

PLEASE BRING THIS AGENDA WITH YOU

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 **7th day of March, 2024**.

Members of the public can observe the public part of this meeting by visiting the
[City of London Corporation YouTube Channel](#)

IAN THOMAS CBE,
Town Clerk & Chief Executive.

*Guildhall,
Wednesday 28th February 2024*

Sheriff Bronek Masojada

Tim Levene

}

Aldermen on the Rota

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 11 January 2024.

For Decision
(Pages 9 - 24)

4 **Mayoral Engagements**

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

5 **Policy Statement**

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

6 **The Honourable The Irish Society**

(A) To appoint one Member on **The Honourable The Irish Society** for a term expiring in April 2027.
(No Contest)

Nominations received:-

*Deputy Charles Edward Lord

(B) To note that Alderman Robert Howard continues to serve as one of the two appointed Aldermen on **The Honourable the Irish Society**, having previously been appointed for a term expiring in March 2025.

(C) To note that Alderman Gregory Jones KC continues to serve as one of the two appointed Aldermen on **The Honourable the Irish Society**, having previously been appointed for a term expiring in March 2026.

(D) To note that Alderman Vincent Keaveny has been nominated by the Court of Aldermen to become Governor of **The Honourable The Irish Society** and endorse his appointment for a three-year term, expiring March 2027.

For Decision

7 Appointments

To consider the following appointments:

Where appropriate:-

** denotes a Member standing for re-appointment*

- (A) Two Members on the **Digital Services Committee** for terms expiring in April 2026.
(No Contest)
Nominations received:-
Deputy Madush Gupta
Eamonn Mullally
- (B) One Member on the **City of London Archaeological Trust** for a term expiring in May 2027.
(No Contest)
Nominations received:-
Brendan Barns
- (C) One Member on the **Homerton University Hospital** for a term expiring in April 2028
(No Contest)
Nominations received:-
Helen Fentimen
- (D) One Member on the **Voluntary Hospital of St Bartholomew** for a term expiring in March 2027.
(No Contest)
Nominations received:-
Paul Singh
- (E) Two Members on the **Christ's Hospital**, for a term expiring in January 2028.
(No Contest)
Nominations received:-
*Deputy Randall Anderson
*Nick Bensted-Smith
- (F) Three Members on the **Guild Church Council of St Lawrence Jewry**, for a one-year term expiring in April 2025.
(No Contest)
Nominations received:-
*Alderman Gregory Jones KC
*Deputy Charles Edward Lord
*James St John Davis

For Decision

4

8 **Finance Committee**

- (A) **2024/25 City Fund Budgets & Medium-Term Financial Plan**
To approve the budget for 2024/25.

For Decision
(Pages 25 - 150)

- (B) **2024/25 City Estate Budgets & Medium-Term Financial Plan**
To approve the budget for 2024/25.

For Decision
(Pages 151 - 170)

9 **City Bridge Foundation Board**

- (A) **2024/25 City Bridge Foundation Budget and Financial Forecasts**
To approve the budget for 2023/24.

For Decision
(Pages 171 - 182)

- (B) **Bridging London 2020-2045 Strategy Refresh**
To approve the refreshed strategy.

For Decision
(Pages 183 - 200)

- (C) **City Bridge Foundation Annual Report and Financial Statements 2022/23**
To receive Annual Report and Financial Statements for the City Bridge Foundation (CBF) for the year ended 31 March 2023.

For Information
(Pages 201 - 236)

10 **Planning & Transportation Committee**
To consider proposals for the City Plan 2040.

For Decision
(Pages 237 - 244)

11 **Corporate Services Committee**

- (A) **People Strategy**
To approve the adoption of the People Strategy.

For Decision
(Pages 245 - 290)

- (B) **Pay Policy Statement 2024/25**
To approve the City of London Corporation's Pay Policy Statement for 2024/25.

For Decision
(Pages 291 - 310)

- 12 **Finance Committee**
To consider a funding agreement relating to UK Shared Prosperity Funding.
- For Decision**
(Pages 311 - 314)
- 13 **Port Health & Environmental Services**
To consider the annual review of charges at the Heathrow Airport Animal Reception Centre.
- For Decision**
(Pages 315 - 320)
- 14 **Audit & Risk Management Committee**
To appoint an External Member to the Audit & Risk Management Committee.
- For Decision**
(Pages 321 - 322)
- 15 **Motions**
- (A) By Deputy Ann Holmes**
To consider a Motion, submitted by Deputy Ann Holmes, concerning provisions within the Standing Orders pertaining to Sub-Committees and Chairmen.
- For Decision**
(Pages 323 - 324)
- 16 **The Freedom of the City**
To consider a circulated list of applications for the Freedom of the City.
- For Decision**
(Pages 325 - 336)
- 17 **Questions**
- 18 **Barbican Centre Board**
To receive the 2022/23 Annual Report of the Barbican Centre.
- For Information**
(Pages 337 - 346)
- 19 **Planning & Transportation Committee**
To receive the annual On-Street Parking Accounts and note the submission to the Mayor of London.
- For Information**
(Pages 347 - 352)

6

20 **Policy & Resources Committee**

(A) Report of Action Taken - Standing Orders

To note action taken under urgency procedures in relation to Standing Order 44 (Interests).

For Information
(Pages 353 - 354)

(B) Report of Action Taken – London Councils

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

For Information
(Pages 355 - 358)

21 **Ballot Results**

There was no ballot taken at the last Court.

For Information

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 359 - 360)

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

24 **Docquets for the Hospital Seal.**

25 **Awards and Prizes**

MOTION

26 **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 and 4 of Part 1 of Schedule 12A of the Local Government Act, 1972; or relate to functions of the Court of Common Council which are not subject to the provisions of Part VA and Schedule 12A of that Act.

For Decision

27 **Non-Public Minutes**

To agree the non-public minutes of the meeting of the Court held on 11 January 2024.

For Decision
(Pages 361 - 364)

- 28 **Policy & Resources Committee**
To consider funding proposals relating to the Museum of London Relocation Programme.
- For Decision**
(Pages 365 - 378)
- 29 **Natural Environment Board**
To consider the creation of a Grade I post.
- For Decision**
(Pages 379 - 390)
- 30 **Finance Committee**
- (A) **DITS Corporate Licence & Cloud Services Provider**
To consider proposals relating to a procurement exercise.
- For Decision**
(Pages 391 - 394)
- (B) **Barbican Centre Catering**
To consider proposals relating to a procurement exercise.
- For Decision**
(Pages 395 - 398)
- (C) **Architectural Services**
To consider proposals relating to a framework procurement exercise.
- For Decision**
(Pages 399 - 402)
- 31 **Investment Committee**
- (A) **City's Estate and City Fund - Freehold Disposal**
To consider proposals relating to the disposal of City's Estate and City Fund Freehold properties.
- For Decision**
(Pages 403 - 408)
- (B) **City's Estate - Freehold Disposal**
To consider proposals relating to the disposal of a City's Estate Freehold property.
- For Decision**
(Pages 409 - 414)

8

32 **Civic Affairs Sub (Policy & Resources) Committee**

To note action taken under urgency in relation to the provision of hospitality.

For Decision
(Pages 415 - 416)



MAINELLI, MAYOR

COURT OF COMMON COUNCIL

11th January 2024
MEMBERS PRESENT

ALDERMEN

Alexander Robertson Martin Barr (Alderman)	Robert Charles Hughes-Penney (Alderman)	Bronek Masojada (Alderman & Sheriff)
Professor Emma Edhem (Alderman)	Gregory Jones KC (Alderman)	Jennette Rachel Newman (Alderwoman)
Sir Peter Estlin (Alderman)	Vincent Keaveny CBE (Alderman)	Sir Andrew Charles Parmley, (Alderman)
Alison Gowman (Alderman)	Alastair John Naisbitt King DL (Alderman)	Susan Jane Pearson (Alderwoman)
Prem Goyal OBE (Alderman)	Dame Susan Langley, DBE (Alderwoman & Sheriff)	Simon Pryke (Alderman)
Martha Grekos (Alderwoman)	Tim Levene (Alderman)	Sir William Anthony Bowater Russell (Alderman)
Timothy Russell Hailes (Alderman)	The Rt Hon. The Lord Mayor, Alderman	Kawsar Zaman (Alderman)
Robert Picton Seymour Howard (Alderman)	Professor Michael Raymond Mainelli (Alderman)	
	Christopher Makin (Alderman)	

COMMONERS

Joanna Tufuo Abeyie	John Ernest Edwards	Gregory Alfred Lawrence	David Sales
George Christopher Abrahams	Helen Lesley Fentimen	Charles Edward Lord, OBE JP, Deputy	Ruby Sayed
Munsur Ali	Sophie Anne Fernandes	Paul Nicholas Martinelli	Ian Christopher Norman Seaton
Randall Keith Anderson, Deputy	John William Fletcher, Deputy	Andrew Paul Mayer	Hugh Selka
Brendan Barns	John Foley	Catherine McGuinness CBE	Oliver Sells KC
The Honourable Emily Sophia Wedgwood Benn	Marianne Bernadette Fredericks, Deputy	Andrew Stratton McMurtrie	Paul Singh
Nicholas Michael Bensted-Smith	John Griffiths	Timothy James McNally	Tom Sleigh
Ian Bishop-Laggett	Jason Groves	Wendy Mead	Sir Michael Snyder, Deputy
Christopher Paul Boden, Deputy	Madush Gupta, Deputy	Andrien Gereith Dominic Meyers, Deputy	Naresh Hari Sonpar
Keith David Forbes Bottomley, Deputy	Caroline Wilma Haines	Brian Desmond Francis Mooney, Deputy	James St John Davis
Tijs Broeke	Christopher Michael Hayward, Deputy	Eamonn James Mullally	James Michael Douglas
Timothy Richard Butcher, Deputy	Jaspreet Hodgson	Benjamin Daniel Murphy	Thomson, Deputy
Dominic Gerard Christian	Ann Holmes, Deputy	Deborah Oliver TD	James Richard Tumbridge
Henry Nicholas Almroth	Amy Horscroft	Suzanne Ornsby KC	William Upton KC
Colthurst, Deputy	Michael Hudson	Judith Pleasance	Glen David Witney
Anne Corbett, Deputy	Wendy Hyde	James Henry George Pollard, Deputy	Dawn Linsey Wright
Graeme Doshi-Smith, Deputy	Henry Llewellyn Michael Jones	Henrika Johanna Sofia Priest	Irem Yerdelen
Simon Duckworth, Deputy	Shravan Jashvantraï Joshi, Deputy	Alpa Raja, Deputy	
Peter Gerard Dunphy, Deputy	Elizabeth Anne King, Deputy	Anett Rideg	
Mary Durcan			

1. Introduction of new elected Members

The following Member, lately elected to be of the Common Council, for the Wards mentioned, was introduced to the Court and having previously made the declaration prescribed by the Promissory Oaths Act, 1868, took their seat, viz:-

Name	Ward
Suzanne Ornsby KC	Farringdon Without

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

3. Declarations There were no additional declarations.

4. Minutes The Town Clerk informed the Court of two corrections to the minutes, which had been circulated to Members in the form of an addendum.

The first related to the debate at Item 8, Bank Junction Improvements, and was to add the following text after the second paragraph:

“Others, also in support of proposals, cited a number of external factors negatively impacting the black cab trade. These Members noted that the proposed equalities impact assessment, traffic modelling and data collection would be essential to making an informed decision. It was suggested that innovation (such as the use of digital solutions) and understanding the benefits of pedestrianisation, would be key to ensuring the best outcomes for the City, and that rushing to any conclusions could lead to Judicial Review.”

The second related to Item 12(E) Motions, where “E. King, Deputy” was incorrectly listed as he Mover of the Motion altering Ward Committee appointments for Farringdon Without, captured within the margin. This was to be corrected to to “C.E. Lord, OBE, JP, Deputy.”

Resolved – That subject to these corrections, the minutes of the last Court, are correctly recorded.

5. Mayoral Engagements The Lord Mayor took the opportunity to wish the Court a Happy New Year, and to provide an update on his engagements.

6. Policy Statement The Chairman of the Policy and Resources Committee took the opportunity make a statement to the Court, within which he emphasised the importance of the Corporate Plan being presented to the Court later in the agenda.

7. Appointments The Court proceeded to consider the following appointments to vacancies on various committees and outside bodies:-

(A) One Member on the Epping Forest & Commons Committee, for a term expiring in April 2025.

Nomination received:-
Alderman Bronek Masojada

Read.

Whereupon the Lord Mayor declared Alderman Bronek Masojada to be appointed

to the Epping Forest & Commons Committee.

(B) One Member on the Markets Board, for a term expiring in April 2026.

Nomination received:-
Suzanne Ornsby KC

Read

Whereupon the Lord Mayor declared Suzanne Ornsby KC to be appointed to the Markets Board.

(C) Two Members on the Pensions Committee, for terms expiring in 2026.

Nomination received:-
Timothy McNally
Deputy Christopher Boden

Read.

Whereupon the Lord Mayor declared Timothy McNally and Deputy Christopher Boden to be appointed to the Pensions Committee.

8. **Policy and Resources Committee**

(Deputy Christopher Michael Hayward)

14 December 2023

Draft Corporate Plan 2024-2029

The Chairman of the Policy and Resources Committee introduced the report and set out the objectives of the Corporate Plan for 2024-2029. It was important that the Corporation publicly and regularly held itself to account, and the Chairman was pleased that officers were working at pace to create metrics for measuring success, something which the previous plan had not contained. The Chairman wanted to see the Corporate Plan brought to life through departmental, team and individual plans, led by the Town Clerk and Chief Executive. A new People Strategy was being developed alongside the Plan and would be brought forward for Member consideration in coming months. The Chairman noted that the Corporate Plan could not entirely capture the complete richness of the City Corporation, and it could not include all aspects. This did not diminish the importance on aspects left out, but it was important to retain focus and prioritisation. The Chairman thanked all those who had contributed to the Plan and hoped Members would support the draft outcomes.

*Thomson, J.,
Deputy;
Hayward, C. M.,
Deputy*

Amendment – to revise recommendation (a) to insert ‘in principle’ after April 2024, and to revise recommendation (b) to: ‘authorise the Policy and Resources Committee to agree any changes to the wording and content (which may be refined and reduced).’

Deputy James Thomson in introducing his amendment, noted the importance of a foreword and executive summary in documents such as the Corporate Plan, and

expressed their concern that the Court were being asked to delegate authority to the Town Clerk to finalise these elements without Members having a chance to see the final product. He therefore moved to amend the recommendations so that the Court would approve the plan in principle, with the Policy and Resources Committee to approve any changes to the final wording.

The Policy Chairman thanked the Member for their amendment and seconded it, noted the need to have Member sign-off of the foreword and executive summaries.

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

Members returned to debating the substantive recommendations, as amended. They congratulated all those who had been involved in putting the Corporate Plan together and welcomed the level of stakeholder consultation involved. During debate, Members made several suggestions for areas to include in the final Plan. These included drawing out the need to make the City an attractive place to live (alongside the appropriate performance metrics), social connectivity, educational outcomes, providing excellent services, the sports strategy, the economic make-up of City residents and the Workplace Attendance Policy. Members also requested that points in the Plan be numbered to aid navigation, and that the phrasing Key Performance Indicators should be replaced by Objectives and Key Results.

There were some questions relating to the inclusion of references to specific work areas, such as sports. There was also a question concerning whether workplace attendance was something that needed to be addressed in the Plan.

Concluding the debate, the Chairman thanked Members for their contributions and acknowledged the points that had been made. He agreed on adding words on making the City an attractive place to live, but felt this should also include making it an attractive place to work. Education was fundamentally important, and the City Corporation had to demonstrate how it contributed across London through its schools and the City of London Academy Trust. On the resources necessary to drive the objectives of Community and Children's Services, the Policy Chairman raised the serious financial challenges facing the Corporation. These had to be backed up with a political mandate. He was confident that numbering of points could be included and acknowledged that more modern acronyms could be used. In response to specific requests for work areas to be included, the Chairman referred to his opening remarks on the need for focused prioritisation meaning not every individual preference could be included. He agreed that the insurance sector was significant. The question of returning to the office was an operational issue, not strategic, and A paper would be coming to the Corporate Services Committee. He agreed that there was a need to showcase social purposes.

Resolved, that Members:

1. Approve the draft Corporate Plan 2024-29 at Appendix 1, for formal adoption from April 2024 in principle including:
 - a) the six outcomes (Dynamic Economic Growth, Diverse Engaged Communities, Flourishing Public Spaces, Vibrant Thriving Destination, Providing Excellent Services and Leading Environmental Sustainability);

- b) the direction of travel set out for the performance measures.
2. Authorise the Policy and Resources Committee to agree any changes to the wording and content (which may be refined and reduced).

9. **Community and Children's Services Committee**

(Ruby Sayed)

13 December 2023

Care Experience as a Protected Characteristic

The Chairman introduced the report and provided the Court with the background on the experience of care-leavers. She felt that, as the City Corporation had a statutory duty as a corporate parent, the proposed policy would provide a significant opportunity.

Resolved – That the Court recognises care experienced as if it were a protected characteristic where practicable and, in doing so, approves the City of London's Specific Policy, 'Care Experienced as a Protected Characteristic'.

10. **Planning and Transportation Committee**

(Deputy Shravan Joshi)

12 December 2023

Proposed Creechurch Conservation Area

A Member, welcoming the proposals, sought reassurance that the concerns of stakeholders in the Ward of Aldgate had addressed. They noted that the Ward retained some of its historic character and asked if the Chairman would seek, through the document, to views from within the Bevis Marks Synagogue courtyard. They also asked if the impact of reflected light had been considered, given the importance of this for the lighting of the synagogue.

A Member noted that the Court was being asked to approve the consultation map. This would be followed by a detailed management plan and asked the Chairman whether the concerns raised by the previous Member would be included in this plan.

A Member asked if the conservation document created a presumption in favour of the preservation of views in and out of Bevis Marks Synagogue.

In response, the Chairman agreed that Bevis Marks synagogue was a jewel in the City's heritage which the City Corporation would aim to protect through the proposed Creechurch Conservation Area and the Local Plan. The public consultation for the designation of the conservation area had been a notable success, with 84% of the almost 1,000 representations received advocating the conservation boundary presented in the report. Development on the site would be required by legislation and policy to preserve and, where possible, enhance the character and appearance of the conservation area. Tall buildings were already visible from within the courtyard, and the conservation area would be one of a handful that already include tall buildings. Further guidance would be provided in Spring 2024 in the form of a character appraisal and management strategy. On the

impact on light, the Chairman said that planning applications were always assessed on merit, and where appropriate a daylight-sunlight assessment would be required in accordance with BRE guidance. Right of light was a legal assessment rather than a planning consideration. The designation of a conservation area did not impact on a landowner right to light. The impact of any development within the synagogue and its courtyard would be assessed, including the impact on the appreciation of historic, cultural and religious elements of significance and the religious use of the synagogue. Third party reviews of daylight-sunlight impacts were required to ensure appropriate rigour was applied. The Chairman felt that the wording of the report and the document was clear with regards to the creation of a presumption in favour of the preservation of views in and out of Bevis Marks Synagogue.

Resolved – That the Court approves the designation of the area identified on the map in Appendix 1 of the report as the Creechurch Conservation Area.

11. **Natural Environment Board**

(Caroline Haines)

2 January 2024

Natural Environment Board – Revised Terms of Reference

Members were invited to review an amendment that had been circulated to the Court.

Muphy, B.D.;
Haines, C.W.

Amendment – to amend the recommendation as follows:

“That Members approve the revised constitution of the Natural Environment Board (captured in Appendix A, paragraphs 1 and 3) and refer amendments to its Terms of Reference (Appendix A paragraphs 4(a) to (i)), back to the Natural Environment Board and Policy & Resources Committee for further consideration.”

On introducing the amendment, the Chairman of the Epping Forest and Commons Committee welcomed the proposed changes to the Natural Environment Board’s composition, but raised a concern regarding the proposed amendments to the Board’s Terms of Reference. He highlighted the complex arrangements for the City Corporation’s open spaces, which had statutory functions as charities as well as needing to fit into the City Corporation’s governance structure, and he felt the wording of the proposed revisions as presented would not help as it had intended. Having consulted with the Chair of the Natural Environment Board and the Director of Natural Environment, he proposed amending the recommendations so that the terms of reference would be referred back to the Natural Environment Board and the Policy and Resources Committee so further consideration could be given.

The Chair of the Natural Environment Board spoke to second the amendment and thanked the Chair of the Epping Forest and Commons Committee for moving it. She concurred that it the paper as presented to the Court was not completely representative of the views of Members on the Board. The approval of the composition would allow the Board to start recruiting the four non-voting advisory members, which was considered more time critical. The changes to the terms of reference could be included in the annual terms of reference review.

