



Finance & Estates Committee of the Board of Governors of the City of London School

Date: THURSDAY, 25 FEBRUARY 2021
Time: 9.00 am
Venue: VIRTUAL MEETING - ACCESSIBLE REMOTELY

Members: Deputy James Thomson (Chairman)
Tim Levene (Deputy Chairman)
Alexander Barr
Deputy Keith Bottomley
Lesley Cartmell
Andrew Jones
Deputy Edward Lord
Ian Seaton

Enquiries: Polly Dunn
Polly.Dunn@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe this virtual public meeting via YouTube at the following link <https://youtu.be/LADxLM2qE0c>

Meeting Recordings

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES**

To agree the public minutes and non-public summary of the meeting held on 20 November 2020.

For Decision
(Pages 1 - 4)

4. **RISK REGISTER 2020-21 FOR: CLS BURSARY AND AWARDS FUND**

Joint report of the Chamberlain and Bursar.

For Decision
(Pages 5 - 20)

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

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

7. **EXCLUSION OF THE PUBLIC**

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

For Decision

Part 2 - Non-Public Agenda

8. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 20 November 2020.

For Decision
(Pages 21 - 26)

9. **OUTSTANDING ACTIONS**

Report of the Town Clerk.

For Information
(Pages 27 - 28)

10. **NON-PUBLIC BURSAR'S REPORT**

Report of the Bursar.

For Information
(Pages 29 - 36)

11. **FINANCIAL UPDATE FOR THE CITY OF LONDON SCHOOL**

Joint report of the Chamberlain and Bursar.

For Information
(Pages 37 - 46)

12. **FINANCIAL INFORMATION DASHBOARD**

Joint report of the Chamberlain and Bursar.

For Information
(Pages 47 - 64)

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

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

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FINANCE & ESTATES COMMITTEE OF THE BOARD OF GOVERNORS OF THE CITY OF LONDON SCHOOL

Friday, 20 November 2020

Minutes of the meeting of the Finance & Estates Committee of the Board of Governors of the City of London School held virtually at 10.00 am

Present

Members:

Tim Levene (Deputy Chairman)	Lesley Cartmell
Deputy James Thomson (Chairman)	Andrew Jones
Alexander Barr	Deputy Edward Lord
Deputy Keith Bottomley	Ian Seaton

Officers:

Alan Bird	- Head, City of London School
Charles Griffiths	- City of London School
Richard Brookes	- City of London School
Steven Reynolds	- Chamberlain's Department
Nicholas Basye	- Chamberlain's Department
James Gibson	- Chamberlain's Department
Polly Dunn	- Town Clerk's Department
Joseph Anstee	- Town Clerk's Department

1. APOLOGIES

There were no apologies.

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

There were no declarations.

3. MINUTES

RESOLVED, that the public minutes of the meeting held on 12 February 2020, be approved as accurate record.

4. TERMS OF REFERENCE

Governors received the Committee's Terms of Reference, as set out by the Board at its meeting on 8 October 2020.

5. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was one item of urgent business.

Exclusion of the Public

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

7. **NON-PUBLIC MINUTES**

RESOLVED, that the non-public minutes of the meeting held on 12 February 2020, be approved as accurate record.

8. **OUTSTANDING ACTIONS**

Governors received a report of the Town Clerk regarding outstanding actions of the Committee.

9. **NOTE OF INFORMAL MEETING - APRIL**

The note of the informal meeting held on 1 April 2020 was received.

10. **NOTE OF INFORMAL MEETING - MAY 2020**

The note of the informal meeting held on 7 May 2020 was received.

11. **BURSAR'S REPORT**

Governors received a report of the Bursar regarding financial and operational matters at the School.

12. **SECURITY AUDIT REPORT**

Governors received a report of the Bursar regarding a security audit at the School.

13. **PROPOSED 2021/22 REVENUE BUDGET**

Governors received a joint report of the Chamberlain and Bursar regarding the proposed 2021/22 revenue budget.

