	0.000	22.000	26.560
Non-HRA	38.355	56.458	225.897
Total	38.355	78.458	252.457
Gross Debt	Period 2021/22 to 2024/25 £m 13.399		
Capital Financing Requirement – underlying need to borrow	138,013		

*Prudential indicators for affordability, prudence, capital expenditure and external debt:*

<b>TREASURY MANAGEMENT INDICATORS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>actual</b>	<b>probable outturn</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Authorised Limit for external debt -</b>					
Borrowing	153.4	151.7	203.1	316.2	238.0
other long-term liabilities	13.7	13.6	13.5	13.4	13.3
TOTAL	267.2	165.3	216.6	329.6	251.3
<b>Operational Boundary for external debt -</b>					
Borrowing	53.4	51.7	103.1	216.2	138.0
other long-term liabilities	13.7	13.6	13.5	13.4	13.3
TOTAL	67.1	65.3	116.6	229.6	151.3

TREASURY MANAGEMENT INDICATORS	2020/21	2021/22	2022/23	2023/24	2024/25
Actual external debt*	£0	£0	-	-	-
Upper limit for total principal sums invested for over 365 days (per maturity date)	£500m	£500m	£400m	£400m	£300m

Maturity structure of borrowing during 2021/22	upper limit	lower limit
- under 12 months	50%	0%
- 12 months and within 24 months	50%	0%
- 24 months and within 5 years	50%	0%
- 5 years and within 10 years	75%	0%
- 10 years and above	100%	0%

*Local Indicator focusing on revenue reserves:*

	2021/22	2022/23	2023/24	2024/25
Times cover on unencumbered revenue reserves	+1.5	+3.0	-0.8	-1.2
<i>At this time last year</i>	+8.4	-13.1	-70.0	-

### Other Recommendations

20. The Treasury Management Strategy Statement and Annual Investment Strategy 2022/23 are endorsed.
21. The Chamberlain's assessment of the robustness of budgets and the adequacy of reserves and contingencies is endorsed.



### Determination of the Council Tax Requirement

- The 1992 Act prescribes detailed calculations that the City, as billing authority, has to make to determine Council Tax amounts. The four steps are shown in below. Although the process is somewhat laborious, it is a legislative requirement that these separate amounts be formally determined by resolutions of the Court of Common Council.
- After allowing for a proposed contribution to reserves, the final City Fund Council Tax requirement for 2022/23 is £8.1m. In accordance with the provisions in the Localism Act 2011, the Council Tax requirement allows for the Formula Grant, the City Offset, the City's Rate Premium and the estimated surplus on the Collection Fund at 31 March 2022.
- As detailed below, the City's proposed Council Tax for 2022/23 at band D would be £974.12, before adding the Greater London Authority (GLA) precept and inclusive of a 1% increase for the Adult Social Care precept and a general 1.99% increase. To determine the City's Council Tax for each property band, nationally fixed proportions are applied to the average band D property.
- The GLA's 'provisional' precept for 2022/23 is £118.46 for a Band D property. This excludes the Metropolitan Police requirement and represents an increase of £21.93p compared with 2021/22.
- The total amounts of Council Tax for each category must be set by the City before 11 March. The proposed amounts are shown below.

<b>Council Tax per Property Band: calculated by applying nationally fixed proportions from Band D.</b>								
	£							
	A	B	C	D	E	F	G	H
Proportion	6	7	8	9	11	13	15	18
CoL	649.41	757.65	865.88	974.12	1190.59	1407.06	1623.53	1948.24
GLA	78.97	92.14	105.3	118.46	144.78	171.11	197.43	236.92
<b>Total</b>	<b>728.38</b>	<b>849.79</b>	<b>971.18</b>	<b>1092.58</b>	<b>1335.37</b>	<b>1578.17</b>	<b>1820.96</b>	<b>2185.16</b>

- It is anticipated that the City's total Council Tax will remain one of the lowest in London. The Court of Common Council will be requested to formally determine that the relevant (net of local precepts and levies) basic amount of Council Tax for 2022/23 will not be excessive in relation to the new referendum requirements for any council tax increases.

#### Temple Precepts

	<b>2021/22</b>	<b>2022/23</b>
	£	£
Inner Temple	221,448	196,139
Middle Temple	158,481	141,886
<b>Total</b>	<b>379,929</b>	<b>338,025</b>

## Calculating Council Tax

### Step One ('B1')

This requires calculation of the basic amount of Council Tax for a Band D dwelling for the whole of the City's area by applying the formula:

$$'B1' = \frac{R}{T}$$

Where

'B1' is the Basic Amount 'One':

R is the amount calculated by the authority as its council tax requirement for the year;

T is the amount which is calculated by the authority as its Council Tax base for the year. This amount was approved by the Chamberlain under the delegated authority of the City of London together with the Council Tax bases for each part of the City's area.

The above calculation is as follows:

$$'B1' = \frac{\pounds 8,102,048.28}{8,317.30}$$

$$'B1' = \pounds 974.12$$

**Note:** Item R consists of the following components:

	£	£
City Fund Net Budget Requirement		167,333,191
Less:		
Business Rates Retention	(45,979,000)	
Government Grant Funding	(8,191,000)	
Police Grant	(74,328,654)	
City's Offset	(12,064,000)	
Estimated Non-Domestic Rate Premium (Net)	(18,400,000)	
Estimated Collection Fund Surplus as at 31 March 2021 (City's share)	(268,489)	(159,231,143)
<b>TOTAL COUNCIL TAX REQUIREMENT ®</b>		<b>8,102,048</b>

### Step Two ('B2')

This calculation is for the basic amount of tax for the area of the City excluding special items. The prescribed formula is:

$$'B2' = 'B1' - \frac{A}{T}$$

Where:

'B2' is the Basic Amount 'Two';

'B1' is the Basic Amount of Council Tax (Basic Amount 'One')  
NB included with 'B1' is the aggregate of special items

A is the Aggregate of all special items;

T is the Council Tax base for the whole area

The above calculation is as follows:

$$\text{'B2'} = \frac{\pounds 974.12 - \pounds 18,646,024.63}{8,317.30}$$

$$\text{'B2'} = \pounds 1,267.72 \text{ CR}$$

**Note:** Item A consists of the following components:

	£	£
Highways Net Expenditure	8,159,000.00	
Street Cleansing	5,933,000.00	
Waste Collection	2,138,000.00	
Waste Disposal	1,212,000.00	
Road Safety	356,000.00	
Drains and Sewers	510,000.00	
Total City's Special Expenses		18,308,000.00
Inner Temple's Precept	196,138.58	
Middle Temple's Precept	141,886.05	338,024.63
Total Special Items		<u>18,646,024.63</u>

### Step Three 'B3'

The next calculation is for the basic amount of each of the three parts of the City (the Inner and the Middle Temples and the remainder of the City area) to which special items relate (Basic Amount 'Three'). The calculations for each of the areas are as follows:

$$\text{'B3'} = \text{'B2'} + \frac{S}{TP}$$

Where:

'B3' is the Basic Amount 'Three'

'B2' is the Basic Amount 'Two'

S is the amount of the special items for the part of the area

TP is the billing authority's Tax base for the part of the area to which the special items relate as determined by the Chamberlain under the delegated authority of the City of London Finance Committee.

### City Area Excluding the Temples

$$\text{'B3'} = \text{£}1,267.72 \text{ CR} + \frac{\text{£}18,308,000}{8,166.52}$$

$$\text{'B3'} = \text{£}974.12$$

### Inner Temple

$$\text{'B3'} = \text{£}1,267.72 \text{ CR} + \frac{\text{£}196,138.58}{87.49}$$

$$\text{'B3'} = \text{£}974.12$$

### Middle Temple

$$\text{'B3'} = \text{£}1,267.72 \text{ CR} + \frac{\text{£}141,886.05}{63.29}$$

$$\text{'B3'} = \text{£}974.12$$

### Step Four

Finally, Council Tax amounts have to be calculated for each valuation band (A to H) in each of the three areas (i.e. 24 Council Tax categories). The formula to be used is:

$$\text{Council Tax for particular category} = A \times \frac{N}{D}$$

A is the Basic Amount 'Three' ('B3') calculated for each part of its area;

N is the proportion applicable to dwellings listed in the particular valuation Band for which the calculation is being made;

D is the proportion applicable to dwellings listed in valuation Band D.

Council Tax per Property Band: calculated by applying nationally fixed proportions from Band D.								
	£							
	A	B	C	D	E	F	G	H
Proportion	6	7	8	9	11	13	15	18
CoL	649.41	757.65	865.88	974.12	1190.59	1407.06	1623.53	1948.24
GLA	78.97	92.14	105.3	118.46	144.78	171.11	197.43	236.92

Total	728.38	849.79	971.18	1092.58	1335.37	1578.17	1820.96	2185.16
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## City Fund 2022/23 Budget Report and Medium-Term Financial Strategy including Non Domestic Rates and Council Taxes for the Year 2022/23

### Resolution by the Court of Common Council

1. It is recommended that for the 2022/23 financial year the Court of Common Council approves:
  - the Premium multiplier on the Non-Domestic Rate and Small Business Rate multipliers be set at 0.012 (an increase of 0.004 on the present multiplier) to enable the City to continue to support the City of London Police, security and contingency planning activity within the Square Mile at an enhanced level;
  - an increase of 2.99% in the 'relevant basic amount' of Council Tax to £974.12 based on a 1% increase for Adult Social Care and a 1.99% general increase for a Band D property (excluding the GLA precept);
  - the overall financial framework and the revised Medium-Term Financial Strategy for the City Fund; and
  - the City Fund Net Budget Requirement of £167,333,191

### Council Tax

2. It be noted that in 2012 the Finance Committee delegated the calculation of the Council Tax Base to the Chamberlain and the Chamberlain has calculated the following amounts for the year 2022/23 in accordance with Section 31B of the Local Government Finance Act 1992:
  - (a) 8,317.30 being the amount calculated by the Chamberlain (as delegated by the Finance Committee), in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the City's Council Tax Base for the year; this amount includes a calculation of the amount of council tax reduction; and
  - (b) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
87.49	63.29	8,166.52

being the amounts calculated by the Chamberlain, in accordance with the Regulations, as the amounts of the City's Council Tax Base for the year for dwellings in those parts of its area to which the special items relate.

3. For the year 2022/23 the Common Council determines, in accordance with Section 35(2)(d) of the Local Government Finance Act 1992, that any expenses incurred by the Common Council in performing in a part of its area a function

performed elsewhere in its area by the Sub-Treasurer of the Inner Temple and the Under Treasurer of the Middle Temple shall not be treated as special expenses, apart from the amount of £18,308,000 being the expenses incurred by the Common Council in performing in the area of the Common Council of the City of London the City highways, street cleansing, waste collection and disposal, road safety, drains and sewer functions.

4. That the following amounts be now calculated by the Common Council for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

- |                    |  |
|--------------------|--|
| (a) £483,193,000   | Being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act, including the local precepts issued by the Inner and Middle Temples   |
| (b) £475,090,952   | Being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;   |
| (c) £8,102,048     | Being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Common Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;  |
| (d) £974.12        | Being the amount of 4(c) above, divided by the amount at 2(a) above, calculated by the Common Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;   |
| (e) £18,646,024.63 | Being the aggregate amount of all special items referred to in Section 34(1) of the Act, including the local precepts issued by the Inner and Middle Temples;  |
| (f) £1,267.72      | Being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by the amount at 2(a) above, calculated by the Common Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates. |

(g) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
£	£	£
974.12	974.12	974.12

being the amounts given by adding to the amount at 4(f) above the amounts of the special item or items relating to dwellings in those parts of the Common Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Common Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one of the special items relate; and

(h) Council Tax Valuation Bands

Valuation Bands	Inner Temple	Middle Temple	City excluding Temples (special expense area)
	£	£	£
A	649.41	649.41	649.41
B	757.65	757.65	757.65
C	865.88	865.88	865.88
D	974.12	974.12	974.12
E	1,190.59	1,190.59	1,190.59
F	1,407.06	1,407.06	1,407.06
G	1,623.53	1,623.53	1,623.53
H	1,948.24	1,948.24	1,948.24

being the amounts given by multiplying the amounts at 4(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that proportion, is applicable to dwellings listed in valuation band D, calculated by the Common Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

5. It be noted that for the year 2022/23 the Greater London Authority has proposed the following amounts in precepts issued to the Common Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands

Precepting Authority

Greater London  
Authority

	£
A	78.97
B	92.14
C	105.30
D	118.46
E	144.78
F	171.11
G	197.43
H	236.92

6. Having calculated the aggregate in each case of the amounts at 4(h) and 5 above, the Common Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby proposes the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwelling as shown below:

Council Tax Valuation Bands Inclusive of GLA Precept

Valuation Bands	Inner Temple	Middle Temple	City excluding Temples (special expense
	£	£	£
A	728.38	728.38	728.38
B	849.79	849.79	849.79
C	971.18	971.18	971.18
D	1,092.58	1,092.58	1,092.58
E	1,335.37	1,335.37	1,335.37
F	1,578.17	1,578.17	1,578.17
G	1,820.96	1,820.96	1,820.96
H	2,185.16	2,185.16	2,185.16

7. The Common Council of the City of London hereby determines that the following amounts of discount be awarded:
- i. dwellings in Class B as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 should be nil;
  - ii. dwellings in Class C as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992:
    - (a) in the case of a vacant dwelling that has been such for a continuous period of less than 6 months ending immediately before the day in question: should be nil;



- (b) in the case of a vacant dwelling that has been such for a continuous period of 6 months or more: should be nil;
  - iii. dwellings in Class D as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 should be nil;
  - iv. care leavers within the City up to the age of 25, under Section 13A(1)(c) of the Local Government Finance Act 1992 subject to liability considerations should be 100%; and
  - v. discretionary discounts up to 100% under Section 13A(1)(c) of the Local Government Finance Act 1992 to provide council tax support in exceptional circumstances as agreed by the Finance Committee at its meeting in November 2017.
8. The Common Council of the City of London determines that for 2022/23 a long-term empty property premium is levied under the provisions of Section 11B of the Local Government Finance Act 1992 at the maximum rate in accordance with legislation. (For 2022/23 this will result in an additional levy of 100% i.e. a council tax charge of 200% for applicable vacant dwellings empty over 2 years but empty less than 5 years. An additional levy of 200% i.e. a council tax charge of 300% will be applicable for dwellings empty over 5 years but empty less than 10 years. An additional levy of 300% i.e. a council tax charge of 400% will be applicable for dwellings empty over 10 years).
9. The Common Council of the City of London hereby determines that its relevant basic amount of council tax for 2022/23, calculated in accordance with Section 52ZX of the Local Government Finance Act 1992 is not excessive in accordance with the Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23.

### **Council Tax Reduction (formerly Council Tax Benefit)**

10. It be noted that at the Court of Common Council meeting in January 2017 Members approved the Council Tax Reduction Scheme for 2017/18 and future years to be the same as the scheme for 2016/17. There were no proposals to make any specific amendments to the Council Tax Reduction Scheme for that or future years, beyond keeping the scheme in line with Housing Benefit.

Effectively, therefore, the City's Local Council Tax Reduction Scheme for 2022/23 will remain the same as was administered in 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 subject to the annual uprating of non-dependent income and deductions, and income levels relating to Alternative Council Tax Reduction, or any other uprating as it applies to working age claimants, adjusted in line with inflation levels by reference to relevant annual uprating in the Housing Benefit Scheme or The Prescribed Council Tax Reduction Scheme for Pensioners.

### **Non Domestic Rates**

11. The Common Council of the City of London being a special authority in accordance with Section 144(6) of the Local Government Finance Act 1988 hereby sets for the chargeable financial year beginning with 1st April 2022, a Non-Domestic Rating Multiplier of 0.524 and a Small Business Non-Domestic Rating Multiplier of 0.511 in accordance with Part II of the Schedule 7 of the said Act. (Both multipliers are inclusive of the City business rate premium of 0.012).
12. In addition, the levying by the Greater London Authority of a Business Rate Supplement in 2022/23 of 0.020 (i.e. 2.0p in the £) on hereditaments with a rateable value greater than £70,000, to finance its contribution to Crossrail, be noted.
13. A copy of the said Council Taxes and the Non-Domestic Rating Multipliers, signed by the Town Clerk, be deposited in the offices of the Town Clerk in the said City, and advertised within 21 days from the date of the Court's decision, in at least one newspaper circulating in the area of the Common Council.

### **Capital Expenditure and Financing for the Year 2022/23**

Having considered the circulated report, we further recommend that the Court passes a resolution in the following terms: -

14. The City Fund capital budget is approved, and its final financing be determined by the Chamberlain, apart from in regard to any possible borrowing options.
15. For the purpose of Section 3(1) of the Local Government Act 2003, for the financial years 2022/23 to 2025/26, the Court of Common Council hereby determines that at this stage the amount of money (referred to as the "Authorised Limit"), which is the maximum amount which the City may have outstanding by way of external borrowing, shall be £216,600,000.
16. For the purpose of Section 21(A) of the Local Government Act 2003, for the financial year 2022/23, the Court of Common Council hereby determines that the prudent amount of Minimum Revenue Provision is £1,200,000 using the asset life method over the useful economic life of the relevant assets and which equals the amount of deferred income released from the premiums received for the sale of long leases in accordance with the Minimum Revenue Provision Policy at Appendix F.
17. Any potential external borrowing requirement and associated implications will be subject to a further report to Finance Committee and the Court of Common Council.
18. The Chamberlain be authorised to lend surplus monies on the basis set out in the Annual Investment Strategy, with an absolute limit of £400m for maturities in excess of 365 days.
19. The following Prudential Indicators be set:

	2022/23	2023/24	2024/25
Estimates of the ratio of financing costs to net revenue stream:			
HRA	0.24	0.31	0.30
Non-HRA	(0.24)	(0.29)	(0.30)
Total	(0.20)	(0.24)	(0.24)
Estimates of Capital Expenditure & External Debt	£m	£m	£m
HRA	52.169	15.068	0.560
Non-HRA	164.885	283.212	260.439
Total	217.054	298.280	260.999
Estimates of Capital Financing Requirement – underlying need to borrow	£m	£m	£m
HRA	0.000	22.000	26.560
Non-HRA	38.355	56.458	225.897
Total	38.355	78.458	252.457
Gross Debt	Period 2021/22 to 2024/25 £m 13.399		
Capital Financing Requirement – underlying need to borrow	138,013		

*Prudential indicators for affordability, prudence, capital expenditure and external debt:*

<b>TREASURY MANAGEMENT INDICATORS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>actual</b>	<b>probable outturn</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Authorised Limit for external debt -</b>					
Borrowing	153.4	151.7	203.1	316.2	238.0
other long-term liabilities	13.7	13.6	13.5	13.4	13.3
TOTAL	267.2	165.3	216.6	329.6	251.3
<b>Operational Boundary for external debt -</b>					
Borrowing	53.4	51.7	103.1	216.2	138.0
other long-term liabilities	13.7	13.6	13.5	13.4	13.3
TOTAL	67.1	65.3	116.6	229.6	151.3
<b>Actual external debt*</b>	£0	£0	-	-	-

TREASURY MANAGEMENT INDICATORS	2020/21	2021/22	2022/23	2023/24	2024/25
Upper limit for total principal sums invested for over 365 days (per maturity date)	£500m	£500m	£400m	£400m	£300m

Maturity structure of borrowing during 2021/22	upper limit	lower limit
- under 12 months	50%	0%
- 12 months and within 24 months	50%	0%
- 24 months and within 5 years	50%	0%
- 5 years and within 10 years	75%	0%
- 10 years and above	100%	0%

*Local Indicator focusing on revenue reserves:*

	2021/22	2022/23	2023/24	2024/25
Times cover on unencumbered revenue reserves	+1.5	+3.0	-0.8	-1.2
<i>At this time last year</i>	+8.4	-13.1	-70.0	-

### Other Recommendations

20. The Treasury Management Strategy Statement and Annual Investment Strategy 2022/23 are endorsed.
21. The Chamberlain's assessment of the robustness of budgets and the adequacy of reserves and contingencies is endorsed.

# Report – Finance Committee

## 2022/23 City's Cash Budgets and Medium-Term Financial Plan

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### SUMMARY

This report covers the 2022/23 Budget and the medium-term financial outlook for City's Cash and Guildhall Administration. The report should therefore be read in conjunction with the City Fund and Bridge House Estates Budget reports on your agenda.

**City's Cash** continues to have a greater degree of uncertainty due to COVID-19 on its key revenue streams of property rental income and growth in financial investments. The additional risk brought about by higher inflation adds to these uncertainties in the short to medium term. Prudent management of funds ensures losses can be accommodated within overall balance sheet growth over the medium-term.

Over the planning period, the cumulative draw down on investments is £339.4m (including £188.6m for the capital programme and Crossrail contribution). Balance Sheet forecasting indicates this sum is sustainable over the medium term, but not in the longer 10-year horizon when financing costs on major projects increase. Annual drawdowns across the medium term are in excess of assumed growth in financial assets, this is due to including exceptional items such as capital programmes and Crossrail contributions.

In response, to the financial challenges the City Corporation set a general budget reduction of 12% in 2021/22 across all funds, the implementation of the new target operating model to make organisational efficiencies, plus agreed Fundamental Review savings in 2019/20 to be delivered across five years (2021 to 2024/25). The savings are identified from 2021/22 to ensure that budgets are fully aligned with and support our Corporate Plan objectives and finances are put on to a sustainable footing over the medium-term.

**Guildhall Administration:** the report also summarises the budgets for central support services within Guildhall Administration (which currently 'holds' such costs before these are wholly recovered). Consequently, after recovery of costs through allocation to services within each fund, the net expenditure on Guildhall Administration is nil.

The 2022/23 Summary Budget Book is available via the *Members' Committees and Papers* section of the City Corporation's website. PDF copies via email can be requested from [sonia.virdee@cityoflondon.gov.uk](mailto:sonia.virdee@cityoflondon.gov.uk)

## Recommendations

Following your Finance Committee's consideration of this report, it is recommended that Members of the Court of Common Council:

1. Note the latest revenue budgets for 2021/22 (paragraphs 19 to 22).
2. Agree the 2022/23 revenue budgets, including the following measures:
  - Note the **overall budget envelope** for City Cash.
  - Approve the overall financial framework and the revised Medium-Term Financial Strategy (paragraphs 2-18).
  - **Unfunded additional revenue bids:** To be avoided during 2022/23 - 2025/26 with a zero-based budget review to take place to reprioritise spend in line with new Corporate priorities.
  - Carry forwards from 2021/22 to be minimised, however where significant pressures have been highlighted by departments these are reviewed in light of on-going challenges.
3. Approve the 2022/23 Capital and Supplementary Revenue Project Budgets for City's Cash amounting to £20.4m (paragraph 27).
4. Approve the allocation of central funding of up to £9.0m for City's Cash to meet the cost of the 2022/23 capital schemes. Release of such funding being subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub-Committee at Gateway 4(a). In addition, a contingency is held under the capital programme up to £1.0m - given the pressures on construction and labour inflation rising up to 15% (paragraph 30).
5. Delegate authority to the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.

## Main Report

### Background

1. The primary purpose of this report is to summarise the latest budgets for 2021/22 and the proposed budgets for 2022/23 for City's Cash, which have all been prepared within agreed policy guidelines and allocations, for submission to the Court of Common Council in March.
2. During the autumn/winter cycle of meetings, each Committee has received and approved a budget report, which has been prepared based on the planning framework for Chief Officers which included:
  - Securing year on year permanent savings from the 12% savings programme totalling £4.1m - initiated in 2021/22.
  - Fundamental Review savings included in 2022/23 total £1.4m.
  - Cash flat budget provision with centrally held inflation contingency recognising the potential impact of higher levels of inflation predicted in 2022/23.

- Carry out a zero-based budget review to reprioritise within the overall envelope – supporting the change in the operating model, plus a review of operational property and income generation.

## **Overall Financial Strategy**

3. The City of London Corporation's overall financial strategy seeks to:
  - manage the effects/recovery of a global pandemic impacting on the economy and income;
  - maintain and enhance the financial strength of the City Corporation through its investment strategies for financial and property assets;
  - pursue budget policies which seek to achieve a sustainable level of revenue spending and create headroom for capital investment and policy initiatives, such as Destination City – renewed vision for the square mile;
  - create a stable framework for budgeting through effective financial planning;
  - promote investment in capital projects which bring clear economic, policy or service benefits;
  - manage the affordability to support major projects programmes now and in the future; and
  - financial strategy to be developed following review of the investment asset base and fund income requirements during 2022.
4. The medium-term financial strategies and budget policies for City's Cash are set out in Appendix 1. City Fund's medium-term financial strategy is included in the separate City Fund report.

## **Current Position**

5. With the continued uncertainty of the global pandemic and economic position, pressures and risks for the City Corporation's finances will continue into the 2022/23 fiscal year. With the UK beginning to recover from the effects of COVID-19 but still facing headwinds from high levels of inflation, interest rate rises and global events, risks persist in the key revenue streams that support the activity of City's Cash. In addition, the City Corporation is undergoing its own period of significant change in response to these events and its ambition to deliver on its key policy priorities such as its move to net zero and support to major projects.

## **Budget Reductions**

6. In response to the financial challenges the City Corporation implemented a 12% reduction in budget in 2021/22 alongside a new target operating model to secure organisational efficiencies. This has yielded savings of £4.1m under City's Cash. This was in addition to the Fundamental Review programme, which began in 2020/21 with the aim of better aligning spend with policy priorities as well as seeking efficiencies. Savings delivered in 2022/23 under City's Cash are a total of £1.4m savings.

7. Following this period of change, 2022/23 will be used to bed down these savings to ensure they continue to be delivered and support a sustainable financial position for City's Cash across the medium term.

### Flat Cash

8. The starting point for the 2022/23 budget is 'flat cash' from the previous resource allocation in 2021/22, with provision made for the pay award. However, in recognition of the high level of inflation predicted during 2022/23, a central inflation contingency has been incorporated into the budget to mitigate the risk of higher costs that cannot be contained within budget envelopes (£2.1m). This includes specific provision for energy cost increases (£0.3m). Delegations to the Chamberlain for use of this contingency will increase the accuracy in forecasting.

### Latest forecast position

9. The financial overview across the medium-term planning horizon is shown in table 1 below:

Table 1

#### CITY'S CASH

£m	2021/22	2022/23	2023/24	2024/25	2025/26
City's Cash Surplus/(Deficit) before savings, capital and major projects	(24.7)	(18.6)	(15.8)	(11.9)	(10.5)
Build Back Better Fund	-	(4.5)	(7.5)	(9.5)	-
Fundamental review savings	1.1	1.4	1.4	1.4	1.4
12% inc TOM	4.1	4.1	4.1	4.1	4.1
<b>Deficit, before capital and major projects financing</b>	<b>(19.5)</b>	<b>(17.6)</b>	<b>(17.8)</b>	<b>(15.9)</b>	<b>(5.0)</b>
Financing major projects- markets & landlord MOL	(8.5)	(10.5)	(10.5)	(10.5)	(15.7)
<b>Deficit, incl major projects financing</b>	<b>(28.0)</b>	<b>(28.1)</b>	<b>(28.3)</b>	<b>(26.4)</b>	<b>(20.7)</b>
Exceptional items- BAU projects Capital incl. SRP* and CWP**	(57.8)	(40.8)	(62.9)	(40.1)	(33.3)
Crossrail	-	-	(25.0)	(25.0)	-
Draw down on Financial Gain	42.8	40.4	34.3	22.7	20.8
<b>City's Cash deficit</b>	<b>(43.0)</b>	<b>(28.5)</b>	<b>(81.9)</b>	<b>(68.8)</b>	<b>(33.2)</b>
<b>Net assets balance</b>	<b>3,203.6</b>	<b>3,214.7</b>	<b>3,281.1</b>	<b>3,316.3</b>	<b>3,383.3</b>

\*SRP – Supplementary Revenue Programme; \*\*CWP – Cyclical Works Programme



10. Whilst the economy has begun to recover, risks persist in key areas of the City's Cash medium term financial plan. The Government's moratorium for non-payment of commercial rents is due to be lifted on 25 March 2022, which may crystallise bad debt on rental income, and early termination of tenancy agreements, where tenants have gone into liquidation, may produce further pressure on void costs where properties are fit for relet. To mitigate the latter, it is recommended £1.8m is set aside from the City's Estate Designated Sales Pool to manage refurbishment costs of properties identified as being at risk. The impact of bad debt is assessed as part of the monitoring and closing process where appropriate provision will be set aside.
11. The forecast includes new capital bids of £9.0m approved by January Finance Committee, which is within the recommended allocation of £10m p.a.; as well as the 'business as usual' capital programme, financed through disposal of investment properties or securities; and the revenue costs of financing Major Projects. Given the pressures on construction and labour inflation rising up to 15%, it is recommended a contingency is held under the capital programme up to the allocated amount - £1.0m, this takes into account capital programmes in flight and due to be delivered over the next 1-2 years.
12. Major Projects: Four major projects have been forecast under the medium-term financial plan. It is currently assumed these projects will be financed through borrowing (£450m already in place); planned capital receipts; plus, a drawdown on financial investments. Draw down on financial investments for Major Projects impacts on the draw down available on financial gain which currently supports the City's Cash revenue expenditure. The major projects are listed below:
  - Museum of London Landlord works;
  - Fleet Street Estate – combined court (transferred from City Fund in 2021/22).
  - Markets consolidation programme, subject to business case approval- estimates include the revenue impact of financing the Markets project, although the business case is yet to be approved, the Markets programme has been pushed back a year and reflected under the medium-term.
  - Guildhall Master plan, subject to business case approval, has now been modelled under the medium-term and assumes capital receipts in 2025/26. The Guildhall Master plan is expected to achieve future savings which will benefit both City Fund and City's Cash.
13. Over the period, the cumulative draw down on investments is £339.4m (including the planned £50m to finance Crossrail payments and sums required for the capital programme). Overall net asset on the balance sheet has grown by £179.7m over the medium-term, this includes the drawdown on financial investments, steady growth in assets, plus the impact of the Major Projects – including Guildhall Master Plan. Balance Sheet forecasting indicates this sum is sustainable over the medium-term, overall increasing net assets by £406m

over 10 years.

14. However, the gain in future financial investments is unable to support the longer term draw down of c£35m p.a. (including future capital and cyclical works programmes) and therefore requires careful rebalancing of portfolios over the medium to longer term. This also includes the full impact of major projects - the need to look at the operating models, for example Markets consolidation and how this impacts the longer-term sustainability of City's Cash. A financial strategy is to be developed following review of investment asset base and fund income requirements during 2022.

### **A Strategic Response to Match the Scale of the Challenges for City's Cash**

15. Before addressing the immediate pressures in 2022/23, it is important to respond to the scale of the medium-term challenge for City's Cash and to take the steps now to ensure that we can take a strategic and prioritised response to the big challenges that we expect to emerge in the longer term.
16. This requires action on: 1) revenue - through achievement of Fundamental Review savings, and prudent capital budgets. 2) major projects - Members will want to consider options to ensure the longer-term affordability, financing strategy, funding from 3<sup>rd</sup> parties as well as improving commercial propositions.

### **Additional Revenue Requests**

17. Policy and Resources Committee and Finance Committee continue to signal that revenue pressures are to be accommodated by reprioritising existing budgets; and an expectation that additional pressures that might arise during 2022/23 will be absorbed within local risk budgets.
18. However, time limited additional resources have been included within the budget for policy initiatives such as: Green Finance Institute and The City UK.

### **CITY'S CASH**

19. The 2021/22 and 2022/23 budgets for City's Cash are set out below. They have been prepared within the planning frameworks agreed by the Resource Allocation Sub-Committee shown at Appendix 1.

**Table 2**

<b>City Cash Summary</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>Original</b>	<b>Latest</b>	<b>Original</b>
<b>Gross Revenue Expenditure</b>	<b>(113.5)</b>	<b>(119.3)</b>	<b>(119.0)</b>
<b>Gross Revenue Income</b>	<b>62.7</b>	<b>62.8</b>	<b>62.6</b>
<b>Operating Deficit funded by drawdown*</b>	<b>(50.8)</b>	<b>(56.5)</b>	<b>(56.4)</b>

\*Operating Deficit funded by drawdown row excludes capital programmes, however, includes CWP and SRP.

20. City's Cash net expenditure is £5.7m higher comparing the latest 2021/22 budget with the original budget. Other main movements comprise of 2020/21 carry forwards of £4.3m and additional central support costs £1.9m.
21. The budget for 2022/23 reduces by £0.1m when comparing the 2022/23 Original budget to the 2021-22 Latest.

**Table 3**

	<b>£m</b>
<b>2021/22 Latest Budget</b>	<b>(56.5)</b>
Release of Carry Forwards - 2020/21	4.3
Reduction in COVID provisions	3.7
Reduction in recharges	2.4
2% Efficiencies and FR savings	0.9
Members Financial Support Scheme	(0.5)
Inflationary Provision	(2.1)
Additional Loan interest	(2.1)
Pay and 2% price inflation increase	(2.3)
Contribution to build back better fund	(4.5)
Other minor changes	0.3
<b>2022/23 Original Budget</b>	<b>(56.4)</b>

22. The net positions for 2021/22 and 2022/23 are summarised by Committee in Appendix 2. Reserves are available to meet the estimated deficit in the current year and in 2022/23.

## **GUILDHALL ADMINISTRATION**

### **Overall Budget Position**

23. Guildhall Administration encompasses most of the central support services for the City, with the costs being fully recovered from the three main City Funds, Housing Revenue Account, Museum of London and other external bodies in accordance with the level of support provided. Consequently, after recovery of costs, the net expenditure on Guildhall Administration is nil. The table below summarises the position.

**Table 4**

<b>Guildhall Administration by Committee Net (Expenditure)</b>	<b>2021/22 Original £m</b>	<b>2021/22 Latest £m</b>	<b>2022/23 Original £m</b>
Establishment - Town Clerk & C&CS	(8.6)	(10.9)	(10.7)
Finance - Chamberlain	(24.6)	(24.4)	(23.6)
Finance - Chief Operating Officer	(12.3)	(13.0)	(10.1)
Finance - City Surveyor	(22.1)	(23.5)	(21.1)
Finance - Town Clerk	(1.4)	(1.4)	(1.4)
<b>Total Net Expenditure</b>	<b>(69.0)</b>	<b>(73.2)</b>	<b>(66.9)</b>
Recovery of Costs	69.0	73.2	66.9
<b>Total Guildhall Administration</b>	<b>0</b>	<b>0</b>	<b>0</b>

24. The gross expenditure for Guildhall Administration is recovered across all funds. Increased costs in 2021/22 arose from carry forward requests and contingency allocation to fund transformation spend.
25. The 2022/23 budget will reduce by £6.3m from the latest 2021/22 position following further fundamental review savings of £3.1m and removal of one-off contingency funding allocated during the current year.
26. Appendix 3 shows the budgets by committee.

### **Capital and Supplementary Revenue Project Forecast Expenditure and Funding**

27. The City of London has a significant programme of property investments, works to improve the operational property estate and major capital projects to benefit wider London. The total anticipated capital and supplementary revenue expenditure, including forecasts against approved budgets and the indicative cost of schemes awaiting approval is as follows:

**Table 5**

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
<b>City Cash Capital Programme</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Capital Programme BAU - incl.					
Crossrail	27.0	8.7	55.9	31.7	-
Supplementary Revenue Programme	8.5	8.0	4.2	4.4	3.8
New Bids - profiled	-	2.0	5.0	10.0	10.0
Climate Action	2.5	1.7	1.5	1.6	2.1
<b>Total Capital Programme (exclu. Major Projects)</b>	<b>38.0</b>	<b>20.4</b>	<b>66.6</b>	<b>47.7</b>	<b>15.9</b>
<b>Major Projects</b>	<b>63.9</b>	<b>47.8</b>	<b>103.5</b>	<b>236.3</b>	<b>317.4</b>

28. The City's Cash capital and supplementary revenue project budgets are submitted to the Court of Common Council as part of the Summary Budget Book. They comprise forecasts of expenditure against budgets which have been approved to spend in accordance with the relevant governance arrangements e.g. corporate projects procedure, Capital Buildings Committee approvals etc. The latest forecasts of City's Cash 2022/23 capital and supplementary revenue project expenditure against approved budgets (included within the figures in the table above) amount to £18.4m. This excludes the indicative costs of schemes awaiting approval.
29. To ensure future capital expenditure is aligned to key priorities, an annual bid process was introduced for all potential schemes commencing 2021/22. The City Corporation's Resource Allocation Sub-Committee has carried out a robust review of all service capital bids and agreed those bids to be prioritised.
30. Central funding of up to £9.0m for City's Cash meets the cost of the 2022/23 new bids together. Release of such funding will be subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub-Committee at Gateway 4(a). Given the pressures on construction and labour inflation rising up to 15%, it is recommended a contingency is held under the capital programme up to the allocated amount - £1.0m, this takes into account capital programmes in flight and due to be delivered over the next 1-2 years.
31. The financing of the City's Cash capital and supplementary revenue projects programmes needs to reflect the optimum reserves position of each fund. Therefore, approval is sought for authority to be delegated to the Chamberlain to determine the *final* financing of capital and supplementary revenue project expenditure.

## **Risk**

32. There are risks to the achievement of the latest forecasts:

Within the City's control:

- Delays in delivery of the new target operating model, delaying organisational efficiencies.
- Further delays in delivery of income generation schemes under the Fundamental Review.

Outside the City's control:

- Delays in the economic recovery following impact of COVID-19, increasing the risk of income losses in 2022/23
- rental income reduction from our commercial property as a result of increased voids.
- Impact of inflation materially increasing costs.

## **Conclusion**

33. There has been a significant effort across City's Cash to commit to delivering

year on year permanent savings against the 12% savings required to underpin a sustainable MTFP and the increased funding requirement flowing from the adoption of a major projects programme. Pressures across a range of existing revenue and capital budgets, mean that deficits are forecast across the medium-term planning horizon. In 2022/23, we will draw down on our reserves to bring the fund into balance. This measure is sustainable in the short term, but not in the longer 10-year horizon when the financing costs on the major projects increase.

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

DATED this 15<sup>th</sup> day of February 2022.

SIGNED on behalf of the Committee.

**Jamie Ingham Clark**  
Chairman, Finance Committee

## **Appendices**

- Appendix 1 - Medium Term Financial Strategy/Budget Policy
- Appendix 2 - City's Cash Budget
- Appendix 3 - Guildhall Administration Budget

**City's Cash Medium Term Financial Strategy/Budget Policy**

The main constituents of the current budget policy for City's Cash services reflect the general elements within the City Fund strategy together with the following specific objectives:

- ensure that ongoing revenue expenditure is contained within revenue income over the medium term and sufficient surpluses are generated to finance capital investment on City's Cash services;
- continue to seek property investment opportunities to enhance income/seek capital appreciation during the year, subject to any financing being met from the City's Estate Designated Sales Pool; and
- sell either property or financial assets, which would need to be in addition to property disposals required to meet the financing requirements of the Designated Sales Pool, to meet City's Cash cash-flow requirements.