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

A Member asked for clarification on the rationale on the change to the Board's composition. The Chair replied that the Board had wanted to recruit four additional External Members to provide skills cover on its four overarching strategies. They were recommending that these Members should not have voting rights as they wanted to use their knowledge in an advisory capacity rather than to affect the strategic direction.

Resolved – That Members approve the revised constitution of the Natural Environment Board (captured in Appendix A, paragraphs 1 and 3) and refer amendments to its Terms of Reference (Appendix A paragraphs 4(a) to (i)), back to the Natural Environment Board and Policy & Resources Committee for further consideration.

12. Motions There were no motions.

13. Freedoms 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:-

Dr Muhammad Abdul Bari, MBE DL	a Physicist and Educationalist, retired	Tooting, London
<i>Ald. Kawsar Zaman</i>	<i>Citizen and Alderman</i>	
<i>Ald. Prem Babu Goyal, OBE</i>	<i>Citizen and Goldsmith</i>	
Shakib Al Hasan	a Professional Cricketer	Banani, Dhaka, Bangladesh
<i>Ald. Kawsar Zaman</i>	<i>Citizen and Alderman</i>	
<i>Ald. Prem Babu Goyal, OBE</i>	<i>Citizen and Goldsmith</i>	
Murat Bingol	a Property Investment Consultant	Hampstead, London
<i>Ald. Kawsar Zaman</i>	<i>Citizen and Alderman</i>	
<i>Ald. Prem Babu Goyal, OBE</i>	<i>Citizen and Goldsmith</i>	
Arthur James Brinn	a Diamond Mounter, retired	Luton, Bedfordshire
<i>Ian Wilson Tough</i>	<i>Citizen and World Trader</i>	
<i>Simon Peter McIlwaine</i>	<i>Citizen and Clockmaker</i>	
Rory Alexander Broomfield	a Marketing Consultancy Managing Director	Bermondsey, London
<i>Jaspreet Hodgson, CC</i>	<i>Citizen and Common Councillor</i>	
<i>Stephen John Hodgson</i>	<i>Citizen and Tax Adviser</i>	
Loftus Leo Burton	a Film Director and Producer	Notting Hill, London
<i>Nicholas Simon Coletta</i>	<i>Citizen and Basketmaker</i>	
<i>Mark Richard Cooper</i>	<i>Citizen and Basketmaker</i>	
Clemente Anselmo Agostino Cattini	a Professional Musician, retired	Winchmore Hill, London
<i>Antonio Masella</i>	<i>Citizen and Mason</i>	
<i>Robert James Mason</i>	<i>Citizen and Plumber</i>	

Deborah Mary Cluett <i>Deputy Christopher Michael Hayward</i> <i>Deputy Alastair Michael Moss</i>	a Lawyer <i>Citizen and Pattenmaker</i> <i>Citizen and Goldsmith</i>	Islington, London
Fiona Elaine Irene Collins <i>William George Thomas</i> <i>Elaine Irene Clack</i>	a Retailer <i>Citizen and Fanmaker</i> <i>Citizen and Fanmaker</i>	Farnborough, Hampshire
Ian William Crowe, MBE DL <i>Sir David Roche, Bt</i> <i>John James Tunesi of Liongam, The Younger</i>	a Retail Company Director, retired <i>Citizen and Saddler</i> <i>Citizen and Scrivener</i>	Eglington, Londonderry, Northern Ireland
Ezekiel Graham Dodds, MBE, DL <i>Sir David Roche, Bt</i> <i>John James Tunesi of Liongam, The Younger</i>	a Police Chief Inspector <i>Citizen and Saddler</i> <i>Citizen and Scrivener</i>	Omagh, Co. Tyrone, Northern Ireland
Stephen John Doyle <i>Richard George Turk</i> <i>Edward Gradosielski, BEM</i>	a Reinsurance Broker <i>Citizen and Shipwright</i> <i>Citizen and Wax Chandler</i>	Buckhurst Hill, Essex
Andrew Albert Eden <i>Brian Anthony Vickers</i> <i>Ross Scott Stuart</i>	an Insurance Agent, retired <i>Citizen and Painter-Stainer</i> <i>Citizen and Air Pilot</i>	Rayleigh, Essex
Zachary Patrick Gough <i>John Frederick Hudson</i> <i>Lieutenant Rene Leonard Neville De Silva, JP</i>	a British Army Officer <i>Citizen and Apothecary</i> <i>Citizen and Upholder</i>	Bristol
Anthony John Haines <i>Martin John Davies</i> <i>John Cruddas Murray, OBE</i>	a Chartered Surveyor, retired <i>Citizen and Scrivener</i> <i>Citizen and Shipwright</i>	Harpenden, Hertfordshire
Michael Charles Hales <i>Henry Llewellyn Michael Jones, CC</i> <i>Deputy Marianne Bernadette Fredericks</i>	a Catering Company Director <i>Citizen and Common Councillor</i> <i>Citizen and Baker</i>	Dormansland, Surrey
Simon Robert Hammond <i>Richard George Turk</i> <i>Edward Gradosielski, BEM</i>	a Shipbroker and Ship Operator <i>Citizen and Shipwright</i> <i>Citizen and Wax Chandler</i>	Bromley, Kent
Yvonne Lavinia Harrop <i>Zoe Dick</i> <i>Malcolm David Lawrence Dick</i>	a Business Development Company Owner <i>Citizen and Educator</i> <i>Citizen and Educator</i>	Richmond, London
Richard James Hignett <i>Ald. Kawsar Zaman</i> <i>Ald. Prem Babu Goyal, OBE</i>	a Barrister <i>Citizen and Alderman</i> <i>Citizen and Goldsmith</i>	St Albans, Hertfordshire

Janine Joy Hirt	a Fintech Industry Body Chief Executive	Highbury, London
<i>Ald. Nicholas Stephen Leland Lyons</i>	<i>Citizen and Merchant Taylor</i>	
<i>Felicity Ruth Lyons</i>	<i>Citizen and Musician</i>	
Kobir Hussain	a Group Management Accountant	Ilford, London
<i>Ald. Kawsar Zaman</i>	<i>Citizen and Alderman</i>	
<i>Ald. Prem Babu Goyal, OBE</i>	<i>Citizen and Goldsmith</i>	
Aysin Keser	an Economist and Business Consultant	Orpington, Kent
<i>Donald Howard Coombe, MBE</i>	<i>Citizen and Poulter</i>	
<i>David Peter Coombe</i>	<i>Citizen and Poulter</i>	
Christopher Paul Manners	a Boat Sales Company Director	Shepperton, Middlesex
<i>Richard George Turk</i>	<i>Citizen and Shipwright</i>	
<i>Edward Gradosielski, BEM</i>	<i>Citizen and Wax Chandler</i>	
Sir Robert Stephen O'Brien, CBE	a Health Trust Chair, retired	Colchester, Essex
<i>Ald. Kawsar Zaman</i>	<i>Citizen and Alderman</i>	
<i>Ald. Prem Babu Goyal, OBE</i>	<i>Citizen and Goldsmith</i>	
Peter Greig Radcliffe	a Fintech Company President	St. John's Wood, London
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Deputy Alastair Michael Moss</i>	<i>Citizen and Goldsmith</i>	
Debra Susan Sales-Tiffin	a Healthy and Safety Manager	Benfleet, Essex
<i>David James Sales, CC</i>	<i>Citizen and Insurer</i>	
<i>Nicholas James Redgrove</i>	<i>Citizen and Insurer</i>	
Catherine Bernadette Scott	a Stakeholder Engagement Manager	Oakwood, London
<i>Ald. Prem Babu Goyal, OBE</i>	<i>Citizen and Goldsmith</i>	
<i>Richard David Arthur Burge</i>	<i>Citizen and World Trader</i>	
Ian Charles Frederick Scott	a Crematorium Technical Officer	Harold Wood, Essex
<i>Mary Durcan, CC</i>	<i>Citizen and Common Councillor</i>	
<i>Jonathan Martin Averbs</i>	<i>Citizen and Fletcher</i>	
Lixiang Shao	a Business Development Director	Golders Green, London
<i>Timothy James McNally, CC</i>	<i>Citizen and Glazier</i>	
<i>Michael Mark Shapiro</i>	<i>Citizen and World Trader</i>	
Álvaro Joaquim De Melo Siza Vieira	an Architect	Porto, Portugal
<i>Christopher Andrew Williamson</i>	<i>Citizen and Chartered Architect</i>	
<i>Christopher Edward Dyson</i>	<i>Citizen and Chartered Architect</i>	
Robyn Murdo Smith	a Barrister	Whitstable, Kent
<i>Ann-Marie Jefferys</i>	<i>Citizen and Glover</i>	
<i>Anne Elizabeth Holden</i>	<i>Citizen and Basketmaker</i>	
Adam Edward Thompson	a Senior Civil Servant	Ottawa, Ontario, Canada
<i>Robert Andrews</i>	<i>Citizen and Gold & Silver Wyre Drawer</i>	
<i>Michele McCarthy</i>	<i>Citizen and Scrivener</i>	

Andrew Peter Christopher Tong <i>Steven William Tamcken</i> <i>Peter Richard Cowland</i>	a Training Company Managing Director <i>Citizen and Basketmaker</i> <i>Citizen and Firefighter</i>	Ellesmere Port, Cheshire
Dr Emily Laura Waits <i>Michael John James</i> <i>James Patrick Vaughan</i>	a General Practitioner <i>Citizen and Stationer & Newspaper Maker</i> <i>Citizen and Stationer & Newspaper Maker</i>	King's Lynn, Norfolk
Eric Ronald Warren <i>James Mark Eaton</i> <i>Simon Richard Martin</i>	a Financial Services Risk Manager <i>Citizen and Security Professional</i> <i>Citizen and Basketmaker</i>	West Malling, Kent

14. Questions
Brendan Barns
to the Chair of
the Barbican
Centre Board

Facilities at the Barbican Centre

Brendan Barns asked the Chair of the Barbican Centre Board what could be done to facilitate the renewal of the lower ground floor bathrooms at the Centre, and sought assurance that this would be a priority.

In reply, the Chair of the Barbican Centre Board acknowledged the poor state of the facilities. The operational machinery had not been invested in since the Barbican Centre had been opened. He acknowledged the efforts of staff at the Centre and their hard work in keeping things going when faced with almost continuous failures. The Chair noted that the Resource Allocation Sub-Committee had approved funds to address the most urgent work required, including the toilets. This work would commence shortly. Beyond the urgent works, the Chair reflected on the role of the Barbican Renewal project. There was a long list of required work, and the Chair acknowledged that there would be a significant price. However, Barbican Renewal was not just about restoring the Centre to its status when opened, but about turbo-charging the City's biggest tourist attraction and helping to delivery on net-zero. The scope of the work required was such that it would be seen across the City Corporation's committees.

Brendan Barns asked a supplementary question, noting that the toilets had been an issue for several years and asking for assurance that he would not need to repeat his question next year.

In reply, the Chair said that the toilets at the Centre were at the top of the list of prioritised works.

Old Bailey

Alderman Timothy Hailes noted that a member of the public had been injured on 27 December due to masonry that had fallen from the Old Bailey.

In reply, the Chairman, with regret, informed the Court that on 23 December a small section of stone had fallen from a statue above the gates at the Old Bailey, landing on the pavement. Nobody had been hurt at this time. However, before the area was cordoned off, a member of public had tripped over the stone and sustained an injury. The Chairman was sure that the Court would join him in sending their best wishes to the affected individual. A tap test had been undertaken, and a further small piece of masonry has been removed. A tap test of the wider façade had been commissioned and barriers had been installed at the Old Bailey. The Chairman acknowledged that, while the City Corporation had spent £46m on boilers and key

Alderman
Timothy Hailes
to the Chairman
of Policy and
Resources

infrastructure at the Old Bailey, it was still an operational asset suffering from a maintenance backlog which was not commensurate with a facility of its size and use. The incident highlighted the importance of ensuring that health and safety remained a priority of the City Corporation. This had been discussed at the Corporate Services Committee, and the City Corporation had agreed to hire a new Health and Safety Officer at the Old Bailey.

Alderman Hailes, as a supplementary question, asked the Chairman if he agreed that the time had come to address urgently the historic backlog of maintenance work (or 'bow-wave') on the City Corporation's operational property.

The Chairman agreed that Members had a duty to take action to address the condition of the operational property estate. The bow-wave referred to the significant and simultaneous issues at the City Corporation suffering from decades of underinvestment in cyclical works. The Policy Chairman, along with the Finance Chairman, had been clear that the situation could not deteriorate any further. This would undermine the commitment to health and safety and make things worse for successive generations at the City Corporation. In December, both the Policy & Resources Committee and the Finance Committee had approved £133m of funding for cyclical works. This funding envelopment included money to address the bow-wave, and for forward maintenance on areas a range of operational property. £4m had been allocated to address the specific backlog at the Old Bailey, and a further £3.4m for forward maintenance. This would incorporate an estimated £120k to refurbish the ceremonial gate. The Chair was confident that all Members took the challenge seriously, especially as it came at a difficult time for the City Corporation's finances. This latter could not be an excuse for inaction. The Court would need to come together to make difficult discussions.

Andrew McMurtrie thanked Alderman Hailes for his efforts in leading the review of the City Corporation's operational property portfolio. He asked the Chairman if he would consider the limitations of the current centralised procurement framework which limited flexibility.

In reply, the Chairman agreed with Mr McMurtrie's opening comments regarding Alderman Hailes' work. He also felt that the question was correct in suggesting there was a need to be flexible and would ask the Town Clerk to explore how this could be achieved.

Gregory Lawrence asked the Chairman for his views on the lessons from the City Corporation's maintenance record.

In reply, the Chairman assured Mr Lawrence that the leadership team took the issue seriously. He hoped that the numbers he had already referenced would make a real impact in addressing the bow-wave, though this would by necessity take time.

Ward boundaries

Deputy Madush Gupta asked the Policy Chairman if he agreed that it was time to redraw the ward boundaries in the City, noting that despite a commitment to refresh every ten years, the last time it had happened was in 2010.

In reply, the Chairman thanked Members and officers for their hard work in supporting ward voter registration. He agreed that a review of ward boundaries was overdue. Any review would need to be thorough and completed with due care. The Chairman did not think it would be practical to conduct a review before the elections in 2025, as a review of this scope would take up to three years and draw on staffing resources which were already committed to the 2025 elections. He would ask the Town Clerk to prepare for a review immediately after the 2025 elections.

Deputy Gupta asked the Chairman if he still supported a review of voter registration and an internal review of the City of London (Ward Elections) Act 2002, and for further information on the timeline and scope of these reviews.

In reply, the Chairman said that a scoping paper on the future of the City franchise was due to be submitted to the Policy & Resources Committee at its March meeting.

Deputy Christopher Boden, reflecting on the historic development of the ward boundaries and the background to the current arrangements, asked the Chairman if he would consider creating a working party to explore the question of retaining the current arrangements.

In reply, the Chairman agreed that these were issues requiring fundamental review. He suggested that the Civic Affairs Sub-Committee might be the appropriate parent committee of any working party.

Tijs Broeke asked the Chairman if he agreed that there was a risk of Members using questions as an opportunity to make statements.

In reply, the Chairman agreed and said the number of words that could be used in a question had already been limited. He appealed to Members to be careful when asking questions and encouraged them to share questions between the various Committee Chairs.

Jason Groves asked if any review could include exploring the tightening of electoral procedures such as the certification of nomination signatures and the verification of lease-holding as a qualification to run for election.

The Chairman agreed that this should be within the scope of the review.

15. 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:-

Bills

Date of Royal Assent

The Pensions (Extension of Automatic Enrolment) Act 2023

18 September 2023

This Act amends provisions in the Pensions Act 2008 to give regulation making powers which will enable the Secretary of

State to make regulations to reduce the lower age limit at which otherwise eligible workers must be automatically enrolled and re-enrolled into a pension scheme by their employers, and to make regulations to remove the Lower Earnings Limit (LEL) from the qualifying earnings band so that contributions are calculated from the first pound earned and to make regulations modifying the requirements of the annual review of the qualifying earnings band. The Government has stated its intention to implement these changes by the mid-2020s and so it is anticipated that Regulations will be brought forward under the powers in the Act in the next 12-18 months if that timetable is to be adhered to. This is of interest to the Lord Mayor and the Corporation as regards wider work on pensions and pensions provision.

Statutory Instruments

Date in Force

The Data Protection (Adequacy) (United States of America) Regulations 2023

12 October 2023

Identifies the United States of America as a country which provides an adequate level of protection of personal data for transfers under the Data Protection Act 2018 and the UK GDPR (also under the 2018 Act). This means that personal data which will be in the scope of the EU-US Data Privacy Framework Principles can be transferred to persons in the United States of America who participate in the UK Extension to the EU-US Data Privacy Framework without the need for any specific authorisation.

The Environmental Protection (Plastic Plates etc. and Polystyrene Containers etc.) (England) Regulations 2023

1 October 2023

These Regulations apply in relation to England only. They prohibit persons from supplying or offering to supply certain plastic or polystyrene items in the course of a business: they also prohibit the supply of single-use plastic plates, trays or bowls, balloon sticks and cutlery and the supply of single-use polystyrene food or drink containers and cups. This is of interest to the Corporation as an catered events venue.

The Alcohol Licensing (Coronavirus) (Regulatory Easements) (Amendment) Regulations 2023

28 September 2023

Prolongs an existing extension of permissions for automatic extensions of premises licences that only permit sales of alcohol for consumption on the premises ("on-sales") to allow sales of alcohol for consumption off the premises ("off-sales"). This easement will continue to 31 March 2025.

The Social Housing (Regulation) Act 2023 (Commencement No. 1 and Saving Provision) Regulations 2023

20 September 2023

Brings into force provisions relating to the Regulator of Social

Housing's new powers to set standards and requiring providers to comply with future arrangements for remedying hazards. Also brings into force a power for the Secretary of State's to give a direction about providing information to tenants.

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

Read.

16. Ballot
results

There were no ballots taken at the last Court.

17.
Resolutions

In recognition of a number of Members and Officers of the City Corporation in the New Year's Honours List:-

Holmes, P.A.,
Deputy;
Colthurst, H. N.
A., Deputy

Resolved unanimously — That the sincere congratulations of this Court be offered to Deputy Brian Desmond Francis Mooney B.E.M on his recent appointment by His Majesty the King as Medallist of the Most Excellent Order of the British Empire, in recognition of his services to the community in the City of London and in Coggeshall, Essex.

Holmes, P.A.,
Deputy;
Colthurst, H. N.
A., Deputy

Resolved unanimously — That the sincere congratulations of this Court be offered to David Farnsworth, O.B.E, the Managing Director of the City Bridge Foundation, on his recent appointment by His Majesty the King as an Officer of the Most Excellent Order of the British Empire, in recognition of his services to the voluntary sector in London.

Deputy Brian Mooney was heard in response.

18. Hospital
Seal

There were no docquets for the Seal.

19. Awards

National Transport Awards – Winner of the Best Practice in Diversity, Inclusivity and Accessibility category – City of London Streets Accessibility Tool

(Deputy Shravan Joshi)

20 December 2023

CiTTi Awards – Winner of the Transport Accessibility Award – City of London Streets Accessibility Tool

"I wish to draw Members' attention to the following achievements of the Environment Department.

National Transport Awards – Winner of the Best Practice in Diversity, Inclusivity and Accessibility category – City of London Streets Accessibility Tool

CiTti Awards – Winner of the Transport Accessibility Award – City of London Streets Accessibility Tool

The City of London Street Accessibility Tool (CoLSAT) enables street designers to easily identify how street features impact on the different needs of disabled people.

The tool's key feature recognises that the needs of different groups of disabled people can be contradictory; that improving accessibility for one group may decrease accessibility for another. CoLSAT identifies the trade-offs that may be needed to ensure no one is excluded from using the City's streets and provides the basis for engagement and discussion to maximise the benefits for all.

The award-winning tool is freely available on the City of London Corporation's website at City of London Street Accessibility Tool – City of London

I commend these achievements to the Court.”

Read.

20.
Holmes, P.A.,
Deputy;
Colthurst, H. N.
A., Deputy

Resolved – That the public be excluded from the meeting for the following items of business below on the grounds that they either involve the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Local Government Act, 1972; relate to functions of the Court of Common Council which are not subject to the provisions of Part VA and Schedule 12A of that Act; or relate to matters treated in confidence at the request of His Majesty's Government.

Summary of exempt 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.

Finance Committee

(A) Repairs and Maintenance Contract Variation

The Court received a report concerning variations to repairs and maintenance contracts.

(B) Procurement of Purchase Card Scheme Stage 1-2 Strategy and Award Report

The Court received a report concerning the procurement of purchase cards.

23.

Investment Committee

(A) Report of Urgent Action Taken: City's Estate: Asset Swap – The Courtyard, 1 Alfred Place, WC1 and 95-96 New Bond Street, W1 Report

The Court noted action taken under urgency procedures concerning an asset swap with Great Portland Estates.