14. **REPAIRS, MAINTENANCE & IMPROVEMENTS FUND 2021/22**

Governors received a joint report of the Chamberlain, Bursar and City Surveyor regarding the Repairs, Maintenance and Improvements Fund 2021/22.

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

There were no questions.

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

There was no other business.

17. **CONFIDENTIAL MINUTES**

RESOLVED, that the confidential minutes of the meeting held on 12 February 2020, be approved as accurate record.

The meeting closed at 11.23 am

Chairman

Contact Officer: Polly Dunn
polly.dunn@cityoflondon.gov.uk

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Committee:	Date:
Finance & Estates Committee of the Board of Governors of the City of London School Board of Governors of the City of London School	25 February 2021 10 March 2021
Subject: Risk Register 2020-21 for: CLS Bursary and Awards Fund	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 4, 8
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain The Bursar of the City of London School	For Decision
Report author: James Hewett (Chamberlain's Department)	

Summary

This report provides a key risks register at Appendix 2 for CLS Bursary and Awards Fund, for review by Members on behalf of the trustee (the City of London Corporation), to ensure that existing risks are reconsidered, any new risks are identified and that appropriate measures are in place to mitigate those risks. The register has been prepared and scored using the City of London Corporation Risk Matrix at Appendix 1.

Currently, the risk register for the Bursary Fund contains eight risks, of which six are assessed as green and two which are amber. No new risks have been identified since the last annual register was presented to this Board and the risk scores remain unchanged. There are currently no red risks.

Recommendation

Members are asked to review the risk register to confirm that it satisfactorily sets out the risks facing the School's charity and that appropriate measures are in place to mitigate those risks.

Main Report

Background

1. This report provides a key risks register for CLS Bursary and Awards Fund at Appendix 2 administered by the Board of Governors of the City of London School on behalf of the trustee (the City of London Corporation).
2. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), Trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks.
3. The Charities SORP requires that the register is reviewed annually to ensure that existing risks are reconsidered and any new risks are identified.

Review of Risks

4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report.
5. The risk register to be reviewed by the Board of Governors of the City of London School for CLS Bursary and Awards Fund is set out in Appendix 2. The risk register is now recorded on the City's risk management system 'Pentana', and so it is now inline with the presentation of other risk registers across the City. The register contains eight risks as summarised below:
 1. Risk of decline in income from investments in the Charities Pool – overall risk score of amber (12);
 2. Funding from the City may reduce – overall score of amber (8);
 3. Charity lacks direction, strategy, and forward planning – overall green (4);
 4. Insufficient beneficiaries – overall risk score of green (4);
 5. Applicants do not disclose full details – overall risk score of green (3);
 6. Losing staff involved with processing bursary applications – overall risk score of green (3);
 7. Bursaries may be given for purposes not complying with charity's objectives – overall risk score of green (1); and
 8. Conflict of interest – overall risk score of green (1).

Mitigation of amber risks

Risk one is mitigated through investments being managed by a professional fund manager, whose performance is monitored by the Chamberlain and Financial Investment Board. All current measures are being taken and nothing further can be done (at this time) to mitigate the risk.

Risk two would be mitigated through trying to agree a phased approach to any funding reduction to ensure that replacement funds could be found from elsewhere.

Conclusion

6. The various risks faced by the charity have been reviewed and Members are asked to confirm that the attached register satisfactorily sets out the key risks together with their potential impact and that appropriate measures are in place to mitigate the risks identified.