## CITY'S CASH Budget

City's Cash 2021/22 and 2022/23 budgets shown by Committee in the table below:

City's Cash Summary by Committee	2021/22 Original £m	2021/22 Latest £m	2022/23 Original £m
<i>Net Expenditure (Income)</i>			
Culture, Heritage & Libraries	(0.4)	(0.4)	(0.3)
Education Board	(2.5)	(2.6)	(3.0)
Finance	(43.3)	(44.1)	(51.9)
G. P. Committee of Aldermen	(3.8)	(3.9)	(3.7)
Guildhall School of Music and Drama	(14.1)	(13.4)	(13.2)
Markets	0.0	(0.5)	(0.3)
Open Spaces:-			
Open Spaces Directorate	0.0	0.0	0.0
Epping Forest and Commons	(6.9)	(7.5)	(6.3)
Hampstead, Queen's Pk, Highgate			
Wood	(6.1)	(6.4)	(5.1)
Bunhill Fields	(0.5)	(0.6)	(0.2)
West Ham Park	(1.1)	(1.2)	(1.0)
Policy and Resources	(17.6)	(20.6)	(17.3)
Property Investment Board	49.8	49.3	49.0
Schools :-			
City of London School (1)	(1.7)	(1.7)	(1.3)
City of London Freeman's School			
(1)	(1.8)	(1.3)	(0.5)
City of London School for Girls (1)	(0.8)	(1.2)	(1.0)
City of London Junior School (1)	0.0	(0.4)	(0.3)
<b>(Deficit) Surplus (from) to reserves</b>			
<b>(2)</b>	<b>(50.8)</b>	<b>(56.5)</b>	<b>(56.4)</b>

1. Shows City Support rather than net expenditure by the schools
2. Deficit to reserves row excludes capital programmes, however includes CWP and SRP.

1. The following table further analyses the budget to indicate the income produced from the City's assets (investment property rent income, non-property investment income and interest on balances, at lines 3 to 5 respectively). It also indicates the underlying deficits or surpluses on City's Cash before the anticipated profits on the sale of assets are taken into account (lines 6 to 8).



## Appendix 2

		2021/22 Original £m	2021/22 Latest £m	2022/23 Original £m
1	Net expenditure on services Cyclical Works Programme and	(101.0)	(106.2)	(108.9)
2	SRP's	(12.7)	(12.9)	(10.1)
3	Estate rent income	57.5	57.5	56.9
4	Non-property investment income	3.1	3.4	3.9
5	Interest on balances	0.4	0.2	0.1
6	<b>Operating (Deficit) Surplus</b>	<b>(52.7)</b>	<b>(58.0)</b>	<b>(58.1)</b>
7	Profit on asset sales/deferred income	1.7	1.7	1.7
8	<b>(Deficit) Surplus funded by drawdown*</b>	<b>(51.0)</b>	<b>(56.3)</b>	<b>(56.4)</b>

\*Deficit to reserves row excludes capital programmes, however includes CWP and SRP.

- The City's Cash position in the current year is expected to be a deficit of £56.3m compared to £51.0m in the original budget. The deficit (less non-cash items such as depreciation) will be funded with a drawdown from the gain in financial investments.

**GUILDHALL ADMINISTRATION**

1. Shown by Committee is the table below:

<b>Guildhall Administration by Committee Net (Expenditure)</b>	<b>2021/22 Original £m</b>	<b>2021/22 Latest £m</b>	<b>2022/23 Original £m</b>
Establishment - Town Clerk & C&CS	(8.6)	(10.9)	(10.7)
Finance - Chamberlain	(24.6)	(24.4)	(23.6)
Finance - Chief Operating Officer	(12.3)	(13.0)	(10.1)
Finance - City Surveyor	(22.1)	(23.5)	(21.1)
Finance - Town Clerk	(1.4)	(1.4)	(1.4)
<b>Total Net Expenditure</b>	<b>(69.0)</b>	<b>(73.2)</b>	<b>(66.9)</b>
Recovery of Costs	69.0	73.2	66.9
Total Guildhall Administration	0	0	0

1. *Figures in brackets denote expenditure, increases in expenditure, or shortfalls in income.*

The net expenditure for 2022/23 is £66.9m, a decrease of £2.1m from the 2021/22 original budget.

# Report – Bridge House Estates Board

## Bridge House Estates (BHE) – Revenue Budget 2022/23 and Medium-Term Financial Plan

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### **SUMMARY**

This report provides an update on the 2021/22 forecast and presents the 2022/23 revenue budget and Medium-term Financial Plan (MTFP), covering 2023/24 – 2025/26, for Bridge House Estates (BHE).

The past year has been one of significant change for the charity in terms of its governance, with the establishment of the BHE Board. Operationally, the focus has been on managing the impacts of the pandemic, be that with the reopening of Tower Bridge as a visitor attraction in May 2021, keeping on track with our bridge maintenance programme or reviewing our funding programmes to meet specific needs of Londoners. Economic factors, such as increasing inflation, low interest rate levels and the impacts of the Government's plans to address the pandemic continue to cause uncertainties for the cost of various projects, the Tower Bridge visitor operations and the ability of our investments to raise sufficient income to undertake plans.

The previous and ongoing prudent management of unrestricted income funds by the City of London Corporation acting as BHE trustee has ensured that the charity continues to have sufficient funds available to meet its primary objective - the support and maintenance of its five Thames bridges. In considering its ancillary purpose, that of charitable funding for broad charitable purposes for the general benefit of the inhabitants of Greater London under the charity's *Bridging Divides 2018-23* policy, this report presents a revised approach to the longer-term release of surplus income for this purpose; noting the requirement for a charity to utilise its free reserves on a timely basis.

Members should note the future opportunity available to BHE in utilising investment growth within the permanent endowment fund as income, upon the express grant of relevant powers within the new Supplemental Royal Charter.

### **Recommendations**

Following your Bridge House Estates Board's consideration of this report, it is recommended that the Members of the Court of Common Council, acting for the City Corporation as the charity trustee of Bridge House Estates and solely in the charity's best interests:

- a) Note the latest revenue forecast for 2021/22 (paragraphs 8 to 11);
- b) Approve the 2022/23 revenue budget and Medium-Term Financial Plan for period 2023/24 – 2025/26 (paragraphs 12 to 15);
- c) Approve the creation of a designated fund for the Climate Action Strategy, with £15m to be moved to this fund from Unrestricted Income Funds. The amount held within this designated fund to be reviewed on an annual basis with permitted spend in any year to be within the full balance available in the designated fund (paragraph 15(m));
- d) Approve a level of £55m of free reserves to be maintained over and above the agreed minimum policy of £35m across the period of the Medium-Term Financial Plan as a mitigation against the uncertain period in which the charity is operating (paragraph 16);
- e) Approve the 2022/23 capital and supplementary revenue project budgets, which have been included within the calculations for reserves (paragraph 20);
- f) Approve that all departments within the City Corporation managing budgets on behalf of BHE prepare these for 2023/24 under a zero-based budgeting basis (paragraph 22); and
- g) Note that a revised Medium-Term Financial Plan for the charity will be developed, once the power for total return accounting for endowed charities is granted by Supplemental Royal Charter, currently under final approval by the Privy Council's Office (paragraph 19).

## **Main Report**

### **Background**

1. Bridge House Estates (BHE) is an unincorporated charitable trust and a registered charity (Registered Charity Number 1035628). It is currently the 6th largest charity in the UK in terms of asset valuation. The charity is permanently endowed, which imposes particular restrictions and legal duties on the charity's trustee. The City of London Corporation (the City Corporation), acting by its Court of Common Council, is BHE's sole corporate Trustee.
2. In acting as charity Trustee, the City Corporation has a legal obligation to always act solely in the best interests of BHE. Consistent with their duties, trustees are required to:
  - a. administer their charity with reasonable care and skill;
  - b. act responsibly and honestly, and demonstrate that they are complying with the law.
3. As a result of the Covid pandemic, the Charity Commission issued guidance advising trustees to keep their charity's operations and finances under regular

review and take any additional actions as necessary<sup>1</sup>. As we continue to deal with the pandemic, our regulator expects both this and their routine guidance to be applied with regular assessment and monitoring of the overall financial position and funds being used to deliver the charity's objects.

4. This report presents an update on the latest forecast for 2021/22, the budget for 2022/23 and the Medium-Term Financial Plan (MTFP) covering the period 2023/24 – 2025/26. These have been prepared in line with the policy guidelines and assumptions as set out in **Appendix 1**.
5. The over-arching strategy for BHE 'Bridging London' has the vision that 'Every person in London becomes truly connected'. To achieve this vision, BHE delivers upon its primary object by supporting and maintaining its five Thames bridges and utilises any available surplus income each year to advance its ancillary purposes – being charitable funding under the 'Bridging Divides 2018-23' funding policy aimed at tackling inequality. Prior to confirming the level of surplus income, appropriate free reserves must be agreed and maintained (e.g. £35m was approved by Members in March 2020 with an additional £55m for 2021/22).
6. The Board will be aware that this continues to be a transitional period for BHE, as we await approval of the Supplemental Royal Charter (see **Appendix 5**), embed the BHE Leadership Team structure (effective from 04 January 2022) and continue to review the resourcing needs and operating costs across the charity. Building upon the lessons learned in 2021, BHE will continue to fulfil its role in bridging and connecting London, for the benefit of Londoners today and for generations to come. BHE will use a joined up strategic approach to advance its primary and ancillary objects, collaborating more cohesively as one charity across all its activities, and working closely with the City Corporation as its Trustee. The charity will:
  - continue to keep its operating governance structure under review to ensure that it operates effectively and efficiently; and, in accordance with best practice in charity governance;
  - deliver excellent bridge engineering management services for all five Bridges; and
  - utilise its expertise in charitable funding to support a reduction in inequality in London and to foster stronger, more resilient and thriving communities.
7. The budget and medium-term plan presented today are well placed to support this strategy.

### **Current Position – update on 2021/22 budget**

8. The original 2021/22 budget anticipated an in-year deficit of £115.1m, with total funds of the charity being £1,383.4m of which free reserves were budgeted at £81.5m. Subsequent to the budget being approved, the opening free reserves were agreed at a higher level, with the gains on investments for 2020/21 recognised at £178.7m (£147m above budget). Due to this stronger than expected performance, BHE was better placed at the starting point for the current year than expected.

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<sup>1</sup> Charity Commission Guidance "Manage financial difficulties in your charity caused by coronavirus"

9. The latest forecast presents an in-year deficit of £37.5m, with **Table 1** depicting the summarised revenue position alongside detail of the funds of the charity. The in-year dashboard presenting the financial position as at 31 December 2021 is included at **Appendix 2**. Note that total funds brought forward at 1 April 2021 has been updated within the original budget to match the actual amount held. The income of the charity was unusually high in 2020/21 due to the receipt of £15.4m of grants for distribution under the London Community Response Fund.

**Table 1**

**Current position - update on 2021/22 budget**

Statement of Financial Activities	2020/21	2021/22	2021/22
	Actual	original budget	latest forecast
	£m	£m	£m
Income	47.4	33.2	32.5
Expenditure	(89.6)	(148.3)	(70.0)
	(42.2)	(115.1)	(37.5)
Gains/(losses) on investments/pension scheme	149.0	69.3	69.3
Net movement in funds	106.8	(45.8)	31.8
Funds b/fwd as at 01 April	1,536.4	1,643.2	1,643.2
Total funds c/f	1,643.2	1,597.4	1,675.0
<b>Funds of the charity:</b>			
Permanent endowment funds	979.5	946.0	1,022.6
Restricted Funds	3.8	0.0	0.4
Designated funds	445.6	355.9	450.7
Free reserves	214.3	295.5	201.3
	1,643.2	1,597.4	1,675.0

10. The most significant change in-year has been within charitable funding, with commitments & associated costs expected to be £75m lower than budget. An interim review of the Bridging Divides programme led to a revised timeline with increased commitments now anticipated to be spread across a 4-year period (2021/22 – 2024/25), reducing back to a lower amount from 2025/26 onwards.

11. Other changes to note include:

- a. Income: investment income reduced by a net £1.1m (Properties - £1.4m/Securities, SIF & cash +£0.3m), with the reduction in rental & service charge income reflecting rent free periods, exercise of lease breaks & property voids due to the delayed completion of refurbishments, in particular Candlewick House (120 Cannon Street) due to factors including the pandemic; partially mitigated by Tower Bridge visitor activities uplift of £0.4m following stronger than anticipated visitor numbers.
- b. Expenditure on raising funds: net increase of £0.9m, driven by increased management fees on securities due to higher values of assets held. Netted

against this is savings on various operational costs within the property portfolio.

- c. Expenditure on charitable activities: in addition to the reduction in grant commitments noted above, bridges expenditure is reporting a total decrease of £4.4m driven by a delay in the timeline for the High Voltage System replacement at Tower Bridge and for the refurbishment of Blackfriars Bridge, alongside savings at Millennium Bridge with work on the retention cables not required as anticipated.

## 2022/23 Revenue Budget and Medium-Term Forecast Position

### Forecast Position within Current Governance Arrangements

12. BHE delivers upon its primary object by supporting and maintaining its five Thames bridges and utilises any available surplus income to advance its ancillary purposes. Only the gains made on investments representing the unrestricted income funds are available to support the primary and ancillary objectives.

13. An overview of the proposed budget for 2022/23 and across the medium-term planning horizon is shown in **Table 2** below, with **Appendix 3** providing further detail:

**Table 2**

**2022/23 Budget & Medium Term Financial Plan  
Statement of Financial Activities**

	2021/22 latest forecast £m	2022/23 budget £m	2023/24 forecast £m	2024/25 forecast £m	2025/26 forecast £m
Surplus/(Deficit) prior to charitable giving	(2.0)	(14.6)	(4.5)	(9.2)	10.6
Charitable giving	(35.5)	(108.5)	(101.3)	(78.4)	(47.4)
	(37.5)	(123.1)	(105.8)	(87.6)	(36.8)
Gains/(losses) on investments/pension scheme	69.3	93.3	87.5	69.4	68.0
Net movement in funds	31.8	(29.8)	(18.2)	(18.3)	31.2
Funds b/fwd as 1 April	1,643.2	1,675.0	1,645.2	1,627.0	1,608.7
Total funds c/fwd	1,675.0	1,645.2	1,627.0	1,608.7	1,639.9
<b>Funds of the charity:</b>					
Permanent endowment funds	1,022.6	1,077.3	1,129.7	1,166.2	1,202.9
Restricted Funds	0.4	0.0	0.0	0.0	0.0
Designated funds	450.7	367.1	310.0	270.9	280.1
Free reserves	201.3	200.8	187.3	171.6	156.9
	1,675.0	1,645.2	1,627.0	1,608.7	1,639.9

14. The 22/23 budget and future forecast has been produced in a period of economic uncertainty, with inflation running high and the government's varying plans to address the pandemic having impacted on many aspects of daily life. In part due to this, the central contingency<sup>2</sup> held has been increased by £2.2m to £3.3m to provide for potential risks that may arise, as detailed in paragraph 15(i). However, BHE's strong reserves position has enabled the charity to continue to pursue its current strategy, supported by a higher-than-expected level of free reserves held as at April 2021 together with continued strong performance within gains on the investments

<sup>2</sup> Annual budgets prepared by departments for the activities of BHE that are within their responsibility do not hold any significant contingencies. The budgets directly overseen by the BHE Board include central contingencies to meet unforeseen and/or exceptional items that may be identified across the range of activities undertaken by the charity.

that represent these reserves.

15. A revenue deficit of £123.1m is presented for 2022/23. The Grant commitments included are funded from the grant-making designated fund, which includes the balance of the £200m allocated by Court in March 2020. Deficits are reported across each year under review, with the grants designated fund planned to reduce to £40m by 2025/26. Assumptions and key risks for 2022/23 and the planning period include:

#### Income

- (a) A breakeven position is forecast for Tower Bridge tourism activities, ahead of accounting for all applicable central recharges from other departments. This places income at 60% of levels experienced prior to the pandemic. With international travel remaining limited as a result of the pandemic, this cautious approach remains appropriate as the charity works towards the continued recovery of Tower Bridge's tourism and education offering.
- (b) Investment property income is included at levels forecast by the City Surveyor, which reflects expected delays in the reletting of refurbished properties following the impact of the pandemic on the occupational market. Notable is the impact from Candlewick House (120 Cannon Street) with the increased vacancy period reducing rental income that would have been received in 2022/23 by £1.4m.
- (c) The majority of financial investments are held on a total return basis, with growth recognised 'below the line' within gains. For those holdings that do generate income, a return of 1.1% has been incorporated.
- (d) Voluntary income, at £0.1m, includes grants from known partnerships at the time of preparation of the budget. Should further collaborations arise during the year, adjustments will be made within future forecasts.

#### Expenditure

- (e) Key projects within the bridges' maintenance expenditure include the repainting and refurbishment of Blackfriars Bridge, a project that commenced in 2021/22 with a total budgeted works cost of £12m across 3 years; continuation of the high voltage system replacement project at Tower Bridge, with timing for this extended into 2022/23; alongside enhancements to the security systems across the bridges. Addressing several outstanding maintenance issues within operational buildings linked to Tower Bridge is further included in the budget at £1.5m.
- (f) As noted in paragraph 10, plans for commitments against the surplus income allocated to the grant-making designated fund are now spread across a four-year period. Expenditure is expected to peak across both 2022/23 and 2023/24 at close to £100m in each year. With CBT adopting a more collaborative approach, timings may vary as plans are developed with other funders. As to be expected, the costs associated with funding activity increase across this period. These remain within 10% of commitments made.



- (g) The costs of managing the investments of the charity remain fairly stable across the planning period. 2021/22 saw an increase in the cost of managing the financial investment portfolio, with fees being based upon performance levels. Should returns continue to grow at similar levels, fees will increase. The analysis of contingency balances at paragraph 15(i) notes a provision for refurbishment costs should property void levels increase.
- (h) 2022/23 will be the first full year with the BHE leadership team established, with the budget assuming all roles being covered on either a permanent or interim basis. The costs of this team, alongside other central BHE roles, are recharged across the expenditure headings of the charity in accordance with activity levels. Analysis of the needs for staffing to support the leadership team is yet to commence, with possible impacts upon resourcing to be considered in due course. A full review of the operational costs of the charity, including those recharged from the City Corporation, is planned to commence during 2022/23.
- (i) As stated in paragraph 15, the contingency balances held within the 2022/23 budget have been reviewed in light of the ongoing impacts of the pandemic. Following discussions, consistency has been sought where appropriate in the treatment of potential issues that are common across all Funds managed by the City Corporation. The following contingency balances are held by BHE:

**Table 3**  
**Summary of BHE contingencies for budget & MTFP**

	21/22	22/23	23/24	24/25	25/26
	£000	£000	£000	£000	£000
Central contingency	850	850	867	884	902
Apprentices	175	142	145	148	151
Contribution pay	-	-	50	51	52
Joint projects with other Funds of the City Corporation	50	50	51	52	53
Properties - refurbishment of void spaces	-	500	-	-	-
Climate action strategy	-	500	2,000	2,000	2,000
Inflationary increases	-	1,259	742	394	402
	<b>1,075</b>	<b>3,301</b>	<b>3,854</b>	<b>3,529</b>	<b>3,560</b>

Additional sums have been set aside to enable refurbishments to take place should there be an increase in void periods within the property portfolio, enabling the Board to release these against future forecasts should the need arise without the need to reconsider other plans. Regarding inflation, the budget is based upon an uplift of 2%, with a central contingency providing for an additional 3% across relevant expenditure in 22/23. Provision for up to 4 apprentices has been included. £500k has been included to provide the charity with the option to advance works within its directly managed investment property portfolio to address the targets set within its Climate Action Strategy, in particular achieving EPC 'B' by 2030 and net zero carbon by 2040. Further flexibility is proposed with the establishment of a designated fund for the Climate Action Strategy (paragraph 15(m)). The central contingency retained for as yet unknown requests has been held at £850k, noting that £610k of the balance for 2021/22 has been utilised to date. Inflationary uplifts are applied to future years across the planning period.

- (j) The above 2022/23 budget and MTFP have assumed that the full £125m approved for the Bridging Divides policy over five years (2018 – 2023) will be committed, alongside the additional £200m allocation approved by Court in March 2020. Noting the value of free reserves available, an increased annual allocation to £40m is proposed for the following three years of the MTFP period, noting the requirement for the charity to utilise surplus income funds.

### Funds

- (k) Alongside the bridges expenditure included within the revenue budget, annual transfers to both the Bridges' Repair and Bridges' Replacement designated funds are provided for, to ensure that the charity maintains these funds at appropriate levels to meet future need. Increased inflation at 5% & 3% respectively has been applied to the amounts set aside for 2022/23 & 2023/24.
- (l) The 2022/23 budget and MTFP include an assumption of 6.11% growth (gross of fees) in financial investments, with the majority of this driving gains within the unrestricted income fund due to the basis upon which these investments are held. To note:
- a. Reductions in this rate of return have minimal impact on the annual deficit however result in lower gains and therefore less unrestricted income funds available to fund the activities of the charity.
  - b. Reductions create an immediate need to increase amounts set aside within certain designated funds, notably that for bridge replacement, to ensure that sufficient provision is held for the future in a lower return environment.
  - c. The cumulative nature of the bridge replacement fund means that if current/future growth levels reduce, a higher base amount is required to be held.

**Appendix 4** sets out the financial impact of reductions in returns from financial securities for a couple of scenarios of future levels of charitable funding.

- (m) To enable BHE to further progress and potentially accelerate delivery of its Climate Action Strategy (CAS), your BHE Board propose establishing a designated fund within the unrestricted income reserves of the charity, as an indication of support of early achievement of the targets to reach Net Zero. Where possible, the charity will look to advance work required to reach our ambitious targets, notably - but not exclusively - within our directly managed investment property portfolio.

Funds set aside within this designated fund would provide the charity with the flexibility to fast forward works where deemed by the BHE Board to be effective and appropriate. Surveys are currently being undertaken across our property portfolio. Earlier reports suggested the potential for costs of approx. £9m to achieve the 2030 deadline, although these used benchmark costs applied across floor area which are not considered to be sufficiently accurate, hence the need for the surveys of each building. Whilst some of these costs may be

incorporated within refurbishment projects, Members may consider designating funds to cover actions resulting from the surveys that can be addressed at an earlier timeline. Detailed work on the needs of our bridges as we move to Net Zero is yet to be undertaken to inform this decision.

Timelines and specific projects for utilisation of this designated fund can be developed in line with progress of this challenging strategy. The decision for Members is whether they wish to prioritise funding Climate Action requirements ahead of other potential usage of surplus income under the Bridging Divides funding policy, with the aim of earlier achievement of Net Zero targets. Future additions or reductions to designated funds can be approved within the annual budget setting process.

Your BHE Board was presented with options for consideration in moving unrestricted income funds to this designated fund and recommend that £15m be moved to this fund from the Unrestricted Income Reserves, to provide for the initial estimate relating to the investment property portfolio, alongside a contribution towards projects relating to the bridges, with a further statement of intent to cover projects within the charity

- (n) Whilst £500k has been included within the contingency budget for 2022/23 and at £2m in future years across the planning period, the CAS designated fund will be available to manage additional requirements identified during both this and subsequent years. The BHE Board will be presented with a proposal on the operation of this fund, should the designation be approved, which will include the approval of individual bids.

16. The above analysis of potential impacts highlights that the charity continues to exist within an uncertain environment, albeit with the benefit of currently holding free reserves above the latest target set of £90m. Minor movements in key assumptions impact directly upon the level of free reserves held, alongside the amounts of unrestricted income required to be held within the established designated funds – notably for future needs of the bridges. The scenarios stated in **Appendix 4** lead to the recommendation for Members to consider various options in retaining between £29 - 74m of unrestricted income reserves over and above the minimum policy requirement for free reserves of £35m, as agreed by Court in March 2020, as a mitigation against potential income and growth uncertainties across the planning period.

Your BHE Board was presented with options for consideration and recommend that the charity hold additional free reserves of £55m, maintaining the current approved level of free reserves of £90m within the reserves policy of the charity noting that a further review will take place once the new Supplemental Royal Charter is in place.

### **Impact of future changes to the Charity's governing documents**

17. As stated in **Appendix 5**, it is anticipated that BHE will be granted the power to adopt total return accounting for endowment funds within the new Supplemental Royal Charter. The total return accounting approach to investments held within a permanent endowment fund allows any of the increase in the value of the capital

investment to be utilised as income. Funds are invested to maximise the return on investment without regard to whether that return is in the form of income or capital appreciation. The trustees decide each year how much of that total return within the endowment fund is released to income for spending against the objectives and how much is retained for investment (within the scope of the powers available to the charity). The allocation is made on an equitable basis to balance the need to fund current activities as well as to invest returns for the future. Trustees can therefore unlock capital gains which would otherwise be retained within the endowment. The decision on how much to spend is subject to an ongoing duty for the trustees to manage their investments in a manner that enables the charity to further its aims both now and in the future, and appropriate limits have been incorporated into the drafting of the new Supplemental Charter provisions.

18. Where a charity holds permanent endowment funds, but does not adopt total return accounting, rigid rules are in place whereby capital gains are reinvested and are unavailable to be spent on objectives. A charity can become less able to meet current needs when income from dividends, rentals etc is low, yet capital gains are high. The term 'asset rich, yet cash poor' would apply, with the potential for less optimal investment decisions being made as a result. This is the current position for BHE, as presented in **Table 2** and in **Appendix 3**, with the permanent endowment fund continuing to grow in proportion to the value of total funds held, and the unrestricted income fund reducing.
19. Once the power for total return accounting for endowment funds is in place within the charity's governing documents, revised financial modelling will be developed for BHE. This will reflect the express duty for the Trustee to act in good faith in a manner that will not prejudice the charity's ability to deliver the primary objective now and in the future. Members are therefore requested to note that a revised MTFP will be prepared for BHE following approval of the new Supplemental Royal Charter. Revisions would also reflect any changes as a result of the revised Investment Strategy Statement to be adopted for BHE with the next steps for this having been agreed at the November 2021 BHE Board meeting. This will include consideration of matters such as diversification of investment assets and the weighting across each of the funds held by the charity. Consideration of the required level of free reserves to be held will form part of these considerations, including proposals to meet the target level proposed.

### **Capital and Supplementary Revenue Project Forecast Expenditure**

20. The BHE capital and supplementary revenue project budgets comprise forecasts of expenditure which have been approved for various capital projects, alongside indicative costs of future projects. The majority of this expenditure relates to the programme of improvements relating to the charity's investment property portfolio, which includes potential costs relating to the Climate Action Plan (some of which Members may decide are to be funded from within the designated fund for Climate Action, should this be approved). The total anticipated costs are as stated in **Table 4**. Bridge repair costs are incorporated within annual revenue budgets, to match statutory reporting requirements.

**Table 4: Capital & Supplementary Revenue Projects**

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment Properties	28,783	30,856	13,689	15,390	-	88,718
Shared projects with CoL	448	126	132	471	471	1,648
Bridges Repairs	6,549	13,775	5,292	460	-	26,075
	<b>35,779</b>	<b>44,757</b>	<b>19,113</b>	<b>16,321</b>	<b>471</b>	<b>116,441</b>

## Risk

21. There are risks to the achievement of the budget and forecasts presented, as noted within paragraph 15. Continued careful monitoring of reserve levels is required in mitigation, noting that the income funds available for the ancillary object (charitable funding) will only be that assessed within a financial year as being surplus to that required for the primary object (that required for the maintenance and support of the five bridges now and in the future).

## Future basis of budget preparation

22. At present, the basis upon which the budget presented to you is prepared under varying styles for the different activities within BHE. Zero based budgeting is adopted for some – notably for Tower Bridge and CBT – where the starting place is effectively a blank sheet of paper, building up the planned activities for the year against the approved strategy with all amounts requiring justification. For other areas, the traditional approach within the City Corporation is to commence with the previously approved budget and adjust for known changes. Zero based budgeting has a number of advantages, including increased transparency and a clearer link to the latest strategy. Members are recommended to approve that all departments within the City Corporation managing budgets on behalf of BHE prepare these for 2023/24 under a zero-based budgeting basis, being consistent with a change recommended by the Finance Committee of the City Corporation.

## Conclusion

23. The above sets out the continued uncertain times within which this budget and forecast is presented and reflects the fact that this is a transitional period for BHE as we await approval of the Supplemental Royal Charter and embed the new leadership team. This Honourable Court is recommended to approve the revenue budget for 2022/23 and the MTFP for the period 2023/24 – 2025/26, alongside the capital and supplementary revenue spend budgets. As a further mitigation against risk, Members are recommended to consider maintaining unrestricted income funds at £55m above the approved reserves policy of £35m. Members are also recommended to consider creating a designated fund for the Climate Action Strategy, with £15m of unrestricted income funds added to this fund. The MTFP proposed is subject to redevelopment once the new governance powers are in place, following granting of the Supplemental Royal Charter, with the reserves policy also to be reconsidered.

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

DATED this 16<sup>th</sup> day of February 2022.

SIGNED on behalf of the Board.

**Deputy Dr Giles Shilson**  
Chair, Bridge House Estates Board

**Appendices**

- Appendix 1 – Financial Plan Strategy & Assumptions
- Appendix 2 – Financial Reporting Dashboard as at 31 December 2021
- Appendix 3 - 2022/23 Budget & Medium-term Financial Plan
- Appendix 4 – Potential Scenarios Based on Reduced Growth Rates on Financial Securities
- Appendix 5 – BHE Strategic Governance Review

## Appendix 1

### Medium Term Financial Strategy & Assumptions

The strategy and assumptions in relation to Bridge House Estates (BHE) are all anchored in the best interests of the charity and are as follows:

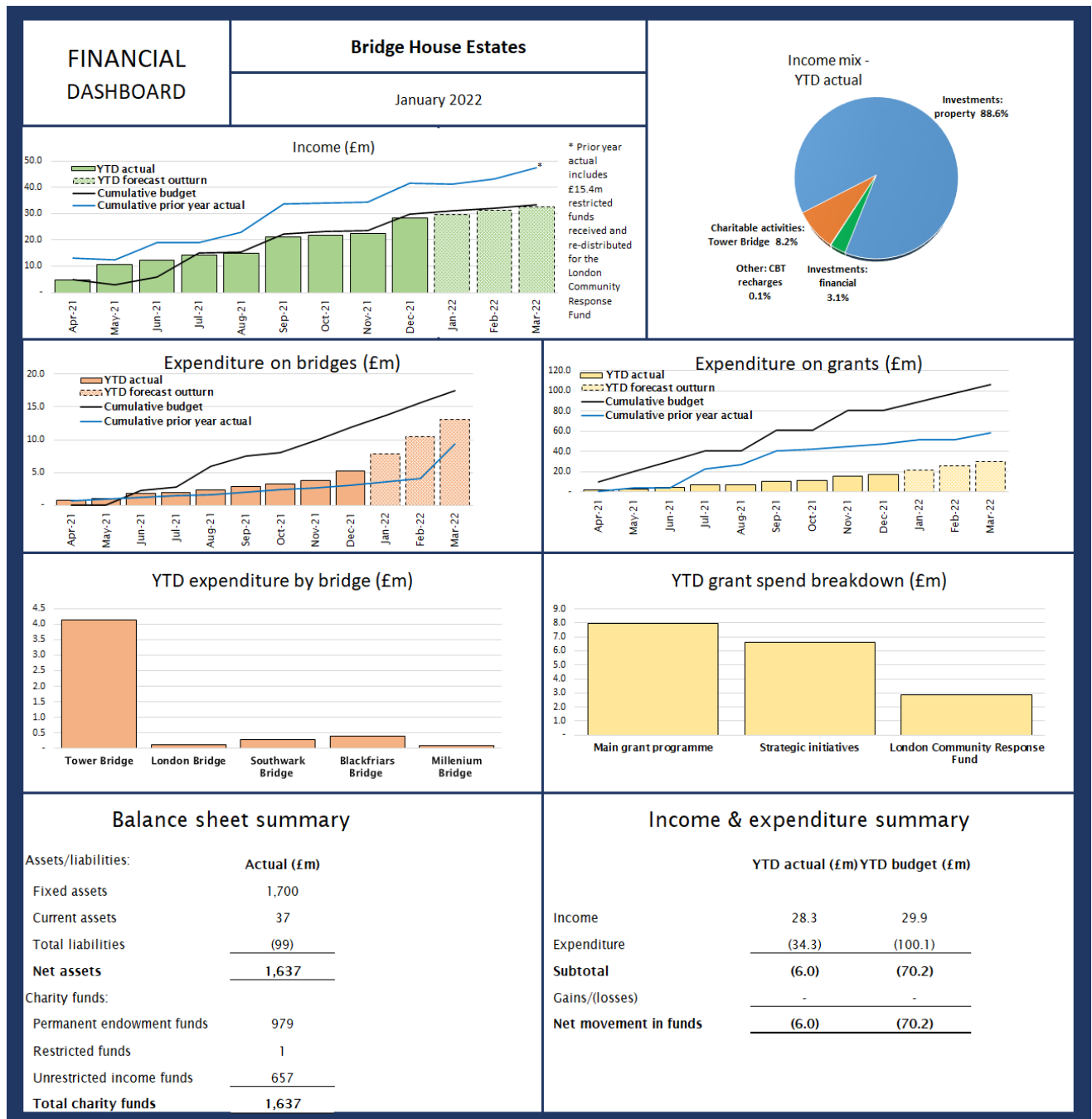
1. Adhering to a planning framework which focuses on ensuring efficiency and effectiveness within all expenditure, rather than the budget reductions and savings programmes applied to other funds of the City Corporation.
2. With the maintenance and support of the five Thames bridges being the primary object of the charity, sufficient net income is required to be generated over the medium term to finance both ongoing support and maintenance needs, and to set aside sufficient funds to cover the eventual replacement costs of each bridge (save for Tower Bridge which is differently maintained due to its world class status) in the long term.
3. After the responsibilities relating to the bridges have been met, free reserves are to be maintained at a minimum of £35m with surplus income being available to be utilised for other charitable purposes, undertaken by the City Bridge Trust (CBT).
4. Continuing to seek property investment opportunities to enhance income/provide capital appreciation during the year subject to any financing being met from the BHE Designated Sales Pool (DSP). Requirements under the Climate Action Plan that are related to investment properties to be funded from both the DSP and any potential designated sum to be agreed by the BHE Board, subject to approval.
5. Assumptions relating to inflation (as applied to costs relating to the bridges) and investment growth included within the main budget (additional provision for inflation held within contingencies):

	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>Ongoing</b>
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%
Bank base rate - average	0.10%	0.93%	1.25%	1.50%	1.63%
Securities growth	4.47%	6.11%	6.11%	6.11%	6.11%
Securities fees	0.75%	0.61%	0.61%	0.61%	0.61%
Property growth	4.36%	5.00%	5.00%	3.10%	3.10%
Property yields	Forecast	Forecast	Forecast	Forecast	Flat

Note: Forecast for property yields is based on the latest rent estimates provided by the City Surveyor.

## Appendix 2

### Financial Reporting Dashboard as at 31 December 2021





## Appendix 3

### Medium term financial plan

	2020/21 actuals £m	2021/22 latest forecast £m	2022/23 budget £m	2023/24 forecast £m	2024/25 forecast £m	2025/26 forecast £m
Voluntary income	15.4	0.2	0.1	0.0	0.0	0.0
Charitable activities - Tower Bridge	0.5	3.1	4.1	5.0	6.0	6.2
Investment income:						
- Property Investments	27.0	25.5	24.5	25.3	28.8	32.5
- Financial Investments	2.5	3.2	2.9	3.0	3.0	3.0
- Interest receivable	0.9	0.3	0.3	0.5	0.6	0.9
Total Investment income	30.4	29.0	27.7	28.8	32.5	36.4
Other income	1.1	0.2	0.3	0.0	0.0	0.0
<b>Total income</b>	<b>47.4</b>	<b>32.5</b>	<b>32.2</b>	<b>33.8</b>	<b>38.5</b>	<b>42.6</b>
Raising funds:						
- Property Investments	(9.1)	(8.7)	(8.6)	(8.7)	(8.9)	(9.1)
- Financial Investments	(5.9)	(6.7)	(6.0)	(6.0)	(5.7)	(5.4)
Total expenditure on raising funds	(15.0)	(15.4)	(14.6)	(14.8)	(14.7)	(14.5)
Charitable activities:						
- Repair & maintenance of bridges	(9.4)	(13.1)	(22.4)	(14.3)	(24.0)	(8.2)
- Tower Bridge	(4.3)	(4.5)	(5.3)	(4.2)	(4.3)	(4.4)
- Charitable funding	(58.6)	(35.5)	(108.5)	(101.3)	(78.4)	(47.4)
Total expenditure on charitable activities	(72.3)	(53.1)	(136.2)	(119.8)	(106.8)	(60.0)
Other expenditure - pension scheme costs	(2.3)	(1.1)	(1.1)	(1.1)	(1.1)	(1.2)
Other expenditure - contingencies	0.0	(0.4)	(3.3)	(3.9)	(3.5)	(3.6)
<b>Total expenditure</b>	<b>(89.6)</b>	<b>(70.0)</b>	<b>(155.2)</b>	<b>(139.6)</b>	<b>(126.1)</b>	<b>(79.4)</b>
Net (expenditure)/income	(42.2)	(37.5)	(123.1)	(105.8)	(87.6)	(36.8)
Gains/(losses) on investments/pension scheme	149.0	69.3	93.3	87.5	69.4	68.0
Net movement in funds	106.8	31.8	(29.8)	(18.2)	(18.3)	31.2
Funds b/f as 01 April	1,536.4	1,643.2	1,675.0	1,645.2	1,627.0	1,608.7
Total funds c/f	<b>1,643.2</b>	<b>1,675.0</b>	<b>1,645.2</b>	<b>1,627.0</b>	<b>1,608.7</b>	<b>1,639.9</b>
<b>Funds of the charity:</b>						
Permanent endowment funds	979.5	1,022.6	1,077.3	1,129.7	1,166.2	1,202.9
Restricted Funds	3.8	0.4	0.0	0.0	0.0	0.0
<i>Designated funds:</i>						
Bridges repairs	48.1	49.0	36.0	30.0	19.7	27.6
Bridges replacement	168.7	155.4	161.2	167.3	173.7	180.5
Grant-making	206.9	209.2	133.1	77.7	44.2	40.4
Climate Action	0.0	15.0	14.5	12.5	10.5	8.5
Social investment fund	21.5	21.7	21.9	22.1	22.4	22.7
Property dilapidations/service charges	0.4	0.4	0.4	0.4	0.4	0.4
	445.6	450.7	367.1	310.0	270.9	280.1
General funds	242.0	236.8	244.3	238.9	231.3	225.1
Pension reserve	(27.7)	(35.5)	(43.4)	(51.5)	(59.8)	(68.2)
Free reserves	214.3	201.3	200.8	187.3	171.6	156.9
	<b>1,643.2</b>	<b>1,675.0</b>	<b>1,645.2</b>	<b>1,627.0</b>	<b>1,608.7</b>	<b>1,639.9</b>

## Appendix 4

### Potential Scenarios Based on Reduced Growth Rates on Financial Securities & Differing Levels of Grant Commitments

Scenario	Annual deficit	Change in unrealised gains	Designated Funds	Free reserves
Financial investment growth reduced by 1%, grantmaking at £40m	Minimal	Reduction of £6 -7m per year	Year 1 increase in value of 29.2m needed	Free reserves remain positive throughout MTFP
Financial investment growth reduced by 1%, grant commitments at £30m	Minimal to 2023/24 then annual reduction of £10m p.a.	Reduction of £6 -7m per year	Year 1 increase in value of 29.2m needed	Free reserves remain positive throughout MTFP
Financial investment growth reduced by 2%, grant commitments at £40m	Minimal	Reduction of £13-14m per year	Year 1 increase in value of 74.1m needed	Free reserves remain positive but fall below baseline £35m target in 25/26
Financial investment growth reduced by 2%, grant commitments at £30m	Minimal to 2023/24 then annual reduction of £10m p.a.	Reduction of £12-13m per year	Year 1 increase in value of 74.1m needed	Free reserves remain positive throughout MTFP

## **BHE Strategic Governance Review: Relevant Updates**

The BHE Strategic Governance Review was initiated to assess how the governance of BHE could be enhanced, ultimately to increase the reach and impact of the charity's activities and to model good practice. Relevant updates for this report are:

### **Reconstitution of the Permanent Endowment Fund**

During the financial year 2017/18, BHE undertook a review of its funds held. This concluded that a substantial portion of the charity's assets were held as permanent endowment, a fund which was reconstituted within the financial statements of the charity. These capital funds must be retained and cannot be spent on the charity's purposes. At present, the endowment fund is invested in property, together with approximately 13% of financial securities held by BHE. Under the current governance powers held by BHE, any capital gains made on the assets that represent the endowment are required to be reinvested and are unavailable to be spent on its objectives. As a result, changes in the value of the investments held within the endowment fund do not impact upon the funding available for activities undertaken by BHE.