(B) Report of Urgent Action Taken: City's Estate: Freehold Disposal of 55-61 Charterhouse Street, EC1M

The Court noted action taken under urgency procedures concerning the disposal of a freehold interest.

(C) Report of Urgent Action Taken: City's Estate - Disposal of freehold of 21 Whitefriars Street EC4 (Price Reduction)

The Court noted action taken under urgency procedures concerning the disposal of a freehold interest.

(D) Report of Urgent Action Taken: City Fund: 21-26 Garlick Hill, EC4 – Sale of a long leasehold interest

The Court noted action taken under urgency procedures concerning the sale of a long leasehold interest.

The meeting commenced at 1.00pm and ended at 3.20pm

THOMAS.

Report – Finance Committee

2024/25 City Fund Budget & Medium-Term Financial Plan

To be presented on 7 March 2024

*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).

Recent years have seen major global events contribute to a very unstable economic environment. Interest rates have been at levels not seen for a number of decades. Whilst the City Corporation has benefited from higher interest rates, they have not been sufficient to offset embedded cost increase of price inflation.

Additional funding will be required to cover children and community services; potential uplifts changes in pay and address properly the growing backlog of cyclical works for operational properties.

The huge pressure on our finances from delivering our ambitious capital programme also constrains the ability for future investment. Wider thinking is needed on how best to secure third party investment on the major capital projects and our asset base to relieve the pressure on our own capital resources.

Additionally, a commercial approach to revenue generation is required and under review e.g. advertising income. A commercial approach is also under review on our operational asset base, ensuring that we maximise operational effectiveness and only retain the buildings really needed to deliver services.

Although the Local Government Financial Settlement includes a welcome increase in the level of funding for social care, the expectation continues from Government that more will be raised from local taxpayers. This same applies for the Police funding settlement. Government's assumption is that Policing cost pressures would be covered through the levy on council taxpayers of up to £13 (decreased from £15 from prior year). Following the steer from Resource Allocation Sub Committee in the summer, and in a joint meeting with Service Committee Chairman in January, potential tax increases have been modelled for member consideration.

The final settlement also approved the extension of the '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 £8m. This pool is an extension for one year only, after which the Corporation intends to return to a pan London Pooling. This is one-off funding and is not recommended to support business as usual and needed to support the major projects programme, reducing the impact on City Fund deficits in later years.

Tough decisions have been needed to remain within the overall envelope for 2024/25.

The medium-term financial outlook, with no tax increases, is summarised in table 1 below:

Table 1: City Fund five-year outlook

Surplus/ (Deficit)	2023/24	2024/25	2025/26	2026/27	2027/28
	£'m	£'m	£'m	£'m	£'m
City Fund surplus (deficit)	41.7	21.3	(0.4)	(18.9)	(33.6)
City of London Police surplus/(deficit)	0.0	(2.9)	(2.2)	(4.3)	(6.6)
City Fund position including Police deficit	41.7	18.4	(2.6)	(23.2)	(40.2)
*General Fund Reserve – working capital	20.00	20.00	20.00	20.00	20.00
**Major Project Financing Reserve	77.4	77.0	67.0	38.4	5.3
***Cyclical Works Programme Reserve	68.0	52.7	38.9	25.5	12.7
****Climate Action Reserve	14.8	13.7	13.0	12.5	11.0

* General fund reserve maintained at minimal prudent amount for working capital.

** Major project financing reserve includes adjustments for financing the revenue element of major projects which is not included in the deficit/surplus.

*** Cyclical Works Programme Reserve includes ring-fenced funds to support the essential funding needed on backlog and forward plan over the next 5 years from 2024/25 and included in the surplus/deficit.

****Climate Action Reserve includes adjustments for financing the revenue element of climate action and revenue savings from climate action and similar programmes.

City Fund (excluding Police) is balanced over the medium-term financial plan (MTFP) producing a small £10.1m surplus. Government has pushed back its reform of Business Rates by another year and expectation is this will be pushed back by a further year. The result generates extra retained Business Rates growth of c£28m in 2024/25 and c£28m in 2025/26 which is helpful but cannot be regarded as permanent. In addition, City Fund has benefited from an increase of £1.9m in baseline funding in 2024/25. Interest returns have also been beneficial in countering inflationary and other pressures. Yet pressures in future years remain. Further action is required to ensure City Fund remains in balance beyond 2025/26. Previously the business rate growth had been kept separate to fund the major projects. However, due to increases in inflation, reductions in property income, continued pressures in adult and children's services, inflationary pressures in Police pay and prices such separation is not possible in 2025/26. Without that growth the City Fund falls into a greater deficit by £27.6m (taking 2025/26 deficit position £0.4m less Business Rates growth c£28m). Later year forecast deficits endanger the statutory duty to remain balanced across the 5-year medium-term with little margin to support unforeseen financial challenges.

The Police have seen a significant increase in demand for services. Fraud and cyber-crime have continued to rise. The cost-of-living crisis has brought challenges including increases in calls for service linked to vulnerability and rises in theft. Wider national public dissatisfaction has been felt through increased protests which require significant resource to police. The growing nighttime economy has led to increases in crime and disorder, particularly violence and sexual offences. Maintaining a safe and secure environment in the City is key to the success of Destination City, while continuing to ensure the City remains an attractive place to do business. More visitors to the City

requires a focus on public safety, not only by deterring criminality, but also on the threat from terrorism. 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 several options being recommended within this report to close the medium-term deficits, however this leaves very little margin to support unforeseen financial challenges.

For 2024/25, Members will need to consider whether to:

- Increase Adult Social Care precept by 2% which raises £165k p.a. - to address £310k pressures within Adult Social Care and position the City Corporation better for the Fair Funding Review.
- Increase in core Council Tax by 2.99% which raises £247k p.a.- to address £160k pressure on children services (children's placements) and other services.
- Increase again Business Rates Premium up to 0.4p in the £ which raises c£8.1m p.a. - to support security on City Fund and Police inflationary pressures. The Corporation is unable to levy taxes in the same way other Police Crime Commissioner Offices through precept on Council Tax – for 2024/25 up to £13 without needing a referendum. Unless BRP is increased by 0.4p - City Fund can only be balanced across the medium-term from the retained business rates growth and aggressive savings within Police.
- Increase rents for social tenants within the Housing Revenue Account by 7.7%. Inflation is now embedded in pay and prices - those increases put HRA into deficit. In order, to balance HRA across the MTFP a 7.7% increase in rent is permitted which appears to match likely increases from other London boroughs

Capital - Business as usual

Turning to the **capital position**, under the annual process, bids for capital funding totalling £14.4m 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. Any further pressures are to be contained within agreed budgets through value engineering. Where this is not practicable it is recommended alternative sources of funding is explored (i.e. Community Infrastructure Levy (CIL), On Street Parking Reserves (OSPR), Grants, underspends from existing capital programmes, and or reprioritisation of already approved capital programmes.

Options to stabilise the position

This report recommends a number of measures to stabilise the position in 2024/25 and that will support the steps that will need to be taken over the medium-term, supported by:

- **Tax increases** – Resource Allocation Sub Committee agreed to model tax rises.
- **Increased property investment returns** - review underway by Investment Committee;
- **Income generation opportunities** – update in March 2024, but realistic projections total £3m - £8m;

- **Operational Property** – update in March 2024 unlikely to generate substantial contributions excess of c£500m;
- **Medium-term savings plan** – radical thoughts now needed for future as to how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reductions in grants. This will require a renewed approach to transformation underpin by a clear communication to all members, so they are aware of the challenges ahead.
- **One-off spends** addressed within resource envelope/added to MTFP, with exceptional items funded from underspends of up to £10m projected to be carried forward from 2023/24 (including inflation contingency - paragraph 27);
- **Major Projects:**
 - Development opportunities to attract investment must be prioritised;
 - Given that ambitions and current commitments exceed resources, priority otherwise to be directed towards statutory or health and safety needs, alongside the Cyclical Works Programme – see Appendix A paragraphs 22 to 28.
 - £25m has been committed over 2023/24 and 2024/25 to support critical health and safety needs of the Barbican Centre which has reached the end of its economic life. The full cost of essential works is estimated to be £451m, subject to formal surveys and cost assessments. Such amount is not budgeted for and will not generate any material change to revenue or cost and is not supportable by external grants. Informal Resource Allocation Sub Committee requested a full business plan that reduces annual support from the Corporation and places Barbican Centre on a sustainable footing. A funding strategy will need to be developed. Finding the full £451m will add further cost pressures on City Fund in the region of between £13m-£25m p.a.

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 2024/25 will be absorbed within local risk budgets. However, where one-off cost pressures have been approved by Members these have either been built into the medium-term or accommodated through underspends from 2023/24.

RECOMMENDATION

Following your Finance Committee's consideration of this City Fund Report, it is recommended that the Court of Common Council is requested to:-

1.0 To note and approve the overall budget envelopes for City Fund.

- 1.1 Additional funding is required to be approved for new on-going cost pressures and have been included as budget uplifts:
 - 1.1.1 Agreed pay award from 1st July 2023.
 - 1.1.2 Net 3% inflation uplift to local risk budgets.
 - 1.1.3 £470k for City Fund Adult Social Care and Children Services.

- 1.1.4 £2m central provision to cover assumptions for Ambition 25 (Reward Refresh) – subject to recommendations of the Corporate Services Committee.
 - 1.1.5 £210k increase in legal costs to support specialist advice.
 - 1.1.6 £330k on-going City Fund support to Electoral Services.
 - 1.1.7 £400k provision for possible increases to members allowance – subject to recommendations of the Civic Affairs committee.
 - 1.1.8 £56k shortfall (split across City Fund and City's Estate) to Occupational Health Physician Services.
 - 1.1.9 £59k (3%) uplift to the London Symphony Orchestra grant.
 - 1.1.10 £189k (3.47%) increase to the Museum of London grant.
- 1.2 For Cyclical Works Programme (CWP):
- 1.2.1 Additional funding totalling £62.7m to address the backlog of works £27.1m, forward plan £34.0m, plus £1.6m towards delivery of the programme across the next 5 years from 2024/25 (Appendix A, paragraphs 22 to 28).
 - 1.2.2 Funding identified from reserves in City Fund, endorsed by Finance Committee in December, to be ringfenced to the programme (paragraph 50). Delivery will need to be managed robustly to avoid cost creep.
 - 1.2.3 £25m was allocated to the Barbican Centre, approved by Court of Common Council 9 March 2023 to address critical health and safety needs and to fund the development of a business case to consider replacement of more fundamental infrastructure than is covered in a cyclical works programme.
 - 1.2.4 Any further funding for the Barbican Centre to be considered separately and as part of its own strategic business plan (paragraph 29).
- 1.3 To address inflationary pressures going forward assumptions include 2% uplift from 2025/26 onwards.
- 1.4 Savings still to be achieved from Development of City commercial income streams through Barbican Management, Commercial - procurement, and from implementation of the Enterprise Resource Planning system have been reprofiled to (£3.3m) 2025/26 and (£0.6m) in 2026/27 respectively. Permanent savings from previous savings programmes are expected to crystallise by 2024/25 see paragraphs 63 and 64.
- 1.5 Other one-off pressures and opportunities for transformation in 2024/25 outlined in paragraph 27 to be funded from forecast carry forward underspends from 2023/24.
- 1.6 Unfunded additional revenue bids (paragraph 26) to be avoided during 2024/25, unless these can be prioritised from savings or income generated from the Corporation's Resource Prioritisation Refresh Programme (RPR).

- 1.7 Increase the rents for social tenants within the Housing Revenue Account by 7.7% for 2024/25, as supported by Childrens & Community Services Committee on 25 January in order to balance the HRA across the MTFP.
- 1.8 As in previous years, it is recommended the earmarked security reserve retains £1m as a minimum and is reviewed regularly.
- 1.9 Approve the overall financial framework and the revised Medium-Term Financial Strategy (paragraphs 17 to 73).
- 1.10 Approve the City Fund Net Budget Requirement of £201.8m (Appendix A, paragraph 7)

Key decisions:

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

2.0 Council Tax – paragraphs 54 to 57

- 2.1 To approve an increase of 2% social care precept, raising c£165k p.a. in response to the ongoing pressures in homelessness and adult social care. This is recommended given the pressures within adult social care totalling £310k p.a.
- 2.2 To approve an increase of 2.99% on core Council Tax raising c£247k p.a. This is recommended to address £160k pressure on children social care and bridge the gap on adult social care as above.
- 2.3 To note if both increases are approved, the 4.99% increase will increase income by £412k and raise Band D rate by c£48.00 to £1,051.62 (before GLA precept). This increase is not excessive and is below the threshold to require a referendum and much needed for continued support to vulnerable members of society.
- 2.4 To determine that a fully funded means tested council tax reduction scheme will continue in place for those on low incomes and least able to pay more. This means that those that are least able to afford it will continue to receive 100% support with their council tax bills.
- 2.5 To determine the Local Discretionary discount for Care Leavers between the ages of 18 to 25 is continued for 2024/25.
- 2.6 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 B.
- 2.7 Determine, that as in previous years no discount (0%) is awarded to unoccupied and unfurnished and uninhabitable dwellings for 2024/25.
- 2.8 Determine that a premium is levied on long-term empty property for 2024/25 of 100%, 200% and 300% on properties that have been empty for 2, 5 and 10 years respectively. This is a continuation of the Premiums charged in 2023/24.
- 2.9 Introduce a new long-term empty property premium of 100% for properties that have been empty for longer than 12 months in 2024/25.

- 2.10 Determine that a Second Home Premium is introduced in 2025/26. 12 months' notice is required to introduce this additional charge.
- 2.11 It is recommended that, having regard to the government guidance issued, the Chamberlain be given the discretion, delegated to the Assistant Director, Financial Shared Services, to reduce or waive the long-term empty premium charge in exceptional circumstances.
- 2.12 Approve that the cost of highways, street cleansing, waste collection and disposal, drains and sewers, and road safety functions for 2024/25 be treated as special expenses to be borne by the City's residents outside the Temples (Appendix B).

3.0 Business Rates – paragraphs 58 to 61

- 3.1 To approve an increase of up to £0.04p in the £ in Business Rate Premium raising up to c£8.1m p.a. to support the ongoing pressures on the Police and security costs (paragraphs 40 to 43, 52).
- 3.2 Award a Discretionary Discount under S47 Local Government Finance Act for qualifying Nursery Schools of up to 100%.
- 3.3 Note that the Non-Domestic Rate multiplier of 54.6p and a Small Business Non-Domestic Rate Multiplier Rate of 49.9p have been set by Central Government for 2024/25 (Appendix A, paragraph 9).
- 3.4 Note that, in addition, the GLA is levying a Business Rate Supplement in 2024/25 of 2.0p in the £ on properties with a rateable value of £75,000 and above (Appendix A, paragraph 12).
- 3.5 Delegate to the Chamberlain the award of discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988 (Appendix A, paragraph 11).

4.0 Capital Expenditure

- 4.1 Approve the Capital Strategy (Appendix F).
- 4.2 Approve the Capital budgets for City Fund and the allocation of central funding from the appropriate reserves to meet the cost of the 2024/25 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) (paragraphs 70 to 73)
- 4.3 Approve the continuation of the allocation of central funding in 2024/25 to provide internal loan facilities for the HRA, currently estimated at £14.6m respectively.
- 4.4 Approve the Prudential Code indicators (Appendix D).
- 4.5 Delegate authority to the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.

5.0 Treasury Management Strategy Statement and Annual Investment Strategy 2024/25 (Appendix E)

- 5.1 Approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25, including the treasury indicators – Appendix E.
- 5.2 Approve the authorised limit for external debt (which is the maximum the City Fund may have outstanding by way of external borrowing) at £432.8m for 2024/25; and the Minimum Revenue Provision (MRP) for 2024/25 at £1.4m (MRP policy is included within Appendix E – Treasury Management Strategy Statement and Annual Investment Strategy Statement 2024/25 - Appendix 2).

6.0 Chamberlain's Assessment

- 6.1 Take account of the Chamberlain's assessment of the robustness of estimates and the adequacy of reserves and contingencies (paragraphs 76-80 and Appendices A, C and H respectively).

MAIN REPORT

Background

1. This report sets out the revenue and capital budgets for City Fund for the Finance Committee and Court of Common Council to approve.
2. The last few years have been particularly challenging with global events causing hyper inflationary pressures as well as impacts on the wider global economy. Whilst inflation has begun to fall sharply and is expected to return to around 2% by 2025, the impact of previous price increases continues to be felt as and when contracts come up for re-procurement or tendering.
3. The likelihood of a recession in 2024 remains high and the political uncertainty around the upcoming general election within the following financial year increases the levels of risk when developing the MTFP.
4. Nationally, the macro shift in the financial burden for local government funding to the council taxpayer continues e.g. the allowable precept for Policing is £13 for 2024/25.
5. More positively, the Fair Funding Review remains politically and logistically difficult to implement unless there is more money in the system – potentially impacting the Business Rates growth reset which is reflected in the assumptions that it will be delayed by a further year, possibly two years.
6. As with the MTFP last year, despite significant cuts to budgets over the last decade, there remains significant pressures across City Fund – caused by the financing of major projects programme, inflation increases and inability to retain/recruit staff under the current salaries structure. This means there needs to be a more radical review of how and what services the City Corporation operates if the scale of capital ambition remains to remain sustainable.
7. Whilst individual budgets have changed, the overarching messages from the 2023/24 MTFP remain the same. Those being:
 - City Fund (including Police) is expected to fall into deficit within the MTFP period.
 - The scale of the Capital programme, major projects is placing significant pressure on the resources available.
 - The HRA remains finely balanced for the next two years, with the outlook expected to improve from 2026/27 when additional properties come on stream at the completion of new developments.
8. To mitigate the risks:
 - For revenue pressures additional contingencies are held centrally for Ambition 25, however it is recommended underspends from 2023/24 is carried forward to support known one-off pressures impacted by inflation.
 - A review of the scale of ambition particularly for Major Capital Projects was presented to Policy and Resources Committee in January 2024 which highlights the need to prioritise essential, statutory, or urgent health and safety works – But we cannot do everything and must prioritise.

- There is significant risk of not addressing the CWP, increasing deterioration in operational properties subsequently posing health hazards and leading to an increase in major capital projects.
 - There is also a significant risk of not addressing the Barbican Centre, pending full business case.
9. In setting the budget for 2023/24 and the MTFs for future years, consideration has been given to the high degree of uncertainty and therefore risk in determining Local Government funding levels.
 10. The Government recently confirmed the Local Government Finance Settlement for 2024/25 and the Policing Minister published the revenue allocations for Police forces for 2024/25. The Local Government finance assumes local authorities use locally levied taxes to support rising pressures. This is also the case for the Police funding settlement, where a small increment has been applied. The Government's assumption is that Policing cost pressures would be covered through the levy on council taxpayers.
 11. The final settlement also approved the extension of the '8 Authority Pool' with 7 neighbouring billing authorities, which will enable the pool partners to keep more of the business rate growth they generate – see paragraph 39.
 12. 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:
 - **Second Year of Two-Year Settlement** – the 2024/25 Local Government Finance Settlement is the second year of a two-year settlement, final allocations were confirmed on the 5th February.
 - The **Fair Funding Review** of local government funding is likely to shift resources away from London. Potentially impacting the Business Rates growth reset which is reflected in the assumptions that it will be delayed by a further year, possibly two years – forecast at £28m.
 13. Although the City Fund including Police is forecast to be in surplus by £18.4m in 2024/25, 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 significant savings made over the last decade, planned savings and mitigations are in place. City Fund including Police faces substantial growing annual deficits over the planning period and the 10-year horizon – estimated at £40.2m p.a. from 2027/28 onwards without raising taxes.
 14. The HRA is under increasing pressure, heavily impacted by inflation and major capital projects. There is a statutory requirement for the HRA budget to be balanced across the MTFP. Increases in costs will put HRA into deficit and there are no reserves available. A 7.7% increase in rent is permitted. Modelling an increase on pay and prices (in line with City Fund assumptions) and increase in rent to 7.7% moves 2024/25 into a small surplus of £0.4m. Intelligence from London boroughs indicate that most local authorities will be increasing rents by the full 7.7%.