Appendices

- Appendix 1 – City of London Corporation Risk Matrix
- Appendix 2 – Charity Risk Register for CLS Bursary and Awards Fund

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City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	Impact				
	X	Minor (1)	Serious (2)	Major (4)	Extreme (8)
	Likely (4)	4 Green	8 Amber	16 Red	32 Red
	Possible (3)	3 Green	6 Amber	12 Amber	24 Red
	Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
	Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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APPENDIX 2

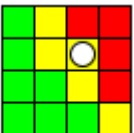
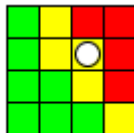
Charity Risk Register for CLS Bursary and Awards Fund

Report Author: James Hewett

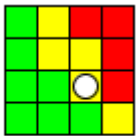
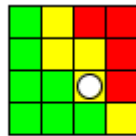
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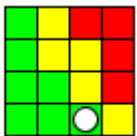
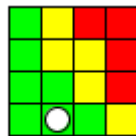
Rows are sorted by Risk Score

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CLSC 01 Risk of decline in the capital value of the investment and the investment income that is received annually 09-Feb-2021 Chamberlain	Cause: Economic conditions worsen Event: Reduction in Charities Pool income Effect: Greater reliance on the school to be able to obtain income from other sources	 Likelihood Impact	12	No change to current risk score For the year ended 31 March 2020 Charities Pool income was £148,950 (31 March 2019: £141,509) As a % of total income for 31 March 2020 = 79.9% (31 March 2019 = 100.0%) 09 Feb 2021	 Likelihood Impact	12	31-Mar-2022	

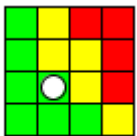
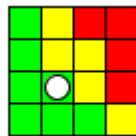
Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHAR SC CLS 01a Professional Fund management	To maintain the existing arrangements for the fund to be professionally managed.	Continue with existing controls	Kate Limna	01-Feb-2021	31-Mar-2022
CHAR SC CLS 01b Fund performance review	To ensure that the fund manager's performance is monitored by the Chamberlain.	Continue with existing controls – Report was presented to FIB last year on 13 July and will be presented this year on the 30 June	Kate Limna	09-Feb-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CHAR SC CLS 02 Funding from the CoL may reduce 09-Feb-2021 Alan Bird	Cause: CoL look to make changes to their budget policy Event: Shortfall in funding for the charity Effect: Drain charity reserves; Greater reliance on other income sources lead to adverse user reaction and bad publicity.	Likelihood  Impact	8	No change to current risk score. 09 Feb 2021	Likelihood  Impact	8	31-Mar-2021	

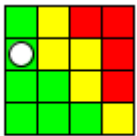
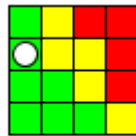
Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHAR SC CLS 02a Appropriate representation to CoLC	Appropriate representation to be made to the City Corporation if budget policy provides risk to charity.	Continue with existing controls.			Alan Bird; Charles Griffiths	01-Feb-2021	31-Mar-2022
CHAR SC CLS 02b Additional sources of funding	The School to continue to pursue additional sources of bursary funding	Continue with existing controls			Alan Bird; Charles Griffiths	02-Feb-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CHAR SC CLS 03 Charity lacks direction, strategy, and forward planning 09-Feb-2021 Alan Bird	Cause: Charity hasn't reviewed and updated their strategic plan, and long term direction. Event: Objects of the charity are not met. Effect: Reputational; fewer bursary students attending CLS.	 Likelihood	4 Impact	No change to current risk score. 09 Feb 2021	 Likelihood	2 Impact	31-Mar-2022	

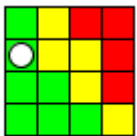
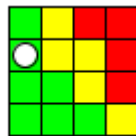
Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
03-14 CHAR SC CLS 03a Strategic plan	Regular review of the strategic plan which sets out the key aims, objectives and policies, financial plans and budgets	Continue with existing controls. Currently a review of the charities is being undertaken, and we will report on this in due course.			Alan Bird; Charles Griffiths	16-Feb-2021	31-Mar-2022
CHAR SC CLS 03b Financial monitoring	Monitoring of financial and operational performance.	A report was presented to committee on 10 June 2020 that considers the cash available in the charity, with the next report to be presented in June 2021.			Alan Bird; Charles Griffiths	16-Feb-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CHAR SC CLS 04 Insufficient beneficiaries that meet the objects of the trust 09-Feb-2021 Alan Bird	Cause: A potential lack of publicity; objects of the trust are not appropriate. Event: Fewer bursary students attending CLSG Impact: Reputational damage for having fewer bursary pupils than intended/expected	 Likelihood	4	No change to current risk score. 09 Feb 2021	 Likelihood	4	31-Mar-2022	