### **Supplemental Royal Charter**

The current focus of the Strategic Governance Review is on the additional powers being sought through the Privy Council's Office (PCO) by grant of a new Supplemental Royal Charter. The changes being pursued intend to:

- (a) provide clarity or remove obsolete provisions;
- (b) provide greater flexibility in the application of funds;
- (c) provide more modern and flexible powers in relation to administration; and
- (d) reflect good governance practice.

Relevant to this report is the power being sought to take a total return approach to investments held within the permanent endowment fund, so enabling access to an element of the capital gains that have accrued over recent years. Paragraph 17 of the main report explains the concept of 'total return accounting for endowed charities' and clarifies the impact on a future MTFP. Alongside this is the request for the power to borrow in relation to projects related to the bridges, so providing increased flexibility to BHE in the manner in which it could decide to fund future significant expenditure.

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# Report – Bridge House Estates Board

## Bridge House Estates (BHE) – Petition for Grant of Supplemental Royal Charter

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### SUMMARY

In 2018 the City Corporation initiated a strategic review of the governance and administration of Bridge House Estates with a view to ensuring *inter alia* that the charity is well run and operating effectively consistent with the City Corporation's duties as charity Trustee. Following specialist charity law advice and upon the advice of the City Remembrancer, as previously reported to Members, the City Remembrancer has led discussions with the Privy Council Office on the grant of a Supplemental Royal Charter to amend the Bridge House Estates' governing documents to provide greater clarity, support good governance, and provide further and more modern powers and flexibilities in relation to the administration of the charity. Those informal discussions have concluded, and it is now proposed that the City Corporation formally petition the Privy Council for a new Supplemental Royal Charter for the charity.

This report asks the Court of Common Council, in their capacity as Trustee of Bridge House Estates and on the recommendation of your BHE Board, that the draft petition and draft Supplemental Charter in the form appended at Appendix 1 be approved for presentation to Her Majesty The Queen in Council.

### Recommendations

It is recommended that the Members of the Court of Common Council, acting for the City Corporation as the charity trustee of Bridge House Estates and solely in the charity's best interests:

1. Petition Her Majesty The Queen in Council for a Supplemental Charter in the form attached to this resolution at **Appendix 1**, subject to such changes as the Privy Council may require; and
2. Authorise the City Remembrancer to make the petition to the Privy Council and to agree any changes in matters of form that the Privy Council may require on behalf of the City Corporation as Trustee.

## Main Report

### Background

1. The City of London Corporation acting by its Court of Common Council is the sole corporate Trustee of Bridge House Estates (Charity No. 1035628), a unique, historic, endowed and unincorporated charitable trust with mediaeval connections to the City Corporation. The primary purpose of the charity is to maintain and support in perpetuity five bridges crossing the River Thames which are the property of the charity- London Bridge, Southwark Bridge, Blackfriars Bridge, Tower Bridge and Millennium Bridge. The charity also has an ancillary purpose which permits income surplus to that required for the Bridges to be applied for broader, and more general, charitable purposes within the Greater London area.
2. The charity has its origins in ancient grants, gifts and bequests of property made over 900 years ago to support and maintain London Bridge in perpetuity and which came to be held together as "Bridge House Estates". The charity is governed by a complex web of law, governing documents, custom and practice. The governing documents of the charity include historic trust documents, a Royal Charter of 1282 and a Supplemental Charter of 1957, Private Acts of Parliament, Orders and Schemes of the Charity Commission, and custom and practice. Over the charity's long history, the governing documents of Bridge House Estates have been amended to address particular circumstances to allow the charity to operate effectively in advancing its charitable purposes.
3. The legal and regulatory environment has changed over the course of Bridge House Estates' long history, in particular over the last 25 years where various Charities Acts have introduced new statutory powers and flexibilities for charity trustees in running their charities. Due to the historic nature of many of Bridge House Estates' current governing documents, the application of these statutory powers to Bridge House Estates is not always clear. There is also greater focus now on good governance of charities and trustees' responsibilities for meeting expected standards of governance.
4. Further, the historic nature of Bridge House Estates, and its complex governance documentation, mean that powers and provisions that are relevant to other charities are not necessarily suitable for Bridge House Estates. This is reflected in the particular bespoke governing provisions already available to the Trustee in administering the charity. However, the current governing documents do not currently contain the full raft of powers and provisions that would be expected for a charity such as Bridge House Estates which holds significant assets (6<sup>th</sup> largest by asset valuation in the United Kingdom) and permanent endowment, and which undertakes diverse activities in furthering both its primary and secondary purposes.
5. Trustees have a duty to keep their charity's governance and administration under review and to consider whether the provisions in the charity's governing documents remain fit for purpose and/or whether they would benefit from amendment to better enable the charity's objects to be fulfilled and governance standards to be met. Consequently, in 2018 the City Corporation initiated a strategic review of the charity's governance and administration with a view to ensuring *inter alia* that the

charity is operating effectively consistent with the City Corporation's duties as charity Trustee.

6. After taking specialist charity law advice from Bates Wells LLP and upon the advice of the City Remembrancer, as previously reported to Members, governance changes were recommended for the charity by way of Supplemental Royal Charter to provide greater clarity, support good governance, and provide further and more modern powers and flexibilities in relation to the administration of the charity.

### **Current Position**

7. The City Remembrancer has led the discussions with the Privy Council Office on the grant of a draft Supplemental Charter. A draft Supplemental Charter has been prepared by Bates Wells LLP and reflects the advice of the Comptroller & City Solicitor and the City Remembrancer, as well as instructions from officers and Members, as previously reported. The form of the draft Supplemental Charter is now agreed in principle with the Privy Council Office, with that Office having consulted their own advisers, including the Charity Commission. Further to this, the draft petition and Supplemental Charter were considered by your BHE Board at its meeting on 16 February 2022 and were recommended to the Court of Common Council for approval.
8. The draft Supplemental Charter includes permitted amendments to the charity's governing documents which can be achieved by way of Charter and which:
  - a. are intended to provide clarity;
  - b. provide greater flexibility in the application of BHE's funds, but also provide suitable safeguards to protect the charity's primary purpose of the maintenance and support of the Bridges (e.g. a power to borrow against the endowment to meet the costs of replacement bridges);
  - c. provide more modern and flexible powers in relation to the administration of BHE, including conferring bespoke express powers to reflect statutory powers, or where the statutory powers are not available to the charity or their application to the charity is unclear (e.g. a bespoke total return investment power and a bespoke social investment power); and
  - d. reflect good governance practice (e.g. express conflict of interest procedures and trustee benefit provisions in relation to the City Corporation acting as Trustee).

### **Proposals**

9. The proposals set out in this report are the cumulation of the significant time and effort by the Trustee in carefully reviewing the charity's governance and administration to present a proposal for decision which can be clearly recommended as being in the best interests of the charity and its beneficiaries. The draft Supplemental Charter would provide the Trustee with the modern powers and flexibilities it requires to administer the charity effectively both now and in the future.
10. Your BHE Board has considered the petition and Supplemental Charter and recommends that this Honourable Court, in its capacity as charity Trustee of Bridge

House Estates, approve that the City Corporation petition Her Majesty The Queen in Council for the grant of that Supplemental Charter in the form set out in **Appendix 1**. This is recommended as being in the best interests of Bridge House Estates.

## **Conclusion**

11. The proposed petition for the grant of new powers and flexibilities by way of Supplemental Charter is a significant milestone in the Bridge House Estates Governance Review, but also in the charity's long history. Should the petition be made, and the powers and flexibilities granted by way of the proposed Supplemental Charter, this opens exciting opportunities for Bridge House Estates to operate and deliver its activities effectively and impactfully now and over the long-term.

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

DATED this 16<sup>th</sup> day of February 2022.

SIGNED on behalf of the Board.

**Deputy Dr Giles Shilson**  
Chair, Bridge House Estates Board

## **Appendices**

**Appendix 1** – Draft Petition for presentation to the Privy Council and appended draft Supplemental Charter for Bridge House Estates



# Draft Petition for presentation to the Privy Council and appended draft Supplemental Charter for Bridge House Estates

## Petition for Supplemental Charter

To The Queen's Most Excellent Majesty in Council.

The Humble Petition of the Mayor and Commonalty and Citizens of the City of London ("the City of London Corporation") in its capacity as sole trustee of the registered charity Bridge House Estates (registered charity number 1035628) ("the Charity"),

Sheweth as follows:-

This Petition is made pursuant to a resolution of the Court of Common Council of the City of London Corporation at a meeting of the Common Council held on [ ] 2022 to approve the draft Supplemental Charter submitted to the meeting and to authorise the City's Remembrancer, on behalf of the City of London Corporation as trustee of the Charity, to petition Her Majesty to grant the Supplemental Charter which was duly passed.

The Charity is an unincorporated charity. Its primary charitable purpose is to maintain and support five bridges crossing the River Thames (London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and the Millennium Bridge). Surplus income not required for the primary purpose may be applied for the ancillary purpose being, in summary, charitable purposes for the benefit of inhabitants of Greater London.

Property and powers have been conferred on the City of London Corporation as trustee of the Charity by Charter and Supplemental Charter. In particular, by the Royal Charter of Edward I dated 24 May 1282, properties were conferred on the City of London Corporation to hold in perpetuity to apply the rents and profits for the support of London Bridge. Since the 1282 Charter, there has been one Supplemental Charter dated 26<sup>th</sup> November 1957 by which various powers, including extended investment powers, were conferred on the City Corporation as trustee of the Charity.

The Charity's constitutional documents also include trust documents relating to ancient gifts of property to be held in connection with London Bridge, various Charity Commission schemes and orders as well as Acts of Parliament which relate to the particular bridges. The governance of the Charity has also arisen through ancient custom and practice.

**YOUR PETITIONERS** wish to petition for the grant of a Supplemental Charter for the following reasons:

- (A) To extend the trustee's powers in relation to the Charity's permanent endowment capital for flexibility, subject to express safeguards, including to permit capital to be applied for replacement etc. of the bridges and to apply a limited amount of capital for the Charity's ancillary purpose, to borrow against the permanent endowment for the bridges and to accumulate income.
- (B) To extend the trustee's powers of investment including to confer powers broadly equivalent to statutory powers where it is unclear that statutory powers are currently available to the Charity, including an express power of investment which reflects the trustee investment power contained in the Trustee Act 2000, provision for joint investment, a power to make social investments and a power to take a total return approach to investment of the Charity's permanent endowment.
- (C) To provide modern governance provisions including setting out a conflicts of interest process to ensure compliance with charity law and provide express trustee benefit provisions, including particular provisions which reflect the unique nature of the Charity and the trustee's long history and which are compatible with powers and rights conferred on the trustee by Statute.

- (D) To confer modern administrative powers for the day-to-day management and administration of the Charity.
- (E) To consolidate in one Supplemental Charter that clearly sets out the powers of the trustee of the Charity and its governance so that members, committee members, officers and employees are able to refer to this document in undertaking their respective roles.

**AND YOUR PETITIONERS** therefore most humbly pray that Your Majesty may be graciously pleased in the exercise of Your Royal Prerogative to grant a Supplemental Charter to Your Petitioners in the terms of the draft herewith submitted or in such other terms as may to Your Majesty seem proper.

And Your Petitioners will ever pray, etc.

The common seal of Mayor and Commonalty )  
 and Citizens of the City of London )  
 was hereunto affixed )  
 in the presence of: )

\_\_\_\_\_  
 Authorised Signatory

**Bridge House Estates (1035628)**

**Supplemental Royal Charter**

<b>Clause No</b>	<b>Provisions</b>
	<b>ELIZABETH THE SECOND by the Grace of God of the United Kingdom and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:</b>
	<b>TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!</b>
	WHEREAS the Mayor and Commonalty and Citizens of Our City of London is a body corporate and politic by the name of "the Mayor and Commonalty and Citizens of the City of London" and are hereinafter referred to as "the Corporation":
	AND WHEREAS the Corporation had of ancient right the custody of London Bridge and the management of its revenues and repairs:
	AND WHEREAS many of Our Royal Predecessors have from time to time by Royal Charter conferred upon the Corporation various privileges, rights and liberties:
	AND WHEREAS His Sovereign Lord Highness King Edward the First, by a Royal Charter dated 24th May 1282, granted certain lands to the Corporation for the support of London Bridge to build on and let those lands, the income of which was to be used for the support of London Bridge in perpetuity:
	AND WHEREAS historically other properties were gifted or transferred to the Corporation, including by Will, on trusts in connection with London Bridge:
	AND WHEREAS through custom and practice, these properties came to be held together as the "Bridge House Estates", an endowed charity for the maintenance and support of London Bridge and the endowment now comprises principally of the original properties and the property and investments representing those properties:
	AND WHEREAS Bridge House Estates is now a registered charity, with the Corporation as its trustee:
	AND WHEREAS a number of Acts of Parliament have vested Tower Bridge, Southwark Bridge and Blackfriars Bridge in the Corporation as trustee of Bridge House Estates and extended the purposes which apply to the income of the endowment of Bridge House Estates to the maintenance of those bridges:
	AND WHEREAS the Corporation as trustee of Bridge House Estates also holds various other properties and the investments now representing them which were acquired under powers granted by the various Acts of Parliament relating to the bridges or otherwise, which have come to be held as part of the endowment of Bridge House Estates whether by custom and practice or otherwise:
	AND WHEREAS further powers relating to acquiring and holding land and investment powers were granted to the Corporation as trustee of Bridge House Estates by Supplemental Charter dated 26 November 1957:
	AND WHEREAS the Charity Commission, by The Charities (The Bridge House Estates) Order 1995 which came into effect by statutory instrument (and as amended by the Charity Commission Orders of 1997 and 2005), amended and extended the trusts of Bridge House Estates by providing an ancillary charitable purpose permitting the Corporation to apply surplus income which is not required for the subsisting trusts (the support and maintenance of the bridges) in any year towards the provision and access to

Clause No	Provisions
	it of transport for elderly or disabled in Greater London or other general purposes for the general benefit of the inhabitants of Greater London as the Corporation thinks fit:
	AND WHEREAS the Charity Commission, by The Charities (The Bridge House Estates) Order 2001 which came into effect by statutory instrument, vested the Millennium Bridge in the Corporation as trustee of Bridge House Estates and extended the primary purposes which apply to the income of the endowment of Bridge House Estates to the ownership and maintenance of that bridge:
	AND WHEREAS the Corporation now seeks additional powers for the administration of the charity and its endowment:
	AND WHEREAS the Corporation has presented unto Us an humble Petition praying that We should be graciously pleased to grant it a further Supplemental Charter:
	NOW THEREFORE KNOW YE that We by virtue of Our Prerogative Royal in that behalf and of all other powers enabling Us so to do have of Our especial grace, certain knowledge and mere motion granted and declared and do hereby for Us, Our Heirs and Successors being satisfied that it is in the interests of the Corporation as trustee of Bridge House Estates that the Corporation should have such other powers as hereinafter appear for the better management and administration of Bridge House Estates grant and declare as follows:
1.	<b>Definitions</b>
1.1	In this Supplemental Charter, unless the context otherwise requires, the following terms have the following meanings:
1.2	“the Acts” means the Acts of Parliament and statutory instruments (including but not limited to any scheme of the Charity Commission made under s73 Charities Act 2011 or its predecessor) which expressly confer powers or functions on the Corporation in relation to BHE;
1.3	“the Ancillary Object” means the charitable objects of BHE as set out in The Charities (The Bridge House Estates) Order 1995) as amended from time to time, the objects at the date of this Supplemental Charter being:
1.3.1	In or towards the provision of transport and access to it for elderly or disabled people in the Greater London area; and
1.3.2	For other charitable purposes for the general benefit of the inhabitants of Greater London in such ways as the Trustee thinks fit;
1.4	“BHE” means Bridge House Estates (registered charity number 1035628);
1.5	“BHE’s Governing Documents” means the legal provisions, including trusts, establishing BHE as a charity and regulating the Objects and its administration;
1.6	“the Bridges” means Tower Bridge, London Bridge, Southwark Bridge, Blackfriars Bridge and the Millennium Bridge;
1.7	“the Charity Commission” means the Charity Commission for England and Wales;
1.8	“the Common Council” means the Mayor, Aldermen and Commons of the City of London in Common Council assembled, the principal executive assembly of the Corporation;

<b>Clause No</b>	<b>Provisions</b>
1.9	“the Corporation” means the Mayor and Commonalty and Citizens of the City of London a body corporate and politic, and a corporation by prescription;
1.10	“the Endowment Fund” means BHE’s permanent endowment fund which originates from historic gifts of property given in connection with, and for the support and maintenance of, London Bridge and which now comprises the original properties, any property, investments or money transferred or paid by any person to the Trustee as additions to, or which have otherwise been added to the fund and any property, investments or money from time to time representing the foregoing, the income of which is now applicable for the Primary Object and, (in accordance with The Charities (The Bridge House Estates) Order 1995), the Ancillary Object;
1.11	“the Investment Return” means the net return from any property of whatever nature held as part of the relevant fund (as defined in clause 11.1) and includes (without limitation):
1.11.1	Any interest receivable; plus
1.11.2	Any net rent and other income or gains derived from the use or exploitation of any property; plus
1.11.3	Any dividends; plus
1.11.4	All forms of capital gain resulting on, or from, the disposal, redemption, or revaluation of investment property (including the issue or repayment of share or loan capital); less
1.11.5	Any capital losses resulting from the disposal, redemption or revaluation of investment property.
1.12	“Member” means a natural person elected to the public offices of Lord Mayor, Alderman or Commoner of the City of London, and “Members” means more than one of them;
1.13	“the Objects” means the charitable objects of BHE consisting of the Primary Object and the Ancillary Object;
1.14	“the Primary Object” means the principal charitable object of BHE as set out in its trusts (and as affected by various Acts of Parliament and statutory instruments), as amended from time to time, which provides fundamentally for the ownership, support and maintenance of the Bridges;
1.15	“the Total Return” means the whole of the Investment Return received by the Trustee on the relevant fund (as defined in clause 11.1), regardless of when it has arisen;
1.16	“the Trustee” means the Corporation in its capacity as trustee of BHE acting by the Common Council;
1.17	“the Unapplied Total Return” means the Total Return less any part of the return which the Trustee has previously applied for the purposes of the relevant fund (as defined in clause 11.1) or has previously allocated to the trust for application (as described in clause 11.3);
1.18	A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);
1.19	A reference to the Corporation acting in its corporate capacity includes a reference to the Corporation acting in any of its legal capacities (including as trustee of any other charity or trust) other than as the Trustee;

<b>Clause No</b>	<b>Provisions</b>
1.20	A reference to property includes real, personal, moveable (including without limitation investments) or immovable, tangible and intangible property of any description and wherever situated (including without limitation any chose in action) and any rights or interests legal equitable or otherwise and whether vested, contingent, defeasible or future.
1.21	Any reference to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.
<b>2.</b>	<b>Benefit of Additional Powers</b>
2.1	In furtherance of the Objects of BHE, the Trustee shall have the benefit of the additional powers set out in this Supplemental Charter subject to any limitations provided, (but provided that such additional powers shall be without prejudice to any other available powers it may have, including any powers contained in the Acts, but shall be subject to any restrictions contained in the Acts).
2.2	The Endowment Fund shall be held on trust to apply its income (but not its capital, subject to this Supplemental Charter and the Acts) for the Primary Object and, (in accordance with The Charities (The Bridge House Estates) Order 1995), the Ancillary Object on the trusts of and subject to the provisions set out in this Supplemental Charter and in accordance with the Acts, freed from the trusts which previously applied to it and to any individual properties and funds.
<b>3.</b>	<b>Overarching duty in the exercise of particular powers</b>
3.1	Where specified in relation to a power contained in this Supplemental Charter, the Trustee must exercise that power in such a way as the Trustee, acting in good faith, reasonably believes will not prejudice the ability of the Trustee to further the Primary Object now and in the future.
<b>4.</b>	<b>Powers to apply capital of the Endowment Fund for replacement etc. of the Bridges</b>
4.1	Without prejudice to any other powers to spend capital, the Trustee may apply such part or parts of the capital of the Endowment Fund as it thinks fit towards the cost of complete or partial replacement, reconstruction, development, improvement or re-building of any of the Bridges.
4.2	The duty in clause 3 shall apply.
<b>5.</b>	<b>Limited power to apply capital of the Endowment Fund for the Ancillary Object</b>
5.1	Without prejudice to any other powers to spend capital, the Trustee may, in any financial year, apply up to 5% of the capital of the Endowment Fund valued on the final day of the relevant financial year in furtherance of the Ancillary Object but without being obliged to recoup any sums so applied unless the Trustee otherwise decides.
5.2	The duty in clause 3 shall apply both to the exercise of the power to apply capital and the exercise of the discretion to determine whether such application shall be subject to recoupment.
5.3	If the Trustee decides that the whole or any part of any application of capital shall be subject to recoupment, the sum expended from the capital of the Endowment Fund which the Trustee decides should be recouped shall be recouped on a pound for pound basis over such period as the Trustee decides out of future income.

<b>Clause No</b>	<b>Provisions</b>
5.4	If the Trustee has adopted a total return approach to investment of the Endowment Fund, the power set out in clause 5.1 shall not apply (unless and until the Trustee ceases to take a total return approach).
6.	<b>Power to borrow for the purposes of the Bridges</b>
6.1	The Trustee may borrow for the purposes of raising funds towards the cost of replacement, reconstruction and re-building of any of the Bridges without security or on the security of the Endowment Fund or any part of it or its income and may charge the whole or any part of the Endowment Fund or its income as security for any money so raised.
6.2	The duty in clause 3 shall apply.
7.	<b>Power to accumulate income of the Endowment Fund</b>
7.1	The Trustee may accumulate for a period not exceeding 21 years from the date of this Supplemental Charter the whole or any part or parts of the income of the Endowment Fund by adding such accumulations to the capital of the Endowment Fund.
7.2	The duty in clause 3 shall apply.
7.3	If the Trustee has adopted a total return approach to investment of the Endowment Fund, the power set out in clause 7.1 shall not apply (unless and until the Trustee ceases to take a total return approach).
8.	<b>Power to acquire and deal with interests in land and other property</b>
8.1	Without prejudice to any other available powers, the Trustee may apply any of the property and funds of BHE and its income, including the capital and/or income of the Endowment Fund, in or towards the acquisition (either alone or jointly with others as further provided in clause 8.4) of a freehold, leasehold or other interest in land, or other property:
8.1.1	for occupation (in the case of land) or use by any beneficiary or beneficiaries in furtherance of the Ancillary Object; and/or
8.1.2	for any other reason including (but not limited to) for use in furtherance of the Primary and/or the Ancillary Object; or
8.1.3	partly as an investment and partly for the purposes set out in clause 8.1.1 and/or 8.1.2 in such manner as the Trustee thinks fit.
8.2	In relation to any such interest in land acquired under clause 8.1, in exercising its functions as trustee, the Trustee shall have all the powers of an absolute owner in relation to the land.
8.3	The duty in clause 3 shall apply where such interest in land or other property is acquired wholly or partly for the purposes provided in clause 8.1.2 or 8.1.3.
8.4	The Trustee may acquire any such land or other property with (and whether jointly or with each acquiring a different interest):
8.4.1	any other person (whether or not a charity); and/or

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8.4.2	the Corporation acting in its corporate capacity (subject to clause 16).
9.	<b>Investment powers</b>
9.1	The Trustee may invest the property and funds of BHE and its income, including the capital and/or income of the Endowment Fund:-
9.1.1	anywhere in the world in the purchase of or at interest upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wheresoever situate (including without limitation any property not within the word “ <b>investment</b> ” as strictly construed) and whether involving liability or not (whether for investment purposes or in the course of carrying out the Objects) as the Trustee shall in its absolute discretion think fit to the extent that the Trustee shall have the same full unrestricted powers of varying and transferring investments and layout of monies in all respects as if it were absolutely entitled thereto beneficially; and
9.1.2	without prejudice to clause 9.1.1, in any investments in which trustees may invest under Section 8(1)(a) of the Trustee Act 2000 (power to acquire freehold and leasehold land).
9.2	Section 4 (standard investment criteria) and 5 of the Trustee Act 2000 (advice) apply in relation to the powers in clause 9.1.
9.3	In relation to any interest in land acquired, in exercising its functions as trustee, the Trustee shall have all the powers of an absolute owner in relation to the land.
9.4	In exercise of the power set out in clause 9.1, the Trustee may acquire investments with (and whether jointly or with each acquiring a different interest):
9.4.1	any other person (whether or not a charity); and/or
9.4.2	the Corporation acting in its corporate capacity (subject to clause 16).
9.5	Where, in exercise of the power contained in clause 9.4, property and/or funds are invested by the Trustee in cash deposits jointly with funds belonging to the Corporation acting in its corporate capacity, the Corporation acting in its corporate capacity may borrow BHE’s funds and the Trustee may likewise borrow funds belonging to the Corporation acting in its corporate capacity in the short term for the purposes of managing cash flow but provided that all borrowed funds are reconciled to BHE or the Corporation acting in its corporate capacity (as applicable) by the end of the financial year in which such funds are borrowed together with appropriate interest (if any) which would have been earned on the funds had they not been borrowed (subject to clause 16).
10.	<b>Power to make social investments for the Ancillary Object</b>
10.1	The Trustee may make social investments, being (a) an application of property or funds (including, for the avoidance of doubt, by way of loan) of BHE or (b) the taking on of a commitment in relation to a liability of another person (such as a guarantee) that puts BHE’s property or funds at risk of being applied or used, in either case which is carried out by the Trustee with a view to both:
10.1.1	directly furthering the Ancillary Object; and
10.1.2	achieving a financial return for BHE and, in relation to this:  (a) an application of funds or other property shall be regarded as being made with a view to achieving a financial return if, when deciding to make the particular investment, the



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	Trustee determines that its outcome is reasonably likely to be better for BHE in financial terms than expending the whole of the funds or property in question; and  (b) a commitment shall be regarded as being made with a view to achieving a financial return if, when deciding to take on the particular commitment, the Trustee determines that it is reasonably unlikely to be called upon or, if it is called upon, this is reasonably unlikely to result in the expenditure of the whole of the funds or other property put at risk.
10.2	When considering whether a proposed social investment is in the interests of BHE, the Trustee shall have regard to the benefit it expects the social investment to achieve for BHE, including without limitation by directly furthering the Ancillary Object and achieving a financial return.
10.3	The Trustee may apply any of the property and funds of BHE and its income, including the capital (subject to sub-clauses (a) and (b)) and income of the Endowment Fund in making social investments in exercise of the power set out in clause 10.1 but provided that, in relation to the application of capital of the Endowment Fund:  (a) when exercising this power, the Trustee may only decide to apply up to a maximum of 5% of the total capital value for the time being of the Endowment Fund (as valued on the final day of the last financial year), including any capital already so invested, in making social investments (without prejudice to any other powers the Trustee may have to spend capital of the Endowment Fund) ; and  (b) when deciding whether to apply capital in making social investments, the duty in clause 3 shall apply.
10.4	Section 4 (standard investment criteria) and 5 of the Trustee Act 2000 (advice) shall not apply in relation to investments made in exercise of the power in clause 10.1.
10.5	For the avoidance of doubt, a social investment made under the power in clause 10.1 need not exclusively further the Ancillary Object and may also advance other purposes (which shall not of itself prevent the making of a social investment under the power in clause 10.1).
10.6	The Trustee must from time to time review BHE's social investments.
10.7	Before exercising the power set out in clause 10.1 and when carrying out a review as required by clause 10.6, the Trustee must:
10.7.1	consider whether in all the circumstances any advice about the proposed social investment ought to be obtained; and
10.7.2	obtain and consider any advice it concludes ought to be obtained.
11.	<b>Power to take a total return approach to investment</b>
11.1	In addition to any other powers of investment or otherwise it may have, the Trustee may decide, at any time, to adopt a total return approach to investment in relation to the Endowment Fund or any part of it (or in relation to any other permanent endowment held by the Trustee which is held on different trusts to that of the Endowment Fund or any part of such fund) (referred to in this clause 11 as "the relevant fund") and accordingly that the relevant fund:
11.1.1	should be invested without the need to maintain a balance between capital and income returns; and

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11.1.2	should be freed from the restrictions with respect to expenditure of capital that apply to it.
11.2	If the Trustee decides to adopt a total return approach to investment in relation to the relevant fund or any part of it, the Trustee shall decide, acting reasonably and subject to the duty in clause 11.4:
11.2.1	which part of the fund or part thereof shall be treated as the trust for investment (which must be retained and invested to produce a return); and
11.2.2	which part shall be treated as representing the Investment Return which shall be treated as the initial value of the Unapplied Total Return; and
11.2.3	the Trustee shall record those values and the date of such valuation.
11.3	Once the Trustee has adopted a total return approach to investment and exercised its powers in clause 11.2, the Trustee may, at its discretion at any time and from time to time decide, which part of the Unapplied Total Return of the relevant fund or part of it should be held on trust for application (being the trusts which would apply to income if a total return approach were not adopted) to be applied for the purposes of the relevant fund (and what part of the Unapplied Total Return should be held as part of the trust for investment in exercise of the power in clause 11.6 from time to time).
11.4	When exercising the powers set out in clause 11.1, 11.2, 11.3, 11.5 (and 11.5.2), 11.6 and 11.8, the Trustee shall be subject to the following duty:
11.4.1	The Trustee must exercise the powers in relation to the relevant fund or part of it in such a way as the Trustee, acting in good faith, reasonably believes will not prejudice the ability of the Trustee to further the purposes of the relevant fund now and in the future; or
11.4.2	If the relevant fund is the Endowment Fund or part of it, the duty in clause 3 shall apply.
11.5	The Trustee may, in relation to the relevant fund, allocate up to 10% of the trust for investment as valued on the last day of the relevant financial year to the trust for application to be applied for the purposes of the relevant fund, but without being obliged to recoup any sums so applied unless the Trustee otherwise decides, subject to the following:
11.5.1	If the Trustee decides that the whole or any part of any application of funds from the trust for investment of the relevant fund should be subject to recoupment, the sum which the Trustee decides should be recouped shall be recouped on a pound for pound basis over such period as the Trustee reasonably decides;
11.5.2	If the relevant fund is the Endowment Fund, the funds may be allocated from the trust for investment either for the Primary Object or the Ancillary Object or both (in such proportions as the Trustee decides).
11.6	The Trustee may accumulate in the trust for investment of the relevant fund such part or parts of the Unapplied Total Return of that fund as it thinks fit.
11.7	The Trustee shall in BHE's annual report for each financial year:
11.7.1	state the policy adopted by the Trustee for making the allocation set out in clause 11.2 and the date from which the analysis was performed;
11.7.2	give an explanation of the consideration and policies relevant to the Trustee's determination in that financial year of:

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	(a) the allocation of the Unapplied Total Return of the relevant fund between the trust for application and the trust for investment; and
	(b) any allocation of part of the trust for investment to the trust for application of the relevant fund in exercise of the power in clause 11.5.
11.8	The Trustee may decide, at any time, to cease to take a total return approach to investment in relation to the relevant fund and, if so, the Trustee shall decide and record, at the time when the power ceased to be used, which part of the Unapplied Total Return should be treated as income to be applied for the purposes of the relevant fund and which part should be treated as forming the capital of the relevant fund which must be retained and invested, provided that if at the time that the Trustee decides to cease to take a total return approach there is negative total return the Trustee may, if it thinks fit, decide to make provision for an amount equivalent to the negative Unapplied Total Return together with such additional amount (if any) as the Trustee thinks fit to be allocated to the capital of the relevant fund out of future income over a period not exceeding 10 years.
12.	<b>General powers</b>
	In addition to the powers set out above (and, for the avoidance of doubt, subject to clause 2.1), the Trustee may, to further the Objects:
12.1	make grants to any individual, group, organisation or institution;
12.2	engage in strategic initiatives, including (without prejudice to the generality of the foregoing):
12.2.1	organising and assisting in the provision of conferences, courses of instruction, exhibitions, lectures and other educational activities; and
12.2.2	promoting, encouraging, carrying out or commissioning research, surveys, studies or other work, including making the useful results available;
12.3	provide and assist in the provision of money, materials or other help;
12.3.1	publish and distribute books, pamphlets, reports, leaflets, journals, films and instructional matter on or in any medium whether physical or digital form;
12.4	enter into contracts to provide services to or on behalf of other bodies;
12.5	raise funds by way of subscription, donation or otherwise;
12.6	trade in the course of carrying out the Objects of BHE and carry on any other trade which is not expected to give rise to taxable profits;
12.7	incorporate and acquire subsidiary companies to carry on any trade or to assist or act as agents for BHE;
12.8	accept gifts of money and any other property (whether or not subject to any revocable or irrevocable restrictions) or disclaim them;
12.9	open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;

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12.10	lend money and give credit to, take security for such loans or credit and guarantee or give security for the performance of contracts by any person or company;
12.11	establish and support or aid in the establishment and support of any other organisations and subscribe, lend or guarantee money or property for charitable purposes;
12.12	acquire or undertake all or any of the property, liabilities and engagements of any body;
12.13	arrange for investments or other property in BHE to be held in the name of a nominee or nominees and pay any reasonable fee required;
12.14	to appoint and constitute such advisory committees as the Trustee may think fit;
12.15	co-operate with charities, voluntary bodies, statutory authorities and other bodies (including the Corporation acting in its corporate capacity) including (but not limited to) by delivering activities and services and/or exchanging information and advice with them;
12.16	insure the property of BHE against any foreseeable risk and take out other insurance policies as are considered necessary by the Trustee to protect BHE;
12.17	set aside funds for special purposes or as reserves against future expenditure;
12.18	subject to clause 15:
12.18.1	engage and pay employees, consultants and professional or other advisers; and
12.18.2	make reasonable provision for the payment of pensions and other retirement benefits to or on behalf of employees and their spouses and dependants;
12.19	without prejudice to clause 8, acquire or rent any property of any kind and any rights or privileges in and over property and to construct, maintain, alter and equip any buildings or facilities;
12.20	dispose of or deal with all or any of its property with or without payment and subject to such conditions as the Trustee thinks fit (in exercising this power it must comply as appropriate with the Charities Act 2011);
12.21	without prejudice to the power in clause 6, borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds, including charging property as security for the repayment of money borrowed or as security for a grant or the discharge of an obligation (the Trustee must comply as appropriate with the Charities Act 2011 if it wishes to mortgage land);
12.22	construct, maintain, alter and equip any buildings or facilities;
12.23	undertake and execute charitable trusts;
12.24	impose restrictions, which may be revocable or irrevocable, on the use of any property of BHE, including (without limitation) by creating permanent endowment;
12.25	provide indemnity insurance for the Trustee and the Members and the Corporation's officers acting on its behalf in accordance with, and subject to the conditions in, Section 189 of the Charities Act 2011 (and, in the case of a Member or officer, the second and third references to "charity trustees" in Section 189(1) shall be treated as references to the Member and officer); and

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12.26	do all such other lawful things as are not inconsistent with the Acts.
13.	<b>Power to make regulations</b>
	The Trustee shall have power from time to time to make regulations consistent with this Our Supplemental Charter and BHE's Governing Documents and the Acts for the management and administration of BHE and at any time to revoke, amend and add to such regulations.
14.	<b>Internal governance and decision-making</b>
14.1	All powers and discretions conferred on the Trustee by this Our Supplemental Charter or otherwise, and exercisable by the Trustee in its trusteeship of BHE may be exercised in accordance with the Corporation's own internal governance and procedures applicable from time to time.
14.2	The Trustee may also delegate any of its powers or functions from time to time, and subject to such limitations and conditions, as it deems appropriate to such committees comprising such individuals as it thinks fit but provided that each such committee must include at least one Member or an officer of the Trustee.
14.3	Where the Trustee is in a position of actual or potential conflict of loyalty in relation to a particular decision or in relation to a particular proposed arrangement or transaction, the Trustee shall nevertheless be empowered to exercise all powers available to it as the Trustee and to enter into such arrangement or transaction provided that it takes proper steps to ensure that any such decision is taken in the interests of BHE including that:
14.3.1	the Trustee has at all relevant times a written policy on appropriate steps to manage any such conflicts (including a requirement for discrete consideration of any decision in its capacity as the Trustee by a committee of the Corporation with responsibility only for considering the interests of BHE); and
14.3.2	any such policy is adhered to in the making of the relevant decision.
14.4	Where the Trustee has an actual or potential conflict of interest, being a direct or indirect financial interest (of money or monetary value which is more than de minimis) in relation to a proposed arrangement or transaction between the Trustee and the Corporation acting in its corporate capacity, including transactions provided by clause 16, the Trustee shall nevertheless be empowered to exercise all powers available to it and to enter into such arrangement or transaction where that benefit is authorised by clause 15 or is expressly or impliedly authorised by law provided that the Trustee takes proper steps to ensure that any such decision is taken in the interests of BHE.
14.5	Except as provided by clause 14.4, where the Trustee has an actual or potential conflict of interest, being a direct or indirect financial interest (of money or monetary value which is more than de minimis) in relation to a proposed arrangement or transaction, the authorisation of the Charity Commission must be obtained.
14.6	For the avoidance of doubt, actual or potential conflicts of interest or loyalty of individual Members arising in relation to a proposed arrangement or transaction for BHE will be dealt with in accordance with the Corporation's own internal governance and procedures.
15.	<b>Trustee benefit</b>
15.1	The property, funds and income of BHE must only be used to further the Objects. The Trustee (and/or its Members, as appropriate) may not receive any remuneration or

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	financial benefit (whether direct or indirect which is either money or has a monetary value which is more than de minimis) from BHE except as follows:
15.1.1	The Trustee and its Members may be reimbursed from BHE's funds or may pay out of BHE's funds reasonable expenses properly incurred by it or him or her when acting on behalf of BHE;
15.1.2	The Trustee may be paid reasonable and proper remuneration for any goods or services supplied to BHE;
15.1.3	The Trustee may receive interest at a reasonable and proper rate on money lent to BHE;
15.1.4	The Trustee may receive reasonable and proper rent (or equivalent payment) for premises let or lent to BHE;
15.1.5	A Member, and any spouse, civil partner, parent, child, sibling, grandparent or grandchild of a Member or the spouse or person in an equivalent relationship to any such person, may only receive a benefit from BHE in his or her capacity as a beneficiary of BHE where that benefit is shared with the public or a section of the public;
15.1.6	Any company, partnership or firm of which a Member or spouse, civil partner, parent, child, sibling, grandparent or grandchild of a Member or the spouse or person in an equivalent relationship to any such person, is a paid director, member, partner or employee or a shareholder holding more than 1% of capital may be paid reasonable and proper remuneration for any goods or services supplied to BHE, interest at a reasonable and proper rate on money lent to BHE and/or reasonable and proper rent (or equivalent payment) for premises let or lent to BHE, if such payment is permitted by the Corporation's own internal governance and procedures;
15.1.7	The Trustee and Members may receive any benefits otherwise expressly or impliedly authorised by BHE's Governing Documents or the Acts or by law, including from authorised transactions referred to in clause 16; and
15.1.8	The Trustee may pay reasonable and proper premiums in respect of indemnity insurance effected in accordance with clause 12.25.
15.2	Notwithstanding the above, remuneration and/or financial benefits to Members may only be received by Members from BHE if permitted by, and subject to any restrictions imposed by, the Corporation's own internal governance and procedures (but, for the avoidance of doubt, such internal governance and procedures may not authorise Members to receive any remuneration and/or financial benefits which are not permitted under clause 15.1).
15.3	Otherwise, the Trustee and Members shall only receive remuneration and/or a financial benefit from BHE if the payment is authorised in writing by the Charity Commission.
16.	<b>Authorised transactions</b>
16.1	In addition to the powers conferred by the City of London Corporation (Various Powers) Acts 1949 and 1962 and any other available powers, the Trustee may enter into the following transactions where the Trustee is satisfied, acting reasonably, that it is in the interests of BHE notwithstanding that the Trustee is interested in such transaction or in the exercise of such power:
16.1.1	a transfer (whether direct or indirect) on the best terms that can reasonably be obtained for BHE of an interest in land or other property belonging to BHE from the Trustee to the Corporation acting in its corporate capacity, or from the Corporation acting in its corporate capacity to itself as the Trustee, subject always to the terms being ascertained and

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	certified as being on the best terms that can reasonably be obtained for BHE by an independent valuer appointed jointly by the Trustee and the Corporation acting in its corporate capacity, such costs to be shared equally; and
16.1.2	the grant on the best terms that can reasonably be obtained for BHE of a lease or licence or other interest (whether directly or indirectly, such as by use of a nominee) in property belonging to BHE from the Trustee to the Corporation acting in its corporate capacity, or from the Corporation acting in its corporate capacity to itself as the Trustee, subject always to such terms being ascertained and certified as being on the best terms that can reasonably be obtained for BHE by an independent valuer appointed jointly by the Trustee and the Corporation (acting in its corporate capacity), such costs to be shared equally.
16.2	The Trustee may also enter into the arrangements set out in clause 8.4.2 (acquisition of land or other property), clause 9.4.2 (acquisition of investments) and clause 9.5 (short-term borrowing) with the Corporation (acting in its corporate capacity) where the Trustee is satisfied, acting reasonably, that it is in the interests of BHE notwithstanding that the Trustee is interested in such transaction or in the exercise of such power.
16.3	The Trustee shall not be under any liability to account for any remuneration, profits or other benefits received or derived by the Corporation acting in its corporate capacity as a result of such transaction or arrangement.
17.	<b>Accounts</b>
	The Trustee shall comply with any legal obligations incumbent upon it from time to time including its obligations under the Charities Act 2011 with regard to keeping financial records, the audit or examination of accounts the preparation and transmission to the Charity Commission of annual reports, annual returns and annual statements of account.
18.	<b>Amendment</b>
	The Trustee may revoke, amend or add to any of the provisions of this Our Supplemental Charter (so however that no amendment or addition shall be made the effect of which would cause BHE to cease to be a charity under the laws of England and Wales, and no amendment or addition shall be incompatible with or frustrate any provisions of the Acts) and such revocation, amendment or addition shall when allowed by Us, Our Heirs or Successors in Council become effectual so that this Our Supplemental Charter shall thenceforward continue and operate as though it had been originally granted and made accordingly. This provision shall apply to this Our Supplemental Charter as altered, amended or added to in manner aforesaid.