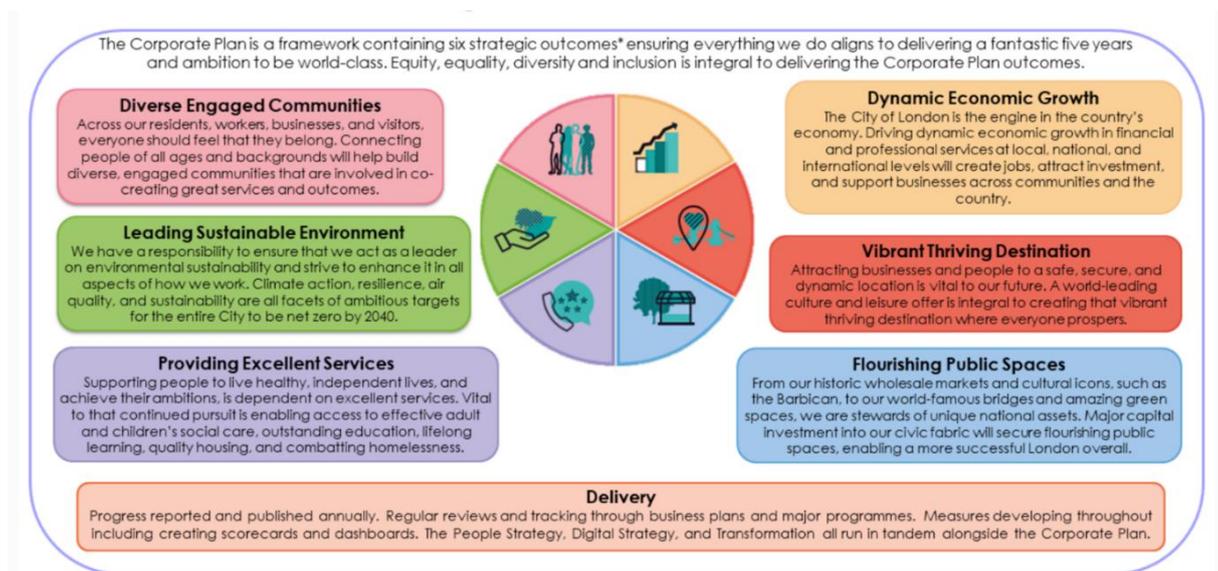
15. Over the next few years, we will focus on making operational efficiencies through our Resources and Priorities Refresh (RPR), Climate Action Strategy, People Strategy, Digital Services Strategy, Asset Management Strategy, Local City Plan, underpinned by the Corporate Plan - improving how we prioritise our resources to ensure:
- Service transformation and culture shift
 - That we are spending on key priorities; and
 - That our plans are sustainable in the medium and longer term
16. There are several options being recommended to close the medium-term deficits, however this leaves very little margin to support unforeseen financial challenges:
- **Tax increases** – Resource Allocation Sub Committee agreed to model tax rises. It is recommended an increase in Council Tax by 4.99% and in Business Rates Premium by up to 0.4p in the £ is levied to support on-going pressures.
 - **Increased property investment** - review underway by Investment Committee;
 - **Income generation opportunities** – update in March 2024 but realistic projections total £3m - £8m;
 - **Operational Property** – update in March 2024 unlikely to generate substantial contributions over the c£500m already in financing plans;
 - **Medium-term savings plan** – radical thoughts now needed for future as to how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reductions in grants. This will require a renewed approach to transformation underpinned by a clear communication to all members, so they are aware of the challenges ahead.
 - **One-off spends** addressed within resource envelope/added to MTFP, with exceptional items funded from underspends to be carried forward from 2023/24 (including inflation contingency).
 - **Major Projects:**
 - Development opportunities to attract investment is under way and must be prioritised;
 - Given that ambitions and current commitments exceeds resources priority otherwise to be directed towards statutory or health and safety needs, alongside the Cyclical Works Programme.
 - A fundamental look at how to meet the requirements of the Barbican Centre is now needed pending full business case.

Overall Financial Strategy

17. The City of London Corporation's overall financial strategy seeks to:
- manage inflation 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,
- 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 capital projects now and in the future; and
- financial strategy to be developed following review of the investment asset base and fund income requirements during 2024.

18. When considering the competing pressures and priorities, the newly developed Corporate Plan provides a framework to ensure decisions are aligned to the approved key outcomes. Following approval by Court of Common Council on the 11th January, with final sign off delegated to Policy and Resources Committee in February, the six key outcomes are set out in the diagram below, with no specific order of importance.



19. Aligning budgets, in particular capital budgets (as set out in Appendix F), to these outcomes will ensure that medium-term funding decisions are delivering the desired benefits. Having been approved in January 2024, the Corporate Plan is therefore in its infancy and will take time to embed. However, ensuring a clear link between the MTFP and Corporate Plan will support the effective allocation of resources and provide a framework for discussions around prioritisation and moving away from silos. If expenditure cannot be linked to one of the outcomes there should be scrutiny as to why we are incurring it and potentially the need to stop doing it in order to ensure efficient allocation of resources.

20. The corporate plan may also be a useful framework if considering activities which the City Corporation feels it should stop doing in order to manage financial

resources. Noting the fact that some services also fall under statutory legislation which needs to be considered.

Measures to the 2024/25 budget

21. The budget setting process for 2024/25 and beyond began back in summer 2023 with a series of officer led star chamber meetings reviewing pressures and potential savings within each service area.
22. At its July meeting, Resource Allocation Sub Committee approved the budget envelopes that service committees will use to deliver their services in 2024/25. It is intended that business planning will address how service committees intend to focus their resources to achieve key outcomes in year. The RPR will need to realign resources to corporate priorities; for new corporate priorities requiring investment (including pressures highlighted by departments through star chambers) the expectation is for the RPR Programme and Digital Strategy to create headroom to reallocate funds, rather than being able to deliver further significant savings – supporting the change in the operating model, which includes a review and disposals of operational property, and opportunities for income generation.
23. The Government has pushed back its reform of Business Rates for another year to 2025/26, which is very welcome. Expectations are it will be delayed until 2026/27. This means that we have extra retained Business Rates growth for 2024/25 and possibly in 2025/26, which has been modelled.
24. Tough decisions have been needed to remain within the overall envelope in 2024/25. Although the following, on-going resourcing is required for:
 - Agreed pay award from 1st July 2023;
 - Assumptions include 3% increase in net local risk budgets for 2024/25; before
 - Returning to 2% uplift from 2025/26 onwards;
 - Reprofiling of previously agreed savings for 2024/25 to be pushed out to future years, providing sufficient time to embed permanent savings;
 - Cyclical Works Programme (paragraph 50) – backlog and forward plan included, although this is to be funded from reallocation of reserves.

Cost pressures included to align funding or support Corporation's ambitions

25. Following the star chambers and ongoing discussions a number of pressures were identified to either align funding to more appropriate source or support the Corporation's ambitions. These have been added to the budget and are set out in Appendix A and further supported by Resource Allocation Sub away day:
 - **Ambition 25** (Reward Refresh) – it is essential that the Corporation adopts a new reward strategy and pay grading structure, failure to do so will put the delivery of the Corporation's strategic objectives at risk given the notable recruitment and retention challenges we currently have, and the risk of equal pay concerns. It is recommended assumptions are held centrally, totalling £2m.

- The Corporation is transforming across all areas which has seen a notable increase in **legal costs** supporting the Corporation's ambitions and journey. It is recommended an increase of £210k is included to address the funding gap for specialist advice in line with current requirements.
- £470k pressure on **Adult Social Care and Children Services**, principally for placements. It is proposed that funding is provided through tax setting measures, significantly supporting vulnerable members of society.
- Budget correction to support **Electoral Services** equating to £330k. This is a statutory function and appropriate funding is needed to support the on-going service, therefore recommended to be included.
- **Occupational Health Physician Services** shortfall of £56k, provides statutory function and expert advice to the City of London in relation to health risk management and complex clinical issues. The absence of this role would mean that the statutory health surveillance function would not be fulfilled, and the organisation would lack expert medical advice on complex disability, legal and ill health cases - Recommendation this is added in split across City Fund and City's Estate.
- **Grants to Museum of London and London Symphony Orchestra (LSO)**. The Museum of London requested an uplift of 3.47%, (£189k) to match the uplift from the GLA in their funding. LSO, have received flat cash over the last 3 years, recommended an uplift of 3% (£59k) is granted. These are on-going pressures and will need to be added in.
- Provision for likely change in **Member allowance** to be held centrally £400k, subject to endorsement from Civic Affairs, Policy and Resources Committees and onward approval to Court of Common Council.

Cost Pressures of bids for new activities

26. Cost pressures or bids for new activities have been identified in individual services by their service committee, these costs need to be funded within the overall envelope, or through an increase in income generation:
- During 2023/24 additional funding was approved to support the new Health and Safety team offset against an income target. The outcome of an independent Health & Safety Review means there may be some expenditure required to bring the Corporation up to the level to meet statutory obligations. At the time of writing this report, this information is still outstanding and will need further review.
 - Discussions at EDI Sub Committee in December and Corporate Services Committee in January have highlighted cost pressures and work is underway. Recommendations will be assessed during 2024/25 in consultation with the Town Clerk and Chamberlain including proposals for funding.
 - The current budget for Corporate Communications and External Affairs is insufficient to cover core basic BAU obligations and roles (with even some statutory obligations that are currently unfunded) - the transformation required of the team and across the City Corporation, or key priority areas, such as the Town Clerk's engagement and People Strategy, due to the lack

of any operational budget across many areas of the division. This is due to the disaggregation of budgets during the target operating model and the Chamberlain's team is working closely with the Executive Director of Corporate Communications and External Affairs to allow for critical elements of the business plan to be delivered in the upcoming year and through the cross-City Corporation Communications and External Affairs Finance review to support plans to ensure resources are realigned and can be used to support City Corporation priorities in a more strategic way which also achieves value for money. One-off funding maybe required in 2024/25 until resources are aligned, to be addressed through 2023/24 carry forwards.

- Following the project governance review, Policy and Resources at its December Committee supported the proposals for the new Commercial, Change and Portfolio delivery, from 2025/26 this will be offset through income generation, and thus be cost neutral, however in 2024/25 this income will not have been generated so the cost will be a pressure across both City Fund and City's Estate – see recommendations in paragraph 27 below.
- Additional pressures from inflation have impacted a number of areas, this is still being felt in Environment c£1.20m. However, saving initiatives are being developed and will be delivered in 2024/25 to combat these pressures.

One-off or time limited funding

27. When setting the budget for 2024/25, the intention has been to capture and consider pressures as part of that process. Therefore, the use of 2023/24 underspends to fund additional pressures has been considered for exceptional and one-off events. The wider intention is that any underspend on 2023/24 go into reserves to support the funding of major projects and the capital programme. We are currently forecasting underspends of c£17m on City Fund. The below one-off or time limited funding has been requested by Committees or recommended:

- Recommended transformation funding is ringfenced to support the radical shift in how we deliver our services and continued support required to support the cultural change needed – sums to be confirmed but likely in the region of £2m to £3m in 2024/25, to be funded from 2023/24 underspends.
 - As per paragraph 26 above for 2024/25 only, additional amounts, split across City Fund and City's Estate, of: £701k to fund the new Commercial Change and Portfolio delivery; support for Corporate Communications and External Affairs (amount to be confirmed).
 - Recommended a reasonable amount is carried forward from 2023/24 underspends to support inflationary pressures which cannot be contained with allocated budgets.
28. There is a significant risk of not addressing the CWP, increasing deterioration in operational properties subsequently posing health hazards and adding more pressure on major capital projects. Proposals to fund the backlog of works and forward plan was endorsed by Finance Committee in December, releasing

reserves to fund CWP within City Fund - £62.7m over the next five years from 2024/25.

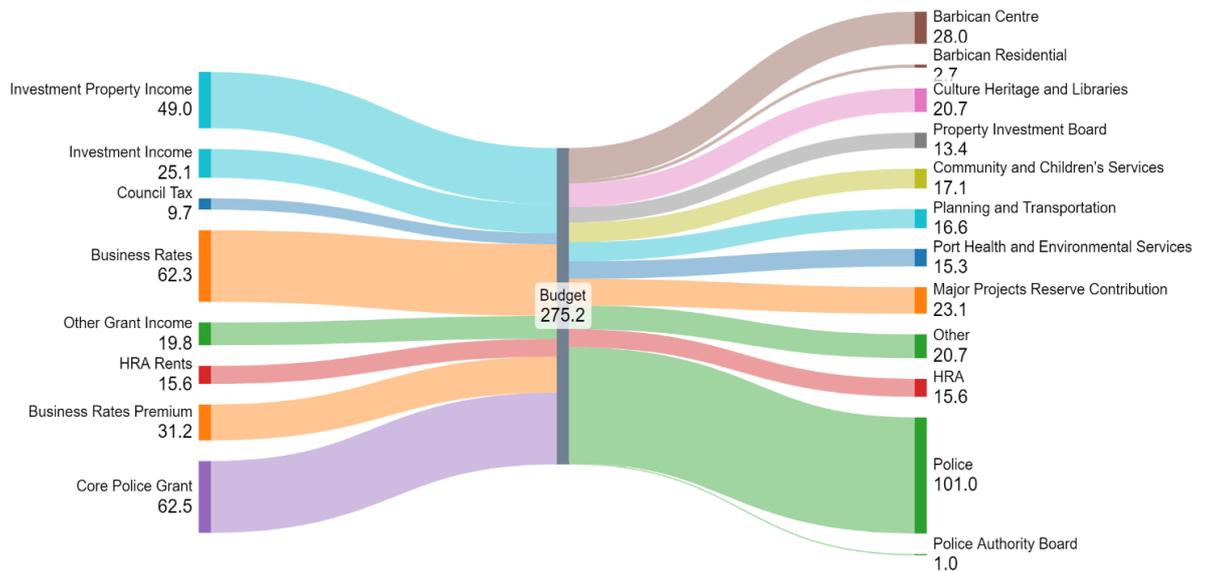
29. There is also a significant risk of not addressing the Barbican Centre, which has reached the end of its economic life. £25m has been committed over 2023/24 and 2024/25 to support critical health and safety needs and surveys. The criticality of the works has become clearer over the course of 2023, as the detailed building surveys are completed. Urgent works are likely to be needed in 2025/26 estimated c£30 to renew air handling, electrics and ventilation in the Art Gallery, and drainage, pumps, pipes, valves and fire equipment, none of which are included as part of the CWP. We recommend the business case is reviewed as part of the Gateway process, we anticipate funding will be available from a potential upside in business rates (paragraph 51). Further detail on full cost of essential works can be found in Appendix A.
30. As in previous years, 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.
31. Whilst not specific updated for 2024/25, each year additional funding requests are made and approved for one-off funding through sources such as the Policy and Resources and Finance Contingency funds. Greater emphasis is to be placed on ensuring these allocations create either a financial return or avoid additional cost, to ensure funds are being allocated in as efficient way as possible. Future transformation allocations will have a similar focus on return on investment and follow a monitoring regime similar to that used for savings.
32. As well as the budget setting process, in-year monitoring of the capital programme has been reinstated during 2023/24 to ensure appropriate scrutiny of the in-year position. Furthermore, this process will enable underspends to be reprioritised earlier on.
33. Every effort should be made to avoid further revenue pressures during 2024/25, and any that do arise should be contained within local risk. ***Policy and Resources Committee and Finance Committee have given a very clear direction that new on-going pressures are contained within local risk, where prioritisation is not possible services will need to be reviewed in line with Corporate Priorities or through the RPR workstreams.*** However, finding sustainable efficiencies will likely require time, capacity, and upfront investment.
34. Delivering the 2024/25 budget will enable us to push ahead on reshaping the City Corporation and re-aligning resources to the new Corporate Plan.

Latest forecast position

35. The City Fund covers the local authority aspects of the City Corporation and as a result has a statutory requirement to set a balanced budget on an annual basis and also across the MTFP period. Whilst this can be achieved using the application of reserves, ensuring an appropriate level of reserves is maintained is crucial to mitigate risks.
36. Chart 1 below demonstrates, based on the 2023/24 net budgets, where the funding (left hand side) comes from and where the expenditure (right hand side)

is incurred. Some of the income streams such as the HRA rents and Police grants are ringfenced for specific types of expenditure so cannot be used to cross subsidise other services.

Sankey Chart 1: 2023/24 net budget



37. Looking ahead, whilst City Fund (excluding Police) is in surplus in 2024/25 by £21.3m, the forecasts very quickly more into deficit in later years. The 2024/25 surplus is generated by the c£28m of estimated business rate growth. This is expected to be lost when a planned reset of the business rates system is expected in 2026/27. Previously the assumption had been that the £28m would not be used to subsidise ongoing revenue spend and would instead be transferred to reserves to support the funding of the major projects. However, in 2025/26 the impact of price increases and reductions in income mean that this is not possible. Whilst overall, the City Fund is in surplus by £10.1m (taking one year with the next over the 5 years), City Fund is struggling to accommodate on-going pressures.
38. The Local Government Financial Settlement intends that taxes are levied locally to support rising pressures. The referendum limit for council tax increases of 5% means that funding has not kept pace with inflation. Due to the balance of funding sources within the City Corporation, this has less impact than other local authorities, however in general the sectors' response to the December Finance Settlement was that the additional funding was woefully insufficient to cover service demands. Overall, the City Corporation has now had its Core Spending Power confirmed to increase by £1.9m in 2024/25 (£0.2m less than assumed on release of the provisional statement – December 2023) which represents a 5.1% change, the lowest level of increase guaranteed by government.
39. The Final settlement also approved the extension of the '8 Authority Pool' to 2024/25 – which will potentially yield £8m for City Fund. The City of London alongside Brent, Barnet, Enfield, Hackney, Haringey, Tower Hamlets and Waltham Forest, formed a tactical pool in 2022/23 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 5th February to proceed. Income from the pool has not been factored into plans as it is volatile, besides this is one-off funding and should not be applied against on-going costs. It is therefore recommended any gains from the pool is ringfenced to the major capital projects, reducing the impact on City Fund deficits in later years.

40. Police is under increasing pressure forecasting £16m deficits across the MTFP, despite having implemented c£15m mitigations already built in, have committed to implement a further £7.0m mitigations in 2024/25. This will need to be monitored carefully to ensure deliverability, particularly in light of the proportion of City of London Police (CoLP) savings being well above national average over at least the last two years. The Police Settlement has slightly increased by £0.3m (over and above assumptions already in place) but this will not cover inflationary/unforeseen pressures, it also does not take into account the requirement to replace the current firing range. The settlement also enables Forces to set up to a £13 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 therefore the precept mechanism on the council taxpayer is not applied.
41. Also, taking account of the Precept Grant CoLP receives in lieu of City's inability to precept and the benefit of rent-free accommodation, CoLP still falls below the national average % for local funding, in the context of the precept flexibilities provided to other forces over a number of years (including £15 in 2023 and £13 in 2024). It should also be noted that the settlement does not provide increased funding of City's national work to offset pay award, pensions increase and other inflationary pressures. Engagement is taking place with the Home Office on this matter.
42. CoLP is unable to sustain inflationary pressures over and above the small increase in the funding settlement and mitigations in place – further mitigations will impact on services and inability to maintain the officer uplift, which will impact ringfenced funding. Government's assumption is that Policing cost pressures would be covered through taxes locally. In addition, CoLP no longer receives any funding to support capital programmes, the expectation from Government this is financed through disposal of assets/revenue. CoLP has previously supported its capital programme through a loan from City Fund and now needs to start repaying this, as well as start planning future capital programmes within CoLP MTFP.
43. The Court of Common Council in March 2022 and 2023 approved an increase in Business Rates Premium by 0.4p and 0.2p (in the £) respectively, to move towards parity in local funding allocations and address the structural deficits which have arisen in the Forces finances. A continued rise in inflation on pay and prices has put Policing pressures back into significant deficit by £16m across the medium term. The pay deal in September 2023 on officers and staff added a further pressure of £8.1m on top of the £2.3m already forecast. It should be noted officer pay is nationally set – every 1% increase will add a further £0.8m p.a. The GLA are expected to levy a precept of £13 for the Metropolitan

Police Force, this will again put City of London Police out of kilter with the local funding allocations of other forces, without an increase in the Business Rate Premium – smaller and regular increases are needed to support security on City Fund and Police inflationary pressures.