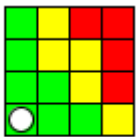
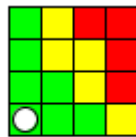
Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHAR SC CLS 4a Advertising Page 15	To advertise, actively looking for beneficiaries (Where possible investigate appropriateness of widening purpose of Trust to increase pool of potential donors).	The impact of COVID-19 has led to an increase in potential beneficiaries			Alan Bird; Charles Griffiths	01-Feb-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CHAR SC CLS 05 Applicants do not disclose full details 09-Feb-2021 Alan Bird	Cause: The application process is not as thorough as it should be Event: Not enough information is provided to ensure the correct decision is reached Effect: Bursaries may be awarded to students inappropriately.	 Likelihood	3 Impact	No change to current risk score. 09 Feb 2021	 Likelihood	3 Impact		

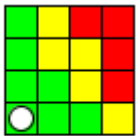
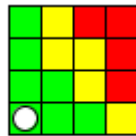
Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHAR SC CLS 05a Due Diligence	To ensure that effective due diligence is undertaken for every application for financial assistance	Continue with existing controls			Alan Bird; Charles Griffiths	01-Feb-2021	31-Mar-2022
CHAR SC CLS 05b Annual Reviews	Annual reviews will occur for bursaries awarded for longer than one year.	Continue with existing controls.			Alan Bird; Charles Griffiths	02-Feb-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CHAR SC CLS 06 Losing staff involved with processing bursary applications 09-Feb-2021 Alan Bird	Cause: Natural employee turnover Event: Staff involved with the bursary process leave the school Effect: Fewer staff will have experience of the process with bursary applications	 Likelihood	3 Impact	No change to current risk score. 09 Feb 2021	 Likelihood	3 Impact	31-Mar-2022	

Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHAR SC CLS 06a Documentation	Ensure that suitable guidance and notes are maintained and reviewed regularly.	Continue with existing controls.			Alan Bird; Charles Griffiths	09-Feb-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CHAR SC CLS 07 Bursaries may be given for purposes not complying with charity's objectives 09-Feb-2021 Charles Griffiths	Cause: Lack of sufficiently robust process in the allocation of bursaries Event: Undeserving students are awarded bursaries Effect: Reputational damage to the School as they are not helping appropriate students	 Likelihood	1	No change to current risk score. The review of the bursary guidelines has been put on hold until the conclusion of the Tomlinson review. 09 Feb 2021	 Likelihood	1	31-Mar-2022	

Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHAR SC CLS 07 Charity Objects	Ensure that Trustees and school officers have the bursary guidelines before them when agreeing bursaries.	Continue with existing controls.			Alan Bird; Charles Griffiths	02-Feb-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Flight path (Previous 10 assessments)
CHAR SC CLS 08 Conflict of interest 09-Feb-2021 Alan Bird	Cause: Employees take advantage of their knowledge of applying for a bursary. Event: Employees with knowledge of the bursary process apply for their child to have a bursary. Effect: Reputational damage to the school if it was reported to the media that staff were able to take advantage of the bursary process.	 Likelihood	1	No change to current risk score. 09 Feb 2021	 Likelihood	1	31-Mar-2022	

Action no, Title,	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHAR SC CLS 08 Protocol	Maintain and review the protocol for disclosure of potential conflict of interest.	Continue with existing controls			Alan Bird; Charles Griffiths	01-Feb-2021	31-Mar-2022

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