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# Report – Policy and Resources Committee

## Review of Standing Orders

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### **SUMMARY**

In December 2021, the Court of Common Council determined new governance arrangements, arising from a comprehensive Governance Review undertaken by Robert Rodgers, The Lord Lisvane, and following extensive Member consultation as to the implementation of his various recommendations.

Arising from the changes approved, a series of consequential amendments to Standing Orders are now required, so as to give effect to the decisions made by the Court. Similarly, amendments have also been required due to changes relating to the introduction of the Bridge House Estates Board, as approved by the Court earlier in the Governance Review process. This report details these consequential amendments required.

The Governance Review process also highlighted a number of other areas where further consideration of specific Standing Orders would be beneficial. Whilst these are less time-critical (i.e., changes are not required immediately to give effect to the implementation of the new post-Governance Review arrangements), your Policy & Resources Committee has deemed it both timely and appropriate to provide an initial opportunity to contemplate all items in the round. The various items are, therefore, also presented for Members' consideration.

Finally, it should be noted that the ongoing reviews of the Project Procedure, Procurement Strategy and other documents in keeping with the outcomes of the Governance Review may lead to further consequential changes being required in due course. It is intended that the incorporation of these amendments would also provide an opportunity for a further housekeeping exercise to improve the presentational arrangements of the document.

### **RECOMMENDATION**

That Members:

1. consider the proposed amendments to Standing Orders set out in this report, detailed in tables 1, 2 and 3.
2. authorise the Town Clerk to make any such changes as are required following the Court's consideration, so as to facilitate their implementation.

## MAIN REPORT

### Background

1. In September 2019, the Policy and Resources Committee proposed the undertaking of a comprehensive Governance Review of the City Corporation. Robert Rodgers, The Lord Lisvane, was appointed to conduct 'the Review'.
2. The Committee received the Review in September 2020 and determined that the many proposals should be studied in a structured way in the coming period, with Members afforded sufficient time to read and consider the content and implications. It was noted that the recommendations were far-reaching and wide-ranging and it would be for Members to consider how far they were appropriate and determine which should be taken forward. It was also agreed that it would be of the utmost importance to ensure that the process provided for all Members of the Court to continue to have the opportunity to input and comment on the Review. To that end, a series of informal Member engagement sessions were arranged to afford all Members opportunities to express their views on the various aspects of the Review.
3. Members considered the section of the Review concerning the Standards Regime (Section 8) first, resulting in the Court ultimately agreeing to a new set of arrangements in January 2021 and an Independent Panel being appointed. Similarly, the Court came to conclusions in respect of the Competitiveness agenda (Section 5) and, separately, Bridge House Estates, earlier in the process, before considering the wider committee structure and general principles for the operation of processes in December 2021.
4. As a consequence of those decisions, various amendments are required to be made to Standing Orders, in order to give effect to the decisions reached by the Court and to allow for their implementation in the new municipal year. These are set out in this report and marked up in Appendix 1 for approval.
5. In addition, a series of separate observations were made both by Lord Lisvane and by various Members throughout the Review process in respect of Standing Orders. In the interests of completeness, they are also set out in this report for Members' consideration.
6. Subject to the Court's views, the Standing Orders will be updated for implementation in the new municipal year. Authority is, therefore, also sought for the Town Clerk to make any such changes as may be required to give effect to the decisions taken by the Court this day.
7. In due course, further adjustments are likely to be required as a consequence of related reviews concerning certain thresholds and it is considered that this will also provide a helpful opportunity to take additional time to modernise the presentational aspects of Standing Orders.
8. Moving forwards, Standing Orders shall also be the subject (together with the Scheme of Delegations) of more regular, annual review, as it is important for the

Corporation to take a more agile and responsive approach to its governance arrangements (as opposed to waiting for larger, set-piece periodic reviews).

## Summary of Changes

9. While the consequential amendments referred to are marked in the appended Standing Orders document (Appendix 1), for ease of reference and comprehension the table below provides a list summarising all changes made. This list also provides the accompanying rationale for any change, or highlights where specific consideration on an option is required.
10. As Members will note, some changes simply give effect to the decisions already taken by the Court in establishing the Bridge House Estates Board and through the Governance Review, while others are points of clarification or corrections of typographical and formatting errors. These are presented in the first summary table (Table 1) set out below and are also reflected in Appendix 1. Members are asked to endorse the changes made as giving effect to the Court's previous decisions.
11. In addition, there are a number of areas which were raised through debate over the period and which require specific, wider consideration; for instance, whether Members would wish to pursue changes to items such as the procedures concerning the conduct of debate at Court meetings.
12. Your Policy & Resources Committee has given consideration to these items and, where it believes that changes would be sensible and in the interests of the running of the Court, has made various proposals. The views of your Policy & Resources Committee, and their recommendations thereon, are set out in Table 2 below (*NB – these are not incorporated within Appendix 1*).
13. In addition, there is a third table (Table 3) where your Policy & Resources Committee, having considered the specific items, noted that they were the source of some contention and did not come to a specific determination or recommendation. Instead, it resolved to open the questions to the wider Court for consideration. These are set out accordingly.
14. The Court's determinations are sought in respect of the various items, together with such authority to the Town Clerk as may be required to allow for the Court's decisions to be reflected in the final Standing Orders document.

**TABLE 1: Items relating to typographical errors, clarification of existing practice, previously agreed Governance Review recommendations, and Bridge House Estates Governance Arrangements (NB – these changes are reflected in Appendix 1, which has been marked up for further ease of reference).**

Standing Order No.	Summary of Change / Rationale	Reason for Revision / Consideration
1(3)(e) (Application and Interpretation)	Following recent changes in the Town Clerk’s Departmental structure: where there are references to the “Town Clerk”, the <i>Deputy Town Clerk</i> and only <i>one</i> Assistant Town Clerk will be authorised to act in the absence of the Town Clerk, or where there is a vacancy in the office of Town Clerk.	Clarification / correction
3(2)(a) (Adjustments – Financial Limits)	The SO currently empowers the Town Clerk and Chamberlain to make changes in keeping with changes to the value of money. In practice, this has not been done in some time; therefore, mandating it as part of the annual review process will mitigate against the risk of thresholds falling out of kilter as years pass and is recommended.	Governance Review outcome
4 (Access to Meetings – non-Local/Police Authority Business)	An adjustment to reflect the Court’s decision to disapply the practice of inappropriately treating its non-local authority business under the provisions of local government legislation.	Governance Review outcome
10 (Ballots – open and recorded)	Lord Lisvane proposed that provision should be made for ballots for appointments to committees, outside bodies, etc. to be undertaken in an open and recorded manner, rather than by secret ballot (as is currently the case). P&R was not minded to support this change when considering it in June 2021 and again in February 2022, and so an amendment is <u>not</u> included in the revised Standing Orders (and the Governance Review outcome would be to make no change); however, the observation is listed here for completeness.	Governance Review outcome
12(7)(c) (Motions – Rescind / Revisit)	Formatting / numbering change for purposes of clarification and ease of reference.	Formatting

13(4) (Questions – Addressing the Court)	An amendment to provide for the Chairs of all sub-committees empowered to report directly to the Court (under SO9) to speak (for instance, the Property Investment Board, Capital Buildings Board, etc.).	Clarification, Governance Review outcome
17(2) (Minutes)	<p>This responds to a recent incident of confusion concerning the ability to raise points of discussion under the Minutes. It is not generally permissible under Local Government arrangements for Matters Arising to be raised under the Minutes in full Council meetings, neither is it in keeping with the traditional Local Government Standing Order for Minutes (nor the longstanding practice and intention of the Court’s existing Standing Order). A revision to incorporate the wording of the traditional local government standing order would be “No discussion shall take place upon the minutes, except upon their accuracy and any question of their accuracy shall be raised by motion”. This does not constitute a change in position, rather, simply a matter of clarification.</p> <p>In considering this matter, your Policy &amp; Resources Committee was mindful that this does not prevent the ability to ask questions on Matters Arising from the Minutes entirely; rather, it is that the appropriate mechanisms (i.e., through submitting Motions or Questions in the usual way) should be used to do so.</p>	Clarification / correction
18(1) (Chief Commoner)	This is a clarification to make clear that Aldermen are not eligible to stand as Chief Commoner.	Clarification / correction
18(6)(b) (Chief Commoner – Civic Affairs Sub-Committee)	This reflects the creation of the new Civic Affairs Sub-Committee, approved through the Governance Review.	Governance Review outcome
21 (Appointment)	A tweak to the wording is suggested to help prevent issue where (as has happened previously) the particular timing of Easter has caused this meeting to fall at the beginning of May.	Clarification / correction

22(1) (Committee Appointments – Limit)	A decrease in the number of committees a Member can serve on, from eight to six, as determined by the Court in December 2021.	Governance Review outcome
22(3) (Committee Appointments – Exemptions)	Amendments are required as a consequence of the change at 22(1) and due to the changes / abolition of the Capital Buildings and Standards Appeal Committees respectively.	Governance Review outcome, Formatting
New Standing Order 'X'	The insertion of a new Standing Order, which reflects the protocol approved by the Court concerning the limit on the numbers of committees considering items, would be beneficial. Draft wording as agreed by your Policy & Resources Committee is set out in appendix 1.	Governance Review
27(1) (Sub-Committees)	Amendments are required to give effect to the decisions of the Court in December 2021 to provide greater control over the proliferation of sub-committees.	Governance Review outcome
27(2) (Sub-Committees – quorum)	Clarification to provide for local variations as required by specific circumstances	Clarification / correction
29(2) (Chairs – Term Limits)	A correction of “Police Committee” to the CoL Police Authority Board.	Clarification / correction
29(3)(a) (Chairs – Exemptions)	An update to the listed committees to reflect changes made through the Governance Review.	Governance Review outcome
29(7) (Chairs)	An update to the listed committees to reflect changes made through the Governance Review.	Governance Review outcome
30(various) (Deputy/Vice Chairs, Policy & Resources)	Various amendments to reflect the decision by the Court in December 2021 to revert to a single P&R Deputy Chair.	Governance Review outcome

30(3)(a) (Deputy Chair – outgoing Chair eligibility)	An amendment to give effect to the Court’s decision to remove the automatic right to serve; instead, the outgoing Chair shall be eligible for election as Deputy Chair in same way as other eligible Members.	Governance Review outcome
30(9) (Deputy Chair – ex-officios)	An update to the listed committees to reflect changes made through the Governance Review.	Governance Review outcome
29 & 30 (Chairs / Deputy Chairs – Election / Open Ballots)	As with SO10, Lord Lisvane proposed that the process for elections to these posts should cease to be by secret ballot. Members were not previously minded to support this change when considering it and so an amendment is not included here, but the consideration is listed here for completeness.	Governance Review outcome
31 (Ward Reception Committees)	A wording clarification to make clear the Court’s practice of referring state hospitality to WRCs, i.e., hospitality relating to a visiting Head of Government or State, or another senior guest of sovereign / dignitary.	Clarification / correction
31(6) (Ward Reception Committees)	This relates to a practice which is now defunct, so can be deleted.	Clarification / correction
32 (Access to Meetings)	An alteration consistent with that made in respect of SO4, to reflect the decision around the inappropriate application of local authority legislation.	Governance Review outcome
35(3) (Attendance)	Updated to reflect changes to the Standards regime / the abolition of the committee.	Governance Review outcome
37(1) (Conduct of Debate)	A small clarification to make clear that the reference includes reports.	Clarification / correction
41(b) (Delegated Authority)	An adjustment to reflect the Governance Review outcome that, other than where circumstances make it impracticable, the wider views of the committee membership shall be sought in seeking to progress delegated authority decisions.	Governance Review outcome

43(1) (Outside Bodies)	A typographical correction (replacing the word “shall” with “may”).	Clarification / correction
45 (various) (Access to documents)	Typographical updates (references to City of London Corporation)	Clarification / correction
48 (Resource Allocation, Revenue Estimates, Capital Budgets)	Reference to Budgets within the Standing Order title	Clarification / correction
48(2) (Resource Allocation, Revenue Estimates, Capital Budgets)	Distinction on the budget approval process for BHE being within the gift of the BHE Board	BHE Review
48(3) (Resource Allocation, Revenue Estimates, Capital Budgets)	Distinctions drawn between the responsible Committee/Board for revenue estimates and capital budgets for City’s Fund, City’s Cash and Bridge House Estates	BHE Review
48(4) (Resource Allocation, Revenue Estimates, Capital Budgets)	Distinctions drawn between the necessary regulatory compliance of City Fund/City’s Cash and with the Bridge House Estates (and any other charity for which the City Corporation is the Trustee)	BHE Review
48(5) (Resource Allocation, Revenue Estimates, Capital Budgets)	Specifies the responsibility of the Chamberlain in respect of monitoring the City Fund and City’s Cash only, against the approved Prudential Indicators and reporting (via the Finance Committee) to the Court if they are to be breached.	BHE Review
48(6) (Resource Allocation, Revenue Estimates, Capital Budgets)	Full reference to the City of London Corporation	Clarification / Correction
48(7) (Resource Allocation, Revenue	Specifies and distinguishes the reporting lines for detailed revenue estimates of City Fund and City’s Cash (via the Spending Committee and Policy & Resources	BHE Review



Estimates, Capital Budgets)	Committee) and for Bridge House Estates, the relevant budgets, analysis of projected movements and proposed allocation of funding to the charity's primary and ancillary object (via the Bridge House Estates Board).	
48(8) (Resource Allocation, Revenue Estimates, Capital Budgets)	Articulates the required reporting from the Finance Committee and Bridge House Estates Board to the Court of Common Council in March of each year for the City Fund, City's Cash and Bridge House Estates.	BHE Review
48(9) (Resource Allocation, Revenue Estimates, Capital Budgets)	Full reference to the City of London Corporation	Clarification / Correction
48(9) and 48(10) (Resource Allocation, Revenue Estimates, Capital Budgets)	A new paragraph inserted relating to the commitment to income without the approval of the Court of Common Council unless otherwise provided for in the Standing Orders, with detail distinguishing the process for City Fund/City's Cash and the Bridge House Estates.	BHE Review
48(10) (Resource Allocation, Revenue Estimates, Capital Budgets)	Clarification that similar principles to those outlined in 48(9), shall operate for income items. Where income is received outside the City Fund and City's Cash budget set for the relevant year, or outside the annual budget for a charity for which the City Corporation is charity trustee, the relevant Service Committee (for Bridge House Estates this is the Bridge House Estates Board) shall be required to authorize acceptance of those funds which must be in accordance with the strategies and plans set for each fund.	BHE Review
48(11) (Resource Allocation, Revenue Estimates, Capital Budgets)	Distinction drawn between process for City Fund/City's Cash and Bridge House Estates, requiring estimated financial estimates to be considered by the Finance Committee and Bridge House Estates Board (respectively) before proposals are submitted to the Court of Common Council.	BHE Review
48(11) (Resource Allocation, Revenue	Additional reference to authorisation under existing officer delegated authority added.	Clarification / correction

Estimates, Capital Budgets)		
48(12) (Resource Allocation, Revenue Estimates, Capital Budgets)	Full reference to the City of London Corporation	Clarification / correction
49(1) (Financial Regulations)	Full reference to the City of London Corporation	Clarification / Correction
50(1) (Project Management)	Provides exemption of the Standing Order for Bridge House Estates projects, where the relevant responsibilities lie with the Bridge House Estates Board unless otherwise reserved to the Court of Common Council	BHE Review
50(1)(a) (Project Management)*	Responsibility for the City Corporation's programme of projects has been transferred to the Operational Property and Projects Sub Committee, who will have oversight of Project Management. Correction has also been made to reflect that this Sub Committee will be a joint Sub Committee of Finance and Policy & Resources Committee.	Governance Review outcome
50(1)(b) (Project Management)*	Responsibility for the decisions surrounding projects has been updated to capture that the authority will lie with the new Operational Property and Projects Sub Committee and the Spending Committee. Correction has also been made to reflect that this Sub Committee will be a joint Sub Committee of Finance and Policy & Resources Committee	Governance Review outcome
50(3) (Project Management)*	The new Operational Property and Project Sub-Committee will have responsibility for the review of the City Corporation's Project Procedure.	Governance Review outcome
50(4) (Project Management)*	Addition of express provision for the Town Clerk to vary the Project Procedure for both City Fund/City's Cash and Bridge House Estates.	Clarification / Correction,

	Updated reference to the Operational Property and Project Sub-Committee (in place of Projects Sub-Committee) as the relevant body for the Town Clerk to consult with when considering varying the Projects Procedure in relation to individual projects.	Governance Review Outcome
50(4) (Project Management)	Protocol around the variation of the Project Procedure to be disapplied to schemes for refurbishment, redevelopment or reinstatement of up to £1.5mil per scheme/per property for investment properties – as provided for within the Scheme of Delegations to Officers.	Scheme of Delegations alignment
51(2) (Procurement and Contract Letting)	Adds provision for the consultation of the Bridge House Estates Board in advance of any changes to the Procurement Regulations that have an impact upon the charity.	BHE Review
51(2) (Procurement and Contract Letting)*	Updated reference to the body responsible for the review of Procurement Regulations from the Finance Committee to the Operational Property and Projects Sub-Committee, as per the approved Governance Review Court recommendations.	Governance Review outcome
52(1) (Writing-Off Debts)	Tidying up of wording / Full reference to the Court of Common Council	Clarification / Correction
52(1)(c) (Writing-Off Debts)	Specifies provision for the writing off of debts in excess of £10,000 for City Fund and City's Cash (via the Finance Committee) and for Bridge House Estates (via the Bridge House Estates Board)	BHE Review
52(1)(c) (Writing-Off Debts)	Threshold for approvals concerning the writing-off for bad debt increased to £500k for investment property and £100k for all other debt.	Scheme of Delegations alignment
52(2) Writing-Off Debts)	This update ensures that the Standing Orders are in accordance with the Scheme of Delegations to Officers in relation to the writing off of debt.	Scheme of Delegations alignment
53(Various) Corporate Plans and Strategies	Deletion of “corporate” from “corporate plans” reference.	Clarification / Correction

53(1)(a) Corporate Plans and Strategies	Provision made to ensure that City Fund/City's Cash Corporate Asset Management Plans be subject to annual review by the relevant Committee of Court, whilst the Bridge House Estates Board will perform this role for Bridge House Estates.	BHE Review
53(1)(a) Corporate Plans and Strategies*	Change in the regularity of the Corporate Asset Management Strategy review from annual to not less than every five years as per current practice. No longer to be reported to the Corporate Asset Sub-Committee (which ceases to exist) but to the Operational Property and Projects Sub-Committee  Distinctions articulated between reporting arrangements for operational and investment properties in respect of any proposed property transactions that are not in accordance with the strategies referred to in SO 53(1)	Clarification / Correction, Governance Review outcome
53(1)(b) Corporate Plans and Strategies	Provision made to ensure that City Fund/City's Cash Investment Property Strategies be subject to annual review by the relevant Committee of Court, whilst the Bridge House Estates Board will perform this role for Bridge House Estates	BHE Review
53(4)(a) Corporate Plans and Strategies*	Change in approvals required for property transactions not in accordance with plans and strategies referred to in SO53(1) for investment and non-investment property to reflect the committees that will have oversight of those two portfolios (Property Investment Board and the Operational Property and Projects Sub Committee). Additional clarification about the Bridge House Estate Board's involvement for property within Bridge House Estates	Governance Review, BHE Review
54 (Capital Buildings)	Amendment to reflect new name and arrangements of the Capital Buildings Board	Governance Review
55(1) Acquisitions	Additional definitions added under acquisitions for Bridge House Estates "investment property assets" and "operational property assets"	BHE Review
55(2) Acquisitions	Full reference to the City of London Corporation	Clarification / Correction

55(2) Acquisitions	For Investment Property Assets - distinctions made for possible Total Acquisition Costs and the corresponding required approvals for the three separate funds: City Fund, City's Cash, and Bridge House Estates.	BHE Review
55(3) Acquisitions	For Operational Property Assets - distinctions made for possible Total Acquisition Costs and the corresponding required approvals for the three funds: City Fund, City's Cash, and Bridge House Estates.	BHE Review
55(3) Acquisitions*	Acquisitions of interest in operational property assets will need to be reported to the Operational Property and Projects Sub-Committee in place of the Finance Committee.	Governance Review outcome
56 (Identification of Surplus Property)	Clarification in Standing Order title now includes reference to Operational requirements as Property Assets that are considered surplus may be for both departmental or operational requirement.	Clarification / correction
56 (Identification of Surplus Property)*	As per the Governance Review outcome, the introduction of a mechanism to allow for the new Projects & Operational Sub-Committee to raise and progress discussion on assets which it believes are surplus.	Governance Review outcome
56(1) (Identification of Surplus Property)	Clarification that Committees are required to consider the effective and efficient use of operational property assets within their management and control.	Clarification / correction
56(1) (Identification of Surplus Property)	The effective and efficient use of operational property assets for Bridge House Estates property will be monitored by the Bridge House Estates Board.	BHE Review
56(1) (Identification of Surplus Property)*	As committees consider the effective and efficient use of an operational property asset within their management/control (for City's Cash), this will be monitored by the Operational Property and Projects Sub-Committee in place of the Corporate Asset Sub-Committee, which will no longer exist.	Governance Review
56(2)(a) (Identification of Surplus Property)	If a Bridge House Estates operational property is no longer required for use by the charity, a report must be made to the Bridge House Estates Board.	BHE Review

56.2.a (Identification of Surplus Property)	As committees consider whether an operational property asset within their management/control (for City Fund or City's Cash) is no longer required, a report on the circumstances will be made to the Operational Property and Projects Sub-Committee in place of the Corporate Asset Sub-Committee, which will no longer exist.	Governance Review
57(1) (Freehold disposals)	Disposals of freeholds subject to 2000 year leases and of former freehold highway land shall be approved by the Finance Committee if part of City Fund/City's Cash. For Bridge House Estates, this will be subject to the approval of the Bridge House Estates Board.	BHE Review
57(1) (Freehold disposals)*	Disposals of non-investment property freeholds subject to 2000 year leases (for City Fund and City's Cash) will be subject to approval by the Operational Property and Projects Sub-Committee in place of the Finance Committee.	Governance Review
57(2) (Freehold disposals)	For freehold disposals - distinctions made for anticipated receipt and the corresponding required approvals for the three funds: City Fund, City's Cash, and Bridge House Estates.	BHE Review
57(2) (Freehold disposals)	Updating the thresholds for committee approvals for the freehold disposals of City Fund/City's Cash non-investment property to reflect the changes to the Officer Scheme of Delegations (approved by Court in December 2021)	Scheme of Delegations alignment
57(2) (Freehold disposals)	Updating the reporting requirements for approval of the freehold disposals with an anticipated receipt of £5mil or above (for non-investment property) to the Operational Property and Projects Sub-Committee in place of the Finance Committee	Governance Review
58(1) (Leasehold Disposals / Surrender)	Thresholds dictating approval required by Committee of leasehold disposals/surrenders (City Fund and City's Cash) revised in line with the Scheme of Delegation as approved by Court in December 2021	Scheme of Delegations alignment
58(1) (Leasehold Disposals / Surrender)*	The Committees that have the responsibility for approving the disposals/surrender of leaseholds corrected in line with the new Governance Structure	Governance Review
58(1)(a) (Leasehold Disposals / Surrender)	Increase on the threshold for lettings periods to 30 years or less for officer delegation, as agreed through the Scheme of Delegation review.	Scheme of Delegations alignment

58(1)(b) (Leasehold Disposals / Surrender)	For lettings - distinctions made for anticipated premium receipt and the corresponding required approvals for the three funds: City Fund and City's Cash.	BHE Review
58(1)(b) (Leasehold Disposals / Surrender)*	Authority to approve the grant any lease at less than full rack rental value for a period of 175 years or less shall, for City Fund and City's Cash non-investment property, lie with the Operational Property and Projects Sub-Committee in place of the Finance Committee.	Governance Review
58(1)(c) (Leasehold Disposals / Surrender)	For lettings - distinctions made for anticipated premium receipt and the corresponding required approvals for Bridge House Estates.	BHE Review
58(1)(d)	Adding clarification that the granting of long leases for a peppercorn rent without a premium, where there are no additional financial implications, for example, leases for substations with UKPN, will be approved as per the Scheme of Delegations to officers.	Scheme of Delegations alignment
59(1) (Variations)	In the context of seeking minor variations to the terms of ground lease restructurings, disposals, acquisitions and other transactions, or to leases being taken by the City Corporation as tenant, specific reference has been added to confirm that this be the position whether acting as a trustee of Bridge House Estates or otherwise.	BHE Review
59(2) (Variations)	Revisions have been made to the threshold for approval (for variations to the terms of an existing lease, tenancy, licence or other agreement) revised in line with the Scheme of Delegations changes, as approved by Court in December 2021.	Scheme of Delegations alignment
59(2) (Variations)	This change relates to the distinct paths of approval for variations to the terms of an existing lease, tenancy, licence or other agreement relating to a property, stipulated for City Fund/City's Cash and for Bridge House Estates.	BHE Review
60 (Disposals subject to planning agreements)	In the context of land held by the City of London Corporation as freeholder approved for redevelopment, specific reference has been added to confirm that this be the position whether acting as a trustee of Bridge House Estates or otherwise added.	BHE Review

61 (Employee Handbook)	An amendment has been made to reflect change of name of the Establishment Committee to the Corporate Services Committee.	Clarification / correction
62(2) (Officers)	A clarification has been made to ensure it is understood the provision extends to Aldermen as well as Common Councillors.	Clarification / correction
62(3) (Officers)	An amendment has been made to reflect change of name of the Establishment Committee to the Corporate Services Committee.	Clarification / correction
63(1) (Appointments)	A minor amendment has been made to refer more clearly to the City Corporation.	Clarification / correction
63(2) (Appointments – Deputy Chief Officers)	Although no change is proposed here, it should be highlighted that this may need re-examination and amendment in due course following the completion of the Target Operating Model changes.	N/A (highlighted for completeness)
64(1)(c) (Disciplinary Action)	An amendment has been made to reflect the change of name of the Establishment Committee to the Corporate Services Committee.	Governance Review
64(6) (Disciplinary Action)	A change has been made to reflect that the "relevant independent person" appointed to the Statutory Officer Review Panel will be from the Independent Appeals Committee, following the abolition of the Standards Committee.	Governance Review
64(7) (Disciplinary Action)	Updated reference from the Police Committee to the City of London Police Authority Board, as it is now known.	Clarification / correction
64(7) (Disciplinary Action)	This wording has been altered to reflect the changes to the Standards regime.	Governance Review
64(9) (Disciplinary Action)	This simply reflects updated referencing within the Standing Orders	Clarification / correction



**TABLE 2: Amendments proposed which do not arise as a consequence of the Governance Review**

2 (Suspension of SOs)	Your Policy & Resources Committee is minded that a higher threshold than a simple majority should be required to suspend specific Standing Orders, and proposes that an amendment be made to require a two-thirds majority of those present and voting.
9(4)(b) (Referral of Reports – urgency referrals)	Members have expressed disquiet at the late circulation of information prior to meetings, particularly where there is insufficient time to digest documents. Your Policy & Resources Committee, therefore, proposes a modest amendment to bring the deadline for urgent referrals forward to 12noon the day before the Court (i.e., 24 hours earlier). This is in view of the fact that the current deadline of 12noon on the day of Court itself would render it impractical for the report to be circulated and read by Members in advance of considering the item.
10(3) (Ballots – physical or digital)	<p>Members will recall that, during the Covid period, ballots for appointments to committees / outside bodies were undertaken electronically prior to Court meetings, with ballot papers issued shortly after the Summons and allowing Members several days to complete and submit them. The results were announced prior and the Court then appointments made at the meeting on the basis of the outcomes. This had the advantage of meaning that the will of the whole Court was known (rather than just those able to be present on the day), whilst also saving time taken up by balloting at Court meetings themselves.</p> <p>Your Committee therefore proposes that the Court should now move on a more permanent basis to undertake ballots digitally and in advance of meetings (where able), rather than the default of paper ballots in Court itself.</p>
10(4) (Ballots – different voting arrangements)	Your Policy & Resources Committee considered the voting systems currently employed for both single and multiple vacancies, as set out under this Standing Order. Ultimately, it considered that there was no need to alter arrangements and thus no change is proposed.

10(5) (Ballots – Term Allocation)	Your Policy & Resources Committee proposes an amendment so that, in circumstances where varying terms are being allocated on the basis of seniority / votes received, discretion should be provided to allow for the allocations to be re-arranged if all successful candidates are in agreement. It was noted that this could be beneficial in situations where someone anticipating standing down from the Court in the next year or two would otherwise be awarded the longer term.
11(3) (Motions – time limits)	<p>The Policy &amp; Resources Committee noted that the Mover of a Motion is currently afforded 10 minutes to open and another 10 to close debate, which they reflected felt somewhat excessive, particularly given the overall time allocation for Motions is 60 minutes.</p> <p>Therefore, a reduction is proposed to a maximum of 7 minutes each to open and close would provide greater opportunity for wider debate by the Court whilst still representing a sufficiently lengthy period for the Mover to make their points.</p>
11(4) (Motions - Amendments)	<p>Your Policy &amp; Resources Committee recommends that a subsection should be inserted to provide for notice of any amendments intended to be moved. This would be intended to allow for wording to be made available in advance and inform debate (other than those which are consequential upon matters arising from the debate and so flow naturally from it / could not have been pre-empted).</p> <p>In the event that Amendments are proposed within the meeting (arising from debate), there should be a pause to allow for these to be handed to the Town Clerk in writing, so that they can be read out and / or shown on a screen (or otherwise made clear), in order to provide absolute clarity to both Members and the public what is being debated and voted on.</p>
11(11) (Adjournment)	Your Policy & Resources Committee considered that it would be prudent to include provision for the Lord Mayor to adjourn the Court immediately, for a specified period, so as to avoid unnecessary delay (for instance, where the Fire Alarm is sounded and a swift evacuation is necessary, such as in March 2016).

12(4) (Motions – urgency)	<p>As with urgent referrals, your Policy &amp; Resources Committee considers that an earlier deadline would be beneficial in ensuring that there is time for the Lord Mayor to consider properly the grounds for urgency and the Motion’s validity, as well as to ensure the Motion can be circulated and made known to Members and the public in advance of the meeting.</p> <p>It is, therefore, proposed to bringing the deadline forward to 9.00am on the day of Court (i.e., three hours earlier than the current 12noon), which would provide a short additional window within which to facilitate this greater transparency of process.</p>
12(5) (Motions – withdrawal)	<p>Lord Lisvane proposed that the ability of the Mover and Seconder to withdraw a Motion should be removed without the consent of the Court. Another suggestion that arose through the Governance Review process was that Standing Order should be amended to reflect that the Mover and Seconder have the ability to make amendments to the Motion at the outset, with the Court’s consent.</p> <p>Your Committee endorses both these proposals and recommends them accordingly.</p>
12(6) (Motions – expiring time)	<p>At present, the wording of this Standing Order means that a warning that the time limit for the consideration of Motions is being neared is only provided when moving to another Motion.</p> <p>In practice, Members have found it helpful to be informed of remaining time limits as a matter of course and so your Committee recommends altering the Standing Order such that notice is provided of remaining time automatically, as this would be beneficial in helping to manage debate.</p>
13(5) (Questions – number))	<p>Lord Lisvane suggested that the current facility for a Member to submit up to three questions is unduly generous and should be reduced to one per Member (down from the current three).</p> <p>Your Committee felt that a reduction to two per Member would be reasonable, but that there should be greater opportunity to ask supplementary questions.</p> <p>Therefore, it is proposed to change the number of questions a Member may submit from three down to two, whilst also increasing the number of Members who may ask supplementaries under each question from three up to four.</p>

13(13) (Questions – Policy Statement)	Your Policy & Resources Committee proposes that this sub-section to sit under SO6 instead, as it relates to a separate item to the formal “Questions” item to which the rest of Standing Order 13 refers, and so has the potential to cause confusion.
13 (Questions – Written submissions)	<p>Lord Lisvane proposed the requirement for the wording of questions to be circulated, so as to avoid lengthy preambles or a situation where the question asked on the day varies from the original posed.</p> <p>He also proposed changes in respect of the facilitation of written questions and responses in between meetings.</p> <p>Your Policy &amp; Resources Committee endorses these proposals and recommends them to the Court.</p>
13 (Questions – Public Questions)	<p>Through discussion at the Court of Common Council in December 2021, it was asked that consideration be given to facilitating public questions.</p> <p>Such provisions are common elsewhere and normally require questions to be submitted in advance, with the questioner invited to have their question read or to ask it in person. It is normal for either a specific number or a particular time limit to be applied to help manage proceedings.</p> <p>Your Policy &amp; Resources Committee supports the adoption of this approach and has requested that a proposed protocol be brought for consideration and adoption in the new municipal year. The Court is recommended to support this change and note that a proposed protocol will be brought for approval to facilitate its implementation, should approval be granted.</p>
14 (Divisions)	A suggestion was made that the current Standing Order is, perhaps, overly prescriptive and would benefit from re-drafting to future-proof for the possibility of electronic divisions and so on. Your Policy & Resources Committee is of the opinion that the existing wording should be truncated, linking separately to notes on different procedures for physical / hybrid / virtual meetings.