Table 2: City Fund MTFP overview

CITY FUND	2023/24 Revised £m	2024/25 Budget £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
Net cost of services (exc police and security)	(46.4)	(54.8)	(65.8)	(72.4)	(77.0)
Projects					
Supplementary Revenue Projects	(5.5)	(1.8)	(2.3)	(2.0)	(2.0)
Cyclical Works Programme (Existing Revenue)	(6.8)	(2.0)	0.0	0.0	0.0
Cyclical Works Programme (Bow Wave & Forward Plan)	0.0	(15.3)	(13.8)	(13.5)	(12.7)
Major Projects Revenue Implication	0.0	0.0	(4.7)	(6.1)	(6.1)
Direct Revenue Financing	(3.4)	(5.5)	(2.6)	0.0	0.0
Surplus/(Deficit) Before Funding	(62.2)	(79.4)	(89.2)	(94.0)	(97.8)
Financing	84.3	87.4	77.7	50.7	53.5
Surplus/(Deficit) After Funding, before use of reserves	22.1	8.0	(11.5)	(43.4)	(44.3)
Drawdown of Reserves for Revenue	19.6	16.4	14.4	27.8	14.2
Surplus/(Deficit) after Revenue use of reserves	41.7	24.4	2.9	(15.5)	(30.1)
<i>Proposed</i> - Adult Social Care 2%	0.0	0.2	0.2	0.2	0.2
<i>Proposed</i> - Council Tax 2.99%	0.4	0.2	0.2	0.2	0.2
Surplus/(Deficit) after the application of potential CT increase	42.1	24.8	3.3	(15.1)	(29.7)
City of London Police surplus/(deficit)	0.0	(6.7)	(6.0)	(10.3)	(13.2)
Further Mitigations proposed	0.0	3.0	3.0	5.2	5.8
Increase in Police Precept Grant	0.0	0.8	0.8	0.8	0.8
City of London Police Total	0.0	(2.9)	(2.2)	(4.3)	(6.6)
<i>Proposed</i> - Increase in Business Rate Premium 0.4p to £	0.0	8.1	8.1	8.1	8.1
City Security Pressures*	0.0	(3.1)	(3.3)	(3.4)	(3.5)
Police loan repayment**	0.0	(0.5)	(0.5)	(1.0)	(1.0)
City Fund total including Police	42.1	26.4	5.4	(15.7)	(32.7)

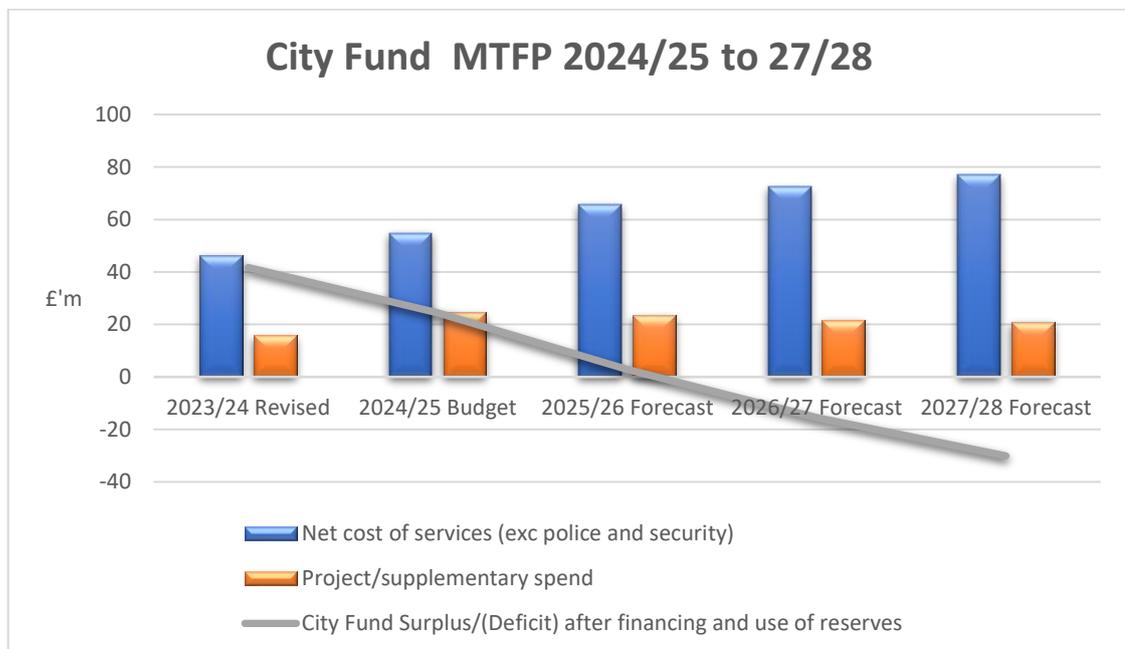
*City security pressures include New Street rent costs incurred on behalf of the Police and increase in security costs – these amounts are not included under City Fund surplus/deficits.

**The repayment of Police outstanding loan.

44. Going forward, there are significant risks and a great deal of uncertainty. The medium-term financial position is shown in table 2 above. Despite the additional income from retained Business Rates growth (over the next two years - £28m in 2024/25 and £28m in 2025/26) and additional funding, the medium-term clearly highlights City Fund finances including Police remain challenging with the significant deficits forecast across the remainder of the medium-term financial plan.
45. Even after forecasting these potential increases in income, the pressures in future years remain and further action is required to ensure City Fund remains in balance beyond 2026/27. Previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position. However, due to increases in inflation and reductions in property income forecasts this is not possible in 2025/26 and when the growth is removed the City Fund falls into deficit. The current assumptions also include the significant use of reserves to fund capital expenditure.
46. The following areas are significant movements from last year's MTFP position for 2024/25:
 - Increased income from interest on balances due to projected higher interest rates (£13.4m)

- Increased investment property income based on latest projections (£3.3m)
 - Additional pressures as set out in Appendix A (£6.96m)
47. Looking beyond 2024/25, one of the major income streams within City Fund is investment property. Rents forecasts reduced over the MTFP period from £209m over a five-year period last year, to £184m. A significant contributor to the reduction relates to 5 properties where leases are expected to come to an end or need refurbishing in 2027/28- annual income forecast to be £8.5m lower. Alongside the reductions in rental income, interest on balances is forecast to reduce as balances are utilised in financing the capital programme. These two reductions are the main contributors to the increase in net cost within table 2 above.
48. The projected expenditure and income over the MTFP period is summarised in chart 2 below. This shows the deficit position is significantly driven by the rise in net cost of services caused by the reduction in property income noted above.

Chart 2: City Fund MTFP (Surplus)/Deficit



49. The HRA position remains finely balanced for the next two years in advance of additional revenue coming on stream from the completion of new developments. However, this is reliant on rent increases in line with inflation. For 2023/24 the rent increase was below the maximum cap limit, to balance the impact on residents while supporting the HRA, but for 2024/25 the social rents are to be uplifted by 7.7% which is the cap limit.
50. Changes to future funding sources has been made to support the increase in the CWP. The Court of Common Council approved the release of £30m general 'risk reserves' in March 2023 to fund the CWP backlog of works. Report to Finance Committee in December recommended a further £30m from the Major Projects reserve is released by offsetting the use of £30m of CIL funding for the Museum of London project approved by Resource Allocation Sub Committee and Policy Resources Committee at their January meetings. In addition to these

amounts, On Street Parking Reserve (OSPR) funding has also been added to support relevant car parks expenditure within the CWP programme.

51. At the time of writing this report, detailed stress testing and scenario analysis is currently being carried out on Business Rate income. There is the potential for a substantial increase in 2023/24 and 2024/25 due to improvements in appeals impacting the level of provision required. These would be one off benefit so further work is being undertaken to establish their scale, but they could benefit the City Fund by between £20m to £40m over the MTFP period. These are not included in the MTFP and should not be seen as ongoing income streams due to the uncertainty around Business Rates retention and the potential for a system reset. Therefore, any additional amounts are proposed to be allocated to supporting the Major Projects programme – funding gap of c£200m is currently reliant on disposal of investment properties, plus additional pressures on the Barbican Centre is unfunded. On the contrary, the impact of a Business Rate growth reset sooner would reduce the income forecast in 2025/26 by c£28m moving from an overall surplus of £10.1m to an overall deficit of £17.9m over the MTFP.
52. It should be noted the latest forecast position under City Fund has been updated since the report to the Joint Resource Allocation Sub Committee and Service Committee Chair/men. These changes have reduced the overall surplus over the MTFP by £16.5m and have impacted the following areas:
 - Reduction in central government funding against assumptions modelled - £300k one-off
 - A reduction in Band D council tax against future collection £100k p.a.
 - Occupational Health physician service - £28k p.a.
 - Museum of London grant uplift (3.47%) £189k p.a.
 - London Symphony Orchestra 3% uplift - £59k p.a.
 - Member allowances increase - £400k p.a.
 - Pressures on future years mean we can no longer support City Fund security pressures previously modelled to be funded through Major Projects reserves, therefore it is recommended these are funded via Business Rates Premium uplift c£3.3m p.a. and further supported by Resource Allocation Sub away day.
53. The Annual Business Rate Payers consultation took place on 30th January 2024, where the Chairman of Policy and Chairman of Finance, alongside the Commissioner presented a compelling narrative to ratepayers and residents in support of an increase in Business Rate Premium. The responses from those that attended did not push back on the proposals.
54. **Council Tax** is a relatively small proportion of the overall funding. However, given the limited measures available to increase income to offset inflation and expenditure pressures, Members will wish to consider council tax increases. Local authorities are permitted to levy a social care percept of 2% and uplift of Council Tax by 2.99% to address funding pressures and this has been modelled in the 2024/25 budget. Local Authorities are permitted these uplifts without a referendum. In this context, Members may wish to consider:

- Reminder of paragraph 10 – where Local Government financial settlement has been set with the intentions for maximum taxes are levied locally in order to support rising pressures.
 - Current intelligence suggests that most authorities, including those at the lowest end of the Council Tax league table, are considering increases of up to 4.99%, 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). The City continues to operate a fully funded 100% relief scheme.
 - The Council Tax for the current year, 2023/24, is £1,145.63, expressed at band D and including the GLA precept of £142.01.
 - Maintaining the Local Discretionary discount for Care Leavers between the ages of 18 to 25 in 2024/25.
55. The City has seen increasing cost pressures in social care, tackling homelessness, and children services. **The recommendation is, therefore, to levy an Adult Social Care precept of 2% as well as increase the core Council Tax by 2.99%.**
56. The Adult Social Care precept of 2% would generate c£165k. An increase of 2.99% in council tax, would generate around £247k. For comparative purposes, Westminster band D including the GLA precept of £434.14 is currently £912.05; Wandsworth, £914.14; and Hammersmith and Fulham £1306.00.
57. Two New Council Tax Premiums introduced:
- Government have recently introduced a new long-term empty property premium of 100% for properties that have been empty for longer than 12 months in 2024/25. This is to encourage empty property back into use. There are currently 29 properties that would be liable for this Premium which would equate to an additional £40k of Council Tax being charged. It is recommended that this Premium is introduced in 2024/25 – as this is volatile it is currently not budgeted for.
 - A new Second Home Premium of 100% has also been introduced and is chargeable from 2025/26. If the City intends to charge this Premium it must make the determination 12 months in advance. The City has 1744 properties currently registered as second homes which is around 20% of the residential properties in the City. Based on current figures this would result an additional charge of £2.4m. However, it is expected that the number of second homes will reduce significantly before implementation for a variety of reasons and therefore is not budgeted for.
58. **Business Rates Premium** – The premium on City businesses was last increased in 2023/24 from 1.2p to 1.4p in the £, to address the structural deficits

which was risen in the Forces finances as a result of hyperinflation. Given the continued pressures on security and Policing, Members may wish to consider increasing the Business Rate Premium by 0.4p in the £, raising c£8.1m p.a. in particular to enable the provision of vital policing and security services and repayment of outstanding loan (paragraphs 40 to 43 and 52) moving towards a sustainable footing.

59. Members are reminded, due to the very small residential population, the Corporation is unable to levy taxes in the same way other Police Crime Commissioner Offices do through precept on Council Tax – for 2024/25 flexibility has been increased to £13 without needing a referendum for other authorities.
60. There is a statutory requirement to balance City Fund (including Police), and currently City Fund is only balanced due to the delay in reset in Retained Business Rates growth and increase in interest income from treasury balances. These increases are **not** permanent and do not support on-going pressures, therefore if we do not increase the BRP by up to 0.4p now, City Fund will not be able to address significant deficits in later years and only pushes the problem further out with anticipated deficits of circa £24.2m p.a. from 2026/27 (assuming everything stays the same). Smaller and regular increases are much needed, without new significant savings targets, changes to major capital project assumptions and/or service impact.
61. The steer from the Joint Resource Allocation Sub Committee and Service Committee members was supportive unanimously in increasing Council tax by 4.99% and BRP up to 0.4p in the £. In making this decision, Members may wish to consider the points in paragraph 58, 59 and 60 above.
62. Key assumptions used in the forecast have been set out in Appendix A.

Savings Programmes

63. Significant progress has been made against the Corporation's savings programmes. Two main savings programmes have been undertaken in the City Corporation to try and reduce the pressure on the revenue budgets. These were the Fundamental Review Savings and Target Operating Model (TOM) /12% savings programmes. These have been built into the budgets of both City Fund and City Estate over a number of years.
64. Having two separate savings programmes has led to a lack of clarity around how delivery of these savings has progressed and has been commented on by external auditors as an area to improve. Current assessment of the position indicates that c£4.33m of savings are still unidentified over the MTFP, of which £3.3m savings are planned to be achieved by 2024/25, and £0.6m by 2025/26 (see recommendations in the table below to push out the savings by another year). Leaving £0.43m to be achieved in year. At present this is not resulting in an in-year overspend, as these are being mitigated by achieving one-off savings. More detailed monitoring and reporting on the savings programme will be submitted through quarterly budget monitoring to committees, with a consolidated position presented to Finance Committee.

Table 3: Update on savings programmes

Department	£m	Savings Programme	Feedback - from Star Chambers
Barbican	2.80	Fundamental Review - due 2024/25	Fundamental Review Savings of which £1.5m relate to cross cutting business events, need time to embed savings - recommendation savings are pushed out to 2025/26
Chamberlains	0.60	Fundamental Review - due 2025/26	Fundamental Review Savings to be delivered as part of Enterprise Resource Planning (ERP) implementation – implementation timeline means savings is reprofiled to 2026/27.
Chamberlains	0.50	Fundamental Review - due 2024/25	Fundamental Review Savings - Income Generation under Commercial, need time to realise these savings - recommendation savings are pushed out to 2025/26
City Surveyors	0.15	12% savings	Savings initiatives are being worked on and expect to be delivered in 2024/25
Town Clerks	0.28	12% savings	Unable to meet savings due to a number of pressures, recommendation to meet savings through income generation - filming
Total	4.33		

Resources and Priorities Refresh Programme

65. Work is underway to review the operational property portfolio to try and identify assets with high operating costs or inefficient layouts to ensure building occupation is optimised. The programme has completed the data collation stage, and analysis has now commenced. Detailed plans are yet to be developed so no financial benefits have been aligned to the programme. These could be in the form of revenue savings from operating costs or capital receipts from disposals.
66. The second key workstream within the current RPR is to review income generation levels and opportunities. This programme is underway with some areas such as the Lord Mayor’s Show, Covent Garden Markets and Environment/Ports Authority already having considered opportunities. So far £3-8m of income generation opportunities have been identified. The programme is now being expanded to other areas including the Film Office, advertising and retail opportunities. A broader review of fees and charges is being supported by consultants.
67. The RPR is also in the design phase of a programme with the aim to drive out savings and efficiencies with clear targets built into the 2025/26 budget setting process.
68. Work has also begun with colleagues across the City of Corporation to co-create a new Digital, Data and Technology Strategy which will enable and accelerate the delivery of the Corporate plan.
69. From an MTFP perspective, further work needs to be undertaken to align these programmes to future assumptions to ensure potential opportunities and savings are captured within the forecasts. Any assumptions need to be compared against previous RPR projections as some elements were included within existing savings programmes. Resource Allocation Sub Committee will be considering options at its March meeting.

Capital programme

70. 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 4: City Fund Capital Programme

CAPITAL PROGRAMME - CITY FUND	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
CAPITAL & SRP - BAU							
Barbican Centre	3.1	12.7	12.6	-	-	-	28.4
Chamberlain and Chief Finance Officer	5.6	21.0	-	-	-	-	26.6
City Surveyor and Property	25.2	28.5	6.8	4.0	4.0	4.0	72.4
Community and Children'S Services (Non Hra)	8.7	15.1	8.1	-	-	-	31.9
Community Services - HRA	50.8	66.3	31.8	10.0	-	-	158.9
City of London Police	21.8	8.4	5.0	5.0	5.0	-	45.2
Environment	25.5	39.5	35.1	11.2	2.4	8.8	122.5
Innovation and Growth	9.1	17.8	5.7	5.3	-	-	37.8
Sub-Total	149.9	209.2	105.1	35.4	11.4	12.8	523.8
CAPITAL & SRP - MAJOR PROJECTS							
Museum of London	95.8	96.5	58.8	9.1	3.3	-	263.4
Salisbury Square Development	78.5	103.8	260.2	84.7	15.4	11.4	554.0
Sub-Total	174.3	200.3	319.0	93.8	18.6	11.4	817.4
CAPITAL & SRP - CONTINGENCY & NEW BIDS							
Contingency and New Bids	-	-	15.0	15.0	15.0	15.0	60.0
TOTAL CAPITAL PROGRAMME	324.2	409.5	439.1	144.2	45.0	39.2	1,401.2

Table 2: City Fund Capital Programme 2023/24 to 2028/29

71. The City Fund capital and supplementary revenue project budgets are being submitted to the Court of Common Council in March. Further detail is contained within the Capital Strategy (Appendix F).
72. Members are asked to note that the July Resource Allocation Sub Committee agreed an envelope of £15m for new capital bids for 2024/25 which has been maintained each year of the MTFP. As part of the 2024/25 Budget setting process all applicable bids were contained within the £20m envelope.
73. The financing of the City Fund 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.

A strategic response to continuing challenges

74. As set out throughout the report there are significant financial pressures impacting City Fund over the MTFP period which have the potential to require significant intervention. This report recommends a number of measures to stabilise the position in 2024/25 and that will support the steps that will need to be taken to shore up the medium-term, through: tax rises; ensuring continuation of permanent year on year savings; major changes or stoppages to existing services provision and reduction in grants; building on collaboration breaking silos and increasing efficient ways of working; progressing with service transformation and RPR workstreams – supporting the change in the operating model which includes a review and disposals of operational property, opportunities for income generation. This will require a renewed approach to transformation underpinned by a clear communication to all Members, so they are aware of the challenges ahead progressing with service transformation workstreams, as well as containing the cost of major projects and other programmes.

75. Another significant contributing factor to the financial pressures is the scale of the major projects programme. The majority of these schemes have been underway for a number of years, over which cost inflation has been at particularly high levels. The need to drawdown on other assets has grown. Consideration therefore needs to be given to considering how these schemes are delivered and the scope of ambition, balanced against the potential returns at the end of the programme, as well as containing the cost of existing major projects programme.

Robustness of Estimates and Adequacy of Reserves and Contingencies

76. 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.
77. 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:
- as part of preparing this budget all services were asked to identify cost pressures as well as deliverable savings and these were robustly challenged;
 - provision has been made for all known liabilities, together with indicative costs (where identified) of capital schemes yet to be evaluated. In particular, provision has been made to support the growing backlog and forward plan of cyclical works on our operational properties through reprioritisation of reserves;
 - 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 Salisbury Square Development 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 is of the highest corporate priority;
 - The likely impact from economic risks have been evaluated in so far as that is possible and a contingency fund is to be carried forward from 2023/24;
 - although the City Fund financial position is vulnerable to inflationary pressures and a potential recession, impacting - income, rent levels and student numbers, it should be noted that:
 - o the City Surveyor has carried out an in-depth review of rent incomes; and
 - o an increase in interest rate on Treasury balances has been very beneficial in countering inflationary and other pressures;

- a strong track record in achieving budgets gives confidence on the robustness of estimates;
 - balancing 2024/25 with 'one-off' measures will give more time to move to service transformation and culture shift, plus ensuring permanent year on year savings;
 - workstreams within the transformation programme will realign existing resources to new corporate priorities, where this is not possible to create headroom to reallocate funds – noting finding sustainable efficiencies will require time, capacity and upfront investment.
 - support for a more radical approach to bring down the annual operating deficits through a renewed approach to transformation underpinned by a clear communication strategy to all Members so they are aware of the challenges ahead.
78. With the exception of £25m, no further provision has been made to support the full cost of essential works at the Barbican Centre estimated to be £451m. It is recognised that a further £30m is required to support the urgent health and safety works planned as part of the original £25m commitment. Surveys are expected to be completed by spring, which will inform the full business case for the Barbican Centre. The Chamberlain recommends this is reviewed as part of the Gateway process, at which point funding can be considered from any upside in Business Rate income (as per paragraph 51). However, a fundamental review on how to meet the extensive refurbishment needs at the Barbican Centre is now needed.
79. 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 2024/25, the potential call on reserves to support revenue and capital expenditure beyond 2024/25 reinforces the need for further efficiencies and income generation.
80. 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 2024/25. A full analysis of contingency fund provision and expenditure is provided in Appendix H.

Key risks and uncertainties – there are risks to the achievement of the latest forecasts

81. Within the City Corporation's control:
- Ensuring permanent year on year permanent savings from existing savings programme and income schemes are delivered;
 - Maximising taxes locally, not doing this increases pressure to make further savings/cuts in services in later years;

- Radical thoughts now needed for future as to how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reductions in grants;
- Delay in transformational workstreams - unable to reprioritise resources to corporate prioritise and or create headroom to reallocate resource;
- Ability to retain / recruit staff under the current salaries structure;
- Achievement of Police savings targets needed to mitigate the Force deficit;
- Major capital projects not being delivered within estimated costs; and
- Scale of ambition cannot be met through existing resources, radical decisions now required as cannot do everything.

82. Outside the City Corporation's control:

- Economists warning of a UK (global) recession during 2024, impact on income streams is unknown, particularly: rental income, event bookings, and events at the Barbican – needs close monitoring;
- Inflation and interest rates – levels in recent years have been above anything seen in over a decade so long term projections come with greater uncertainty.
- Business Rate reforms – This has the potential to significantly impact the amounts retained by the City Corporation and reform has already been delayed making projecting the timing of this difficult.
- Collection Fund surplus/deficit timing – Fluctuations in collection rates and appeals make applying the year end deficits and surpluses over the MTFP more complex.
- Political situation – an election is due within the 2024/25 financial year with the potential for a change in governing party and government policies.

Equalities Implications

83. During the preparation of this report, all Chief Officers were asked to consider and have now confirmed there would not 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.

Conclusion

84. Recent years have seen major global events contribute to a very unstable economic environment. Interest rates have been at levels not seen for a number of decades, and whilst the City Corporation has benefited from higher interest rates over this period, they have not been sufficient to offset the growing price inflation which has now been built into contracts and ongoing costs.
85. Additional funding will be required across the medium term for cost pressures within children and community services; to accommodate changes in pay and price uplift assumptions; and to address the growing backlog of cyclical works and plan for a forward plan on our operational properties.

86. Income from Business Rates, in particular, is expected to fluctuate significantly within the MTFP, including the expected reset and funding reforms, so ensuring future budgets have sufficient resilience to absorb this will be key.
87. This cost pressure, combined with the scale of the ambition, within Major Projects in particular, of the capital programme result in City Fund moving into deficit by 2026/27 onwards. Therefore, without intervention and action these deficits will impact on the financial position of the City Corporation.

Appendices:

- Appendix A – Key Assumptions
- Appendix B – Calculating Council Tax
- Appendix C – City Fund Useable Reserves
- Appendix D – Prudential Indicators
- Appendix E – Treasury Management Strategy Statement and Annual Investment Strategy 2024/25
- Appendix F – Capital Strategy
- Appendix G – City Fund Budget Policy
- Appendix H – Review of contingency funds

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

DATED this 22nd day of February 2024.

SIGNED on behalf of the Committee.

Henry Nicholas Almroth Colthurst
Chairman, Finance Committee

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Key assumptions used in the forecast

The following paragraphs detail the key assumptions that have been used in the construction of the 2024/25 budget and Medium-Term Financial Strategy (MTFP):

Income

1. The City Fund has two key income streams, investment property rental and treasury income. Detailed 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 underspends from 2023/24 carried forward 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. 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: 1) through investing in a diversified property portfolio - reducing the risk, and 2) in the short-term as our leases are long term with medium-term specified break clauses. Forecast rental income is regularly reviewed and reported, with 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 Statement 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. The Bank of England's Monetary Policy Committee (MPC) raised the base rate incrementally from 0.25% which was applicable at 31 December 2021, to 3.5% in December 2022, and more recently to a high of 5.25% in August 2023. It has remained at this rate into 2024 and is forecast to fall through late 2024 to 3% by September 2025. However, there is uncertainty surrounding the forecast, particularly around the timing of the Bank of England's decision on interest rate reductions, reduced too soon and inflationary pressures may well linger, but reduced too late and any downturn or recession may be prolonged. A change of +/-0.25% to the base rate is expected to translate to approximately £1.24m 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 an update to the medium-term financial plan.

Expenditure

2. The starting point for the 2024/25 budget is 3% inflationary uplift and additional uplift for the agreed pay award from 2023/24;. The provisional settlement in December 2023 confirmed a small increase in the level of funding for social care, with the expectation more will be raised from local taxpayers. £470k pressures on adult social care and children services has been included.
3. Policy and Resources Committee and Finance Committee have messaged clearly that cost pressures should be managed within existing resources. Additional funding has been provided for as outlined in the table 1 below. Following previous concerns raised around the backlog of regular maintenance for the operational estate, the CWP budget has been inflated to reflect the expected need over the five-year period. Where one-off funding/time limited resource is required, this is accommodated through underspends from 2023/24 carried forward.

Table 1: Additional pressures included within the City Fund budget

CITY FUND	2023/24	2024/25	2025/26	2026/27	2027/28
	£'m	£'m	£'m	£'m	£'m
Re-profile of FR savings	(0.51)	(3.30)	(0.60)	0.00	0.00
Childrens Social Care (CSC) placements	0.00	(0.16)	(0.16)	(0.16)	(0.16)
Adult Social Care (ASC) placements	0.00	(0.31)	(0.31)	(0.31)	(0.31)
Legal costs, internal recharges	0.00	(0.21)	(0.21)	(0.21)	(0.21)
Electoral Services	0.00	(0.33)	(0.33)	(0.33)	(0.33)
Ambition 25	0.00	(2.00)	(2.00)	(2.00)	(2.00)
Occupational Health	0.00	(0.03)	(0.03)	(0.03)	(0.03)
Member Allowances	0.00	(0.40)	(0.40)	(0.40)	(0.40)
MoL and LSO uplift	0.00	(0.22)	(0.22)	(0.22)	(0.22)
City Fund additional pressures	(0.51)	(6.96)	(4.26)	(3.66)	(3.66)

Revenue Spending Proposals 2024/25

4. The overall budget requirements have been prepared in accordance with the strategy and the requirements for 2023/24 and 2024/25 are summarised by Committee in the table below. Explanations for significant variations were contained in the budget reports submitted to service committees.

Table 2: City Fund Summary Budget

City Fund Summary by Committee	2023/24 Budget £m	2024/25 Budget £m
Net Expenditure (Income)		
Barbican Centre	(29.6)	(27.7)
Barbican Residential	(3.1)	(3.4)
Community and Children's Services	(17.7)	(17.9)
Culture Heritage and Libraries	(20.7)	(21.8)
Finance*	14.7	(2.9)
Licensing	(0.4)	(0.4)
Markets	0.1	(0.1)
Open Spaces	(1.9)	(2.3)
Planning and Transportation	(17.9)	(16.9)
Police	(101.0)	(114.1)
Police Authority Board	(1.0)	(1.0)
Policy and Resources	(4.4)	(5.7)
Port Health and Environmental Services	(15.5)	(16.6)
Property Investment Board	35.2	34.3
City Fund Requirement	(163.2)	(196.5)

* Finance includes changes to: capital revenue expenditure, supplementary revenue programme, additional one-off cost pressure highlighted in this report. The 23/24 budget has benefited from increased income on cash balances due to the higher interest rates.

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

5. Approved budget for 2023/24 includes additional allocations as set out below:

Changes	£'m
2023/24 Original Budget	(160.5)
Carry forwards from 2023/24 underspends	(17.5)
Supplementary Revenue Projects	(2.3)
Interest on cash balances	17.1
2023/24 Revised Approved Budget	(163.2)

6. 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 3: City Fund net budget requirement and financing (excluding Police)

		2023/24 Budget £m	2024/25 Budget £m	Para. No.
1	Net expenditure on services	(232.8)	(241.8)	
2	Capital Expenditure funded from Revenue Reserves	(3.4)	(5.5)	
3	Cyclical Works Programme expenditure financed from revenue	(12.4)	(19.1)	
4	Requirement before investment income from the City's Assets	(248.6)	(266.3)	
5	Interest on balances	44.3	28.9	
6	Estate rent income	41.2	40.9	
7	City Fund Requirement	(163.2)	(196.5)	
	Financed by:			
8	Government formula grants	135.5	148.7	
9	City offset	12.5	12.8	
10	Council tax	9.7	9.0	
11	NNDR premium	28.0	31.3	
12	Total Government Grants and Tax Revenues	185.7	201.8	
13	Drawdown on Reserves	19.6*	16.4**	
14	(Deficit)/Surplus transferred (from)/to reserves	42.1	21.7	

*Includes transfer from reserves to support 21 New St Rent and carry forward requests from previous years underspend;

**Includes transfer from reserves to support climate action and CWP.

Line 8 in table 3 is shown in further detail below:

Table 4: Analysis of Core Government Grants

	2023/24 Original £m	2024/25 Draft £m	Variance £m	Variance %
Revenue Support Grant	9.1	9.1	(0.3)	(3.3)
Rates Retention: baseline funding	14.5	19.0	4.5	31.0
Rates Retention: growth	35.2	35.2	0.0	0.0
Subtotal:	58.8	63.5	4.7	8.0
Police	76.7	85.4	8.7	11.3
Total Core Government Grants	135.5	148.7	12.9	9.5%

7. The City Fund budget requirement for 2024/25 is £266.3m plus a contribution to reserves of £21.8m resulting in a net City Fund budget requirement of £201.8m, an increase of £16.1m on the previous year. The following table shows how this is financed and the resulting Council Tax requirement. Appendix B details the consequent determination of council tax by property band.

Table 5: Council Tax requirement

Council Tax Requirement	2023/24 Original £m	2024/25 Original £m
Net Expenditure	(229.2)	(266.3)
Estate Rental Income	41.2	40.9
Interest on balances	27.5	28.9
Budget Requirement	(160.6)	(196.5)
Drawdown from Earmarked reserves	(2.0)	16.4
Proposed contribution to reserves	(23.3)	(21.8)
Net City Fund Budget Requirement	(185.7)	(201.8)
<u>Financing Sources:</u>		
Business Rates Retention	58.8	63.3
Police Grant	76.7	85.4
City Offset	12.5	12.8
NDR Premium	28.0	31.3
Collection Fund Surplus (CoL share)	0.8	0.0
Council Tax Requirement	(8.9)	(9.0)

8. 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 B).

Business Rates

9. The Secretary of State has proposed a National Non-Domestic Rate multiplier of 54.6p and a small business National Non-Domestic Rate multiplier of 49.9p for 2024/25. The increase to the standard multiplier is in line with September CPI (6.7%). The small business multiplier remains at the 2021/22 levels as Government have opted not to apply the usual inflationary increase. The multipliers both exclude the City's Business Rate Premium.
10. It is proposed the Business Rate Premium is increased up to 0.4p in the £, the proposed premium will result in a National Non-Domestic Rate multiplier of 56.4p and a small business National Non-Domestic Rate multiplier of 51.7p for the City for 2024/25.

11. Authority is sought for the Chamberlain to award the following discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988:

- **Retail Hospitality and Leisure Relief Scheme:** is extended by Government for a fifth year into 2024/25 and remains at 75 % (up to a cap of £110,000 per business).
- A new **Nursery Discount** - Under S47 Local Government Finance Act for qualifying Nursery Schools of up to 100%. This is a local discount and is not a national scheme.

12. **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 £75,000 and above to fund Crossrail.

Council Tax - Long-Term Property Premiums and Second Homes Premium

13. For council tax purposes a property is defined as empty if it is unoccupied and substantially unfurnished.

14. The empty property premium was introduced by Government 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%. It has subsequently levied the Premium on long-term empty property of 100%, 200% and 300% on properties that have been empty for 2, 5 and 10 years respectively.

15. From 2024/25 the City is recommending the introduction of a new long-term empty property premium of 100% for properties that have been empty for longer than 12 months.

16. Government have also introduced legislation to permit a Local Authority to charge a Second Home Premium from 2025/26. 12 months' notice is required to introduce this additional charge. A recommendation has been made to determine that a Second Home Premium is introduced in 2025/26.

Council Tax Reduction Scheme

17. 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.

18. The Council Tax Reduction Scheme will therefore remain the same for 2024/25 as was administered in previous years subject to the annual uprating of amounts in line with Housing Benefit applicable amounts.

Capital

19. 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.
20. 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.
21. Appendix F to the main City Fund MTFP report sets out the detail of the Capital programme, funding sources and prudential indicators.

Cyclical Works Programme

22. Over a number of years, a significant backlog of works as part of the cyclical works programme (CWP) has built up, also referred to as the “bow wave”. In response to this, members directed for total funding of £133m (across both City Fund and City’s Estate) to be included within the ongoing MTFP assumptions to address the backlog and provide sufficient resources for the following three-year period. This is broken down into £55m for the “bow wave” and £75m for the forward plan with c£3m ringfenced to resource to deliver the works.
23. A proposal as to how this could be funded was taken to, and endorsed at, Finance Committee on the 12th December 2023. It should be noted this £133m excludes Housing and Institutional property with ring fences budgets (i.e. Independent Schools, City of London Police, City Bridge Foundation, Billingsgate and Spitalfields Market). This amount also excludes the Barbican Arts.
24. The Barbican Arts Centre received £25m approved by Court of Common Council in March 2023 to support critical health and safety needs, and conditioning surveys which will enable the Barbican Arts Centre to carry out works over the next two years.
25. Whilst the funding approach was approved, it should be noted this has significant impact on both City Fund and City Estate budgets. Around 70% of the costs are revenue as set out in the table below.

Table 6: CWP five-year programme

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
City Fund						
City Fund Capital	4.0	4.0	4.0	4.0	4.0	19.8
City Fund Revenue	7.5	7.7	7.8	7.8	7.7	38.5
City Fund OSPR	2.6	1.1	0.8	-	-	4.4
City Fund Total	14.1	12.7	12.5	11.8	11.6	62.7
City Cash						
City Cash Capital	3.3	3.3	3.3	3.3	3.3	16.7
City Cash Revenue	10.7	10.8	10.9	11.0	10.8	54.3
City Cash Total	14.1	14.2	14.3	14.3	14.2	71.0
Combined Total	28.1	26.9	26.8	26.1	25.8	133.7

26. Within the City Fund the funding is set to come from reserves so the in-year impact is significantly mitigated.

27. There are a number of reasons for the build-up of the “bow wave” of works which have now required specific action. One of the reasons was linked to the uncertainty of funding due to the annual CWP bid process which required a new programme to be formally submitted and approved each year. As per the above [Table 6](#), the majority of this expenditure is revenue, and this type of governance is not undertaken in the same way for other revenue areas. It is therefore proposed for a review of the governance processes linked to CWP funding to ensure this is not a barrier to effective medium-term planning. This does not mean there cannot still be a formal approval of the annual programme, but this could be completed separately to the funding if the above envelopes are taken as the available funds in each year. Whilst the additional funding has been added to the MTFP period, consideration also needs to be given to the period beyond. It is expected at least c£15m per annum will need to be included split across both funds on an ongoing basis to support the future forward plans to ensure a similar backlog does not develop.

28. In addition to the figures included in Table 6, a further £12.5m of funding has been included within City’s Estate for works at the Guildhall School of Music and Drama (GSMD). This includes £0.5m in 2024/25 to being the scoping and preparation for further works in 2025/26 to (2028/29).

Key risks and uncertainties

29. As well as those elements more within the City Corporation’s sphere of control, there are a number of significant areas of risk and uncertainty which have the potential to impact significantly on future projections. These include;

- a. Inflation and interest rates – over recent years the impact of inflation has been the single biggest external driver of financial pressures. Having peaked inflation has now fallen significantly over the latter half of 2023 however, the price increases incurred over the last two years are now embedded in a number of areas. The Office for Budget Responsibility

(OBR) are forecasting that inflation will return to c2% in 2025 but this is unlikely to remove the pressure that has built up. Conversely over this period the increase in interest rates has provided additional income which has supported both City Fund and City Estate. Forecasts are again that interest rates will stabilise and start to reduce in 2024 so this additional income cannot be seen as ongoing. The resource requirements for the Capital programme also mean that investment and cash balances which are benefiting from these increased rates are likely to deplete over the MTFP period.

- b. Business Rate reforms – Business Rate growth provides c£28m of additional income to the City Fund each year. Should the proposed reform to business rates take place and a “reset” occur, the expectation is that this growth would be taken back and redistributed across the country. Current assumptions are for this to occur in 2026/27. Previously the working assumption was that the growth would not be used to subsidise ongoing expenditure and would be set aside to support the major projects programme. However, recent inflationary pressures and projected reductions in property income have meant that this policy is not possible in 2025/26.
- c. Collection Fund surplus/deficit timing – The Collection Fund is the mechanism by which Council Tax and Business Rates income is collected and processed through the City Fund accounts. The timing of when changes in collection rates, provisions and appeals are made and impact can make the amounts flowing through revenue budget fluctuate significantly. Recent changes to the business rate appeals provision are anticipated to see a spike in income for 2024/25 and potentially 2025/26. The detail behind these estimates are being worked through with external consultants to ensure they are accurate and reflected appropriately.
- d. Political situation – the fixed term nature of current Parliamentary cycles mean that a general election will occur in the next financial year. Whilst the outcome of that election is not known, current polling suggests there is a high probability of a change in government. This brings with it significant uncertainty in a number of areas such as the potential for rate reform, local government financial support and also potential VAT charging on private school fees which are a significant income stream within City’s Estate.

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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:

$$'B1' = \frac{\underline{\pounds 9,015,033.48}}{8,572.52}$$

$$'B1' = \pounds 1,051.62$$

Note: Item R consists of the following components:

	£	£
City Fund Net Budget Requirement		201,880,416
Less:		
Business Rates Retention	(54,279,000)	
Government Grant Funding	(9,123,600)	
Police Grant	(85,406,497)	
City's Offset	(12,765,000)	
Estimated Non-Domestic Rate Premium	(31,340,503)	
Estimated Collection Fund Deficit as at 31 March 2024 (City's share)	49,217	(192,865,383)
TOTAL COUNCIL TAX REQUIREMENT ®		9,015,033

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:

$$'B2' = \quad \quad \quad \pounds 1,051.62 - \frac{\pounds 20,536,420.20}{8,572.52}$$

$$'B2' = \quad \quad \quad \pounds 1,343.99 \quad \underline{\text{CR}}$$

Note: Item A consists of the following components:

	£	£
Highways Net Expenditure	8,927,000.00	
Street Cleansing	5,950,000.00	
Waste Collection	2,817,000.00	
Waste Disposal	1,621,000.00	
Road Safety	332,000.00	
Drains and Sewers	525,000.00	
Total City's Special Expenses		20,172,000.00
Inner Temple's Precept	210,837.64	
Middle Temple's Precept	153,582.56	364,420.20
Total Special Items		<u>20,536,420.20</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

$$\text{'B3'} = \text{£1,343.99 CR} + \frac{\text{£20,172,000}}{8,420.40}$$

$$\text{'B3'} = \text{£1,051.62}$$

Inner Temple

$$\text{'B3'} = \text{£1,343.99 CR} + \frac{\text{£210,837.64}}{88.01}$$

$$\text{'B3'} = \text{£1,051.62}$$

Middle Temple

$$\text{'B3'} = \text{£1,343.99 CR} + \frac{\text{£153,582.56}}{64.11}$$

$$\text{'B3'} = \text{£1,051.62}$$

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	701.08	817.93	934.77	1,051.62	1,285.31	1,519.01	1,752.70	2,103.24
GLA	110.85	129.32	147.80	166.27	203.22	240.17	277.12	332.54
Total	811.93	947.25	1,082.57	1,217.89	1,488.53	1,759.18	2,029.82	2,435.78

Reserves

Forecast Movements in City Fund Usable Reserves 2024/25				
	Notes	Estimated Opening Balance	Forecast Net Movement in Year	Estimated Closing Balance
		01-Apr-24		31-Mar-25
		£m	£m	£m
Revenue Usable Reserves				
General Reserve	a	20.0	0.0	20.0
Earmarked				
Major Projects Financing Reserve	b	77.4	(0.4)	77.0
Business Rate Equalisation	c	0.0	0.0	0.0
Highways Improvements	d	47.7	(11.0)	36.7
Climate Action Reserve	e	14.8	(1.1)	13.7
Police Future Expenditure	f	9.1	0.0	9.1
VAT Reserve	g	4.2	0.0	4.2
CWP Reserve	h	68.0	(15.3)	52.7
Proceeds of Crime Act	i	7.4	0.0	7.4
Judges Pensions	j	1.1	0.0	1.1
Service Projects	k	15.7	0.0	15.7
Total Revenue Earmarked		245.4	(27.8)	217.6
Housing Revenue Account (HRA)	l	0.8	0.4	1.2
Total Revenue Usable Reserves		266.2	(27.4)	238.8
Capital Usable Reserves				
Capital Receipts Reserve	m	198.7	(39.0)	159.7
Capital Grants Unapplied	n	69.1	(1.1)	68.0
HRA Major Repairs Reserve	o	0.3	0.2	0.5
Total Capital Usable Reserves		268.1	(39.9)	228.2
Total Usable Reserves		534.3	(67.3)	467.0

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. Climate Action Reserve – funds set aside to support the economic recovery following the pandemic and climate action goals.
- f. 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.
- g. 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.
- h. CWP Reserve – Sums set aside for future repairs and maintenance costs.
- i. 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.
- j. Judges Pensions - Sums set aside to assist with the City of London's share of liabilities.
- k. 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.
- l. These reserves are ringfenced by statute to the Housing Revenue Account.
- m. 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.
- n. Capital grants and contributions received for specific purposes. This includes receipts from the City's Community Infrastructure Levy.
- o. HRA Major Repair Reserve – funds set aside to finance HRA capital expenditure.