18(6)(c) (Chief Commoner – Civic Affairs Sub-Committee)	In view of the changes made in respect of committees considering hospitality and Members' privileges, your Committee sees no cause to continue with the practice of barring the Chief Commoner from chairing other bodies. Instead, it is felt that the chief should be eligible and that it be up to individual committees to determine in the usual way. The deletion of (c) is, therefore, proposed.
18 (Chief Commoner – casual vacancy)	Your Policy & Resources Committee proposes that a new sub-section should be added, to reflect arrangements for any vacancy which might arise (for instance, through a resignation from the Court or death in service). In such circumstances, it has been the convention that the Immediate Past Chief steps into the role for the interim period, until such time as a new Chief Commoner (or Chief Commoner designate) is elected by the Court. With the Court's support, this will be incorporated moving forwards.
20 (Petitions)	<p>Your Policy &amp; Resources Committee has observed that current wording is unhelpfully ambiguous and would benefit from a summary of the process being set out (i.e., that petitions are referred by the Court on to the relevant Committee(s) for further consideration). This is recommended, accordingly.</p> <p>As a longer-term consideration, your Committee has also indicated a desire to consider whether a process for electronic petitions, with a considered threshold to require a debate, might be explored (similar to what is in place for the House of Commons), so as to facilitate greater public engagement.</p>
25(2) (Vacancies – Process)	<p>Your Policy &amp; Resources Committee is minded that changes to formalise the process of notification and appointment would be beneficial, to provide clarity around process as well as to facilitate the Court's recommendations around "making best use of talent" agreed in December 2021.</p> <p>If the Court is supportive, it is proposed that an amendment be inserted to regularise the time periods for notice and nominations.</p>
26 (Terms of Reference)	<p>Lord Lisvane identified this Standing Order as unnecessary / superfluous and recommended its removal. Your Policy &amp; Resources Committee endorses this view.</p> <p>Subject to the Court's consent it will, therefore, be deleted.</p>

28 (Joint Committees)	<p>As identified by Lord Lisvane, the current SO is confused and refers to Joint Meetings of Committees rather than Joint Committees in the more generally understood local authority sense.</p> <p>As suggested by Lord Lisvane, given the intent of the SO is almost certainly to refer to Joint Meetings (as are used from time-to-time at the Corporation), it is proposed by your Policy &amp; Resources Committee that this be re-worded to reflect an accurate position.</p> <p>Subject to the Court's confirmation that they are happy for a revised SO to reflect this position, the wording will be clarified accordingly.</p>
29(1)(e) (Chairs – meeting cancellation / rescheduling)	<p>Throughout the Governance Review process, several Members reflected on the need to move away from cancelling or changing the date or time of scheduled meetings due to changes to the Chair's availability, citing the role of the Deputy Chair in filling in on such occasions.</p> <p>Your Committee supports the addition of some advisory wording to help emphasise this point.</p>
31(8) (Ward Reception Committees)	<p>The Policy &amp; Resources Committee proposes a minor adjustment should be made to the current Standing Order (which prohibits an individual from chairing more than one Ward Reception Committee), to provide for the possibility for an exception where there is a specific reason - for instance, a Member with exceedingly close connections with the country or Head of State in question. This should be reserved for the Ward Reception Committee itself to determine democratically.</p>
35(3) ( <i>Attendance</i> )	<p>Your Policy &amp; Resources Committee noted the particular sensitivities associated with the discussion of certain confidential items, such as those where a committee is considering staffing matters relating to named or identifiable members of staff, or where information has been provided in confidence by the Royal Household or Her Majesty's Government.</p> <p>Your Committee recommends that attendance by non-members of relevant committees during the consideration of such items should be at the Chair's discretion, consistent with the principles in respect of access to information set out at Standing Order 45.</p> <p>Clarification should also be provided in respect of inability to attend the private deliberations of Licensing Sub-Committees when they are coming to their determinations.</p>

36(1) (Quorum)	<p>Lord Lisvane proposed that a general quorum provision be inserted (for instance, 33% or similar). However, your Policy &amp; Resources Committee noted that there would be specific considerations with some committees which would cause challenges with a uniform application (for instance, where there need to be specific representatives beyond a simple number of people present, e.g., the Local Govt Pensions Board, which requires at least one Employee Representative and Scheme Manager Representative).</p> <p>Noting the difficulties and the confusions that might arise, your Committee recommends no change at this time.</p>
38 (Decisions)	<p>Lord Lisvane proposed providing the option for Members to call for a recorded vote on decision items in Committee meetings (akin to a Division at the Court).</p> <p>Your Policy &amp; Resources Committee supports this proposal, with it recommended that provision should be made within Standing Orders and the “division” to be subject to the support of 20% of Committee Members present.</p>
42 (Conferences)	<p>Your Policy &amp; Resources Committee noted that this reference is somewhat outdated and the requirements are all captured within the Business Travel Scheme and Financial Regulations, so the existing entry is superfluous.</p> <p>It is, therefore, recommended that this entry be revised to simply refer to the relevant documents.</p>

*\*Standing Orders marked with an asterisk have been drafted pursuant to the decisions taken by the Court in December 2021 to set up a new Operational Property and Projects Sub-Committee and consistent with the direction to streamline and delegate relevant decisions making powers to said sub-committee.*

**TABLE 3: Items discussed where no proposal is made, but the view of the Court is sought.**

<p>9(4)(a) (Referral of Reports - threshold)</p>	<p>This point of consideration reflects recent concerns expressed by some Members in relation to the referral of a planning application.</p> <p>Whilst the referral mechanism is a useful one and the Court must retain the ability to exercise sovereignty on issues Members consider of importance, questions were raised as to whether it should be permissible for planning applications to be referred to the Court. Your Policy &amp; Resources Committee is of the opinion that this should not be debated further at this stage and that further deliberations should take place as part of the wider discussions on planning governance in due course.</p> <p>Your Committee also considered whether it would be desirable to implement a modest increase in the number of signatories required (currently 20), so that there is a greater confidence that anything escalated is of significance to a substantial proportion of the Court. A range of views were expressed and no consensus emerged.</p> <p>Separately, it was suggested that wording might be included for the sake of clarity to reflect the fact that it is not permissible to refer Licensing determinations to the Court (due to the parameters of separate legislation which supersede Standing Orders).</p>
<p>12(2) (Motions - threshold)</p>	<p>As with referrals above, there was some discussion in relation to thresholds and the suggestion that the current number of signatories required (10) is a relatively low proportion of the Court.</p> <p>Again, there was discussion as to whether an increase would be desirable, to ensure Motions for debate are on matters which reflect the views of a sufficient number of the Court, but no consensus position emerged.</p> <p>The view was also expressed that, in relation to all thresholds, an upper limit should be implemented such that the number of signatories required is the precise number submitted.</p>



37 (Conduct of Debate)	A suggestion was made during the Governance Review process that Members may wish to consider whether there should be a limit on number of occasions on which an individual can speak to any one item in committees, akin to the arrangements for the conduct of debate at Court (where each Member is permitted to speak twice on any motion). Your Policy & Resources Committee did not come to a conclusion on this matter and makes no recommendation thereon.
40 (Duration)	Through the Governance Review process, several Members expressed dissatisfaction with the duration of some meetings which required prolonged extension. The suggestion was, therefore, made that the Court might wish to consider limiting the time by which a meeting may be extended (for instance, by a maximum of 30 minutes). Your Policy & Resources Committee did not come to a conclusion on this matter and makes no recommendation thereon.

## 15. Corporate & Strategic Implications

- **Strategic implications** – These changes will facilitate efficiencies in the delivery of the City of London Corporation Strategy.
- **Financial and Resource implications** – the move towards more efficient processes will inevitably lead towards reduced costs of bureaucracy and facilitate associated contributions to Target Operating Model and Fundamental Review savings. For instance, expedited processes will lead to a reduction in costs associated with delays to approvals; a lesser volume of time spent by officers in producing reports for low-level items and presenting them to multiple committees will also release capacity within the workforce. A reduced central administration burden (through devolving support responsibilities in certain areas) will also provide for flexibility within the Committee & Member Services team to realign service output and requirements
- **Legal implications** – the changes proposed in this report, if agreed by the Court of Common Council, will legally change internal organisational administrative procedures and regulate the conduct of meetings at the City of London Corporation.
- **Risk implications** – as with any process of significant change, there are risks associated with implementation and unforeseen challenges as the new system embeds. The approval of a post-implementation review, to identify and address any such issues, will be an important mitigating factor.
- **Equalities implications** – Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.
- **Climate implications** - The proposals included in this paper do not carry any significant implications for the Climate Action programme.
- **Security implications** – None

### Conclusion

16. It is recommended that the Court endorses the various consequential meetings as set out in Table 1 and Appendix 1 of this report, in order that a substantial part of the Governance Review recommendations can be progressed and delivered. The Court is also asked to support your Policy & Resources Committee's several recommendations for further amendments as outlined in Table 2, and to instruct the Town Clerk to make such change as required to give effect to their implementation. Finally, Members are also invited to consider those items set out at Table 3, with a view to determining whether the Court would wish to make changes or maintain the status quo.

### Appendices

Appendix 1 – Standing Orders with tracked changes

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

DATED this 28<sup>th</sup> day of February 2022.

SIGNED on behalf of the Committee.

**Deputy Catherine McGuinness**  
Chair, Policy and Resources Committee

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# Standing Orders of the Court of Common Council

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## **PART 1 – Introduction**

### **1. Application and Interpretation**

1. Unless otherwise specified, these Standing Orders shall govern the proceedings of:-
  - (a) the Court of Common Council;
  - (b) Committees and Sub-Committees
2. The person presiding at a meeting of the Court of Common Council (the Lord Mayor) or of a Committee or Sub-Committee (the Chair/Chairman) is the final authority as to the interpretation of Standing Orders.
3. For the purposes of these Standing Orders:-
  - (a) the term “Lord Mayor”, in the absence of the Lord Mayor, applies to the Locum Tenens;
  - (b) the term “Chair” or “Chairman”, in the absence of the elected Chair/Chairman, applies to the person taking the Chair of a Committee, Sub-Committee or Working Party meeting;
  - (c) the term “Member” refers to an elected Member of the Court of Common Council (including Aldermen);
  - (d) references to Committees include Sub-Committees;
  - (e) where there are references to “the Town Clerk”, the Deputy or Assistant Town Clerks or other properly appointed Officer shall be authorised to act in the absence of the Town Clerk or where there is a vacancy in the office of Town Clerk.

### **2. Suspension**

1. The Court shall have the power to suspend, alter or abrogate Standing Orders by resolution carried by a majority of the Members present and voting.
2. No Committee or Officer may suspend, alter or abrogate a Standing Order unless given authority by the Court to do so.

### **3. Amendment**

1. Any proposal to amend these Standing Orders shall be considered by the Policy & Resources Committee whose recommendations shall be reported to the Court

for approval. Thereafter, the Town Clerk is authorised to make the necessary amendments.

2. The Town Clerk is authorised, after consultation with the Chamberlain,
  - (a) to adjust the financial limits specified in these Standing Orders in line with changes in the value of money, and must do so on an annual basis;
  - (b) to make any consequential amendments to the relevant Standing Orders and report such amendments to the Policy & Resources Committee.

## **PART 2 – Court of Common Council Meetings**

### **4. Access to Meetings**

All meetings are open to the public unless:-

- (a) confidential information as defined in Section 100A(3) of the Local Government Act 1972 is to be discussed; or,
- (b) a resolution has been passed to exclude the public as there is likely to be disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972;

In respect of non-local authority and non-police authority functions this Standing Order is not applied unless the Court of Common Council determines otherwise.

### **5. Notice of Meetings**

Public notice of the time and place of meetings of the Court of Common Council shall be posted in an appropriate place at least five working days before the meeting, or if a meeting is convened at shorter notice, then at the time it is convened.

### **6. Summons**

1. The Town Clerk will issue a Summons, on behalf of the Lord Mayor, for each meeting stating the time at which the Court will meet and the time at which, or after which, any ballots will be conducted.
2. Except in cases of urgency or where circumstances make it impracticable, the Summons and accompanying papers will be sent to Members five clear working days in advance of the meeting.
3. The Town Clerk has discretion, having regard to the convenience of the Court, to settle the order in which items of business appear on the Summons and, if



necessary, during a meeting with the consent of the Lord Mayor and the agreement of the Court to amend the published order of business.

4. When an Address, Memorial, Petition or Remonstrance to the Throne, or to any Member of the Royal Family, is to be considered, on the advice of the Policy & Resources Committee when appropriate, the item shall be taken immediately after the opening of the Court, following the confirmation of the Minutes and the introduction of any new Members, unless the matter is to be considered with the public excluded when it shall be considered at an appropriate time. No such Address, Memorial, Petition or Remonstrance shall be reconsidered or altered after having been agreed to by the Court.
5. On the occasion of the Lord Mayor taking his seat for the first time, an instruction to Members to wear their gowns will be included in the Summons.

## **7. Quorum**

1. The quorum for meetings of the Court is 40 Members, one of whom must be the Lord Mayor and two of whom must be Aldermen.
2. If a quorum is not established within five minutes of the time stated on the Summons, those present may depart.
3. If, during a meeting of the Court, it is the opinion of the Lord Mayor that a quorum has ceased to exist, business will be suspended whilst the number of Members present is counted and the result announced.
  - (a) If a quorum exists the business will proceed.
  - (b) If a quorum does not exist, the meeting will be dissolved and all remaining business will be adjourned to the next meeting.

## **8. Attendance**

1. The names of Members attending the Court shall be recorded as they enter the Court and printed in the Minutes of the meeting.
2. A Member attending the Court for the first time shall:
  - (a) before taking their seat, be called formally into the Court by the Town Clerk and introduced to the Lord Mayor by the Deputy or another Member of their Ward;
  - (b) be clothed in a mazarine gown by the Remembrancer's representative and conducted to their seat.

## **9. Reports**

1. When submitting any proposal to the Court, Committees have discretion to circulate a printed report to every Member of the Court as part of the agenda for the meeting at which it is to be considered.
2. A Sub-Committee or Working Party is not entitled to submit a report to the Court unless it has Terms of Reference approved by the Court which confer the requisite authority on it to do so.
3. A minority of either a Committee or Sub-Committee is not entitled to submit a report to the Court.
4.
  - (a) A report or decision of a Committee or Sub-Committee may be referred to the Court providing that notice of the referral by not less than 20 Members of the Court is submitted to the Town Clerk by no later than 12 noon, nine working days before the meeting of the Court for inclusion in the Summons.
  - (b) A Member seeking to submit a referral on grounds of urgency, notice of which has not been included in the Summons, must inform the Town Clerk of the terms of that referral not less than 60 minutes before the time scheduled for the start of the Court so that the Lord Mayor may rule on the need for urgency.
  - (c) No action shall be taken to implement any decision pertaining to the subject of the referral until such time as the Court shall have considered the matter, subject to the proviso that such referral would not preclude a decision being taken and/or implemented that in the opinion of the Town Clerk was necessary for legal reasons or for the efficient conduct of the City Corporation's business.

## **10. Ballots**

1. Ballots will be held when:-
  - (a) there is more than one Member seeking appointment to a vacancy on a Committee or to represent the City of London Corporation on an outside body. Members may nominate themselves. Members nominated by others shall be advised by the Town Clerk and requested to confirm or not such nomination. If no response is received, such Member(s) will be considered to be in nomination.
  - (b) a recommendation is made to appoint an Officer whose appointment is in the gift of the Court;
2. Before the votes on a matter to be decided by ballot are counted, the Lord Mayor will nominate two Scrutineers who will supervise the counting of votes.

3. For the purpose of casting their votes, Members must be present in Court when a ballot is called.
4. When one vacancy has to be filled and there are more than two candidates, voters shall mark numbers against candidates' names on ballot papers in order of preference.
  - (a) Upon the absence of any candidate achieving 50% of first preference votes, the candidate with the fewest first preference votes will be eliminated and their votes reallocated according to their second preference therein.
  - (b) Procedure in 10.4(a) is repeated until one candidate has obtained 50% of the votes cast.
  - (c) Without prejudice to the foregoing 10.4(a) and (b), the successful candidate will be the first candidate to obtain 50% of the votes cast in the ballot.
5. When two or more vacancies have to be filled, the candidates with the highest number of votes shall be declared to be elected. Where the available terms are of differing lengths, the longest term shall be awarded to the candidate with the highest number of votes, the next longest term to the candidate with the second highest number of votes, and so on. In the event of an equality of votes, terms shall be allocated according to seniority (the longer term to the more senior Member).

## **11. Conduct of Debate**

1. Members must stand in their places (if able to do so) to indicate clearly their wish to speak and if two or more Members rise, the Lord Mayor may select one of them to speak, in which case all other Members must be seated.
2. No Member may speak more than twice on the same question other than the Chair/Chairman of the Policy & Resources Committee (or, in their absence, the Deputy Chair/Chairman) to provide a clarification of policy if such be required.
3. The Mover of a Motion may not speak for longer than ten minutes, plus a further ten minutes in reply to the debate, and any subsequent speaker must not speak for more than five minutes on the first occasion and two minutes on the second occasion except with the consent of the Court (such times to include the putting of the Motion or Amendment).
4. Any Amendment so moved shall relate to the subject matter of the Motion and shall not have the effect of negating the Motion.
5. Should the Mover of an Amendment to a Motion choose to speak for a second time on the Amendment, they shall be the penultimate speaker (the Mover of the original Motion being the final speaker on the Amendment). In such circumstances, the Mover of the Amendment must not speak for more than five minutes and the Mover of the original Motion must not speak for more than ten

minutes.

6. Every Member must confine their speech strictly to the Motion or Amendment under discussion or to a point of order or explanation, and must not be repetitious. The ruling of the Lord Mayor on issues of relevance or repetition is final.
7. At any time, a Member may raise a point of order or make a personal explanation necessitated by the statement of another Member. Any Member speaking at the time must give way when a point of order or personal explanation is made. The ruling of the Lord Mayor on a point of order or the admissibility of a personal explanation is final.
8. Discussion will not be allowed on:-
  - (a) a Motion to extend the time allowed for the:-
    - i) length of the meeting of the Court;
    - ii) length of time allowed for consideration of Motions;
  - (b) the Mover and Seconder of a Motion or Amendment seeking permission to withdraw or amend that Motion or Amendment;
  - (c) a Motion to adjourn a debate in progress.
9. At any time other than when a Motion in the name of a committee is under discussion, a Member who has not spoken on the original Motion may move '*That the Court proceed to the next item of business*'. If this is seconded, the Motion to proceed to the next item of business shall be put forthwith and without debate unless the Lord Mayor is of the opinion that the Motion is premature or is in any sense an abuse of the rules of the Court. If the Motion is carried, the item of business which was before the Court when the Motion was moved shall not be re-introduced during the same meeting without the consent of the Court.
10. If a Member stands (if able) or otherwise indicates, either while another Member is addressing the Court or, if there is a Motion before the Court, at the conclusion of a speech and moves '*That the question be now put*', and this is seconded and carried, that question shall be put forthwith and without debate unless the Lord Mayor is of the opinion that the Motion is premature or in any sense is an abuse of the rules of the Court. In no case shall the Mover be precluded from a right to reply should they elect to exercise it.
11. A debate may take place upon a Motion for adjournment of the Court, but will be confined to that subject.
12. No Member shall make derogatory personal references or use offensive expressions or improper language to any other Member of the Court or Officers.

## 12. Motions

1. All Motions must relate to matters that are within the powers or duties of the City of London Corporation.
2. All Notices of Motion (other than procedural, those relating to changes of membership of Committees and those to which Standing Order Number 12 (7) applies) must be signed by no fewer than ten Members and be submitted to the Town Clerk by no later than 12 noon, nine working days before the meeting of the Court for inclusion in the Summons.
3. Notices of Motions set out in the Summons shall include the names of the signatories thereto.
4. A Member seeking to move a Motion (other than procedural, those relating to changes of membership of Committees and those to which Standing Order Number 12 (7) applies) on grounds of urgency, notice of which has not been included in the Summons, must inform the Town Clerk, in writing, of the terms of that Motion not less than 60 minutes before the time scheduled for the start of the Court so that the Lord Mayor may rule on the need for urgency.
5. The Mover may, with the consent of the Seconder, at any time, withdraw a Motion of which they have given notice, at which time discussion of that Motion shall cease.
6. A time limit of not more than 60 minutes will be allowed for the discussion of Motions put forward by Members. After 45 minutes, when a Mover rises to move a Motion at the commencement of a debate they shall be asked whether they wish to proceed or to have the debate adjourned and carried over to the next meeting. Any Motion so adjourned will be placed first under the item for Motions included on the Summons for the next meeting after any procedural Motions and preceding any Motions not reached within the allotted time.
7.
  - (a) No Motion to rescind or amend any resolution passed within the preceding six months, and no Motion or Amendment to the same effect as one that has been rejected in the preceding six months, or any Motion or Amendment that has been passed over by virtue of Standing Order Number 11 (9), can be proposed unless notice thereof appears on the Summons and bears the names of at least 40 Members.
  - (b) Once a Motion proposed under Standing Order Number 12 (7)(a) has been dealt with by the Court, it shall not be open to any Member to propose a similar Motion or Amendment within a further period of six months.
  - (c) However, these provisions of Standing Orders 7(a) and 7(b) will not apply to Motions or Amendments appearing on the Summons in pursuance of a recommendation of a Committee nor to resolutions made under the urgency procedures in Standing Order Number 19.

### 13. Questions

1. A Member may ask the Chair/Chairman of a Committee any question:-
  - (a) on an item of the Committee's business that is included in the Summons;
  - (b) on a matter that is not included in the Summons but in relation to which the Court has powers or duties and which affects the City or the City of London Corporation provided that, except in cases of urgency, notice of the question has been given to the Town Clerk in writing not later than 12 noon, two working days before the meeting.
2. A Member seeking to ask a question without due notice as a matter of urgency must inform the Town Clerk in writing of the terms of the question not less than 60 minutes before the time scheduled for the start of the meeting so that the Lord Mayor may rule on the need for urgency.
3. Every question shall be put and answered without discussion, although Chair/Chairmen may decline to answer. Questions will normally only be answered if the Member giving notice is present to put their question in person. In exceptional circumstances, the Lord Mayor may direct that the Town Clerk puts the question on behalf of a Member who is unavoidably absent and where they consider it would be in the interests of the Corporation that the Court hear the Chair/Chairman's answer.
4. A Chair/Chairman (including the Chairs/Chairmen of any sub-committees which are empowered to report directly to the Court ~~the three Investment Boards of the Investment Committee~~) may not speak for longer than five minutes in response to any question or supplementary question except with the consent of the Court.
5. A Member may ask no more than three questions (excluding supplementaries) at any meeting of the Court.
6. A Member asking a question may ask one supplementary question, and three other Members may each ask two supplementary questions provided that the supplementary questions arise naturally out of the original question and the answer to it.
7. Any questions that the Town Clerk considers do not relate to matters in which the Court has powers or duties and which do not affect the City or the City of London Corporation will not be allowed.
8. The Town Clerk will, with the consent of the questioner, re-direct a question if they consider it to have been addressed to the Chair/Chairman of an inappropriate Committee.
9. A time limit of not more than 40 minutes will be allowed for the putting and answering of questions, including supplementary questions, and it shall not be in order to move for an extension of that time.

10. Questions not dealt with owing to the expiration of the 40 minutes time limit shall be deferred for consideration at the following meeting and shall be put in advance of other questions, or may, with the consent of the questioner, be answered in writing within two working days, a copy of the answer being placed in the Members' Reading Room.
11. The Chair/Chairman of the Policy & Resources Committee shall be given the opportunity to provide the Court with a brief statement at each meeting concerning the key policy and strategic issues affecting the City and the work of the City of London Corporation. A maximum of three Members may ask one question in direct response to the Chair/Chairman's statement.

#### **14. Divisions**

1. A Member demanding a Division must stand for that purpose (if able to do so). A Division will not be allowed unless another 11 Members (i.e. 12 in total) stand in their places (if able to do so) to support the demand.
2. If a Division is allowed, the Lord Mayor will ensure that two Tellers for the affirmative and two for the negative are appointed. If there are insufficient Members of the Court willing to act as Tellers, no Division will take place.
3. If a Division is allowed, the Town Clerk will ring the Division bell and at the expiration of three minutes they will ascertain whether a Division is still demanded. If so, the Bar of the Court will be closed after which no Member may enter or leave the Court except for the purpose of recording their vote until the Division has been declared closed.
4. The Town Clerk will repeat the Motion and every Member then present and wishing to vote will cast their vote either for the affirmative or the negative (the Lord Mayor voting without leaving the Chair and having the right to a second, casting vote). The Ayes for the question will go through the Bar of the Court to the right of the Lord Mayor and the Noes through the Bar to the left, the votes being recorded at the respective exits.
5. Members wishing to abstain should remain seated and the Lord Mayor will seek confirmation of their intention before accepting a declaration from the Tellers that every Member wishing to vote has done so, after which the Bar of the Court will be re-opened and Members will return to their seats through the central entrance.
6. The Town Clerk will call for the Tellers' reports and declare the result.

## 15. Disorder

1. In the event of disorder or a persistent disregard of the authority of the Chair, and if they consider it necessary in the interests of the Court and the City of London Corporation, the Lord Mayor will ask that there be no further interruption. If the interruption continues, they may:-
  - (a) direct the Member(s) of the Court they consider to be abusing the Court to retire for the remainder of the sitting or for such lesser period as they may decide, any such decision to be final;
  - (b) require that a member(s) of the public be removed from the public gallery;
  - (c) at any time if they consider it desirable in the interest of order, suspend a sitting or adjourn a meeting of the Court for such time as they may decide.

## 16. Duration

If, after three hours from the time appointed for the start of the meeting, the business has not been concluded, the meeting will close, any debate being suspended, and all unfinished business will stand adjourned to the next meeting unless a two-thirds majority of the Members present wish the meeting to continue, and subject to there being a quorum. Items that are so adjourned and which, in the opinion of the Town Clerk, require a decision before the next meeting will be considered in accordance with Standing Order Number 19.

## 17. Minutes

1. The minutes of the Court will be printed and circulated and will include:-
  - (a) All Motions and Amendments together with the names of the Movers and Seconders and including the names of Movers of reports.
  - (b) The results of any Ballot (pursuant to Standing Order Number 10).
  - (c) The results of any Division (pursuant to Standing Order Number 14).
  - (d) The names of any Members presented to Royal and other Distinguished Persons received at Guildhall.
2. The correctness of the minutes will be verified at the beginning of the following regular meeting of the Court. No discussion shall take place upon the minutes, except upon their accuracy and any question of their accuracy shall be raised by motion.



## 18. Chief Commoner

1. The holder of the Office of Chief Commoner shall be a Common Councillor Member of the Court of Common Council.
2. The Chief Commoner shall be elected by the Court of Common Council at the October meeting each year.
3. The term of office of the Chief Commoner shall be for a period commencing and ending on the date of the first Court of Common Council after the wardmotes each year.
4. A Member is ineligible to seek election as Chief Commoner if they have previously served the Office of Chief Commoner.
5. Candidates for election to the Office of Chief Commoner shall be nominated by exactly 10 other Members, nominations to be submitted to the Town Clerk by no later than nine working days before the meeting of the Court for inclusion in the Summons. Submissions must be made in writing and accompanied by the signatures of the 10 Members supporting the candidate's nomination.
6. The Chief Commoner shall be:
  - (a) an ex-officio Member of the Policy & Resources Committee.
  - ~~(b) Chair/Chairman of all Sub-Committees and Working Parties of the Policy & Resources Committee that are responsible for the provision of City Corporation Hospitality, Members' privileges, Members' facilities (other than Guildhall Club), and Members' training and development.~~
  - ~~(c) (b) ineligible to chair any City Corporation Committee other than the Sub-Committees and Working Parties referred to in Standing Order Number 18 (6) (b).~~

## 19. Decisions between Meetings

1. Between regular meetings of the Court of Common Council, if, in the opinion of the Town Clerk, it is urgently necessary for a decision to be made, then the powers of the Court may, where lawfully possible, be exercised by the Town Clerk. Before exercising this power, they must obtain the comments of:-
  - the Lord Mayor
  - the Chief Commoner
  - the Chair/Chairman of the Policy & Resources Committee
  - the Chair/Chairman of the Finance Committee

or a nominee of each who shall be, respectively,

  - an Alderman
  - a Past Chief Commoner still in Common Council
  - a Member of the Policy & Resources Committee
  - a Member of the Finance Committee
2. Where the recommendation is made by the Policy & Resources Committee or the Finance Committee then the fourth person shall be the Chair/Chairman of the Planning & Transportation Committee or their nominee from that Committee.
3. Where the recommendation is made jointly by two of the aforementioned committees, then the fourth person shall be the Chair/Chairman of the Port Health and Environmental Services Committee or, if they are also conflicted, another senior Chair/Chairman.
4. The Town Clerk's powers only extend to the approval or non-approval of the recommendation placed before them, not its amendment.
5. Each decision of approval shall be reported to the next regular meeting of the Court with an explanation of the need for the use of this procedure.
6. Each decision of non-approval shall be submitted to the next meeting of the Committee or Sub-Committee making the recommendation and that Committee or Sub-Committee may submit the matter for decision by the full Court if this is still feasible. Where a decision of non-approval is in prospect, the Chair/Chairman of the recommending Committee or their representative shall be informed and allowed to make representations in support of their Committee's decision.

## 20. Petitions

1. Any Petition (other than for grants of money) intended to be presented to the Court must be lodged at the Town Clerk's office, duly endorsed by the Member presenting, not later than 12 noon ten working days before the meeting of the Court at which it is proposed to present the Petition, which from the time of being lodged shall remain in the custody of the Town Clerk. The wording of the Petition or a summary thereof shall be printed on the Summons for the Court.
2. No Petitioner shall be permitted to address the Court except in reply to questions.

## PART 3 – Committees and Sub-Committees

### 21. Appointment

The annual appointment of Committees of the City of London Corporation will take place at the first regular meeting of the Court of the municipal year, which will normally follow the annual Wardmotes and be held in April.

### 22. Committee Limit

1. Subject to (3) below no Member shall serve on more than ~~eight~~six Committees, be they Ward or Non-Ward Committees;
2. For the purposes of this Standing Order, the Open Spaces and City Gardens Committee and the West Ham Park Committee shall count as one Committee.
3. This limit shall not apply:
  - ~~a. To membership of the Capital Buildings Committee;~~
  - ~~b. To membership of the Standards Appeals Committee;~~
  - (a) ~~(c)~~If a vacancy on a committee has been advertised on at least two occasions and remains unfilled. In such circumstances, a Member may serve on that committee even though it may cause the limit to be exceeded for the remainder of the municipal year.
  - (b) ~~(d)~~Where service on Committees is in an ex-officio capacity ~~does not count for the purpose of this Standing Order.~~

### 23. Ward Committees

1. Ward Committees comprise at least two Aldermen together with a number of Commoners as detailed in Standing Order No. 23(3).
2. The Aldermen shall be appointed on the basis of nominations by the Court of Aldermen (notwithstanding SO 23(5)).

3. The Commoners shall be appointed on the basis of:-
  - (a) one Member from each Ward (regardless of whether the Ward has sides) having five or fewer Members;
  - (b) two Members from each Ward (regardless of whether the Ward has sides) having six or more Members;
  - (c) one Member representing a Ward or Side of Ward that has agreed to pair with another Ward, which is geographically nearby, for the purpose of representation on one or more Ward Committees;
  - (d) up to two Members on the Community and Children's Services Committee from Wards with 200 or more residents.
4. Wards shall choose whether to nominate a Member(s) to serve on each of the several Ward Committees.
5. In the event that a Ward's Common Councillor/s does not wish, for whatever reason, to be nominated to serve on a Ward Committee, the appointment can, if the Ward so chooses and the Alderman is in agreement, be taken by the Alderman of the Ward.
6. After consultation with the Members of their Wards, the Deputies of the Ward shall submit the nominations to the Town Clerk subject to the following:-
  - (a) the term of office of a Member on a Ward Committee is one year;
  - (b) a Member who has served four terms on a Ward Committee, separately or consecutively, is not eligible for appointment for a further term whilst there is a Member of the Ward who has not served and wishes to do so, unless the majority of the Members of the Ward so decide.
7. If a Ward chooses not to nominate a Member(s) (Common Councillors or the Alderman of the Ward) to serve on a Ward Committee, the Town Clerk shall notify the vacancy to all Members and seek nominations prior to the appointment being made by the Court.

## **24. Non-Ward Committees**

1. Non-Ward Committees comprise Members elected by the Court for either:-
  - (a) a specific term at the end of which, if eligible, the Member must seek re-election; or,
  - (b) an indefinite term subject to annual re-appointment by the Court.
2. Any Member wishing to serve must notify the Town Clerk in writing and all applications received will be listed on the Summons for the meeting of the Court at which the appointment is to be made. If necessary, a ballot will take place in accordance with Standing Order Number 10.

## **25. Vacancies**

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

## **26. Terms of Reference**

Each Committee will have Terms of Reference approved by the Court.

## **27. Sub-Committees**

1. The Committees of the City of London Corporation may at any time:-
  - (a) constitute, dissolve, or alter the membership of a Sub-Committee set up by them;
  - (b) within its terms of reference from the Court, authorise a Sub-Committee to act on behalf of the main Committee;
  - (c) appoint a Working Party to consider and report on particular matters but such Working Party shall have no delegated powers.

N.B. The constitution of any Sub-Committee or Working Party shall be subject to the approval of the Policy & Resources Committee.

2. The quorum for a Sub-Committee shall be any three of its Members, unless otherwise specified by the appointing Committee or the Court.

## 28. Joint Committee

In the event of a reference to a Joint Committee of any of the Committees of the Court, the quorum shall be nine, comprising no fewer than three Members of each participating Committee.

## 29. Chairs/Chairmen

1. Each Committee shall have a Chair/Chairman who will:-

- (a) preside at every meeting of the relevant Committee at which they are present;
- (b) sign the minutes of proceedings of the previous meeting when approved as a correct record;
- (c) in case of an equality of votes, have a second casting or casting vote. If the Chair/Chairman is unwilling to exercise a second or casting vote the decision shall be taken by lot;
- (d) determine all questions of order;
- (e) have power, after consultation with the Deputy Chair/Chairman, to,
  - convene an additional meeting;
  - vary the date and/or time and/or place of a scheduled meeting;
  - cancel a meeting if, in their opinion, there is insufficient business to warrant the holding of such a meeting or for other reasons.

2. The term of service of Chairs/Chairmen, subject to annual re-election, is limited as follows:-

Policy & Resources Committee	5 years*
Finance Committee	5 years*
<del>Police Committee</del> <u>City of London Police Authority Board</u>	4 years*
Other Committees	3 years*

\*The years to run consecutively.

*(For the purpose of this Standing Order, if a Member is elected to the Chair during the course of the year, a period of service commencing before 1 October shall count as one year; a period of service commencing on or after 1 October shall not count as one year).*

3. A Member is ineligible to seek election as Chair/Chairman of a Ward or Non-Ward Committee (other than a specifically appointed Reception Committee) in the following circumstances:-
  - (a) If they are already a Chair/Chairman of another Committee (Ward or non-Ward), other than in the case of the following Committees:-
    - ~~Capital Buildings Committee~~
    - Gresham (City Side)
    - Health & Social Care Scrutiny Committee
    - Health & Wellbeing Board
    - ~~Investment Committee~~
    - Local Government Pensions Board
    - ~~Standards Appeals Committee~~
    - Open Spaces and City Gardens Committee
    - West Ham Park Committee
  - (b) If they are resident in, or a tenant of, any property owned by the City of London Corporation they may not be Chair/Chairman of the Committee or Sub-Committee having control of such property (with the exception of the Community & Children's Services Committee);
  - (c) If they are an ex-officio Member of a Committee;
  - (d) If they are the Deputy Chair/Chairman of the Audit & Risk Management Committee for the time being.
4. At the first meeting of each Committee following the annual appointment, the Town Clerk will seek expressions of interest from Members who are willing and eligible to take the Chair.
5. A Member unable to be present may previously express in writing to the Town Clerk their willingness to serve.
6. The names of those who are willing to serve will be voted on by Ballot. The successful candidate will require a majority of the votes cast. In the absence of any candidate achieving a majority of votes in the first round of voting:
  - (a) the candidate with the fewest votes will be eliminated;
  - (b) if there is more than one candidate securing the fewest but identical number of votes, then a ballot will be held between those candidates to determine which will drop out;
  - (c) candidates may also elect to withdraw at this stage;
  - (d) a further ballot will be held amongst the remaining candidates and the procedure in (a) to (c) repeated until one candidate has obtained a majority of the votes cast.
7. Ex-officio Members of a Committee are not eligible to vote in the election of

Chair/Chairman of that Committee other than in the case of the Policy & Resources Committees:-

- ~~Policy & Resources~~
- ~~Investment (such right being restricted to the Chair/Chairman and Deputy/Vice Chairs/Chairmen of the Policy & Resources and Finance Committees who have ex-officio places on the Committee)~~
- ~~Capital Buildings Committee (such right being restricted to the Chairs/Chairmen and Deputy/Vice Chairs/Chairmen of the Policy & Resources and Finance Committees who have ex-officio places on the Committee)~~

### **30. Deputy Chairs/Chairmen**

1. Each Committee, ~~with the exception of the Policy and Resources Committee~~, shall have a Deputy Chair/Chairman who will, in the absence of the Chair/Chairman, have the powers, duties and rights of the Chair/Chairman.
2. ~~With the exception of the first and fifth year of a chairmanship, the Policy and Resources Committee shall have three Deputies, one of whom shall be designated the Deputy Chair/Chairman to exercise the formal responsibilities of that role, with the remaining two Vice Chairs/Chairmen.~~
3. In the case of all Committees:-
  - (a) the immediate past Chair/Chairman, if in Common Council and if willing to serve, will be eligible to serve as Deputy Chair/Chairman for the first year upon the election of a new Chair/Chairman, subject to election by the Committee in the usual way;
  - (b) if the immediate past Chair/Chairman is not in Common Council or is not willing to serve in the office, the Deputy Chair/Chairman (~~or Deputy/Vice Chairs/Chairmen in the case of the Policy and Resources Committee~~) will be elected in accordance with Standing Order Number 30 (5);
  - (c) when the immediate past Chair/Chairman has completed their year of office as Deputy Chair/Chairman, all the Members of the Committee with the exception of the said Deputy Chair/Chairman and those who are ineligible by virtue of Standing Order Number 30 (4), are eligible to seek election as Deputy Chair/Chairman.
4. A Member is ineligible to seek election as Deputy Chair/Chairman of a Ward or Non-Ward Committee (other than a specially appointed Reception Committee) in the following circumstances:-
  - (a) if they are resident in, or a tenant of, any property owned by the City of London Corporation they may not be Deputy Chair/Chairman of the Committee or Sub-Committee having control of such property;



- (b) if they are an ex-officio Member of a Committee they may not be Deputy Chair/Chairman of that Committee except in the case of the immediate past Chair/Chairman for the first year upon election of a new Chair/Chairman.
5. At the first meeting of each Committee following the annual appointment, the Town Clerk will seek expressions of interest from Members eligible for election as Deputy Chair/Chairman ~~(or Deputy/Vice Chairs/Chairmen in the case of the Policy and Resources Committee)~~ and who are willing to serve.
6. A Member unable to be present may previously express in writing to the Town Clerk their willingness to serve.
7. The names of those who are willing to serve will be voted on by ballot, ~~with the exception of the Policy and Resources Committee.~~ The successful candidate will require a majority of the votes cast. In the absence of any candidate achieving a majority of votes in the first round of voting:
- (a) the candidate with the fewest votes will be eliminated;
  - (b) if there is more than one candidate securing the fewest but identical number of votes, then a ballot will be held between those candidates to determine which will drop out;
  - (c) candidates may also elect to withdraw at this stage;
  - (d) a further ballot will be held amongst the remaining candidates and the procedure in (a) to (c) repeated until one candidate has obtained a majority of the votes cast.
8. ~~The election of the three Deputy/Vice Chairs/Chairmen of the Policy and Resources Committee shall be undertaken as follows:-~~
- ~~• Where the number of candidates is less than or matches the number of vacancies (i.e. three) the candidates will automatically be treated as being elected to office.~~
  - ~~• Where there are more candidates than vacancies, a ballot will be undertaken with Members indicating their preferred candidate(s). Members can choose not to vote for the maximum number of candidates.~~
  - ~~• Once votes have been cast and counted, any candidate having 50% or more of the number of votes will be elected.~~
  - ~~• Unless the candidates each secure 50% of the vote, the candidate with the least number of votes will drop out automatically. If there is more than one candidate securing the least but identical number of votes then a ballot will be held between those candidates to determine which one will drop out. Other candidates may also elect to withdraw at this stage.~~

- ~~A further ballot will be held amongst the remaining candidates and any candidate securing 50% or more of the vote will be elected. This process will be repeated until all vacancies are filled.~~

~~There may come a point in the process where a candidate or candidates with the least number of votes drops out, leaving a number of candidates that matches the number of vacancies. In those circumstances, no further ballot is necessary as the candidates will automatically be treated as being elected to office (without having to secure 50% of the vote).~~

~~The Chair/Chairman of the Committee, in consultation with the three elected to office, shall decide which of them will be designated as the formal Deputy Chair/Chairman with the remaining two being Vice Chairs/Chairmen.~~

9. Ex-officio Members of a Committee are not eligible to vote in the election of Deputy Chair/Chairman of that Committee other than in the case of the Policy & Resources following Committees:-
- ~~Policy and Resources~~
  - ~~Investment (such right being restricted to the Chair/Chairman and Deputy/Vice Chairs/Chairmen of the Policy & Resources and Finance Committees who have ex-officio places on the Committee)~~
  - ~~Capital Buildings Committee (such right being restricted to the Chairs/Chairmen and Deputy/Vice Chairs/Chairmen of the Policy & Resources and Finance Committees who have ex-officio places on the Committee)~~

### **31. Ward Reception Committees**

1. Unless there are specific reasons for the arrangements for any hospitality relating to a visiting Head of Government or State (or other guest of the sovereign to whom official hospitality is to be extended) being referred to a Standing Committee, responsibility will be referred to a Ward Reception Committee appointed by the Court.
2. The Town Clerk is authorised to summon the first meeting of the Committee.
3. The appointment of Commoners shall be by rotation within the total membership of the Common Council, and before the appointment of a Ward Reception Committee, the Town Clerk shall notify each Member next on the rota for appointment. If a Member does not wish to serve on the next Ward Reception Committee, the Town Clerk shall liaise with the next Member on the rota to fill the vacancy.
4. The appointment of Aldermen shall also be by rotation, comprising two Aldermen above the Chair and four Aldermen below the Chair.
5. In the event of an entertainment for which a Ward Reception Committee has been appointed, not taking place, the Aldermen and Commoners serving on that Committee shall be re-appointed on the next available Ward Reception Committee.