PRUDENTIAL INDICATORS

The following Prudential Indicators (and those included in Appendix (F) 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 2024/25, 2025/26 and 2026/27 (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

	2022/23	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA	- 0.39	- 0.49	- 0.32	- 0.49	- 0.42
Non-HRA	0.00	0.00	- 0.02	- 0.08	- 0.10
Total	- 0.39	- 0.49	- 0.34	- 0.57	- 0.52
<i>At this time last year</i>	- 0.20	- 0.24	- 0.24	0.00	0.00

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 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 2023/24 to 2026/27
	£m
Gross External Debt*	12.5
Capital Financing Requirement	359.0

*Gross External Debt is based on Finance Lease (Lessee) liability

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 2023/24 to 2027/28. The current plans for funding of the capital programme, including the major projects, do not anticipate any external borrowing.

Prudential Indicators for Capital Expenditure and External Debt**Estimate of Capital Expenditure****Table 3**

	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Non-HRA	95.3	264.2	327.3	394.6	133.7	44.8
HRA	11.3	50.8	66.3	31.8	10.0	0
Total	106.6	315.0	393.6	426.4	143.7	44.8
<i>At this time last year</i>	<i>158.8</i>	<i>444.2</i>	<i>469.0</i>	<i>219.0</i>	<i>0.00</i>	<i>0.00</i>

This indicator is based on the capital budget (excluding supplement revenue programme), 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 several 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**

	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Non-HRA	90.4	148.3	305.6	339.7	356.8	227.2
HRA	0	2.0	14.6	5.8	2.2	0
Total	90.4	150.3	320.2	345.5	359.0	227.2
<i>At this time last year</i>	<i>94.3</i>	<i>252.4</i>	<i>276.2</i>	<i>299.8</i>	<i>-</i>	<i>-</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 2027/28.

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 the Treasury Management Strategy Statement and Annual Investment Strategy - Appendix E.

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

	2023/24	2024/25	2025/26	2026/27
Times cover on unencumbered revenue reserves	2.1	1.1	0.0	-0.9
<i>At this time last year</i>	3.0	-0.8	-1.2	0.0

This indicator is calculated by dividing the balance of forecast unencumbered general reserves by annual revenue deficits (-)/surpluses (+). For 2023/24 to 2025/26 revenue surpluses are forecast but reducing year on year. Deficits are then forecast from 2026/27 as the benefits of business rates retained growth is forecast to end and the impact of high inflation continues to impact on costs. Ratios below -1.0 indicate insufficient general reserves to cover the deficit in a particular financial year, which is not sustainable. This will need to be addressed through additional savings and/or income.

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TREASURY MANAGEMENT STRATEGY STATEMENT

AND

ANNUAL INVESTMENT STRATEGY (RELATING TO TREASURY MANAGEMENT)

2024/25

Issue Date: 12/02/2024
Agreed by Court of Common Council: XX/XX/2024

Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) 2024/25

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. There have been subsequent revisions to the codes in 2017 and 2021.

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 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 Investment Committee with the Investment Committee of the City Bridge Foundation Board having responsibility on behalf of the charity; 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 2021 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 December 2021.

The revised Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes:-

- 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.

The revised Treasury Management Code requires an authority to implement the following: -

1. **Adopt a liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; the authority is required to estimate and measure the Liability Benchmark for the forthcoming financial year, and the following two financial years as a minimum; this is to be shown in chart form, with material differences between the liability benchmark and actual loans to be explained;
2. **Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
3. **Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year;

4. Amendment to the **knowledge and skills register** for officers and members involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each authority;
5. **Reporting to members is to be done quarterly.** Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring;
6. **Environmental, social and governance (ESG)** issues to be addressed within an authority's treasury management policies and practices (TMP1).

The main requirements of the Prudential Code relating to service and commercial investments are:

1. The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services;
2. An authority must not borrow to invest for the primary purpose of commercial return;
3. It is not prudent for local authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose;
4. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
5. A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream;
6. Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

An authority's Capital Strategy or Annual Investment Strategy should include:

1. The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;
2. An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services);

3. Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;
4. Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);
5. Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information contained in them will need to be periodically re-evaluated to inform the authority's overall strategy);
6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return;

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.

1.5. Treasury Management Strategy for 2024/25

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 2024/25 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 Group, Link Treasury Services Ltd.**

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 Minimum Revenue Provision (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 2023 compared to the position at 31 March 2023 comprised:

Table 1: Treasury Portfolio				
	Actual 31/03/2023		Current 31/12/2023	
	£m	%	£m	%
Treasury investments				
Banks	£655.0	63%	£490.0	49%
Building societies (rated)	£20.0	2%	£90.0	9%
Local authorities	£0.0	0%	£0.0	0%
Liquidity funds	£82.5	8%	£120.2	12%
Ultra-short dated bond funds	£139.2	13%	£145.1	14%
Short dated bond funds	£151.0	14%	£159.8	16%
Total treasury investments	£1,047.7	100%	£1,005.1	100%
Treasury external borrowing				
LT market debt (City's Estate)	£450.0	100%	£450.0	100%
Total external borrowing	£450.0	100%	£450.0	100%

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 2024/25 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. Table 2 summarises the capital expenditure and financing plans for City Fund for 2023/24 to 2027/28.

Estimate of Capital Expenditure and Financing (City Fund)

Table 2	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Capital Expenditure:						
Non-HRA	95.3	264.2	327.3	394.6	133.7	44.8
HRA	11.3	50.8	66.3	31.8	10.0	0
Total	106.6	315.0	393.6	426.4	143.7	44.8
Financed by:						
Capital grants	36.7	125.6	139.4	167.3	64.4	18.6
Capital reserves	11.4	110.3	42.8	209.2	45.4	147.6
Revenue	54.8	19.2	41.5	24.6	20.4	10.4
Total	102.9	255.1	223.7	401.1	130.2	176.6
Net financing need:	3.7	59.9	169.9	25.3	13.5	(131.8)

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 which is summarised in table 3 below.

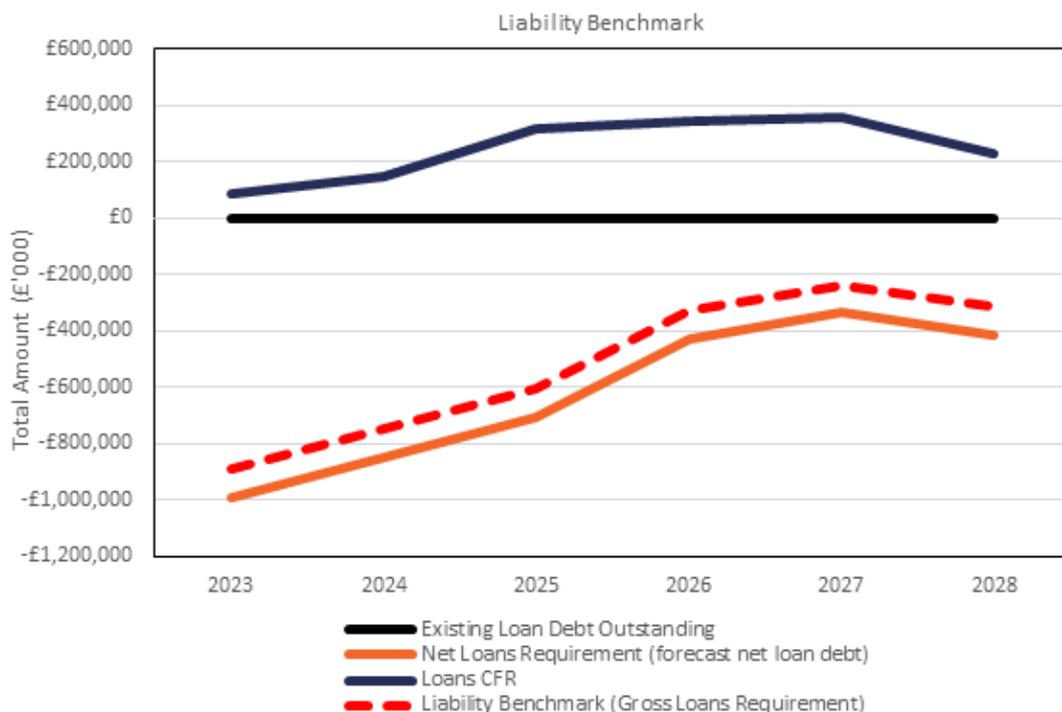
Estimate of the Capital Financing Requirement (City Fund)

Table 3	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Non-HRA	90.4	148.3	305.6	339.7	356.8	227.2
HRA	0	2.0	14.6	5.8	2.2	0
Total	90.4	150.3	320.2	345.5	359.0	227.2

The City is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum. The prudential indicator for the liability benchmark is only relevant for City Fund, and therefore does not include City's Estate external borrowing.

There are four components to the Liability Benchmark which should be represented in a chart. These are:

1. **Existing Loan Debt Outstanding:** The City's existing loans that are outstanding into future years. This City Fund currently has no external loans, so this will not need to be shown.
2. **Loans Capital Financing Requirement:** calculated in accordance with the Prudential Code and projected into the future based on approved prudential borrowing and planned Minimum Revenue Provision.
3. **Net Loans Requirement:** The City Fund gross loan debt less treasury management investments, projected into the future and based on approved prudential borrowing, planned MRP and any other major cash flow forecasts. As the City plans to not undertake external borrowing the net loan requirement is shown as a negative and plots the expected cash balances across the years.
4. **Liability benchmark (or Gross Loans Requirement):** equals Net Loans Requirement plus a short-term liquidity allowance to allow for a level of excess cash to provide liquidity if needed.



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 Estate

As with the City Fund, any capital expenditure incurred by City's Estate which has not immediately been paid for through a revenue or capital resource, will increase the City's Estate borrowing requirement. The medium term financial plan for City's Estate includes an increase in capital expenditure in the coming years, primarily relating to the major projects programme. All projected capital expenditure in 2024/25 will be financed from the existing £450m stock of debt or other sources. Table 4 summarises the planned City's Estate borrowing over the next few years.

Table 4	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Borrowing	£450m	£450m	£450m	£450m	£450m

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

2.3. City Bridge Foundation

City Bridge Foundations' (CBF) 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. The charity's revenue expenditure plans over the short and medium term are currently 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 currently funded from the designated sales pool (DSP) held within the permanent endowment fund, with receipts from disposals or lease premiums which are deemed to be capital in nature being available for this. However, consideration is being given to reviewing the funding of potential capital plans on a case by case basis in comparison to other investment opportunities across the whole CBF investment portfolio due to a reduction in receipts of this nature.

A Supplemental Royal Charter was approved in June 2023, with various new powers being adopted as a result. These included the power to borrow in limited circumstances (see section 4.3) and the power to apply the total return approach to the permanent endowment fund. Put simply, this approach allows any increase in the value of an investment within the permanent endowment to be utilised as income. CBF has an approved policy that applies to the use of returns held within the permanent endowment fund, which ensures that the trustee considers the requirements of beneficiaries both now and in the future within its expenditure plans.

Treasury Indicators for 2024/25 – 2026/27

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 Group** (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 %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 years	25 year	50 year
Mar 2024	5.25	4.50	4.70	5.20	5.00
Jun 2024	5.25	4.40	4.50	5.10	4.90
Sep 2024	4.75	4.30	4.40	4.90	4.70
Dec 2024	4.25	4.20	4.30	4.80	4.60
Mar 2025	3.75	4.10	4.20	4.60	4.40
Jun 2025	3.25	4.00	4.10	4.40	4.20
Sep 2025	3.00	3.80	4.00	4.30	4.10
Dec 2025	3.00	3.70	3.90	4.20	4.00
Mar 2026	3.00	3.60	3.80	4.20	4.00
Jun 2026	3.00	3.60	3.70	4.10	3.90
Sep 2026	3.00	3.50	3.70	4.10	3.90
Dec 2026	3.00	3.50	3.70	4.10	3.90
Mar 2027	3.00	3.50	3.70	4.10	3.90

Link’s central forecast for interest rates was updated on 08 January 2024 and reflected a view that the Monetary Policy Committee (MPC) would be keen to further demonstrate its anti-inflation credentials by keeping the Bank Rate at 5.25% until at least the second half of 2024.

Link expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their ongoing robustness). Timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

Future forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

For PWLB rates, the short and medium part of the gilt curve has rallied since the start of November, as markets price in a quicker reduction in Bank Rate through 2024 and 2025. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone.

3.1. The balance of risks to the UK economy

The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, **could keep gilt yields high for longer**).
- **The Bank of England** acts too quickly, or too far, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- **Despite the tightening in Bank Rate to 5.25%**, **The Bank of England allows inflationary pressures to remain elevated** for a longer period within the UK economy, which then necessitates the Bank Rate staying higher for longer than currently projected.
- **The pound** weakens because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected **gilt issuance, inclusive of natural maturities and quantitative tightening**, could be too much for the markets to comfortably digest without higher yields consequently.

3.2. Investment and borrowing rates

- **The Bank Rate is expected to remain at 5.25% until the second half of 2024, to combat on-going inflationary and wage pressures. It is not expected that the MPC will increase the Bank Rate above 5.25%.**
- **The overall longer-run trend is for gilt yields and PWLB rates to fall back over the forecast timeline, as inflation continues to fall through 2024.**
- **Link's long-term, i.e. beyond 10 years, forecast for the Bank Rate remains at 3%, and as all PWLB certainty rates are currently above this level, borrowing strategies need to be reviewed in that context. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Bank Rate reductions for 2024 and later.**
- Borrowing rates have also been impacted by changes in Government policy. In November 2020, the Chancellor introduced a prohibition 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 generally 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 Estate**, 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. **The City Bridge Foundation, as stated in section 2.3, now has the power to borrow in limited circumstances following the approval of the Supplemental Royal Charter in June 2023.**

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 in section 2.1). 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 **2024/25** 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 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 **2024/25**, **2025/26** and **2026/27**. 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 **2024/25** 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 Estate

The capital expenditure plans for **City's Estate** also create a borrowing requirement. **City's Estate** 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 Estate** is likely to have a further temporary borrowing requirement arising in **2024/25**. 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 DLUHC guidance pertains to the City's local authority function, the City Fund. To facilitate effective management of the **City's Estate** borrowing requirement, this organisation has adopted the **City's Estate** Borrowing Policy Statement (Appendix 8), which sets out the principles for effectively managing the risks arising from borrowing on behalf of **City's Estate**. 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 Estate** 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 **2024/25** are set out in Appendix 2 alongside the City Fund treasury indicators.

4.3. City Bridge Foundation

The City Bridge Foundation has the power to borrow in limited circumstances following the approval of the Supplemental Royal Charter in June 2023. That is, City Bridge Foundation may borrow for the purposes of raising funds towards the cost of replacement, reconstruction and re-building of any of its Bridges. This may be undertaken without security or on the security of the permanent endowment fund or any part of it or its income. 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. The PWLB guidance was updated on 15 June 2023, in particular publishing a new Housing Revenue Account (HRA) rate, at 40 basis points above prevailing gilts, available from 15 June 2023 for 1 year, with its continuation subject to review. This rate is solely intended for use by HRA and primarily for new housing delivery.

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 (relating to Treasury Management)

The Annual Investment Strategy (relating to Treasury Management) 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 **The City Bridge Foundation**).

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 2021 (“the CIPFA TM Code”) and CIPFA Treasury Management Guidance Notes 2021.

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 Fund will have exposure to Specified and Non-specified Investments. All other participants in the Treasury Management Strategy Statement and Annual Investment Strategy 2024/25 will have exposure to Specified Investments only.

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 Estate 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 (City Bridge Foundation's cash balances are expected to remain consistent) but to remain above a minimum constant level of £412m.

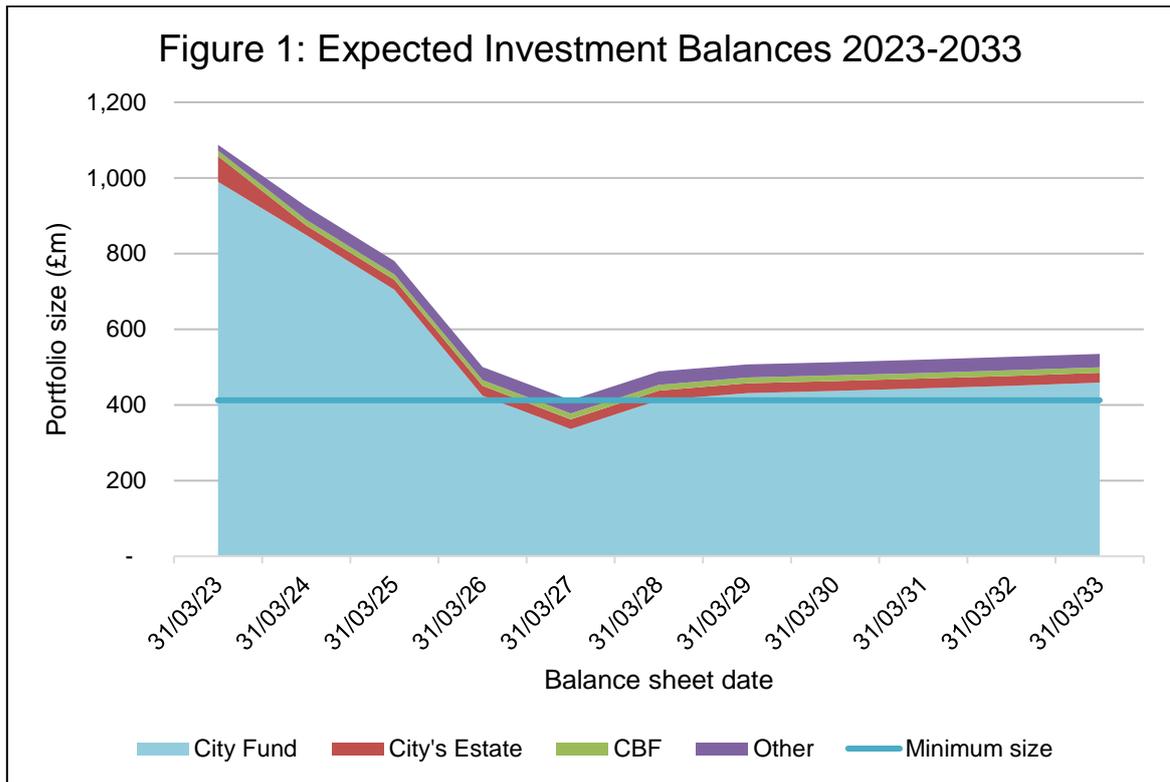


Figure 1 shows projected investment balances across the three funds and others over the coming years as at the end of each financial year.¹ Most of the investment balances relate to City Fund and it should be noted that generally investment balances are expected to be higher between reporting dates.

As the City, and the City Fund in particular, is expected to maintain 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. The City's liquidity requirements and will be subject to ongoing monitoring practices as the capital programme progresses as specified in paragraph 5.3 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.

¹ "Other" refers to other entities for whom the City provides treasury management services.

The Chamberlain will maintain a counterparty list in compliance with the following criteria and will revise these criteria and submit them to the **Investment Committee** 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 Financial Services Director, 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 Group**, 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 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):

	Minimum Creditworthiness Criteria	Money Limit	Time Limit
Banks 1 higher quality	Fitch Rating Long Term: A+ Short Term: F1	£100m	3 years
Banks 1 medium quality	Fitch Long Term Rating Long Term: A Short Term: F1	£100m	1 year
Banks 1 lower quality	Fitch Long Term Rating Long Term: A- Short Term: F1	£50m	6 months
Banks 2 – part nationalised	N/A	£100m	3 years
Banks 3 – City’s banker (transactions only, and if bank falls below above criteria)	N/A	£150m	1 working day
Building Societies higher quality	Fitch Long Term Rating A or assets of £150bn	£100m	3 years
Building Societies medium quality	Fitch Long Term Rating A- or assets of £10bn	£20m	1 year
UK Government (DMADF, Treasury Bills, Gilts)	UK sovereign rating	unlimited	3 years
Local authorities	N/A	£25m	3 years
External Funds*	Fund rating	Money and/or % Limit	Time Limit
Money Market Funds CNAV	AAA	£100m	liquid
Money Market Funds LVNAV	AAA	£100m	liquid
Money Market Funds VNAV	AAA	£100m	liquid
Ultra-Short Dated Bond Funds	AAA	£100m	liquid
Short Dated Bond Funds	N/A	£100m	liquid
Multi Asset Funds	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, the Bank Rate is forecast to have peaked at 5.25%, where it will remain until the second half of 2024, then incrementally reduce to 3.00% in the second half of 2025. In these circumstances it is likely that investment earnings from money-market related instruments will decrease compared to the earnings in 2023/24, however they remain above the very low levels experienced in previous years. Bank Rate forecasts for financial year ends (March) are:-

- 2023/24 5.25%
- 2024/25 3.75%
- 2025/26 3.00%

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, and this is set out in table 5 below.

Table 5: Maximum principal sums invested for more than 365 days (up to three years)			
	2023/24	2024/25	2025/26
	£M	£M	£M
Principal sums invested >365 days	300	300	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 £425.1m as at 31 December 2023**, 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. Exposure to these funds is ring-fenced to City Fund.