- ~~6. If a Member of a Ward Reception Committee is absent from the Committee when the privileges of Members are being determined by Ballot, the Chair/Chairman or the Senior Alderman present shall select for the absent Member.~~
7. A Member is eligible to seek election as Chair/Chairman of a Ward Reception Committee in the following circumstances:-
- (a) provided they have completed two years' service on the Court;
  - (b) provided they are not an ex-officio Member of the Committee;
8. A Member may chair one Royal or State Ward Reception Committee and one Non-Royal or Non-State Ward Reception Committee, in either order.
9. The provisions of Standing Order Number 29 as regards the election of a Chair/Chairman shall be applied at the first meeting of the Committee. Thereafter, the Member elected as Chair/Chairman will, subject to being in Common Council, continue in that office until the function has taken place.
10. If, after the list of Members eligible to serve as Chair/Chairman of a Ward Reception Committee has been read, no Member has sought election, a second list shall be read in which all Members of the Committee are eligible.
11. The Chief Commoner for the time being will serve as the Deputy Chair/Chairman.

### **32. Access to Meetings**

1. All meetings of Committees and Sub-Committees are open to the public unless:-
- (a) confidential information as defined in Section 100A(3) of the Local Government Act 1972 is to be discussed; or,
  - (b) a resolution has been passed to exclude the public as there is likely to be disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972;

In respect of non-local authority and non-police authority functions this Standing Order is not applied unless a Committee or Sub-Committee determines otherwise.

2. The filming, photographing or making of audio recordings of meetings will be allowed in accordance with the City of London Protocol on the filming/recording of meetings adopted by the Court in May 2014.

### **33. Notice of Meetings**

Public notice of the time and place of meetings of Committees and Sub-Committees will be posted in an appropriate place at least five clear working days before the meeting, or if a meeting is convened at shorter notice, then at the time it is convened.

### **34. Summons**

1. The Town Clerk will issue a Summons for each meeting stating the time and place at which the Committee or Sub-Committee will meet and setting out the order of business.
2. Any Committee may be summoned upon the written requisition of a number of its Members not less than the quorum of the Committee, provided they have business to lay before the Committee. Such business will be set out in detail together with the reason(s) why the matter(s) to be raised could not wait until the next regular meeting.
3. A special meeting of a Committee shall not, except in the case of absolute necessity, be called on the same morning or afternoon as that appointed for the regular meeting or another Committee, and under any circumstances the special meeting shall be called at a different time from that of the other Committee.
4. Except in cases of urgency or where circumstances make it impracticable, the Summons and accompanying papers will be sent to Members five clear working days in advance of the meeting.

### **35. Attendance**

1. Members are entitled to attend meetings of Committees and Sub-Committees of which they are not Members, but must not vote or, without the permission of the Chair/Chairman of the meeting, speak on any matter.
2. If a question is referred by the Court to any Committee to examine and report, the Member moving the reference shall be invited to attend the Committee in the event that they are not a Member of that Committee and shall be permitted to take part in any discussion that may arise therefrom, but not vote on the matter.
3. If the Independent Appeals Panel ~~Standards Committee or the Standards Appeal Committee, or Sub-Committees thereof~~, are considering the conduct of a Member of the Court or an co-opted Member in relation to the City of London Corporation's Code of Conduct for Members in non-public session, no Member or co-opted Member who is not a Member of that Committee or Sub-Committee is permitted to attend the proceedings other than those who have been requested or allowed to attend by the Panel ~~Committee or Sub-Committee~~.

### **36. Quorum**

1. The quorum for each Committee shall be set annually by the Court when the Committees are appointed in accordance with Standing Order Number 21.
2. If the quorum is not established within five minutes of the time stated on the Summons, the formal meeting will be dissolved and formal consideration of the business adjourned to the next regular meeting unless, in the opinion of the Chair/Chairman, a special meeting should be called before that date.
3. If, during a meeting of a Committee or Sub-Committee, a quorum ceases to exist

the meeting shall adjourn until a quorum is re-established. If there is no reasonable likelihood that it will be re-established, the meeting will be dissolved and all remaining business adjourned to the next meeting. Any items that have not been considered by the meeting before its dissolution and which, in the opinion of the Chair/Chairman, require a decision before the next meeting will be considered in accordance with Standing Order Number 41.

### **37. Conduct of Debate**

1. Every Member must confine their speech strictly to the Report, Motion or Amendment under discussion or to a point of order or explanation, and must not be repetitious. The ruling of the Chair/Chairman on issues of relevance or repetition is final.
2. At any time, a Member may raise a point of order or make a personal explanation necessitated by the statement of another Member. Any Member speaking at the time must give way when a point of order or personal explanation is made. A point of order shall relate only to an alleged breach of Standing Orders or statutory provision. A personal explanation shall be confined to some material part of a former speech by the Member at the same meeting, which may have been misunderstood. The ruling of the Chair/Chairman on a point of order or the admissibility of a personal explanation is final.
3. If a Member stands (or, if unable to do so, indicates otherwise) either while another Member is addressing the Committee or, if there is a Motion before the Committee, at the conclusion of a speech, and moves '*That the question be now put*', and this Motion is seconded and carried, that question shall be put forthwith and without debate unless the Chair/Chairman is of the opinion that the Motion is premature or in any sense is an abuse of the rules of the Committee. In no case shall the Mover be precluded from a right to reply should they elect to exercise it.

### **38. Decisions**

Decisions made by Committees will be either unanimous or will represent the view of the majority of those Members present and eligible to vote. The Town Clerk will, if requested, record in the minutes of a meeting the name(s) of any Member(s) dissenting from a majority decision.

### **39. Disorder**

In the event of disorder or a persistent disregard of the authority of the Chair, and if they consider it necessary in the interests of maintaining order, the Chair/Chairman will ask that there be no further interruption. If the interruption continues, they may:-

- (a) direct the Member(s) causing disorder or disregarding their authority to retire for the remainder of the meeting or for such shorter period as the Chair/Chairman may decide. In the event of non-compliance with that instruction, and with the consent of the majority of the Committee to be shown immediately on a show of hands, the Chair/Chairman shall take all reasonable steps for the removal of such Member(s) from the meeting;

- (b) require a member(s) of the public to be removed from the meeting.

#### **40. Duration**

If, after two hours from the appointed time for the start of the meeting, the business has not concluded, the meeting will close and any unfinished business will stand adjourned to the next meeting unless a two-thirds majority of the Members present wish the meeting to continue, and subject to there being a quorum.

#### **41. Decisions between Meetings**

Between scheduled meetings of each Committee or Sub-Committee, if:

- (a) in the opinion of the Town Clerk, it is urgently necessary for a decision to be made; or
- (b) the Committee or Sub-Committee have delegated power to the Town Clerk to make a decision.

then the powers of the Committee or Sub-Committee may, where lawfully possible, be exercised by the Town Clerk. Before exercising this power, they shall seek and obtain the comments of the Chair/Chairman and Deputy Chair/Chairman of the Committee or Sub-Committee or, failing either of them, their nominees. Other than where circumstances make it impracticable, the wider views of the committee or sub-committee membership shall also be sought. Each action or decision shall be reported to the next regular meeting of the Committee or Sub-Committee.

#### **42. Conferences**

1. Members and Officers are authorised to attend events (i.e. conferences, congresses, seminars, meetings, exhibitions etc.) on behalf of the City of London Corporation in accordance with the Business Travel Scheme.
2. The Business Travel Scheme:
  - (a) forms part of the Financial Regulations;
  - (b) defines the various categories of travel on official business;
  - (c) includes a schedule of recognised events attended by Members and/or Officers approved by the Policy & Resources Committee.

### **43. Outside Bodies**

1. A Member ~~shall~~ may serve as a representative of the City Corporation on no more than six outside bodies at the same time.
2. Standing Order Number 43 (1) shall not apply to ex-officio appointments to outside bodies including those that apply to the Court of Aldermen.

## **PART 4 – Interests**

### **44. Interests**

1. If a matter for decision is under consideration by the Court, or any Committee thereof, in which a Member has an interest they must act in accordance with the provisions of the Localism Act 2011 and the Members' Code of Conduct.
2. If a matter for decision relating to the City of London Corporation's Housing or Barbican Residential Estates is under consideration by the Court, or any Committee thereof, which relates to land in which a Member has a beneficial interest they:-
  - (a) must declare the existence and nature of their interest;
  - (b) subject to the provisions of the Localism Act 2011 and the Members' Code of Conduct in relation to interests may speak but not vote thereon.

## **PART 5 – Access to Documents**

### **45. Access to Documents**

1. A Member of the Court is entitled to inspect, or be provided with a copy of, documents belonging to the City of London Corporation that it is reasonably necessary for them to see in order to carry out their duties as a Common Councilman or Alderman. Consistent with this presumption of a Member's entitlement to access documents, a Member has a right of access to all documents relating to business transacted or to be transacted at a meeting of the Court of Common Council, a Committee or Sub- Committee as set out in Standing Order Number 45 (2) and (3).
2. In respect of the City Corporation's local authority and police authority functions a Member has a right of access to all documents relating to business transacted or to be transacted at a meeting of the Court of Common Council, a Committee or Sub- Committee, although if it appears to the Town Clerk that information contained in the documents is exempt information by virtue of Schedule 12A to the Local Government Act 1972 they have a discretion to withhold the documents from inspection unless the information relates to the financial or business affairs of any particular person, including the City Corporation (except in respect of contract negotiations), or the information relates to any noticed imposing requirements on a person or direction the City Corporation proposes to make under any enactment, in which case the documents are required to be open to inspection.
3. Standing Order Number 45 (2) shall apply to the City Corporation's non-local authority and non-police authority functions and a Member shall have a right of access to all documents relating to business transacted or to be transacted at any relevant meeting of the Court of Common Council, a Committee or Sub-Committee, unless the Town Clerk determines otherwise.
4. Where a request for access to documents is declined by the Town Clerk, the Member may refer the matter to the Chair/Chairman and the Deputy Chair/Chairman of the appropriate Committee who will consider the advice of the Town Clerk before either granting or refusing the request.
5. A Member has the same right as a member of the public to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and to have that information communicated to them subject to any exemptions on the disclosure of information properly kept confidential.
6. A Member must preserve the confidentiality of any document containing confidential or exempt information that is in their possession.



## **PART 6 – Acts of Common Council**

### **46. Bills and Acts**

1. A Bill for an Act of Common Council shall be printed and circulated to all Members of the Court before it is submitted to the Court.
2. Every Bill shall be submitted to the appropriate Committee(s) for approval and to the Recorder of London for settling before it is submitted to the Court of Common Council and the report of the appropriate Committee (if any) shall be printed and circulated with the Bill.
3. Unless otherwise ordered by the Court of Common Council, a Bill for an Act of Common Council shall be read a first and second time at one meeting of the Court and shall at the next or a subsequent meeting be read a third time and made an Act of Common Council.

## **PART 7 – Parliamentary Legislation**

### **47. Bills and Acts**

1. No active proceedings for or against any Bill in Parliament (beyond such steps in the case of a Private Bill as may be necessary to obtain or preserve a *locus standi*, or the delivery of formal professional retainers) shall be undertaken without the express authority of the Court, save in a case of emergency which shall be reported at the next ensuing Court.
2. It shall be an instruction to the Remembrancer that where in any Act of Parliament it is necessary to mention or describe the Local Authority for the City of London, such Authority shall be stated to be “The Mayor, Aldermen and Commons of the City of London in Common Council assembled”, or “the Common Council”.

## **PART 8 – Finance**

### **48. Budgets: Resource Allocation, Revenue Estimates and Capital Budgets**

1. Resource allocation plans, revenue estimates and five-year capital budgets shall be prepared annually in respect of the City Fund, City’s Cash and the Bridge House Estates.
2. Resource allocation plans for the subsequent financial year shall for:-
  - (a) City Fund and City’s Cash be approved by the Policy & Resources Committee, following previous consideration by the Efficiency & Performance Sub-Committee and the Resource Allocation Sub- Committee; and
  - (b) Bridge House Estates be approved by the Bridge House Estates Board.

3.
  - (a) The Policy & Resources Committee shall determine the basis and assumptions to be adopted in the preparation of detailed revenue estimates and capital budgets for City Fund and City's Cash, together with any provisional resource allocations for those Funds.
  - (b) The Bridge House Estates Board shall determine the basis and assumptions to be adopted in the preparation of detailed revenue estimates and capital budgets for Bridge House Estates, together with any provisional resource allocations subject to any overarching policy or budget set by the Court.
4. For City Fund and City's Cash the requirements of the Local Government Act 2003 and the CIPFA Prudential Code shall be complied with, as follows:-
  - (a) the Chamberlain, as Chief Financial Officer, shall:
    - i. report on the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals; and,
    - ii. prepare Prudential Indicators in accordance with the Code.
  - (b) Members shall:
    - i. approve the Prudential Indicators as part of the budget setting process by the Court of Common Council; and,
    - ii. have regard to the Chamberlain's advice regarding the robustness of the estimates and the adequacy of reserves.
5. For Bridge House Estates (and any other charity for which the City Corporation is the Trustee), the requirements of charity law, guidance provided by the Charity Commission on financial management, and relevant requirements of the Charities Statement of Recommended Practice shall be complied with as follows:-
  - (a) The Chamberlain as Chief Financial Officer, whether or not acting by and authorized delegate with responsibility for the charity], shall report on the robustness of the budgets and adequacy of the charity's free reserves and other contingency sums allowed for in the budget proposals; and
  - (b) Members shall have regard to the Chamberlain's advice regarding the robustness of the budgets and the adequacy of free reserves and other contingency sums.
6. The Chamberlain is required to monitor against the approved Prudential Indicators for City Fund and City's Cash and report, via the Finance Committee, to the Court of Common Council if they are to be breached.
7. All financial items shall be categorised in accordance with the City Corporation's Financial Regulations and final determination of any categorisation shall be the

responsibility of the Chamberlain and generally applied as follows:-

- (a) recurrent revenue items – analysed between central risk, local risk and recharges;
  - (b) one-off revenue projects – analysed between routine revenue projects financed from within existing local risk budgets; ~~and~~ supplementary revenue projects financed from one-off augmentations of local risk resources; and,
  - (c) capital projects.
8. Detailed revenue estimates for the subsequent financial year, including all recurrent revenue items and routine revenue projects, shall for City Fund and City's Cash be submitted to each Spending Committee in accordance with the Policy & Resources Committee determination, and for Bridge House Estates the relevant budgets, analysis of projected movements on reserves and proposed allocation of funding to the charity's primary and ancillary object shall be submitted to the Bridge House Estates Board. Concurrently, schedules of supplementary revenue projects, along with five-year capital budgets, shall for City's Fund and City's Cash also be presented to each Spending Committee, and for Bridge House Estates to the Bridge House Estates Board.
9. The Finance Committee for City Fund and City's Cash, and the Bridge House Estates Board for Bridge House Estates, shall as relevant present to the Court of Common Council in March of each year the following:-
- (a) the revenue estimates for City Fund and City's Cash;
  - (b) the five-year capital budgets and summaries of supplementary revenue projects;
  - (c) the annual budget reports in respect of all revenue and capital proposals for the City Fund, and City's Cash and the Bridge House Estates, including recommendations as to the Non-Domestic Rate and Council Tax to be levied in the following financial year and the Prudential Code Indicators to apply to the City Fund.
  - (d) The annual budget reports in respect of all revenue and capital proposals for Bridge House Estates, alongside analysis of projected movements on all reserves held over the next three years, including an annual review of the reserves policy and proposed allocation of income to the charity's ancillary object which is surplus to that required for the primary object in that year.
10. No Committee or Officer shall commit the City Corporation to expenditure without the approval of the Court of Common Council, unless otherwise provided for in these Standing Orders. ~~Similar principles shall operate, as appropriate, for income items.~~
11. Similar principles to those stated in Standing Order 48(9) shall operate, as appropriate, for income items, such that: where income is received outside the City Fund and City's Cash budget set for the relevant year, or outside the annual

budget for a charity for which the City Corporation is charity trustee, the relevant Service Committee (for Bridge House Estates this is the Bridge House Estates Board) shall be required to authorise acceptance of those funds which must be in accordance with the strategies and plans set for each fund.

12. No proposal (other than the grant or renewal of a lease) shall be carried out, or submitted to the Court of Common Council, until the estimated financial effect has as relevant first been submitted to and approved by the Finance Committee for City Fund and City's Cash, and to the Bridge House Estates Board for Bridge House Estates, unless otherwise provided for in these Standing Orders or authorised under existing officer delegated authority.
13. Where expenditure is necessary for which no provision has been made by the Court of Common Council but which will be wholly reimbursed by a person or organisation separate from the City Corporation, the Chamberlain may authorise such expenditure from a holding account.

#### **49. Financial Regulations**

1. The Financial Regulations form part of the City Corporation's overall system of financial management, accountability and control and shall be complied with by all City of London Corporation staff.
2. The Financial Regulations are maintained by the Finance Committee.

#### **50. Project Management**

1. Save for Bridge House Estates projects where these responsibilities lie with the Bridge House Estates Board unless reserved to the Court of Common Council:-
  - (a) Approval of the City of London Corporation's programme of projects is the responsibility of the Policy and Resources Committee and Finance Committee through its ~~Projects Sub-Committee,~~ the joint Operational Property and Projects Sub-Committee which scrutinises individual projects, and the Resource Allocation Sub-Committee, which considers the overall programme of project activity and its funding.
  - (b) Decisions about projects are made in conjunction with Spending Committees and the ~~Finance Committee~~ Operational Property and Projects Sub-Committee and the Court of Common Council for high value projects; and
2. Officers shall ensure that all routine revenue, supplementary revenue and capital projects shall comply with the provisions contained within the City of London Corporation's agreed Project Procedure.
3. The Operational Property and Projects Sub-Committee will periodically review the Project Procedure. Technical adjustments and changes to the Procedure may be authorised by the Policy and Resources Committee.
4. The Town Clerk, in consultation with the Operational Property and Projects

Sub-Committee for City Fund and City's Cash or with the Bridge House Estates Board for Bridge House Estates, or the relevant Chair/Chairman and Deputy Chair/Chairman thereof as appropriate, may vary the Project Procedure in relation to individual projects in cases when it is deemed appropriate to do so, with the exception of:-

i. Approval of schemes for refurbishment or re-development or reinstatement of up to £15,000,000 per scheme / per property, for investment properties, with funding either from the relevant sales pool, providing the sales pool is in credit with sufficient funds to cover the total cost of the scheme, or from other appropriate sources will be granted, as provided for within the Scheme of Delegations to Officers.

5. The Town Clerk will produce and keep up to date guidance for Officers, in the form of a Project Toolkit, to ensure that the Project Procedure is followed.

## **51. Procurement and Contract Letting**

1. All procurement and contracts activity will be undertaken by Officers in accordance with the City of London Corporation's agreed Procurement Regulations.
2. The ~~Finance~~ Operational Property and Projects Sub Committee will periodically review the Procurement Regulations and may authorise any technical adjustments. Significant changes to the Regulations require the approval of the Court of Common Council. The Bridge House Estates Board shall be consulted in advance of any changes adopted which will have an impact upon the charity.
3. The Chamberlain will produce and keep up to date guidance for Officers to ensure the Procurement Regulations are followed.

## **52. Writing-Off Debts**

1. Any Committee appointed by the Court of Common Council may agree, with the concurrence of the Chamberlain, to the writing-off of a debt due to the Corporation if satisfied that:-
  - (a) the debt is no longer recoverable at law; or,
  - (b) the cost to the City of ~~London~~ Corporation of commencing or continuing recovery at law is likely to exceed the amount of the debt or the balance uncollected; or,
  - (c) there are reasonable grounds for writing-off the debt subject to the amounts in excess of £500,000 for investment property debt, and £100,000 for all other City Fund and City's Cash being approved by the Finance Committee and for Bridge House Estates being approved by the Bridge House Estates Board.

*(NB. 1. Standing Order Number 52 (1) (c) shall not apply to the*

*Barbican Centre Board*

*N.B. 2. The financial limit for writing-off school fees shall be £3,500 per term).*

2. Each Committee's powers under (1) above are delegated to specific the relevant Chief Officers ~~where the amount of the debt does not exceed £5,000~~ in accordance with the relevant sections of the Scheme of Delegations.

## **PART 9 – Property**

### **53. Corporate Plans and Strategies**

1. The City of London Corporation shall develop and adopt ~~corporate~~ plans and strategies for the management and investment of its property assets as follows:-
  - (a) Corporate Asset Management Strategy Plans which shall be subject to ~~annual~~regular review (not less than every five years) by
    - the ~~Corporate Asset Operational Property and Projects~~ Sub-Committee and approval by the Policy & Resources Committee for City Fund and City's Cash; and
    - The Bridge House Estates Board for Bridge House Estates;
  - (b) Investment Property Strategies which shall be subject to annual reports and regular review (not less than every three years) by
    - the Property Investment Board, Finance and Policy & Resources Committees for City Fund and City's Cash, and
    - the Bridge House Estates Board for Bridge House Estates.
2. The ~~corporate~~ plans and strategies referred to in Standing Order Number 53 (1) shall be based on assumption that all property transactions are on open market terms.
3. All property transactions shall be made in accordance with the ~~corporate~~ plans and strategies referred to in Standing Order Number 53 (1).
4. Any proposed property transactions, including transactions which together form part of a series of transactions, that are not in accordance with the ~~corporate~~ plans and strategies referred to in Standing Order Number 53 (1) or are not based on open market terms shall be subject to the approval of,
  - (a) the originating Committee and the ~~Finance Operational and Property~~ Sub-Committee (for non-investment property) and the Property Investment Board (for investment Property) Committee for City Fund and City's Cash, and the Bridge House Estates Board for Bridge House Estates; and
  - (b) the Court of Common Council if required by the parameters set out in Standing Orders Numbers 55, 57 (2), 58 and 59.

### **54. ~~Capital Buildings Committee~~ Capital Buildings Board (Policy & Resources Committee)**

Where projects have been referred to, or are within the remit of, the Capital Buildings ~~Committee~~Board, decisions in relation to the acquisition and disposal of properties related to the project, including disposal or alternative use of current operational properties to be vacated on completion of the project, shall sit outside of the normal Standing Orders (53-60) governing acquisitions and disposals.

## 55. Acquisitions

1. For the purpose of this Standing Order, the following definitions shall apply:-

### **City Fund & City's Cash:-**

“investment property assets” - properties within the remit of the Property Investment Board that are managed by the City Surveyor as investments yielding capital and/or revenue returns.

“operational property assets” - properties within the day to day control of committees that are held primarily for the provision of operational services by or on behalf of the City of London.

### **Bridge House Estates:-**

“investment property assets” properties, whether endowment or invested income funds, which are managed by the City Surveyor as investments yielding capital and/or revenue in accordance with the investment strategies and policies set for the charity.

“operational property assets” properties which are held for use by the charity.

2. Acquisitions of interests in investment property assets shall follow the City Corporation's agreed Investment Property Acquisition Procedure adopted for each Fund and require the following approvals:-

### **City Fund:-**

<b>Total Acquisition Costs</b>	<b>Approval by</b>
Less than £5,000,000	Property Investment Board and Finance Committee
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council



**City's Cash and Bridge House Estates:-**

<b>Total Acquisition Costs</b>	<b>Approval by</b>
Less than £5,000,000 (subject to funding being available in the relevant Designated Sales Pool)*	Property Investment Board and Finance Committee
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council

**Bridge House Estates:-**

<b><u>Total Acquisition Costs</u></b>	<b><u>Approval by</u></b>
<u>Less than £5,000,000 (subject to funding being available in the relevant Designated Sales Pool)*</u>	<u>Bridge House Estates Board</u>
<u>£5,000,000 and above</u>	<u>Bridge House Estates Board and Court of Common Council</u>

*\*If funding is not available in the relevant Designated Sales Pool the approval of the Court of Common Council shall also be required.*

3. Acquisitions of interests in operational property assets, and for Bridge House Estates this includes a decision to re-purpose investment property as an operational property asset, shall require the following approvals:-

**City Fund & City's Cash:-**

<b>Total Acquisition Costs</b>	<b>Approval by</b>
Less than £2,500,000	<u>Spending Committee</u> and <u>Finance Operational Property and Projects Sub Committees</u>
£2,500,000 and above	<u>Spending Committee</u> and <u>Finance Operational Property and Projects Sub Committees</u> and Court of Common Council

### **Bridge House Estates:-**

<b><u>Total Acquisition Costs</u></b>	<b><u>Approval by</u></b>
<u>Less than £2,500,000</u>	<u>Bridge House Estates Board</u>
<u>£2,500,000 and above</u>	<u>Bridge House Estates Board and Court of Common Council</u>

### **56. Identification of Property Assets Surplus to Departmental and/or Operational Requirements**

1. Committees are required to consider the effective and efficient use of all operational property assets within their management and control. For City Fund and City's Cash property ~~For this will be monitored by the Corporate Asset~~ Operational Property and Projects Sub-Committee. For Bridge House Estates property this will be monitored by the Bridge House Estates Board.
  
2.
  - (a) For City Fund and City's Cash operational property, Where assets are no longer required, in whole or in part, for the provision of operational services for which they are currently held, a report on the circumstances must be made to the Corporate Asset Operational Property and Projects Sub-Committee. This does not apply where lettings are an integral part of the service e.g. market or housing tenancies.
  
  - (b) For Bridge House Estates operational property, where assets are no longer required for use by the charity, a report on the circumstances must be made to the Bridge House Estates Board.

### **57. Freehold Disposals**

1. Disposals of freeholds subject to 2000 year leases and of former freehold highway land shall for City Fund and City's Cash be subject to the approval of the Property Investment Board (investment property assets) or the ~~Finance Committee~~ Operational Property and Projects Sub-Committee (for non-investment property assets), and for Bridge House Estates be subject to the approval of the Bridge House Estates Board.
  
2. All other freehold disposals shall require the following approvals:-

**City Fund and City's Cash:-**

<b>Anticipated Receipt</b>	<b>Approval By</b>	
	<b><u>Investment Property Asset</u></b>	<b><u>Non-Investment Property Asset</u></b>
Less than £1,000,000	Property Investment Board	<del>Finance Committee*</del> <u>Officer Delegation</u>
£1,000,000 to less than £5,000,000	Property Investment Board and Finance Committee	<del>Finance Committee</del> <u>Officer Delegation</u>
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council	<del>Finance Committee</del> <u>Operational Property and Projects Sub-Committee and Court of Common Council</u>

*\*Or a Sub-Committee of the Finance Committee, if so delegated*

**Bridge House Estates:-**

<b>Anticipated Receipt</b>	<b>Approval By</b>	
	<b><u>Investment Property Asset</u></b>	<b><u>Non-Investment Property Asset</u></b>
<u>Less than £5,000,000</u>	<u>Bridge House Estates Board</u>	<del>Bridge House Estates Board</del> <u>Officer Delegation</u>
<u>£5,000,000 and above</u>	<u>Bridge House Estates Board and Court of Common Council</u>	<u>Bridge House Estates Board and Court of Common Council</u>

## 58. Leasehold Disposals/Surrenders

1. All lettings shall be subject to the following:-

- (a) lettings for a period of 25-30 years or less, including lease renewals and the grant of easements, wayleaves and similar arrangements as well as all rent reviews, shall be solely subject to the approval of the Committee having control of such property or any properly authorised Officer (under the scheme of delegations):-
- (b) for City Fund and City's Cash the grant of any lease at less than full rack rental value for a period of 175 years or less (including optional extensions of term) shall require the approval of the Property Investment Board (investment property assets) or the Finance Committee Operational Property and Projects Sub-Committee (for non-investment property assets), any premium being subject to the following approvals:-

### City Fund and City's Cash:-

Anticipated Premium Receipt (1),(2)	Approval By	
	<u>Investment Property Asset</u>	<u>Non-Investment Property Asset</u>
Less than £ <u>42,5000,000</u>	Property Investment Board- <u>Officer Delegation</u>	Finance Committee* <u>Officer Delegation</u>
£ <u>42,000500,000</u> to less than £5,000,000	Property Investment Board and Finance Committee	<u>Finance Committee Operational Property and Projects Sub-Committee</u>
£5,000,000 and above	Property Investment Board, Finance Committee and Court of Common Council	<u>Finance Operational Property and Projects Sub-Committee</u> and Court of Common Council

*\*Or a Sub-Committee of the Finance Committee, if so delegated*

- (c) for Bridge House Estates the grant of any lease at less than full rack rental value for a period of 175 years or less (including optional extensions of term) shall require the approval of the Bridge House Estates Board, any premium being subject to the following approvals:-

### Bridge House Estates:-

<b>Anticipated Premium Receipt (1) (2)</b>	<b>Approval By</b>	
	<b><u>Investment Property Asset</u></b>	<b><u>Non-Investment Property Asset</u></b>
<u>Less than £5,000,000</u>	<u>Bridge House Estates Board</u>	<u>Bridge House Estates Board</u>
<u>£5,000,000 and above</u>	<u>Bridge House Estates Board and Court of Common Council</u>	<u>Bridge House Estates Board and Court of Common Council</u>

(1) For the purpose of these Standing Orders 'receipt' means receipt by the City of London Corporation.

(2) And where the rent is no more than £1,000,000

- (d) the granting of long leases for a peppercorn rent without a premium, where there are no additional financial implications, for example, leases for substations with UKPN, will be approved as per the Scheme of Delegations to officers.

## 59. Variations

- Minor variations (i.e. those which do not affect the open market value of the property) to the terms of ground lease restructurings, disposals, acquisitions and other transactions, or to leases being taken by the City of London Corporation as tenant (whether as trustee of Bridge House Estates or otherwise), and where the variations are necessary to complete the transaction expediently shall be subject solely to the approval of the Committee having control of such property or any properly authorised Officer.
- Other variations to the terms of an existing lease, tenancy, licence or other agreement relating to property shall be subject to the following approvals:

<b>Variation to lease income*</b>	<b>Anticipated Premium Receipt*</b>	<b>For City Fund and City's Cash - Approval by</b>	<b>For Bridge House Estates – Approval by</b>
<del>Less than plus or minus 10-15%</del>	<del>Less than £100,000 12 months' income</del>	<del>Committee controlling the property Officer delegation</del>	<del>Bridge House Estates Board Officer Delegation</del>
More than plus or minus 10-15%	Less More than 12 months' income £100,000 0	Committee controlling the property and Finance Committee.	Bridge House Estates Board
<del>Less than plus or minus 10%</del>	<del>More than £100,000</del>	<del>Committee controlling the property and Finance Committee</del>	<del>Bridge House Estates Board</del>
-	Any premium More than £52,000 500,000	Committee controlling the property, Finance Committee and Court of Common Council	Bridge House Estates Board and Court of Common Council

\*Whichever is the higher value between the variation to lease income and anticipated premium receipt.

## 60. Disposals Subject to Planning Agreements

When land held by the City of London Corporation as freeholder (whether as trustee of Bridge House Estates or otherwise) is approved for redevelopment subject to a planning agreement under Section 106 of the Town & Country Planning Act 1990, the following shall be solely subject to the approval of the Committee having control of such property or any properly authorised Officer:-

- (a) the inclusion of a condition within any disposal that the freeholder or lease holder must adhere to the terms of the planning agreement; and,
- (b) consenting to the City Corporation's land being bound by the planning obligations in the planning agreement.

## PART 10 – Staff

### 61. Employee Handbook

The City of London Corporation's employment terms and conditions and the Code of Conduct for employees are contained within the Employee Handbook which is maintained by the ~~Establishment~~ Corporate Services Committee.

### 62. Officers

1. No person shall be eligible to be appointed or elected by the Court to any paid office if that person:-
  - (a) is a Member of the Court;
  - (b) has been a Member of the Court within 12 calendar months of the election, unless the paid office or situation has become vacant since the person ceased to be a Member of the Court.
2. If any person holding any place of emolument in the gift or appointment of the Court accepts the office of Alderman or Common Councilman of the City, their place shall be immediately vacated.
3. The creation of posts of Grade I or above requires the approval of the appropriate Chief Officer, the Corporate Services ~~Establishment~~ Committee and the Court of Common Council. The re-designation of posts of Grade I and above, where there are no grading implications, must be referred to the Town Clerk or the Service Committee where appropriate.

## 63. Appointments

1. All appointments for Chief Officer posts are subject to the City Corporation's Chief Officer Appointment Procedure, subject to the appointment of the following posts being made by the Court of Common Council:-
  - Town Clerk & Chief Executive
  - Chamberlain
  - Commissioner of the City of London Police
  - Comptroller & City Solicitor
  - Remembrancer
2. All appointments for designated Deputy Chief Officer posts are subject to the Chief Officer Appointment Procedure.
3. A Member of the Court shall not request for any person any appointment with the City of London Corporation, but this shall not preclude a Member from giving a written testimonial of a candidate's ability, experience or character to the City of London Corporation with or in connection with an application for appointment.
4. Each Member and senior employee of the City of London Corporation shall disclose to the Town Clerk any relationship known to them to exist between themselves and any person whom they know to be a candidate for an appointment with the City of London Corporation. The Town Clerk shall report to the Common Council, the Committee or the Chief Officer making the appointment any disclosure made to him under this Standing Order.

*(N.B. For the purposes of this Standing Order, 'senior employee' means the Chief Officer, their deputy, or an employee making the particular appointment, and persons shall be deemed to be related if they are husband and wife or if either of them or the spouse of either of them is the son or daughter or grandson or granddaughter or brother or sister or nephew or niece of the other, or of the spouse of the other, including in each case step or adoptive relationships).*

## 64. Disciplinary Action

1. In the following paragraphs:
  - (a) “Chief Finance Officer”, “Disciplinary Action”, “Head of the Authority’s Paid Service” and “Monitoring Officer” have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001.
  - (b) “Relevant Officer” means the Head of Paid Service (Town Clerk), Chief Finance Officer (Chamberlain) or Monitoring Officer (Comptroller and City Solicitor), as the case may be.
  - (c) “Commissioning Chairs/Chairmen” means the Chairs/Chairmen of the Policy and Resources Committee, Finance Committee and Corporate Services Establishment Committee.
  - (d) “independent person” means a person appointed under section 28(7) of the Localism Act 2011.
  - (e) “the Panel” means a Committee appointed by the Court of Common Council under section 102(4) of the Local Government Act 1972 for the purposes of advising the Court of Common Council on matters relating to the dismissal of Relevant Officers of the City of London Corporation.
  - (f) “Relevant Meeting” means a meeting of the Court to consider whether or not to approve a proposal to dismiss a Relevant Officer.
  - (g) “The Regulations” mean the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2015.
  - (h) “Local Government Elector” means a person registered as a local government elector in the register of electors for the City of London Corporation in accordance with the Representation of the People Acts.
2. A Relevant Officer may not be dismissed by the City of London Corporation unless the procedure set out in the following paragraphs is complied with.
3. Any complaints regarding a Relevant Officer will be considered by the Commissioning Chairs/Chairmen. The Commissioning Chairs/Chairmen will manage and oversee the investigation of these complaints and determine the appropriate action to take.
4. Where the Commissioning Chairs/Chairmen consider there is a case to be answered that could result in dismissal, a meeting of the Panel will be convened.
5. If the Commissioning Chairs/Chairmen then recommend the dismissal of a Relevant Officer, the Regulations require that the decision to dismiss is approved by the Court of Common Council. The Regulations require that the Court of Common Council considers:



- (a) any advice, views or recommendations of a properly appointed Panel (the Statutory Officer Review Panel);
- (b) the conclusions of any investigation into the proposed dismissal; and
- (c) any representations from the Relevant Officer.
6. The Court of Common Council must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel. "Relevant independent person" means any independent person who has been appointed by the Court of Common Council or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the Court of Common Council considers appropriate. This role will be fulfilled by the Independent Persons appointed to advise the ~~Standards~~ Independent Appeals Panel Committee.
7. The Statutory Officer Review Panel comprises the following Members of the Court of Common Council:
- The Chief Commoner;
  - Chair/Chairman of Planning and Transportation Committee;
  - Chair/Chairman of Port Health and Environmental Services Committee;
  - Chair/Chairman of the Markets Committee;
  - Chair/Chairman of the ~~Police Committee~~ City of London Police Authority Board;
  - ~~two of the three~~ Independent Persons appointed to the Independent Appeals Panel ~~advise the Standards Committee~~.
8. The Regulations state that the Independent Persons must be appointed to the Panel in accordance with the following priority order (subject to such relevant independent persons accepting the invitation):
- (a) a relevant independent person who has been appointed by the Court of Common Council and who is a local government elector;
- (b) any other relevant independent person who has been appointed by the Court of Common Council;
- (c) a relevant independent person who has been appointed by another authority or authorities.
9. The Court of Common Council must appoint any Panel at least 20 working days before the relevant meeting. In the event that this requirement sets a deadline for appointment of the Panel which falls between the first meeting of the Court of Common Council in any municipal year and the election of the Chair/Chairman of any of the Committees specified at Standing Order 64(7) above, the Chair/Chairman of the Committee for the previous municipal year will be

considered to continue to serve as the Chair/Chairman of the Committee and therefore be appointed to the Panel.

10. The role of the Panel is to review the findings of the disciplinary investigation and report of the Commissioning Chairs/Chairmen including any representations made by the Relevant Officer. The Panel is then to provide its advice, views or recommendations to the Commissioning Chairs/Chairmen.
11. Any remuneration, allowances or fees paid by the City of London Corporation to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the Localism Act 2011.
12. If dismissal is proposed, the Commissioning Chairs/Chairmen will report to the Court of Common Council with the findings of the investigation and the advice, views or recommendations of the Panel. The Relevant Officer will have the opportunity to make representations. Any action to dismiss the officer must be agreed through a vote of the Court.
13. Officers shall ensure that consideration of any disciplinary action relating to a Statutory Officer, including possible dismissal, shall comply with the provisions contained within the City of London Corporation's Statutory Officer Disciplinary Procedure.

## **PART 11 – The City Seal**

### **65. Affixing the Seal**

1. The City Seal shall not be fixed to any document unless:-
  - (a) the document has been approved by one of the Law Officers;
  - (b) the sealing has been authorised by a resolution of the Court or of a Committee to which the Court has delegated its powers on its behalf.
2. A resolution of the Court (or of a Committee thereof where that Committee has the power) to authorise the acceptance of any tender, the purchase, sale, letting or taking of any property; the issue of any stock; the presentation of any petition, memorial, or address; the making of any rate or contract; or any other matter, shall be a sufficient authority for sealing any document necessary to give effect to the resolution.
3. The affixing of the City Seal shall be attested by the Town Clerk or by their duly appointed representative or by the Comptroller & City Solicitor or by their duly appointed representative.

### **66. Register of Documents Sealed**

The Town Clerk shall keep a Register recording details of each sealing.

Report – Hospitality Working Party of the Policy and Resources Committee

Applications for Hospitality

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

**(a) Central London Bench Reception**

It is proposed that the City Corporation hosts an early evening reception for the Central London Bench in the Grand Hall at the Central Criminal Court on Wednesday 5<sup>th</sup> October 2022.

The City Corporation has hosted an annual reception for the Central London Bench at the Old Bailey since 2018. The event aims to further relations between the City of London Corporation and the Central London Bench.

This event would support the following Corporate Plan outcomes: to tackle terrorism, violent and acquisitive crime, fraud, cyber-crime and anti-social behaviour and facilitate justice (outcome 1a); to advocate and facilitate greater levels of giving time, skills, knowledge, advice and money (outcome 5d); and to promote regulatory confidence founded on the rule of law (outcome 6a).

It is **recommended** that hospitality be granted for an early evening reception and that arrangements are made under the auspices of the Hospitality Working Party; the costs to be met from City's Cash within approved parameters.

**(b) Emergency Services Day Flag Raising and Reception**

It is proposed that the City Corporation hosts a flag raising ceremony and breakfast reception on Friday 9<sup>th</sup> September 2022 to mark Emergency Services Day.

Emergency Services Day is a nationally recognised annual event that takes place on 9<sup>th</sup> September each year to show public support for those who work and volunteer in the emergency services. It promotes using emergency services responsibly and encourages people to consider the many volunteering opportunities available.

The event would support the following Corporate Plan outcomes: to prepare our response to natural and made-made threats (outcome 1a); to tackle terrorism, violent and acquisitive crime, fraud, cyber-crime and anti-social behaviour and facilitate justice (outcome 1b); to protect consumers and users of buildings, streets and public spaces (outcome 1c); and to safeguard children, young people and adults at risk (outcome 1d).

It is **recommended** that hospitality be granted for a flag-raising ceremony followed by light refreshments and that arrangements are made under the auspices of the Hospitality Working Party; the costs to be met from City's Cash within approved parameters.

This would be a whole Court event.

**(c) London Port Health Authority 150<sup>th</sup> Anniversary Reception**

It is proposed that the City Corporation hosts an evening reception on 6<sup>th</sup> September 2022 to mark the 150<sup>th</sup> anniversary of the London Port Health Authority at the Museum of London Docklands.

The Mayor and Commonality and Citizens of the City of London were first constituted as the Port Sanitary Authority for the Port of London under the Public Health Act 1872. The reception would provide an opportunity to demonstrate the City Corporation's commitment to the work of the Authority and London's wellbeing and environment while maintaining and promoting international trade.

The event would support the following Corporate Plan outcomes: to protect consumers and users of buildings, streets and public spaces (outcome 1c); to attract and retain investment and promote exports of goods and services across multiple global markets (outcome 6d); and to influence UK and global policy and regulation and international agreements to protect the environment (outcome 11d).

It is **recommended** that hospitality be granted for an early evening reception and that arrangements are made under the auspices of the Port Health and Environmental Services Committee; the costs to be met from City's Cash within approved parameters.

This would be a whole Court event.

**(d) Private View for the launch of the Guildhall Art Gallery Exhibition 'Inspired!'**

It is proposed that the City Corporation hosts a private view in Guildhall Art Gallery to mark the launch of the exhibition 'Inspired!' on Thursday 21<sup>st</sup> April 2022.

The Exhibition 'Inspired!' will be on display from 8<sup>th</sup> April until 11<sup>th</sup> September 2022 in Guildhall Art Gallery and will be the first major exhibition following the Gallery's three-month closure for a sprinkler replacement project. Works featured in the exhibition will be drawn from the Gallery's permanent collection. The exhibition will examine ways in which visual arts, particularly the Victorian narrative painters, have been inspired by the literary arts and also music.

The event would support the following Corporate Plan outcomes: to provide access to world-class heritage, culture and learning to people of all ages, abilities and backgrounds (outcome 3b); to promote the City, London and the UK as attractive and accessible places to live, learn, work and visit (outcome 8a); and to protect, curate and promote world-class heritage assets, cultural experiences and events (outcome 10d).

It is **recommended** that hospitality be granted for an early evening private view and that arrangements are made under the auspices of the Culture, Heritage and Libraries Committee; costs to be met from City's Cash within approved parameters.

This would be a whole Court event.

**(e) Early evening reception prior to the Centre for Young Musicians' 50<sup>th</sup> Anniversary Gala Concert**

It is proposed that the City Corporation hosts an early evening reception prior to the Centre for Young Musicians' 50<sup>th</sup> Anniversary gala concert at the Barbican Centre on Wednesday 25<sup>th</sup> May 2022.

The Centre for Young Musicians was founded in 1970 and is a division of the Guildhall School of Music and Drama. 2020 marked the Centre's 50<sup>th</sup> Anniversary and a planned gala concert and reception had to be cancelled owing to Covid restrictions that were in place at the time.

The occasion would provide an opportunity to highlight the City Corporation's role as a leading provider of culture within London and the UK as well as its commitment to the Centre, the London School Symphony Orchestra and the Guildhall School of Music and Drama.

The event would support the following Corporate Plan outcomes: to provide access to world class-heritage, culture and learning to people of all ages, abilities and backgrounds (outcome 3b); to promote the City, London and the UK as attractive and accessible places to live, learn, work and visit (outcome 8a); and to protect, curate and promote world-class heritage assets, cultural experiences and events (outcome 10d).

It is **recommended** that hospitality be granted for an early evening reception and that arrangements are made under the auspices of the Board of Governors of the Guildhall School of Music and Drama; costs to be met from City's Cash within approved parameters.

**(f) Memorial Reception for Archbishop Desmond Tutu**

It is proposed that the City Corporation hosts a memorial reception at Guildhall on the evening of Tuesday 21<sup>st</sup> June 2022.

The Most Reverend Desmond Tutu, Archbishop Emeritus of Cape Town, died in December 2021 and a Memorial Service is planned to take place at Westminster Abbey on 9<sup>th</sup> June 2022. Archbishop Tutu received the Honorary Freedom of the City in 2013. It is proposed that the City Corporation hosts an evening reception to provide an opportunity to celebrate the life of Archbishop Tutu and reflect the City Corporation's commitment to promoting a diverse and inclusive society.

The event would support the following Corporate Plan outcomes: to promote and champion diversity, inclusion and the removal of institutional barriers and structural inequalities (outcome 2a); and to bring individuals and communities together to share experiences and promote wellbeing, mutual respect and tolerance (outcome 4a).

It is **recommended** that hospitality be granted for an evening reception and that arrangements are made under the auspices of the Hospitality Working Party; costs to be met from City's Cash within approved parameters.

This would be a whole Court event.

**(g) Early evening reception following Pride Flag Raising**

It is proposed that the City Corporation hosts an early evening reception on Monday 27<sup>th</sup> June 2022 following the Pride Flag raising at Guildhall to mark the Pride in London Festival. 2022 marks the 50<sup>th</sup> anniversary of the first UK Gay Pride Rally which was held in London.

The Pride in London Parade is the UK's largest LGBT+ event. The 2020 and 2021 Parades were cancelled as a result of the Covid pandemic; however, the Pride Flag

was raised at Guildhall and other City Corporation buildings to demonstrate support for the LGBT+ community. The occasions were marked by small ceremonies in Guildhall Yard.

The event would support the following Corporate Plan outcomes: to promote and champion diversity, inclusion and the removal of institutional barriers and structural inequalities (outcome 2a); and to bring individuals and communities together to share experiences and promote wellbeing, mutual respect and tolerance (outcome 4a).

It is **recommended** that hospitality be granted for an early evening reception and that arrangements are made under the auspices of the Hospitality Working Party; costs to be met from City's Cash within agreed parameters.

This would be a whole Court event.

**(h) Early evening reception for the "Safe to Be Me: A Global Equality Conference"**

It is proposed that the City Corporation hosts an early evening reception on Wednesday 29<sup>th</sup> June 2022 to welcome delegates to the "Safe to Be Me: A Global Equality Conference" to London.

The UK Government will host its first global LGBT+ conference later this year. The "Safe to be Me: A Global Equality Conference" aims to bring together governments, business, civil society and parliamentarians to share best practice, develop policy, and take action to improve the safety and wellbeing of LGBT+ people throughout the world. The conference will take place in London from 29<sup>th</sup> June to 1<sup>st</sup> July 2022, coinciding with the 50<sup>th</sup> anniversary of the first official Pride rally held in London. It is proposed that the City Corporation host an early evening reception on the first day of the conference to welcome delegates to London.

The event would support the following Corporate Plan outcomes: to promote and champion diversity, inclusion and the removal of institutional barriers and structural inequalities (outcome 2a); to bring individuals and communities together to share experiences and promote wellbeing, mutual respect and tolerance (outcome 4a); and to strengthen local, regional, national and international relationships to secure new opportunities for business, collaboration and innovation (outcome 7b).

It is **recommended** that hospitality be granted for an early evening reception and that arrangements are made under the auspices of the Policy and Resources Committee; costs to be met from City's Cash within agreed parameters.

This would be a whole Court event.

**(i) Performance by the Commonwealth Youth Choir and Orchestra**

It is proposed that the City Corporation hosts a performance by the Commonwealth Youth Choir and Orchestra in the Great Hall followed by an early evening reception in the Old Library on Thursday 14<sup>th</sup> July 2022.

The Commonwealth Youth Choir was established in 2010 with a mission to "engage-educate-empower". Through the Commonwealth Music Partnership it aims to link musicians, choirs, orchestras and music schools in all 54 nations of the Commonwealth and provide opportunities for fully funded international exchanges, education and collaboration.

The event would support the following Corporate Plan outcomes: to promote effective progression through fulfilling education and employment (outcome 3c); to bring individuals and communities together to share experiences and promote wellbeing, mutual respect and tolerance (outcome 4a); and to advocate and facilitate greater levels of giving time, skills, knowledge, advice and money (outcome 5d).

It is **recommended** that hospitality be granted and that arrangements are made under the auspices of the Hospitality Working Party; costs to be met from City's Cash within agreed parameters.

This would be a whole Court event.

**(j) Early Evening Reception to celebrate Diwali**

It is proposed that the City Corporation hosts an early evening reception in the Crypts to celebrate Diwali on Friday 28<sup>th</sup> October 2022.

Diwali is the five-day Hindu, Sikh and Jain festival of lights, celebrated every autumn. The reception would provide an opportunity for the City Corporation to celebrate the contribution of the British Indian community and would also present an opportunity to develop further the City's relationship with the Hindu Council UK.

The event would support the following Corporate Plan outcomes: to promote and champion diversity, inclusion and the removal of institutional barriers and structural inequalities (outcome 3a); to provide access to world-class heritage, culture and learning to people of all ages, abilities and backgrounds (outcome 3b); and to bring individuals and communities together to share experiences and promote wellbeing, mutual respect and tolerance (outcome 4a).

It is **recommended** that hospitality be granted for an early evening reception to celebrate Diwali and that arrangements are made under the auspices of the Hospitality Working Party; costs to be met from City's Cash within agreed parameters.

This would be a whole Court event.

**(k) Industry and Parliament Trust Programme 2022**

It is proposed the City Corporation hosts in 2022 a series of approximately six parliamentary meetings in association with the Industry and Parliament Trust (IPT).

IPT is a non-partisan registered charity, based in Parliament, that provides a platform for engagement between parliamentarians and UK business. It is supported by cross-party representation of senior parliamentarians. The City Corporation's relationship with IPT has resulted in meetings arranged each year to discuss a range of issues relevant to the City. Meetings are planned in liaison with City Corporation departments to reflect City Corporation priorities.

These events would support the following Corporate Plan outcomes: to influence UK and global policy and regulation and international agreements to protect and grow the UK economy (outcome 6b); and to preserve and promote the City as the world-leading global centre for financial and professional services, commerce and culture (outcome 7c).

It is **recommended** that hospitality be granted for a series of parliamentary meetings and that arrangements are made under the auspices of the Hospitality Working Party; costs to be met from City's Cash within agreed parameters.

**(I) Report of Urgent Action Taken: International Women's Day networking breakfast and panel discussion**

In accordance with Standing Order No. 19, urgent authority was sought to the City Corporation hosting a networking breakfast and panel discussion on Friday 4<sup>th</sup> March 2022 to mark International Women's Day.

International Women's Day celebrates the social, economic, cultural and political achievements of women. It aims to raise awareness about women's equality, lobby for accelerated gender parity, and raise funds for women focused charities.

Urgent approval was sought and granted to the City Corporation hosting a panel discussion and networking breakfast. The event was intended to provide an opportunity to highlight the City Corporation's commitment to promoting diversity and inclusion in the City and the UK.

Following the decision of Hospitality Working Party at its meeting on 20<sup>th</sup> January 2022 to approve the application for hospitality, it became apparent that waiting until the next formal Court of Common Council meeting to be held on 10<sup>th</sup> March 2022 would not allow for the necessary arrangements to proceed and the event to take place.

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

DATED this 15<sup>th</sup> Day of February 2022

SIGNED on behalf of the Working Party.

**Deputy Brian Mooney**  
Chief Commoner and Chairman, Hospitality Working Party



# Report – Planning and Transportation Committee

## Annual On-Street Parking Accounts 2020/21 and Related Funding of Highway Improvements and Schemes

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### SUMMARY

The City of London Corporation, in common with other London authorities, is required to report to the Mayor for London on action taken in respect of any deficit or surplus in its On-Street Parking Account for a particular financial year.

The purpose of this report is to inform Members that:

- the surplus arising from on-street parking activities in 2020/21 was £10.138m;
- a total of £5.712m was applied in 2020/21 to fund approved projects; and
- the surplus remaining on the On-Street Parking Reserve at 31st March 2021 was £47.125m, which will be wholly allocated towards the funding of various highway improvements and other projects over the medium term.

### RECOMMENDATION

That Members note the contents of the report and approve its submission to the Mayor of London.

### MAIN REPORT

#### Background

1. Section 55(3A) of the Road Traffic Regulation Act 1984 (as amended), requires the City of London in common with other London authorities (i.e. other London Borough Councils and Transport for London), to report to the Mayor for London on action taken in respect of any deficit or surplus in their On-Street Parking Account for a particular financial year.
2. Legislation provides that any surplus not applied in the financial year may be carried forward. If it is not to be carried forward, it may be applied by the City for one or more of the following purposes:
  - a) making good to the City Fund any deficit charged to that Fund in the four years immediately preceding the financial year in question;

- b) meeting all or any part of the cost of the provision and maintenance by the City of off-street parking accommodation whether in the open or under cover;
- c) the making to other local authorities, or to other persons, of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation whether in the open or under cover;
- d) if it appears to the City that the provision in the City of further off-street parking accommodation is for the time being unnecessary or undesirable, for the following purposes, namely:
  - meeting costs incurred, whether by the City or by some other person, in the provision or operation of, or of facilities for, public passenger transport services;
  - the purposes of a highway or road improvement project in the City;
  - meeting the costs incurred by the City in respect of the maintenance of roads at the public expense; and
  - for an “environmental improvement” in the City.
- e) meeting all or any part of the cost of the doing by the City in its area of anything which facilitates the implementation of the Mayor’s Transport Strategy, being specified in that strategy as a purpose for which a surplus can be applied; and
- f) making contributions to other authorities, i.e. the other London Borough Councils and Transport for London, towards the cost of their doing things upon which the City in its area could incur expenditure upon under (a)-(e) above.

3. In the various tables of this report, figures in brackets indicate expenditure, reductions in income or increased expenditure.

**2020/21 Outturn**

4. The overall financial position for the On-Street Parking Reserve in 2019/20 is summarised below:

	£m
Surplus Balance brought forward at 1st April 2020	42.669
Surplus arising during 2020/21	10.138
Expenditure financed during the year	(5.712)
<b>Funds remaining at 31<sup>st</sup> March 2021, wholly allocated towards funding future projects</b>	<b>47.125</b>

5. Total expenditure of £5.712m in 2020/21 was financed from the On-Street Parking Reserve, covering the following approved projects:

<b>Revenue/SRP Expenditure:</b>	<b>£000</b>
Highway resurfacing, maintenance & enhancements	(2,121)
Off-Street car parking contribution from reserves	(1,122)
Concessionary fares & taxi card scheme	(502)
City Streets COVID 19 – phase 3	(386)
West Smithfield Area Public Realm & Transportation	(351)
Bank Junction experimental safety scheme	(172)
Special needs transport	(61)
Aldgate maintenance for Open Spaces	(40)
City Wayfinding Signage/Legible London	(18)
London Wall car park waterproofing and repairs	(3)
Holborn Viaduct & Snow Hill pipe-subways	(2)
Thames Court footbridge	10
<b>Total Revenue/SRP Expenditure</b>	<b>(4,768)</b>
<b>Capital Expenditure:</b>	
Street lighting project	(436)
Traffic enforcement CCTV	(201)
Bank Junction improvements (All Change at Bank)	(163)
Barbican Podium waterproofing – phase 2	(102)
Holborn Viaduct & Snow Hill pipe-subways	(26)
City Wayfinding Signage/Legible London	(11)
Baynard House fire safety	(4)
Highways Management System	(1)
<b>Total Capital Expenditure</b>	<b>(944)</b>
<b>Total Expenditure Funded in 2020/21</b>	<b>(5,712)</b>

6. The surplus on the On-Street Parking Reserve brought forward from 2019/20 was £42.699m. After expenditure of £5.712m funded in 2020/21, a surplus balance of £4.426m was carried forward to future years to give a closing balance at 31st March 2021 of £47.125m.
7. Currently total expenditure of some £92.1m is planned over the medium term from 2021/22 until 2025/26 (as detailed in Table 1), by which time it is anticipated that the existing surplus plus those estimated for future years will be fully utilised.
8. The total programme covers numerous major capital schemes including funding towards the Barbican podium waterproofing; Bank Junction permanent improvement scheme; Holborn Viaduct & Snow Hill pipe-subways repairs; Baynard House fire safety; City Wayfinding Signage/Legible London; Traffic Enforcement CCTV; City Streets COVID-19; West Smithfield area public realm & transportation project; St Paul's gyratory; Minories car park structural building report; Dominant House footbridge repairs; London Wall car park waterproofing, joint replacement & concrete repairs; London Wall car park ventilation, electrics, lighting & fire alarms; Fire safety at the car parks; Lindsey Street Bridge

strengthening; Climate Action Strategy Cool Streets and Pedestrian Priority; and Beech Street. The progression of each individual scheme is, of course, subject to the City's normal evaluation criteria and Standing Order.

9. The programme also covers ongoing funding of revenue projects the main ones being highway resurfacing, enhancements & road maintenance projects; concessionary fares & taxi cards; contributions to the costs of Off-Street car parks, special needs transport and annual maintenance of Aldgate.
10. A forecast summary of income and expenditure arising on the On-Street Parking Account and the corresponding contribution from or to the On- Street Parking
11. surplus, over the medium-term financial planning period, is shown below:

<b>Table 1</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total</b>
<b>On-Street Parking Account Reserve</b>							
<b>Projections 2020/21 to 2025/26</b>	<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Income	15.1	14.1	13.3	13.6	13.9	14.1	84.1
Expenditure (Note 1)	(5.0)	(4.5)	(4.7)	(4.8)	(5.0)	(5.0)	(29.0)
<b>Net Surplus arising in year</b>	<b>10.1</b>	<b>9.6</b>	<b>8.6</b>	<b>8.8</b>	<b>8.9</b>	<b>9.1</b>	<b>55.1</b>
Capital, SRP and Revenue Commitments	(5.7)	(10.0)	(26.6)	(35.1)	(10.8)	(9.6)	(97.8)
<b>Net in year contribution (from)/ to surplus</b>	<b>4.4</b>	<b>(0.4)</b>	<b>(18.0)</b>	<b>(26.3)</b>	<b>(1.9)</b>	<b>(0.5)</b>	<b>(42.7)</b>
(Deficit) / Surplus c/wd at 1 <sup>st</sup> April	42.7	47.1	46.7	28.7	2.4	0.5	
<b>(Deficit) / Surplus c/wd at 31<sup>st</sup> March</b>	<b>47.1</b>	<b>46.7</b>	<b>28.7</b>	<b>2.4</b>	<b>0.5</b>	<b>0.0</b>	

*Note 1: On-Street operating expenditure relates to direct staffing costs, current Saba enforcement contractor costs, fees & services (covering cash collection, pay by phone, postage & legal), IT software costs for enforcement systems, provision for bad debts for on-street income and central support recharges.*

12. A reduction in income is forecast from 2021/22 onwards, mainly relating to ongoing reductions in business operating following COVID-19 and future projections of motorist's compliance. There are also reductions in expenditure following Departmental savings on the parking operator enforcement contract costs due to reduced staff required during COVID-19 lockdown and reduced trade. Further additional savings from the new parking contract retender awarded from 1<sup>st</sup> April 2022 will also need to be phased into future expenditure projections.

**Conclusion**

13. So that the City Corporation can meet its requirements under the Road Traffic Regulation Act 1984 (as amended), it is requested that the Court of Common Council notes the contents of this report and approves its submission to the Mayor of London.

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

DATED this 1<sup>st</sup> day of February 2022.

SIGNED on behalf of the Committee.

**Deputy Alastair Moss**  
Chair, Planning and Transportation Committee

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# Report – Establishment Committee

## Senior Officer Recruitment – Environment Department

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### Summary

This report seeks decisions relating to the organisational design of the Environment Department, in line with the City Corporation’s Target Operating Model (“TOM”).

The report proposes the creation of two new roles within the Environment Department structure.

- a) Strategic Director of Natural Environment, and
- b) Assistant Director Policy & Projects

As these posts are at Grade I or above, their creation is submitted to this Honourable Court for approval.

The full Environment Department structure has been approved, under urgency by your Open Spaces and City Gardens Committee, Licensing Committee, Property Investment Board, Corporate Asset Sub Committee, Epping Forest and Commons Committee, Hampstead Heath, Highgate Wood and Queens Park Committee and West Ham Park Committee; by your Planning and Transportation Committee and Port Health and Environmental Services Committee and by your Establishment Committee.

### RECOMMENDATIONS

The Court of Common Council is **recommended** to:

- a) Approve the creation of a new Strategic Director of Natural Environment at Grade J; and
- b) Approve the creation of a new Assistant Director Policy and Projects post at Grade I.

### Main Report

#### Background

1. The Court of Common Council, on 3 December 2020, agreed the governance and timetable for the approval of the Target Operating Model (TOM) and Organisational Design Principles (OD). This included the creation of an

Environment Department which brought together the previous Department of the Built Environment, Port Health and Public Protection (part of the former Department of Markets and Consumer Protection) and Open Spaces, headed up by a new Executive Director, who joined in August 2021.

2. The department TOM proposals were approved by Establishment Committee on 19 January 2022, and subject to staff consultation until 27 February 2022.
3. The Environment Department is the largest and most complex in the Corporation. The TOM gave the Executive Director, Environment the opportunity to create a Department that is fit for purpose and fit for the future.
4. Consultation and agreement of these confidential proposals was undertaken during December and January with nine Committees (listed below). For Port Health and Environmental Services, delegated authority was given to the Chair and Deputy. For Planning and Transportation delegated authority to the Chair and Deputy was also given but with Committee members having initial sight of the report and being able to feed back to their Chair and Deputy prior to them making their decision. For the other seven Committees, CoL members received their relevant confidential committee report and appendices, and feedback was curated and circulated to the respective Chair and Deputies. An informal meeting of these Chairs and Deputies was held and final approval granted under urgency as it was not possible to present the reports to full committee within the tight timescales available. This has provided a fair and equitable way for Members to consider our proposals so voices can be heard and captured.

**Under urgency:**

- Open Spaces and City Gardens Committee
- Licensing Committee
- Property Investment Board
- Corporate Asset Sub Committee
- Epping Forest and Commons Committee
- Hampstead Heath, Highgate Wood and Queens Park Committee
- West Ham Park Committee

**Under delegated:**

- Planning and Transportation
- Port Health and Environmental Services

**Current Position**

5. The Chief Officer role of Open Spaces Director has been deleted following the retirement of the previous postholder.
6. There is no person or team to lead the ongoing development and delivery of the Corporation's Transport Strategy, Road Danger Reduction Plan and numerous projects & programmes to ensure the City's streets, spaces and transport are fit for purpose and designed & managed in line with organisational objectives.



## Proposals

7. Creation of a new Strategic Director of Natural Environment. This post is a critical senior leadership position and its role and responsibilities have been assessed internally within the Department and considered to form an important and key part of the Environment Department.
8. Creation of a new Assistant Director Policy and Projects. This post will form a key position within the City Operations division, ensuring the City's streets, spaces and transport are fit for purpose and safely designed & managed in line with organisational objectives.
9. The Executive Director, Environment will be involved in the recruitment and interviews for the Assistant Director Policy and Projects. In line with HR policies this post will be recruited internally to reduce the impact of redundancy.

## Corporate & Strategic Implications

10. The appointment of the Strategic Director of Natural Environment post, a senior specialist professional post, is critical to delivering the transformation of Open Spaces into the future Natural Environment division, which is fit for the twenty-first century.
11. The appointment of the Assistant Director Policy and Projects, a key specialist professional post, is critical to the process of redefining how policy, programmes and projects are delivered to enhance the City's streets & spaces. They will lead and provide a strategic overview of the City's Transportation Strategy and be the Senior Responsible Officer for road safety. It therefore has a critical strategic role in the City maintaining its international standing and ensuring a flourishing economy.
12. **Corporate and Strategic Implications** - The Environment Department plays a central role in helping to deliver the Corporate vision through all facets of its work. Ultimately, the creation of these two posts will support the successful delivery of the Environment Department's Business Plan. Furthermore, the proposal will support the vision set out within the City Corporation's Corporate Plan ("CP") for 2018 – 23 and reinforces CP outcomes **1, 2, 3, 4, 9, 10, 11, 12**
13. **Financial Implications** – The funding for the two new posts, and the full leadership team, have been approved by the relevant committees. If the proposal is approved, the additional costs for 2022/23 onwards will be built into budgets going forward as part of the corporate annual budget setting process.
14. **Climate implications** – The creation of these two roles will not have any direct climate implications, however, both roles will have a significant role in delivering the objectives of the Climate Action Strategy.
15. **Equalities Implications** – The Executive Director, Environment has conducted a Test of Relevance to comply with the City Corporation's Public Sector Equality Duty 2010.

**Conclusion**

16. In summary, this report seeks approval for the creation of two new posts a) Strategic Director of Natural Environment at Grade J; and Assistant Director Policy and Projects post at Grade I.

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

DATED this 19<sup>th</sup> day of January 2022.

SIGNED on behalf of the Committee.

**Tracey Graham**  
Chair of the Establishment Committee

**Appendices**

Appendix 1 – Summary of Roles

Appendix 2 – Environment Department Top Level Org Chart

## **Appendix 1 – Summary of Roles**

### **1. Strategic Director of Natural Environment**

#### **Natural Environment**

The City of London Corporation owns and manages almost 11,000 acres of historic and natural Open Spaces for public recreation and enjoyment. This includes Epping Forest, City Commons, Burnham Beeches and Stoke Common which are registered charities and are funded from City's Cash. They are run at no cost to the communities that they serve, as they are funded principally by the City, together with donations, sponsorship, grants and trading income.

The draft vision for the division is to enhance the City of London Corporation's reputation as a global leader in climate action and sustainability by pro-actively delivering carbon negative solutions and increasing biodiversity, collaborating extensively with the local community to provide outstanding natural environments, and develop self-funding mechanisms over the long term.

#### **Purpose of Post**

Reporting to the Executive Director, Environment, the Strategic Director of Natural Environment is responsible for leading the division, establishing and delivering a vision and five-year plan, increasing conservation activities to support the City of London Corporation's Climate Action Strategy, and increasing the visitor numbers and improving the visitor experience. Fundamental to this role is the health and future wellbeing of the ten Open Spaces charities and developing a rolling investment programme to secure the future of these assets. As a key member of the Environment Senior Leadership Team (SLT), the Strategic Director will display a collaborative leadership approach, working cooperatively with other members of the SLT to maximise the strategic impact of the Environment Directorate's activities for the benefit of London, Londoners and the wider community.

## **2. Assistant Director: Policy and Projects (City Operations)**

### **Purpose of post**

Reporting to the City Operations Director this role will lead the development and delivery of the Corporation's Transport Strategy, Road Danger Reduction Plan, Public Realm Strategies, Lighting Strategy and Local Implementation Plan to ensure the City's streets, spaces and transport are fit for purpose and designed & managed in line with organisational objectives. This role will lead the promotion of these strategies and plans to City businesses, residents and relevant London, national and international organisations and to engage stakeholders in delivering related projects and initiatives.

They will lead on, direct and deliver capital programmes & projects affecting the City's streets and spaces, ensuring compliance with corporate governance processes, balancing the needs of developers with the needs of the public, meeting the City's statutory duties and delivering high quality outcomes to enhance the Square Mile.

As the primary City of London contact for TfL, GLA and other external bodies in all transportation and public realm initiatives and projects, they will lead on negotiations, development, sponsorship and planning of programmes and projects delivered by the Corporation and TfL in that context.

They will be responsible for the delivery of effective communication & engagement for this area of responsibility with Members, the department, other sections of the City Corporation, City Police, external stakeholders, businesses, residential groups and the general public.

# Report – Board of Governors of the Guildhall School of Music and Drama – Amendments to Instrument and Articles of Government

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

## SUMMARY

1. In June 2019, following the Guildhall School of Music and Drama's (GSMD) registration with the Office for Students (OfS) and in response to the new regulatory framework established by the Higher Education and Research Act 2017, the Court of Common Council approved an updated version of the School's Instrument & Articles of Government.
2. In keeping with the outcomes of the Governance Review, the School has undertaken a further review of its arrangements and, in January 2022, the Establishment and Policy & Resources Committees considered and approved various proposals for the School arising from both the Review and the City of London Corporation's Target Operating Model. Consequential amendments are now required to be incorporated formally within the School's Instrument & Articles of Government.
3. At its meeting on 21 February, the Board of Governors considered the required changes to the Instrument & Articles and agreed two minor amendments highlighted as **grey** (additions) and ~~strike through~~ (deletions), attached at Appendix 1 to the report, which represent changes to the composition and quorum requirements.
4. In addition, the Board wishes to have the ability to appoint a second Deputy Chair from amongst its an external (co-opted) Members. This is consistent with the model the Barbican Centre Board and the City's Audit and Risk Management Committee have now adopted. The Chair of the Board would continue to be drawn from the pool of Court of Common Council Members elected to the Board of Governors. This second Deputy Chair would also be the Senior Independent Governor for compliance with the Committee of University Chairs' (CUC) Higher Education Code of Governance.
5. Once these amendments have been formally approved by the Court, they will need to be presented to the Office for Students as a reportable event.
6. Members are asked to note that, given its designation as a Higher Education Institution, the relationship of the School's Academic Board to the Governing Body needs to be visible. Within the Code of Practice for Higher Education, there is also requirement for a Nominations Committee. The Articles and Instruments do not preclude the establishment of other committees and the School also has

Audit and Risk Management, Finance and Resources and Governance and Effectiveness Committees. This is highlighted here for the sake of completeness.

### **RECOMMENDATIONS**

It is recommended that the proposed amendments to the GSMD Instrument and Articles of Government set out in the appendix to this report, with the new amendments highlighted as grey and ~~striketrough~~, be approved.

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

DATED this 21<sup>st</sup> day of February 2022.

SIGNED on behalf of the Board.

**Graham Packham**  
Chair, Board of Governors of Guildhall School of Music and Drama

**Guildhall School of Music & Drama**

**INSTRUMENT AND ARTICLES OF GOVERNMENT**

**Definitions**

In the Instrument and Articles of Government, the following expressions have the meanings set out below.

“the Act”	means Education Reform Act 1988 as amended from time to time;
“the Board of Governors”	means the Board of Governors of the Guildhall School of Music & Drama as appointed from time to time in accordance with paragraph 1 of this Instrument;
“the Clerk to the Board of Governors”	means the Town Clerk or his representative;
“the Court of Common Council”	means the Court of Common Council of the City of London Corporation;
“OfS”	means the Office for Students
“the Institution”	means the Guildhall School of Music & Drama;
“the Remuneration and Nominations Committee”	means the sub-committee of the Governing Body established to seek out and recommend the appointment of new co-opted members of the Board of Governors;
“the Principal”	means the Principal of the Institution as appointed from time to time;
“the Town Clerk”	means the Town Clerk and Chief Executive of the City of London Corporation for the time being.

In this Instrument and Articles of Government, words importing the masculine gender only shall include the feminine gender and neuter meaning and vice versa.

## **Instrument of Government**

### **Board of Governors**

1. The constitution of the Board of Governors is:
  - (a) ~~11~~ **Eight** members elected by the Court of Common Council for a term of three years (renewable twice);
  - (b) the Principal of the Institution;
  - (c) one member of the Institution's academic staff to be elected by such staff for a term of three years (renewable twice);
  - (d) one member of the Institution's administrative staff to be elected by such staff for a term of three years (renewable twice);
  - (e) one of the Institution's elected student representatives who shall normally be the President of the Students' Union<sup>1</sup>;
  - (f) up to six co-opted non-City of London Corporation Governors with appropriate expertise for a term of three years (renewable twice).
2. When a vacancy occurs in the Board of Governors, the member elected to fill it will continue for the remainder of the term of the member creating the vacancy.
3. Any Court of Common Council member wishing to serve on the Board of Governors must notify the Town Clerk in writing and all applications received shall be listed in the Summons for the meeting of the Court at which the appointment is to be made. The Common Council members of the Board of Governors will need to have experience in the following areas: corporate finance (including accounting and audit); corporate governance; human resources; business management at a senior level; legal matters and property and estate management.
4. The Remuneration and Nominations Committee will advertise vacancies for co-opted members of the Board of Governors which indicate the skills, knowledge and experience required for the post. The qualifications should reflect the needs of the Institution in the fields of music, theatre, arts management, broadcasting/media and higher education. In making its recommendations to the Board of Governors, the Remuneration and Nominations Committee must pay regard to the balance of membership and the needs of the Institution and may keep a "skills register" against which to consider the field of candidates. The issue of inclusion of members of the local community must also be addressed.
5. With the exception of the Principal, none of the Governors shall serve on the Board of Governors for more than a maximum of nine years in total. An extension will only be considered in exceptional circumstances to accommodate the rotation of the Chairman to Deputy Chairman as set out in Article 13 below, or where a Governor is subsequently undertaking a new and more senior role.

### **Committees**

6. The Board of Governors may establish committees and in so doing shall have regard to the "The Higher Education Code of Governance" of the Committee of University Chairs as amended or substituted from time to time.



### *Academic Board*

7. The Board of Governors shall establish and retain an Academic Board which shall be the committee responsible under delegated authority from the Board of Governors for the regulation of the academic work of the Institution in teaching, examination and research and the Academic Board shall advise the Board of Governors on academic matters affecting the School. The Academic Board may establish standing and ad hoc working groups to consider and report on any matters within the Academic Board's remit.
8. The Board of Governors shall consult the Academic Board on any matter coming before the Board of Governors which has academic implications, and which has not previously been considered by the Academic Board.
9. Under the Power to Award Degrees etc (Guildhall School of Music and Drama) Order of Council 20142, the Academic Board shall confer taught degrees, diploma certificates and other academic distinctions of the Institution and may revoke such awards conferred by the Institution.
10. The membership and terms of reference of the Academic Board shall be as agreed by the Board.
11. The Academic Board shall report at least annually to the Board of Governors.

### **Articles**

#### **Board of Governors: terms of reference and statement of primary responsibilities**

1. The terms of reference of the Board of Governors are to be responsible for:
  - (a) the approval of a strategic plan and the determination of the educational character and the mission/aims of the Institution and oversight of its activities;
  - (b) the effective and efficient use of resources;
  - (c) the approval of an annual Business Plan;
  - (d) the approval of annual estimates of income and expenditure;
  - (e) the setting of fees for students attending the Institution;
  - (f) the appointment of the Principal of the Institution and, where appropriate, the deputy;
  - (g) the general welfare of students in consultation with the Academic Board;
  - (h) the management of the Institution's land and buildings belonging to the City of London Corporation (with the exception of those which are the province of another Committee);
  - (i) writing off debts in accordance with such terms and conditions as are from time to time established by the Court of Common Council;
  - (j) authorising the institution of any civil proceedings (e.g., for recovery of debts) arising out of the exercise of its functions;

each of the above to be subject to the City of London's Standing Orders, Financial Regulations and such other terms and conditions as the City of London may determine, other than where varied otherwise.

### **The Principal**

2. Without prejudice to the rights of the City of London Corporation, the Board of Governors and any committee thereof, the following powers are delegated to the Principal:
  - (a) to make such decisions and to initiate such action as he/she deems necessary in the interests of the efficient running of the Institution and the services provided by the Institution;
  - (b) to make proposals to the Board of Governors about the educational character and mission of the Institution and to implement the decisions of the Board of Governors;
  - (c) the appointment, assignment, appraisal and dismissal of staff;
  - (d) the maintenance of student discipline and the suspension or expulsion of students on disciplinary grounds in accordance with the procedures relating thereto in force from time to time and the implementation of decisions to expel students for academic reasons;
  - (e) to incur revenue and capital expenditure and enter into commitments on behalf of the City of London Corporation where appropriate provision has been included in either the revenue or capital estimates, subject to compliance with Standing Orders;
  - (f) to act as Chief Accounting Officer for OfS purposes.

### **Staff**

3. Each member of staff shall serve under a contract of employment with the City of London Corporation.

### **Procedures for meetings**

4. The Chairman and Deputy Chairman of the Board of Governors shall be elected from the Common Council Governors. **The Board shall also be permitted to appoint a second Deputy Chairman from amongst its external (co-opted) Members, who shall also be the Senior Independent Governor for compliance with the Committee of University Chairs' (CUC) Higher Education Code of Governance.**
5. The quorum consists of any ~~seven~~ **four** Common Council Governors plus three co-opted members.
6. If the quorum is not established within five minutes of the hour stated on the summons for the meeting, the formal meeting shall be dissolved and formal consideration of the business adjourned to the next regular meeting unless, in the opinion of the Chairman, a special meeting should be called before that date.
7. If during a meeting of the Board of Governors a quorum ceases to exist and there is no reasonable likelihood that it will be re-established, the meeting shall be dissolved, and all remaining business adjourned to the next meeting. Any items that have not been considered by the meeting before its dissolution and which, in the opinion of the Chairman require a decision before the next meeting will be considered in accordance with Article 29.
8. The Chairman will:
  - (a) preside at every meeting of the Board of Governors at which he is present;

- (b) sign the minutes of proceedings of the previous meeting when approved as a correct record;
  - (c) in the case of an equality of votes, have a second or casting vote. If the Chairman is unwilling to exercise a second or casting vote the decision shall be taken by lot;
  - (d) determine all questions of order;
  - (e) have power, after consultation with the Deputy Chairman, to
    - (i) convene an additional meeting;
    - (ii) vary the date and/or time and/or place of a scheduled meeting;
    - (iii) cancel a meeting if in his opinion there is insufficient business to warrant the holding of such a meeting or for other reasons.
9. At the first meeting of the Board of Governors following the appointments by the Common Council, the Town Clerk will read out a list of members eligible to take the Chair and each of those members will be asked if he is willing to serve.
  10. A member unable to be present may previously express in writing to the Town Clerk his willingness to serve.
  11. The names of those who are willing to serve will be voted on by Ballot. The successful candidate will require a majority of the votes cast. All Governors present will be eligible to vote.
  12. The Deputy Chairman will in the absence of the Chairman have the powers, rights and duties of the Chairman.
  13. The immediate past Chairman will be Deputy Chairman for the first year on election of a new Chairman.
  14. When the immediate past Chairman has completed his year of office as Deputy Chairman, the other members of the Board of Governors who are members of the Court of Common Council are eligible to seek election as Deputy Chairman and the provisions of Articles 9, 10 and 11 shall apply to the meeting at which the election takes place.
  15. Unless otherwise determined by the Board of Governors, all meetings of the Board of Governors and its committees (with the exception of the Academic Board and its standing groups) are open to the public unless:
    - (a) confidential information as defined in section 100A(3) of the Local Government Act 1972 is to be discussed; or
    - (b) a resolution has been passed to exclude the public as there is likely to be disclosure of exempt information as defined in Part 1 of Schedule 12A Local Government Act 1972.
  16. Public notice of the time and place of meetings of the Board of Governors will be posted in an appropriate place at least five working days before the meeting, or if a meeting is convened at shorter notice, then at the time it is convened.
  17. The Town Clerk acts as the Clerk to the Board of Governors and will issue a summons for each meeting of the Board of Governors stating the time and place at which the Board of Governors will meet and setting out the order of business.

18. A meeting of the Board of Governors may be summoned upon the requisition of a number of its members not less than the quorum provided they have business to lay before the Board of Governors. Such business will be set out in detail together with the reason(s) why the matter(s) to be raised could not wait until the next regular meeting.
19. A special meeting of the Board of Governors shall not, except in the case of absolute necessity, be called on the same morning or afternoon of another Committee of the Court of Common Council, and under any circumstances the special meeting shall be called at a different time from that of the other Committee.
20. Except in cases of urgency or where circumstances make it impracticable, the summons and accompanying papers will be sent to members six clear days in advance of the meeting of the Board of Governors.
21. Every member of the Board of Governors must confine his speech strictly to the motion or amendment under discussion or to a point of order or explanation and must not be repetitious. The ruling of the Chairman on issues of relevance or repetition is final.
22. At any time a member may raise a point of order or make a personal explanation necessitated by the statement of another member. Any member speaking at the time must give way when a point of order or personal explanation is made. The ruling of the Chairman on a point of order or the admissibility of a personal explanation is final.
23. If a member stands either while another member is addressing the Governing Body or, if there is a motion before the Board of Governors, at the conclusion of a speech and moves "That the question be now put", and this motion is seconded, that question shall be put forth with and without debate unless the Chairman is of the opinion that the motion is premature or in any sense is an abuse of the rules of the Board of Governors. In no case shall the mover be precluded from a right to reply should he elect to exercise it.
24. Decisions made by the Board of Governors will be either unanimous or will represent the view of the majority of those members present and eligible to vote. The Town Clerk will, if requested, record in the minutes of a meeting the name(s) of any member(s) dissenting from a majority decision.
25. In the event of disorder or a persistent disregard of the authority of the Chair, and if he considers it necessary in the interests of maintaining order, the Chairman may:
  - (a) direct the member(s) causing disorder or disregarding his authority to retire for the remainder of the meeting or for such shorter period as the Chairman may decide. In the event of non-compliance with that instruction and with the consent of the majority of the Board of Governors to be shown immediately on a show of hands, the Chairman shall take all reasonable steps for the removal of such member(s) from the meeting;
  - (b) require a member(s) of the public to be removed from the meeting.

26. If, after two hours from the appointed time for the start of the meeting the business has not been concluded the meeting will adjourn and any unfinished business will stand adjourned to the next meeting unless a two-thirds majority of the members present wish the meeting to continue and subject to there being a quorum.
27. (1) The Board of Governors may at any time:
- (a) constitute, dissolve or alter the membership of a sub-committee set up by them with the exception of the Academic Board, pursuant to Article 28 below;
  - (b) within its terms of reference, authorise a committee to act on behalf of the Governing Body;
  - (c) appoint a working party to consider and report on particular matters but any such working party shall have no delegated powers.
- (2) With the exception of the Academic Board and its standing groups, the quorum for a committee shall be any three of its members.
28. The Board of Governors may not dissolve the Academic Board without the approval of the Court of Common Council. If such decision was taken by the Court of Common Council it would be reportable to the OfS. It may amend the Academic Board's terms of reference and membership provided that:
- (a) such amendments do not substantially alter the Board's overall remit as set out in paragraphs 7, 8 and 9 of the Instrument of Government; and
  - (b) the Academic Board has been formally consulted.
29. Between scheduled meetings of the Board of Governors or any committees thereof (excluding the Academic Board and its standing groups), if:
- (a) in the opinion of the Town Clerk, it is urgently necessary for a decision to be made; or
  - (b) the Board of Governors or sub-committee have delegated power to the Town Clerk to make a decision;
- then the powers of the Board of Governors or committee may, where lawfully possible, be exercised by the Town Clerk. Before exercising this power, he shall seek and obtain the comments of the Chairman and Deputy Chairman of the Board of Governors or committee or, failing either of them, their nominees. Each action or decision shall be reported to the next regular meeting of the Board of Governors or committee.
30. If a matter for decision is under consideration by the Board of Governors in which a member has a personal interest he must declare the existence and nature of his interest in accordance with the Code of Conduct.

### **Procedures for staff member elections**

31. Elections for the staff members of the Board of Governors shall be conducted by the Clerk to the Board of Governors in accordance with procedures agreed by the Board.

### **Students' Union**

32. There shall be a Students' Union of the Institution which shall have the composition, powers and functions as prescribed in the rules in force from time to time.

**Amendment**

33. This Instrument and Articles may be amended by a resolution of the Common Council of the City of London Corporation.

1 An elected Students' Union Vice-President (or equivalent) may attend a meeting on behalf of the SU President

2 Granted the 3rd day of April 2014 by the Lords of Her Majesty's Most Honourable Privy Council.



## List of Applications for the Freedom

*To be presented on Thursday, 10th March, 2022*

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

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

<b>James William Adams</b> <i>Steven John Turner</i> <i>Simon Peter McIlwaine</i>	a Student <i>Citizen and Framework Knitter</i> <i>Citizen and Clockmaker</i>	Upminster, Essex
<b>Victoria Louise Adams</b> <i>John Gavin</i> <i>Guy Leppard</i>	an Insurance Broker Manager <i>Citizen and Information Technologist</i> <i>Citizen and Information Technologist</i>	Welling, Kent
<b>David Malcolm Bailey</b> <i>Calogero Alu</i> <i>Russell Chweidan</i>	a Company Chairman <i>Citizen and Baker</i> <i>Citizen and Baker</i>	Billericay, Essex
<b>Andrew Lester Ball</b> <i>Eric Charles Dodd</i> <i>Timothy St John David Stuart</i>	a Managing Director	City of London
<b>Michael Barrington-Hibbert</b>  <i>The Rt. Hon The Lord Mayor</i> <i>Amanda Josephine Keaveny</i>	a Leadership Development Company CEO  <i>Citizen and Fletcher</i>	Woodbridge, Suffolk
<b>Alexander William Aldridge Bartram</b> <i>Edward Wright</i> <i>David John Westgate</i>	an Investment Banker  <i>Citizen &amp; Poulter</i> <i>Citizen and Plaisterer</i>	Earls Court, London
<b>Matthew Betts</b>  <i>Rupert William Uloth</i> <i>James Michael Douglas Thomson</i>	a Beadle of a Livery Company  <i>Citizen and Grocer</i> <i>Citizen and Grocer</i>	Wolverhampton, West Midlands
<b>Thomas Joseph Francis Brannigan</b> <i>John Charles Jordan</i> <i>Richard Gary Stephen Miller</i>	a Music Retail Director, retired  <i>Citizen and Glover</i> <i>Citizen and Glover</i>	Shoeburyness, Essex

<b>Jacob Madway Bressman</b> <i>John Welch</i> <i>Robert Andrews</i>	a Civil Servant  <i>Citizen and Pattenmaker</i> <i>Citizen and Gold &amp; Silver Wyre</i> <i>Drawer</i>	Rockville, Maryland, United States
<b>Lorraine Brook</b> <i>Ald. Ian David Luder, Ald.</i> <i>Ald. Sir David Wootton, Kt.</i>	a Local Government Officer  <i>Citizen and Cooper</i> <i>Citizen and Fletcher</i>	Roydon, Essex
<b>Stephen Bryan</b> <i>Jonathan Martin Averbs</i> <i>David Andrew Harry McGregor</i> <i>Smith, CBE</i>	a Senior Authorised Officer  <i>Citizen and Fletcher</i> <i>Citizen and Cook</i>	Chelmsford, Essex
<b>Andrew Stuart Buchanan</b> <i>Phillip John Davis</i> <i>Alan Roughan</i>	a City of London Police Officer  <i>Citizen and Hackney Carriage Driver</i> <i>Citizen and Hackney Carriage Driver</i>	Chiselhurst, Kent
<b>Martin Sean Buckle</b> <i>John Welch</i> <i>Robert Andrews</i>	an Accountant  <i>Citizen and Pattenmaker</i> <i>Citizen and Gold &amp; Silver Wyre</i> <i>Drawer</i>	Toronto, Ontario, Canada
<b>Sam Christopher Carr-Archer</b> <i>Jonathan Martin Averbs</i> <i>Geoffrey Spurrier</i>	a Software Product Owner  <i>Citizen and Fletcher</i> <i>Citizen and Mason</i>	Bicester, Oxfordshire
<b>Sharad Chandak</b> <i>The Rt. Hon The Lord Mayor</i> <i>Deputy Catherine Sidony McGuinness</i>	a Banker  <i>Citizen and Solicitor</i>	Westminster, London
<b>John Freeman Collins, OBE</b> <i>The Rt. Hon The Lord Mayor</i> <i>Amanda Josephine Keaveny</i>	a Solicitor  <i>Citizen and Fletcher</i>	Robertsbridge, East Sussex
<b>Matthew Robert Collins</b> <i>Jonathan Martin Averbs</i> <i>Geoffrey Spurrier</i>	a Tax Associate  <i>Citizen and Fletcher</i> <i>Citizen and Mason</i>	Bow, London
<b>Richard William Condon</b> <i>Michael Ernest Garrett, MBE</i> <i>John Robert Cowie</i>	an Ophthalmic Surgeon, retired  <i>Citizen and Water Conservator</i> <i>Citizen and Scientific Instrument</i> <i>Maker</i>	Leatherhead, Surrey
<b>Lucy Ann Craig</b> <i>Timothy Luke Fitzgerald-O'Connor</i>  <i>Malcolm Alastair Craig</i>	a Health and Safety Manager  <i>Citizen and Gold &amp; Silver Wyre</i> <i>Drawer</i> <i>Citizen and Gold &amp; Silver Wyre</i> <i>Drawer</i>	Harpenden, Hertfordshire
<b>Kerry-Anne Dignam</b> <i>The Rt. Hon The Lord Mayor</i> <i>Vincent Dignam</i>	an Administrator  <i>Citizen and Carman</i>	Mottingham, London
<b>Maureen Teresa Dignam</b> <i>The Rt. Hon The Lord Mayor</i> <i>Vincent Dignam</i>	a Senior Operations Manager  <i>Citizen and Carman</i>	Mottingham, London



<b>Brendan Kelly Dixon</b> <i>The Rt. Hon The Lord Mayor Vincent Dignam</i>	a Wealth Management Company Director  <i>Citizen and Carman</i>	Ealing, London
<b>Ruth Dombey, OBE</b> <i>Deputy Catherine Sidony McGuinness Christopher Michael Hayward, CC</i>	a Councillor <i>Citizen and Solicitor Citizen and Pattenmaker</i>	Sutton, London
<b>Dhiren Rajendra Doshi-Smith</b> <i>Graeme Martyn Doshi-Smith, CC Henry James Arthur Smith</i>	an Information Technology Professional <i>Citizen and Information Technologist Citizen and Constructor</i>	Loughton, Essex
<b>Paul Anthony Dudley</b> <i>Alexander Barr, CC Ald. Prem Babu Goyal, OBE</i>	a Local Government Officer  <i>Citizen and Ironmonger Citizen and Goldsmith</i>	Chesham, Buckinghamshire
<b>John Robert James Eastwood</b> <i>Alan Leslie Warman Diane Irene Warman</i>	a Clean Energy Company Director <i>Citizen and Clockmaker Citizen and Clockmaker</i>	Southwark
<b>Graham Thomas Elms</b> <i>Donald Henry McGarr Dr David Nunn</i>	a Train Service Manager, retired <i>Citizen and Basketmaker Citizen and Apothecary</i>	Raynes Park
<b>Martin Esposito</b> <i>Michael Vaughan Cooper Wg Cdr Edna Felicity Partridge</i>	a Freelance Consultant  <i>Citizen and Butcher Citizen and Founder</i>	Rickmansworth, Hertfordshire
<b>Richard Frederick Everton</b> <i>Garry Wykes John Jefferson Skarratt</i>	a Broadcast Television Engineer <i>Citizen and Joiner &amp; Ceiler Citizen and Joiner &amp; Ceiler</i>	Fitzrovia
<b>Ben Adam Fitzpatrick</b> <i>Susan Mary Harrison Basil Roy Hodgson</i>	a Railway Engineer <i>Citizen and Educator Citizen and Stationer &amp; Newspaper Maker</i>	Bromham, Bedfordshire
<b>Charles Hubert Gallagher</b> <i>The Rt. Hon The Lord Mayor Amanda Josephine Keaveny</i>	a Builder  <i>Citizen and Fletcher</i>	Gerrards Cross, Buckinghamshire
<b>Patricia Agnes Gallagher</b> <i>The Rt. Hon The Lord Mayor Amanda Josephine Keaveny</i>	a Housewife  <i>Citizen and Fletcher</i>	Gerrards Cross, Buckinghamshire
<b>Claire Patricia Marie Isabelle Giraud</b> <i>Matthew Leigh Preston Bell, CC Marianne Bernadette Fredericks, CC</i>	a Senior Public Health Practitioner <i>Citizen and Common Councillor Citizen and Baker</i>	Mile End, London
<b>Georgia Gould</b> <i>Deputy Catherine Sidony McGuinness Christopher Michael Hayward, CC</i>	a Councillor <i>Citizen and Solicitor  Citizen and Pattenmaker</i>	Camden, London

<b>Elizabeth Anne Grumitt</b> <i>Rupert William Uloth</i> <i>James Michael Douglas Thomson</i>	a Livery Company Assistant Beadle <i>Citizen and Grocer</i> <i>Citizen and Grocer</i>	Chiswick, London
<b>Father Robert Timothy Halshaw</b> <i>Roland Hayes</i> <i>Gerg Craig Waller</i>	a Clerk in Holy Orders <i>Citizen and Woolman</i> <i>Citizen and Woolman</i>	Millom, Cumbria
<b>David Sean Hitchcock</b> <i>Calogero Alu</i> <i>Russell Chweidan</i>	an Accountant <i>Citizen and Baker</i> <i>Citizen and Baker</i>	Islington, London
<b>Matthew Matias Alexander Hope</b> <i>The Rt. Hon The Lord Mayor</i> <i>Amanda Josephine Keaveny</i>	a Solicitor  <i>Citizen and Fletcher</i>	Blackheath, London
<b>Alan Kruise Houmann</b> <i>Deputy Catherine Sidony McGuinness</i> <i>Ald. Sir David Wootton, Kt.</i>	a Banker <i>Citizen and Solicitor</i> <i>Citizen and Fletcher</i>	Tower Hamlets, London
<b>Edward James Hussey</b>  <i>Malcolm Alastair Craig</i> <i>Timothy Luke Fitzgerald-O'Connor</i>	a Consultant & Facilitator  <i>Citizen and Gold &amp; Silver Wyre Drawer</i> <i>Citizen and Gold &amp; Silver Wyre Drawer</i>	Bishops Stortford, Hertfordshire
<b>Peter Anthony Johnson</b>  <i>Dr David Michael Johnson</i> <i>Dr Marilyn Anne Wedgwood-Johnson</i>	an Information Technologist, retired <i>Citizen and Engineer</i> <i>Citizen and Framework Knitter</i>	Exeter, Devon
<b>Helen Josephine Jones</b>  <i>Graeme Martyn Doshi-Smith, CC</i> <i>Henry James Arthur Smith</i>	an International Sales Manager, retired <i>Citizen and Information Technologist</i> <i>Citizen and Constructor</i>	Woodbridge, Suffolk
<b>Dr Mark Phillip Jones</b> <i>Michael Ernest Garrett, MBE</i> <i>John Robert Cowie</i>	a General Practitioner <i>Citizen and Water Conservator</i> <i>Citizen and Scientific Instrument Maker</i>	Epsom, Surrey
<b>Emmet Britton Keffe</b>  <i>Ald. William Anthony Bowater Russell</i> <i>Ald. Sir Charles Edward Beck Bowman</i>	an Information Technology Company Chairman <i>Citizen and Haberdasher</i> <i>Citizen and Grocer</i>	Radstock, Somerset
<b>Alexander John Lethem</b> <i>Timothy Luke Fitzgerald-O'connor</i>  <i>Malcolm Alastair Craig</i>	an Energy Bid Manager <i>Citizen and Gold &amp; Silver Wyre Drawer</i> <i>Citizen and Gold &amp; Silver Wyre Drawer</i>	Acton, London

<b>Simon Robert Levine</b> <i>The Rt. Hon The Lord Mayor Amanda Josephine Keaveny</i>	a Solicitor & Global Chief Executive Officer  <i>Citizen and Fletcher</i>	Radlett, Hertfordshire
<b>Bryan Charles Longman</b> <i>David Robert Attwood Alan Victor George Croucher</i>	an Operations Manager <i>Citizen and Plumber Citizen and Tyler &amp; Bricklayer</i>	Great Totham, Essex
<b>Hermann Cornelius Luitingh</b>  <i>Keith Richard Stevens Dmytro Tupchiienko</i>	a Barrister  <i>Citizen and Management Consultant Citizen and Stationer &amp; Newspapermaker</i>	Vancouver, British Columbia, Canada
<b>David Charles Lyon</b> <i>Richard Leslie Springford Dr Iain Reid</i>	a Marketing Manager <i>Citizen and Carman Citizen and Ironmonger</i>	Twickenham, Middlesex
<b>Sajid Iqbal Mahmood</b> <i>Deputy Andrien Meyers James Henry George</i>	a Professional Cricketer (retired) <i>Citizen and Goldsmith Citizen and Skinner</i>	Bolton, Greater Manchester
<b>Devon Eugene Malcolm</b>  <i>Ald. William Anthony Bowater Russell Deputy Andrien Meyers</i>	a Cricket Match Referee  <i>Citizen and Haberdasher  Citizen and Goldsmith</i>	Spratton, Northamptonshire
<b>Richard James Mansfield</b> <i>Deputy Andrien Meyers Ald. Prem Babu Goyal, OBE.</i>	a Sports Group Director <i>Citizen and Goldsmith Citizen and Goldsmith</i>	Ashford, Middlesex
<b>David James Marks</b>  <i>Graeme Martyn Doshi-Smith, CC Henry James Arthur Smith</i>	a Higher Education Planning Director <i>Citizen and Information Technologist Citizen and Constructor</i>	Tower Hamlets, London
<b>Edward Meacham</b> <i>John Nicholas Woolf John Paul Rochford</i>	a Turf Company Director <i>Citizen and Tax Adviser Citizen and Gardener</i>	Leigh On Sea, Essex
<b>Muhi Uddin Muhammad Mikdad</b> <i>Ann-Marie Jefferys Anne Elizabeth Holden</i>	an Office Administrator <i>Citizen and Glover Citizen and Basketmaker</i>	Tower Hamlets, London
<b>Lisa Miller</b> <i>Rupert William Uloth James Michael Douglas Thomson</i>	an Executive Assistant <i>Citizen and Grocer Citizen and Grocer</i>	Westcliff-on-Sea, Essex
<b>Joyce Abla Mooney</b> <i>William Joseph Browning Michael Peter Cawston</i>	a Hospitality Consultant <i>Citizen and Glass Seller Citizen and Tyler &amp; Bricklayer</i>	Horsham, West Sussex
<b>Sean Patrick Mooney</b> <i>William Joseph Browning Michael Peter Cawston</i>	a Hospitality Manager <i>Citizen and Glass Seller Citizen and Tyler &amp; Bricklayer</i>	Horsham, West Sussex
<b>Matthew James Newman</b> <i>Donald Howard Coombe, MBE David Peter Coombe</i>	an Insurance Underwriter <i>Citizen and Poulter Citizen and Poulter</i>	Fulham, London

<p><b>Oliver Charles Worthington Oates</b>  <i>Jonathan Martin Averbs</i>  <i>Geoffrey Spurrier</i></p>	<p>a Chartered Accountant  <i>Citizen and Fletcher</i>  <i>Citizen and Mason</i></p>	<p>Battersea, London</p>
<p><b>Teresa Ann Jude O'Neill, OBE</b>  <i>Deputy Catherine Sidony McGuinness</i>  <i>Christopher Michael Hayward, CC</i></p>	<p>a Councillor  <i>Citizen and Solicitor</i>  <i>Citizen and Pattenmaker</i></p>	<p>Bexleyheath, Kent</p>
<p><b>Minas Psychoulis</b>  <i>Michael Ernest Garrett, MBE</i>  <i>John Robert Cowie</i></p>	<p>a Consultant Gynaecologist  <i>Citizen and Water Conservator</i>  <i>Citizen and Scientific Instrument Maker</i></p>	<p>Epsom, Surrey</p>
<p><b>His Excellency Vadym Prystaiko</b>  <i>The Rt. Hon The Lord Mayor</i>  <i>Deputy Catherine Sidony McGuinness</i></p>	<p>The Ambassador of Ukraine  <i>Citizen and Solicitor</i></p>	<p>Holland Park, London</p>
<p><b>Darren Rodwell</b>  <i>Deputy Catherine Sidony McGuinness</i>  <i>Christopher Michael Hayward, CC</i></p>	<p>a Councillor  <i>Citizen and Solicitor</i>  <i>Citizen and Pattenmaker</i></p>	<p>Dagenham, London</p>
<p><b>Peter Sander</b>  <i>David Robert Attwood</i>  <i>Alan Victor George Croucher</i></p>	<p>a Playground Equipment Company Director  <i>Citizen and Plumber</i>  <i>Citizen and Tyler &amp; Bricklayer</i></p>	<p>Colchester, Essex</p>
<p><b>Joseph Louis David Shearer</b>  <i>David James Sales</i>  <i>Philip Splett</i></p>	<p>a Chartered Certified Accountant  <i>Citizen and Insurer</i>  <i>Citizen and Butcher</i></p>	<p>Little Clacton, Essex</p>
<p><b>Dr Mary Kathleen Sherry</b>  <i>Wendy Mead, OBE, CC</i>  <i>Patricia Agnes Campfield, MBE</i></p>	<p>an Occupational Physician  <i>Citizen and Glover</i>  <i>Citizen and Wheelwright</i></p>	<p>Wandsworth, London</p>
<p><b>Heath Price Tarbert</b>  <i>Deputy Catherine Sidony McGuinness</i>  <i>Jeremy Paul Mayhew, OBE, CC</i></p>	<p>a Chief Legal Officer  <i>Citizen and Solicitor</i>  <i>Citizen and Loriner</i></p>	<p>Kenilworth, Illinois, USA</p>
<p><b>James Richard Terzian</b>  <i>John Petrie, OBE, CC</i>  <i>Stephen John Klimczuk</i></p>	<p>a Business Relationships Company Director  <i>Citizen and Draper</i>  <i>Citizen and World Trader</i></p>	<p>Santa Barbara, California, USA</p>
<p><b>Alexander William Watson</b>  <i>Michael Ernest Garrett, MBE</i>  <i>John Robert Cowie</i></p>	<p>a General Practitioner  <i>Citizen and Water Conservator</i>  <i>Citizen and Scientific Instrument Maker</i></p>	<p>Epsom, Surrey</p>
<p><b>Alice Emma Yexley</b>  <i>Trevor Dawson Yexley</i>  <i>Stephen Emmins</i></p>	<p>an Office Coordinator  <i>Citizen and Security Professional</i>  <i>Citizen and Security Professional</i></p>	<p>Brentwood, Essex</p>
<p><b>John Forbes Kerry</b>  <i>The Rt. Hon. The Lord Mayor</i>  <i>Deputy Catherine Sidony McGuinness</i></p>	<p>a Special Envoy  <i>Citizen and Solicitor</i></p>	<p>Washington DC, USA</p>
<p><b>Daniel Lopez</b>  <i>Deputy Catherine Sidony McGuinness</i>  <i>Christopher Michael Hayward</i></p>	<p>a Technology Company CEO  <i>Citizen and Solicitor</i>  <i>Citizen and Pattenmaker</i></p>	<p>East Sheen, London</p>

**Tina Allison**  
*Deputy Robert James Ingham Clark*  
*Jeremy Mayhew OBE, CC*

a Chartered Certified Accountant    Banstead, Surrey  
Citizen and Clothworker  
Citizen and Loriner

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## Report – Policy and Resources Committee

# Report of Urgent Action Taken: London Councils Grants Scheme 2022/23 Levy

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### SUMMARY

The City of London Corporation is responsible for issuing the annual levies for subscriptions to all the constituent councils of the London Councils Grants Scheme (LCGS). The Court of Common Council can only consider the levies for the ensuing year if at least two-thirds of the constituent councils (i.e. 22 out of 33 of the London local authorities) have approved the total expenditure to be incurred under the Grants Scheme. If the requisite approvals are not received by 1 February, under the Grants to Voluntary Organisations (Specified Date) Order 1992 made under the LGA 1985, the total expenditure will be deemed to be the same as that approved in the previous year.

Having received confirmation from London Councils that the budget had been agreed by two thirds of the Constituent Councils, the approval of the Court was then sought under the urgency procedures to issue the levies before the statutory deadline of 15 February 2022.

We therefore report that, on 10 February 2022, approval was given in accordance with Standing Order No. 19 to issue the levies as set out in the appendix to this report.

### MAIN REPORT

1. The budget for the London Councils Grants Scheme and the City of London Corporation's contribution to the Scheme is considered on an annual basis by your Policy and Resources Committee. At its meeting on 20 January 2022 the Committee considered and approved the total amount of expenditure to be incurred in 2022/23 (£6.668m, to come from the constituent councils of the Scheme) as well as the City Corporation's subscription to it (£8,102).
2. The City Corporation is also responsible for issuing levies for subscriptions to all the constituent councils of the Scheme. This element of the Grants Scheme can only be approved by the Court of Common Council. The London Councils' Grants Scheme operates under section 48 of the Local Government Act 1985 which requires at least two-thirds of the constituent councils (i.e. 22 out of 33 of the London local authorities) to have approved the total expenditure to be incurred for the ensuing year. Constituent councils have until 1 February to do this and a decision to issue the levies cannot be taken until such time as this

has happened. The Court is therefore required to make its decision as levying body between 1 and 15 February each year as, in accordance with regulations, levies have to be issued before 15 February 2022.

3. Following the receipt of confirmation from London Councils that over two-thirds of constituent councils had agreed the expenditure to be incurred for 2022/23 ahead of the 1 February deadline, approval to issue the levies before the statutory 15 February deadline was sought under urgency procedures pursuant to Standing Order No.19 (as the Court of Common Council was not due to meet ahead of 15 February).
4. Approval was subsequently given to a levy of £6.668m being applied to constituent councils for 2022/23, as set out in the appendix to this report.

**APPENDIX – Borough Subscriptions for 2022/23.**

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

DATED this 10<sup>th</sup> day of February 2022.

SIGNED on behalf of the Committee.

**Deputy Catherine McGuinness**  
Chair, Policy and Resources Committee



**Grants Committee Income and Expenditure Budget 2022/23**

Expenditure	Revised Budget 2021/22 £000	Developments £000	Inflation £000	Original Budget 2022/23 £000
<b>Payments in respect of Grants</b>				
London Councils Grants Programme	6,173	0	0	6,173
Membership Fees to London Funders (for all boroughs)	60	0	0	60
Youth Homelessness Hub	300	-300	0	0
No recourse to public funds programme	327	-327	0	0
<b>Sub-Total</b>	<b>6,860</b>	<b>-627</b>	<b>0</b>	<b>6,233</b>
<b>Operating (Non-Grants) Expenditure</b>				
<b>Contractual Commitments</b>				
Maintenance of GIFTS Grants IT system	10	0	0	10
	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Salary Commitments</b>				
Officers	218	5	19	242
Members	19	0	0	19
Maternity provision	10	0	0	10
	<b>247</b>	<b>5</b>	<b>19</b>	<b>271</b>
<b>Discretionary Expenditure</b>				
Staff training/recruitment advertising	7	0	0	7
Staff travel	2	0	0	2
	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Total Operating Expenditure</b>	<b>266</b>	<b>5</b>	<b>19</b>	<b>290</b>
<b>Central Recharges</b>	<b>169</b>	<b>0</b>	<b>-24</b>	<b>145</b>
<b>Total Expenditure</b>	<b>7,295</b>	<b>-622</b>	<b>-5</b>	<b>6,668</b>
<b>Income</b>				
<b>Core borough subscriptions</b>				
Contribution to grant payments	6,173	0	0	6,173
Contribution to non-grants expenditure	495	0	0	495
	<b>6,668</b>	<b>0</b>	<b>0</b>	<b>6,668</b>
<b>Transfer from Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Central Recharges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Income</b>	<b>6,668</b>	<b>0</b>	<b>0</b>	<b>6,668</b>
<b>Net Expenditure</b>	<b>-627</b>	<b>622</b>	<b>5</b>	<b>0</b>

## Borough Subscriptions 2022/23

ONS Mid-2019 Estimate of Population ('000)	%	2021/22 Base Borough Contribution (£)		ONS Mid-2020 Estimate of Population ('000)	%	2022/23 Base Borough Contribution (£)	Base Difference from 2021/22 (£)
<b>Inner London</b>							
270.03	3.01%	200,915	Camden	279.52	3.10%	207,038	6,123
9.72	0.11%	7,233	City of London	10.94	0.12%	8,102	869
287.94	3.21%	214,243	Greenwich	289.03	3.21%	214,088	-155
281.12	3.14%	209,167	Hackney	280.94	3.12%	208,093	-1,074
185.14	2.07%	137,755	Hammersmith and Fulham	183.54	2.04%	135,951	-1,804
242.47	2.71%	180,407	Islington	248.12	2.76%	183,779	3,372
156.13	1.74%	116,168	Kensington and Chelsea	156.86	1.74%	116,189	22
326.03	3.64%	242,585	Lambeth	321.81	3.57%	238,367	-4,218
305.84	3.41%	227,561	Lewisham	305.31	3.39%	226,143	-1,419
318.83	3.56%	237,225	Southwark	320.02	3.55%	237,037	-188
324.75	3.62%	241,626	Tower Hamlets	331.97	3.69%	245,890	4,264
329.68	3.68%	245,296	Wandsworth	329.74	3.66%	244,235	-1,061
261.32	2.92%	194,432	Westminster	269.85	3.00%	199,877	5,444
<b>3,299.00</b>	<b>36.81%</b>	<b>2,454,612</b>		<b>3,327.64</b>	<b>36.96%</b>	<b>2,464,789</b>	<b>10,176</b>
<b>Outer London</b>							
212.91	2.38%	158,412	Barking and Dagenham	214.11	2.38%	158,589	177
395.87	4.42%	294,546	Barnet	399.01	4.43%	295,545	999
248.29	2.77%	184,738	Bexley	249.30	2.77%	184,658	-80
329.77	3.68%	245,366	Brent	327.75	3.64%	242,767	-2,599
332.34	3.71%	247,274	Bromley	332.75	3.70%	246,470	-804
386.71	4.32%	287,731	Croydon	388.56	4.32%	287,809	78
341.81	3.81%	254,320	Ealing	340.34	3.78%	252,091	-2,229
333.79	3.72%	248,359	Enfield	333.59	3.71%	247,088	-1,271
268.65	3.00%	199,886	Haringey	266.36	2.96%	197,291	-2,595
251.16	2.80%	186,875	Harrow	252.34	2.80%	186,907	32
259.55	2.90%	193,119	Havering	260.65	2.90%	193,064	-55
306.87	3.42%	228,326	Hillingdon	309.01	3.43%	228,887	561
271.52	3.03%	202,026	Hounslow	271.77	3.02%	201,298	-728
177.51	1.98%	132,074	Kingston upon Thames	179.14	1.99%	132,691	617
206.55	2.30%	153,682	Merton	206.45	2.29%	152,920	-762
353.13	3.94%	262,749	Newham	355.27	3.95%	263,146	397
305.22	3.41%	227,100	Redbridge	305.66	3.40%	226,401	-699
198.02	2.21%	147,336	Richmond upon Thames	198.14	2.20%	146,763	-572
206.35	2.30%	153,534	Sutton	207.71	2.31%	153,849	315
276.98	3.09%	206,089	Waltham Forest	276.94	3.08%	205,130	-959
<b>5,662.99</b>	<b>63.19%</b>	<b>4,213,540</b>		<b>5,674.85</b>	<b>63.04%</b>	<b>4,203,363</b>	<b>-10,176</b>
<b>8,961.99</b>	<b>100.00%</b>	<b>6,668,152</b>	<b>Totals</b>	<b>9,002.49</b>	<b>100.00%</b>	<b>6,668,152</b>	<b>0</b>

## Report – Policy and Resources Committee

# Report of Urgent Action Taken: Indemnities for Officers Serving on Outside Bodies

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

### SUMMARY OF ACTION TAKEN

1. The Directors of Barking Power Limited (BPL) were asked to sign the S.106 Agreement in respect of the Barking Reach Power Station Site, in order to secure the planning permission for a consolidated market.
2. The BPL Board resolved to sign the S.106 Agreement “on the basis that the City will fully indemnify the Company and its directors for all obligations, liabilities, costs and actions arising from the S106”.
3. On 9 June 2011, the Court of Common Council had considered a report recommending that the City Corporation provide an Indemnity for Members and officers in respect of ex-officio appointments formally approved by the City Corporation, as set out in that report. The Minute of that meeting records that the report was read and agreed to but only makes specific reference to Members serving on outside bodies being indemnified (not officers).
4. Confirmation was, therefore, sought that the 9 June 2011 resolution extended to provision of an Indemnity for officers, such that the BPL Directors are indemnified for all obligations arising from the S106. This would enable the S.106 Agreement to be completed and the planning permission for the consolidated market to be issued.
5. The matter was approved by your Policy and Resources Committee under urgency before consideration by the Court of Common Council, also under urgency procedures.
6. Urgent consideration was required to enable the Directors of Barking Power Limited (BPL) to sign the S.106 Agreement in connection with the redevelopment of Barking Reach Power Station site for a consolidated market. The LB Barking and Dagenham committee decision to grant planning permission subject to the S.106 Agreement was made in March 2021 and LB Barking and Dagenham were expecting imminent completion of the S.106 Agreement. The deadline for completion after which a refusal would normally be issued had expired and been extended several times. There was also a risk that the planning application would require fresh consideration if planning policies or other relevant circumstances

changed between the March 2021 committee decision and the issue of the permission. Local and regional planning policies are evolving and proposals for nearby sites which could affect cumulative traffic impacts are in preparation. The deadline delay therefore presented a risk to the ability to secure the permission.

## **RECOMMENDATION**

7. We **recommend** that the action taken be noted.

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

DATED this 25<sup>th</sup> day of January 2022.

SIGNED on behalf of the Committee.

**Deputy Catherine McGuinness**  
Chair, Policy and Resources Committee

## Report – Policy and Resources and Finance Committees

### Report of Urgent Action Taken: Eight Authority Pool

*To be presented on Thursday, 10<sup>th</sup> March 2022*

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

#### **SUMMARY OF ACTION TAKEN**

1. From 2018/19, the 32 London Boroughs, Greater London Authority (GLA) and the City of London Corporation were part of the London Business Rates Pool. Significant financial benefits (£609m) were gained from this arrangement until the pandemic, which had a significant impact on the collection of business rates, resulting in an estimated £14.2m loss being shared by pool participants.
2. Further modelling for 2021/22 and 2022/23 showed a mix of risks across London. The comparatively low level of financial return resulted in a decision not to continue with a London Pool 2021/22 and 2022/23. However, the opportunity was still available for authorities to form their own pool groupings.
3. Having considered the experience from the London Pool pre-pandemic, the City of London Corporation, alongside the London Boroughs of Brent, Barnet, Enfield, Hackney, Haringey, Tower Hamlets, and Waltham Forest, applied to form a tactical pool in 2022/23.
4. An urgent decision was taken in January 2022 by the Court of Common Council, together with your Finance and Policy and Resources Committees, as all authorities had until 13th January 2022 (28 days after the Local Government Settlement) to pull out of the pooling arrangement. It should be noted that if one authority had pulled out, then the whole pool would have failed.
5. The pool aims to keep the levy payments, which the City of London Corporation and the London Borough of Tower Hamlets make to Government (potentially £35m) within London. The arrangement would also support the Government's levelling up agenda, given that four of the partner local authorities are ranked among the six most deprived boroughs in London.
6. An application was made for a single year 'tactical pool' in 2022/23; with the intention to restore a pan-London pool as soon as risks are tolerable. There is no detrimental impact to the rest of London, and the arrangement does not preclude boroughs from forming their own pooling arrangements.
7. Limiting the membership also limits the risk to participants. Whilst there is a risk that Business Rates collections may dip following the pandemic, it would need to

fall by over 20% to create a liability. Throughout the pandemic the greatest impact has been a 5% fall in our collection rates. We are confident, therefore, of a financial benefit to the Eight Authority Pool and estimate that it could potentially yield £12m for City Fund.

8. Due diligence was undertaken, to ensure that all participating authorities were comfortable in continuing with the Pool. Section 151 Officers from the partner boroughs will meet quarterly to monitor the Pool, underpinned by a Technical Group, with revenues and accounting officers from each of the boroughs.
9. The decision, taken under urgency, approved the establishment of the Eight Authority Pool, with the City of London Corporation hosting, as it did for the pan-London Pool (with costs covered from the Pool) and authorised the Chamberlain and Town Clerk to put the necessary administrative arrangements in place.

## **RECOMMENDATION**

10. We **recommend** that the action taken be noted.

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

DATED this 12<sup>th</sup> day of January 2022.

SIGNED on behalf of the Committees.

**Deputy Jamie Ingham Clark**  
Chairman, Finance Committee

**Deputy Catherine McGuinness**  
Chair, Policy and Resources Committee

## Report – City Remembrancer

### Measures introduced into Parliament which may have an effect on the work and services provided by the City Corporation

*To be presented on 10th March 2022*

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

#### Statutory Instruments

**The Environment Act 2021 (Commencement No. 2 and Saving Provision) Regulations 2022 No. 48** 17th January 2022

These Regulations bring into force certain sections of the Environment Act 2021 over the course of several months. Sections on environmental targets, improvement plans and monitoring, as well as provisions related to the new Office for Environmental Protection, are brought into force on 24th January 2022. Provisions relating to the local air quality management framework and smoke control areas will come into force on 1st May 2022. Further parts of the Act will be brought into force on 1st April 2022 and 30th September 2022.

**The Health Protection (Coronavirus, Restrictions) (Self-Isolation) (England) (Amendment) Regulations 2022 No. 72** 27th January 2022

These Regulations amended existing Coronavirus Self-Isolation Regulations in relation to exemptions to self-isolation for those vaccinated against coronavirus, those participating in clinical trials, and those unable for clinical reasons to be vaccinated against coronavirus. These Regulations are no longer applicable, as the Self-Isolation Regulations have been revoked as outlined below.

**The Health Protection (Coronavirus, Restrictions) (Self-Isolation etc.) (Revocation) (England) Regulations 2022 No. 161** 24th February 2022

These Regulations revoke Coronavirus Regulations made in July and September 2020. The July 2020 Regulations made provision for local authorities to give directions relating to premises, events and public outdoor places in its area where it considered that public health, necessity and proportionality conditions were met. The September 2020 Regulations imposed self-isolation requirements in relation to persons who tested positive for coronavirus and their contacts, and increased the fixed penalty amount for offences under Coronavirus Regulations.

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

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