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 Group, Link Treasury Services Ltd** 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. This especially applies to members responsible for scrutiny.

Furthermore, the Code states that they expect *“all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making”*.

The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and **committee**/council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- a) Record attendance at training and ensure action is taken where poor attendance is identified.

- b) Prepare tailored learning plans for treasury management officers and **committee**/council members.
- c) Require treasury management officers and **committee**/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- d) Have regular communication with officers and **committee**/council members, encouraging them to highlight training needs on an ongoing basis.

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.

In November 2023 two training sessions were held, aimed at Members of the Investment Committee and Finance Committee, as each year it is the responsibility of these two committees to review and approve the Treasury Management Strategy before review by the Court of Common Council.

The first session was held on 13 November and provided an appreciation of what Treasury management involves, how it is undertaken, the roles of Members and Officers, and the risks in Treasury Management and how they should be managed, to develop the skills and knowledge for Member scrutiny of Treasury Management decisions.

The second session was held on 27 November and covered developing the Treasury Management Strategy - notably prudential indicators, cashflow forecasts, investment strategy, credit worthiness, counterparty list, ESG considerations – and a review of the investment portfolio and an economic outlook.

Both sessions were led by the Managing Director of Link Treasury Services and were well attended by Members. Further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

APPENDICES

1. Interest Rate Forecasts **2024 - 2027**
2. Treasury Indicators **2024/25 – 2026/27** 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 Estate** Borrowing Policy Statement

LINK INTEREST RATE FORECASTS 2024 – 2027 (Dated 08/01/2024)

Link Group Interest Rate View 08.01.24		Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE		5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings		5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings		5.20	5.10	4.80	4.30	3.80	3.30	3.20	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings		5.00	4.90	4.60	4.10	3.70	3.20	3.20	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB		4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB		4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB		5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB		5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

		Interest Rate Forecasts							
Bank Rate		Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Link		5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%
Cap Econ		5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%
5Y PWLB RATE									
Link		4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%
Cap Econ		4.50%	4.30%	4.20%	4.00%	3.90%	3.80%	3.80%	3.70%
10Y PWLB RATE									
Link		4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.90%
Cap Econ		4.50%	4.40%	4.20%	4.10%	4.10%	4.10%	4.10%	4.10%
25Y PWLB RATE									
Link		5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%
Cap Econ		5.10%	4.80%	4.60%	4.30%	4.40%	4.40%	4.50%	4.60%
50Y PWLB RATE									
Link		5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%	4.00%
Cap Econ		4.70%	4.60%	4.50%	4.30%	4.30%	4.30%	4.40%	4.40%

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

TREASURY INDICATORS 2024/25 – 2026/27 AND MINIMUM REVENUE PROVISION STATEMENT

TABLE 1: TREASURY MANAGEMENT INDICATORS	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Probable Outturn	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Authorised Limit for external debt (City Fund) -						
Borrowing	190.4	250.3	420.2	445.5	459.0	327.2
other long-term liabilities	12.8	12.7	12.6	12.5	12.4	12.3
TOTAL	203.2	263.0	432.8	458.0	471.4	339.5
Operational Boundary for external debt (City Fund) -						
Borrowing	90.4	150.3	320.2	345.5	359.0	227.2
other long-term liabilities	12.8	12.7	12.6	12.5	12.4	12.3
TOTAL	103.2	163.0	332.8	358.0	371.4	239.5
Actual external debt (City Fund)*	0	0				
Upper limit for total principal sums invested for over 365 days (per maturity date)	£300m	£300m	£300m	£300m	£300m	£300m

*Actual external debt at the end of the financial year

TABLE 2: Maturity structure of borrowing during 2024/25	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%

TABLE 3: CITY'S ESTATE BORROWING INDICATORS	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Probable Outturn	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
Estimates of financing costs to net revenue stream	15.0%	16.1%	15.6%	15.5%	15.5%	15.6%
	£m	£m	£m	£m	£m	£m
Overall borrowing limits	450	450	450	450	450	450

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT 2023/24

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).

DLUHC 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 2023/24 is £1.4m and is estimated at £1.4m for 2024/25.

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.

	Minimum ‘High’ Credit Criteria	Use
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.

	Minimum Credit Criteria	Use	Maximum	Maximum Maturity Period
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*
Multi Asset Funds	--	In-house via Fund Managers	£50m overall	n/a*

*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 2023**UK BANKS AND THEIR WHOLLY OWNED SUBSIDIARIES**

FITCH RATINGS		BANK*	LIMIT PER GROUP	DURATION
A+	F1	Barclays Bank PLC (NRFB)	£100M	Up to 3 years
A+	F1	Barclays Bank UK PLC (RFB)		
A+	F1	Goldman Sachs International Bank	£100M	Up to 3 years
AA	F1+	Handelsbanken PLC	£100m	Up to 3 years
AA-	F1+	HSBC UK Bank PLC (RFB)	£100M	Up to 3 years
AA-	F1+	HSBC Bank PLC (NRFB)		
A+	F1	Lloyds Bank Corporate Markets PLC (NRFB)	£150M	Up to 3 years
A+	F1	Lloyds Bank PLC (RFB)		
A+	F1	Bank of Scotland PLC (RFB)		
A+	F1	NatWest Markets PLC (NRFB)	£100M	Up to 3 years
A+	F1	National Westminster Bank PLC (RFB)		
A+	F1	The Royal Bank of Scotland PLC (RFB)		
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	£275Bn	£100M	Up to 3 years
A-	F1	Yorkshire	£62Bn	£20M	Up to 1 year
A-	F1	Coventry	£62Bn	£20M	Up to 1 year
A-	F1	Skipton	£36Bn	£20M	Up to 1 year
A-	F1	Leeds	£27Bn	£20M	Up to 1 year

FOREIGN BANKS

(with a presence in London)

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

MONEY MARKET FUNDS

FITCH RATINGS	MONEY MARKET FUNDS Limit of £100M per fund	DURATION
AAA/mmf	CCLA - Public Sector Deposit Fund	Liquid
AAA/mmf	Federated Hermes Short-Term Sterling Prime Fund*	Liquid
AAA/mmf	Aberdeen Sterling Liquidity Fund*	Liquid
AAA/mmf	Invesco Liquidity Funds Plc - Sterling Liquidity Portfolio	Liquid
AAA/mmf	DWS Deutsche Global Liquidity Series Plc – Sterling 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 Hermes 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 Hermes 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 **12 January 2024**.

AAA

- Australia
- Denmark
- Germany
- Netherlands
- **Norway**
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- **United States**

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.

(i) Court of Common Council

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

(ii) Investment Committee 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.

(iv) Investment Committee of the City Bridge Foundation

- Review of the Treasury Management Strategy Statement on behalf of the Charity.

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 ESTATE BORROWING POLICY STATEMENT

1. The City Corporation shall ensure that all of its **City's Estate** 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 Estate**.
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 Estate** investment plans, the City Corporation will consider both the **City's Estate** resources currently available and its estimated future resources, together with the totality of its **City's Estate** 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 Estate** 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 Estate** 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 Estate** (e.g. the City Corporation will be mindful of the potential impact of index-linked borrowing on the financial position of **City's Estate**).
8. The City Corporation will seek to obtain value for money in identifying appropriate borrowing for **City's Estate**. Where internal borrowing (i.e. from City Fund or **City Bridge Foundation**) 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 Estate** borrowing only:
 - Estimates of financing costs to net revenue stream
 - Overall borrowing limits

Capital Strategy

2023/24 –
Page 115
2028/29



Contents

Foreword

1. Introduction and Background
2. Corporate Plan 2024-29
3. Purpose of the Capital Strategy
4. Capital Programme
5. Capital Financing
6. Governance
7. Corporate Property Asset Management Strategy 2020-25
8. Investment Property
9. Risk Identification and Management
10. Knowledge and Skills

Foreword

2023 was an extraordinary chapter in the City's story, marked by the coronation of a new King, historic moves, and ground-breaking initiatives.

We embraced fresh leadership at the City of London Corporation, with our new Town Clerk and Chief Executive, Ian Thomas.

We announced a major capital investment to refurbish the windows of the Golden Lane Estate, ensuring our commitment to enhancing the living experience for our residents.

We made progress on our relocation of Billingsgate Fish Market and Smithfield Meat Market to Barking and Dagenham, making way for the new London Museum at the historic site.

We launched our Vision for Economic Growth – a roadmap to unlocking £225 billion of investment and economic growth into the UK – benefitting your local City neighbourhoods and households across the country.

Our global reach extended even further with the inauguration of two US offices, forging new partnerships, and strengthening our international presence.

We unveiled a new City of London visitor brand and website – <https://www.thecityofldn.com>; showcasing the best of the Square Mile's consumer offer to London, UK, and international visitors – and promoting its world-leading culture, heritage, attractions, experiences, hotels, pubs, bars, and restaurants.

And our City Belonging Project was launched to create a world-leading business environment where organisations and communities come together to promote diversity and inclusion.

The return of workers to the Square Mile brought with it an influx of talent, and we now proudly host more than 615,000 people, a testament to the magnetic pull of our vibrant city.

Meanwhile, our parks and gardens – spanning 11,000 acres in London and southeast England – were awarded 15 Green Flags and five prestigious London in Bloom prizes.

And as we stand at the threshold of 2024, our gaze is fixed on the promise of continued transformation. We continue to work at pace to help the Square Mile reach net zero by 2040, cut air pollution even further, and create a first-class

street environment for our residents, workers, and visitors to enjoy.

And working closely with you, our Local Plan will guide the evolution of the Square Mile, securing its place as a dynamic hub of commerce, leisure, and innovation.

As we step into the year ahead, I eagerly anticipate the momentous changes it promises. Together, we will contribute to building a brighter and more prosperous City, London, and country, for everyone. Filled with determination and optimism, we stand ready to script the next chapter in the captivating story of the City of London.

The City of London is recognised across the world as a vital engine of business and economic growth. Now more than ever, the City needs to invest in its future to maintain its worldwide status. Our ambitious capital investment programme sets out how we will be spending £2.1bn over the next 5 years to achieve that.

1. Introduction and Background

The City of London, also known as the Square Mile, is the financial district of London. The City of London forms part of London as a whole, along with the 32 London boroughs who have responsibility for local government services within their local area.

It is the ancient core from which the rest of London developed. It has been a centre for settlement, trade, commerce, and ceremony since the Roman period, producing a unique historic environment of exceptional richness and significance.

One of the reasons the Square Mile is unique, is the number of people who live, work and visit. In just 1.12 square miles, the City of London counts around 8,000 residents, 513,000 daily commuters and 10m annual visitors. The City of London boundaries stretch from Temple to the Tower of London, on the River Thames including, from west to east Chancery Lane and Liverpool Street.

The City of London Corporation

Based in Guildhall, the City Corporation looks after and promotes the City of London. It is headed by the Lord Mayor with the Court of Common

Council being its main decision-making body. We are a uniquely diverse organisation, with a role that goes beyond that of an ordinary local authority. We have our own government (the oldest in the country with origins pre-dating Parliament), our own Lord Mayor and independent police force.

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work, study and visit here. Our reach extends far beyond the Square Mile's boundaries and across private, public, and voluntary sector responsibilities. This, along with our independent and non-party political voice and convening power, enables us to promote the interests of people and organisations across London and the UK.

What we are responsible for

We provide local government services for residents and City workers based in the Square Mile. Our unique role means that our reach does extend beyond the City to include:

- More than 11,000 acres of green spaces, including Hampstead Heath and Epping Forest and Epping Forest
- Billingsgate, Smithfield and New Spitalfields wholesale food markets
- The Heathrow Animal Reception Centre
- Housing across London
- A range of schools and academies
- And we are London's Port Health Authority



City of London Funds

The City Fund

This Fund meets the cost of the City of London Corporation's local authority, Police Authority and Port Health Authority activities. The Fund generates rental and interest income to help finance these activities. In addition, in common with other local authorities, it receives grants from central government, a share of business rates income and the proceeds of the local council tax.

The City Corporation retains only a small proportion of the business rates collected from its area, in accordance with the national arrangements. The remainder has to be paid over to the national non-domestic rates pool and is redistributed to local authorities throughout the country by central government.

Because of its special circumstances – notably its very low resident population and high daytime population – the City Corporation is allowed uniquely to set its own business rate. The Business Rate Premium is used to support the City of London Police.

City's Estate

This is an endowment fund built up over the last eight centuries. Its incomes are derived mainly from property, supplemented by investment earnings and the fund is now used to finance activities mainly for the benefit of London as a whole, but also of relevance nationwide. The management and conservation of over 10,000 acres of open space, all of the Lord Mayor's activities, Smithfield, Billingsgate, and Leadenhall markets, three of the highest achieving independent schools in the country and the Guildhall School of Music & Drama – supported by grants from City Estate at no cost to the public.

City Bridge Foundation

The City Corporation is the sole trustee of City Bridge Foundation, a charity whose origins date back more than 900 years. City Bridge Foundation owns and maintains five of London's most iconic Thames bridges: Tower Bridge, London Bridge, Southwark Bridge, the Millennium Bridge and Blackfriars Bridge.

The maintenance and replacement of these bridges is the primary objective of the charity. However, since 1995 the charity's large investment portfolio has also supported an extensive grant-making operation. The charity is now the largest independent funder in London, under the trusteeship of the City Corporation.

This Capital Strategy pertains to the capital investment activity of City Fund and City's Estate only.

Further detail about City Bridge Foundation, including its 25-year strategy, *Bridging London*, can be found at <https://www.citybridgefoundation.org.uk>

2. Corporate Plan 2024-2029

The Corporate Plan 2024-2029 was agreed in principle by the Court of Common Council on 11th January 2004, and provides the strategic framework to guide the City of London Corporation's thinking and decision-making over the next five years. Key strategic pillars are set out as follows.

The Corporate Plan is a framework containing six strategic outcomes* ensuring everything we do aligns to delivering a fantastic five years and ambition to be world-class. Equity, equality, diversity and inclusion is integral to delivering the Corporate Plan outcomes.

Diverse Engaged Communities

Across our residents, workers, businesses, and visitors, everyone should feel that they belong. Connecting people of all ages and backgrounds will help build diverse, engaged communities that are involved in co-creating great services and outcomes.

Leading Sustainable Environment

We have a responsibility to ensure that we act as a leader in environmental sustainability and strive to enhance it in all aspects of how we work. Climate action, resilience, air quality, and sustainability are all facets of ambitious targets for the entire City to be net zero by 2040.

Providing Excellent Services

Supporting people to live healthy, independent lives, and achieve their ambitions, is dependent on excellent services. Vital to that continued pursuit is enabling access to effective adult and children's social care, outstanding education, lifelong learning, quality housing, and combatting homelessness.



Dynamic Economic Growth

The City of London is the engine in the country's economy. Driving dynamic economic growth in financial and professional services at local, national, and international levels will create jobs, attract investment, and support businesses across communities and the country.

Vibrant Thriving Destination

Attracting businesses and people to a safe, secure, and dynamic location is vital to our future. A world-leading culture and leisure offer is integral to creating that vibrant thriving destination where everyone prospers.

Flourishing Public Spaces

From our historic wholesale markets and cultural icons, such as the Barbican, to our world-famous bridges and amazing green spaces, we are stewards of unique national assets. Major capital investment into our civic fabric will secure flourishing public spaces, enabling a more successful London overall.

Delivery

Progress reported and published annually. Regular reviews and tracking through business plans and major programmes. Measures developing throughout including creating scorecards and dashboards. The People Strategy, Digital Strategy, and Transformation all run in tandem alongside the Corporate Plan.

3. Purpose of the Capital Strategy

The City of London recognises the significant contribution its Capital Investment Strategy makes to supporting the local economy, and delivery of each of the six strategic pillars outlined in the Corporate Plan 2024-2029.

The importance of having a meaningful and comprehensive capital investment strategy is recognised in The Chartered Institute of Public Finance & Accountancy’s (CIPFA) revised Prudential Code (December 2021). The updated code strengthened the important requirement that all Councils should have a Capital Investment Strategy which aligns capital delivery plans to their organisational objectives and ensures that the capital strategy forms part of The City’s revenue, capital, balance sheet and medium- and long-term financial planning, demonstrating an affordable and sustainable Capital Investment Programme.

Figure 1 illustrates the integration and alignment of our Capital Investment Strategy to enable delivery of corporate priorities and the cross-Council enabling policies and strategies which also support their delivery.

Fig 1: Alignment of Corporate Plan through to delivery



This Capital Strategy sets out the capital investment plans for the next five years. It gives a high-level, long-term overview of how capital expenditure and capital financing contribute to the delivery of services/objectives; gives an overview of governance and risk management; and the implications for future financial sustainability. Ultimately the aim of this capital strategy is to ensure Members and Senior Leaders understand the long-term policy objectives and capital strategy requirements, governance procedures and risk appetite.

This strategy forms an important part of The City's revenue, capital, balance sheet, and medium and longer-term financial strategies, demonstrating alignment with strategic priorities and affordability/sustainability.

The corporation faces a number of financial challenges that it needs to overcome and is also going further with a number of ambitious plans over the next five years. This document sets out how the council will deliver on these objectives.

The objectives of the Capital Strategy are to;

- Maintain an affordable rolling multi-year capital programme;
- Ensure capital resources are aligned with the council's strategic vision and corporate priorities;
- Prioritise the use of Capital resources to maximise outcomes;
- Ensure capital resources are first matched against priorities;
- Maximise available resources by actively seeking external from the Community Infrastructure Levy (CIL), Section 106, and Grant income.
- Undertake prudential borrowing only when there is enough money to meet, in full, the implications of capital expenditure, both borrowing and running costs.

The Capital Strategy will be reviewed and revised annually, to ensure it reflects the needs and priorities of The City.

4. Capital Programme

What is capital?

A capital budget covers money spent on investing in buildings, infrastructure, expensive pieces of equipment, as well as software and intangible assets. Capital spending is mainly for buying, constructing, or improving assets such as:

- buildings – schools, houses, libraries, museums, police and fire stations, etc
- land – for development, roads, playing fields, etc
- vehicles, plant and machinery – refuse collection vehicles, fire engines, police cars, etc.

It can also include grants made to the private sector or the rest of the public sector for capital purposes, such as advances to housing associations.

In order to count as capital expenditure, new assets or additions to assets must have a life of more than one year.

At the discretion of the secretary of state, certain revenue costs can also be treated as if they are capital costs (known as a capitalisation direction), e.g. typically for large one-off items such as redundancy costs.

Source: The Chartered Institute of Public Finance and Accountancy (CIPFA).

Table 1 below summarises the latest draft of our ambitious capital investment plans totalling £2.53bn, summarised by fund. This include the indicative cost of schemes still under development and due to be approved by the Court of Common Council in March 2024.

CAPITAL PROGRAMME	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
CAPITAL & SRP							
City Fund	324.2	409.5	439.1	144.2	45.0	39.2	1,401.2
City Estate	289.9	218.3	265.7	162.8	130.7	56.5	1,123.9
TOTAL CAPITAL PROGRAMME	614.1	627.8	704.8	307.0	175.7	95.7	2,525.1

Table 1: Summary of Capital Programme by Fund

City Fund Capital Programme

The City Fund capital programme totals £1.4bn over the next five years is summarised in table 2. It comprises £817.4m on flagship Major Projects, £523.8m across 'business as usual' capital programmes across the divisional areas, and additional £60m headroom to meet contingency requirements and any urgent new bids for future years.

CAPITAL PROGRAMME - CITY FUND	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
CAPITAL & SRP - BAU							
Barbican Centre	3.1	12.7	12.6	-	-	-	28.4
Chamberlain and Chief Finance Officer	5.6	21.0	-	-	-	-	26.6
City Surveyor and Property	25.2	28.5	6.8	4.0	4.0	4.0	72.4
Community and Children'S Services (Non Hra)	8.7	15.1	8.1	-	-	-	31.9
Community Services - HRA	50.8	66.3	31.8	10.0	-	-	158.9
City of London Police	21.8	8.4	5.0	5.0	5.0	-	45.2
Environment	25.5	39.5	35.1	11.2	2.4	8.8	122.5
Innovation and Growth	9.1	17.8	5.7	5.3	-	-	37.8
Sub-Total	149.9	209.2	105.1	35.4	11.4	12.8	523.8
CAPITAL & SRP - MAJOR PROJECTS							
Museum of London	95.8	96.5	58.8	9.1	3.3	-	263.4
Salisbury Square Development	78.5	103.8	260.2	84.7	15.4	11.4	554.0
Sub-Total	174.3	200.3	319.0	93.8	18.6	11.4	817.4
CAPITAL & SRP - CONTINGENCY & NEW BIDS							
Contingency and New Bids	-	-	15.0	15.0	15.0	15.0	60.0
TOTAL CAPITAL PROGRAMME	324.2	409.5	439.1	144.2	45.0	39.2	1,401.2

Table 2: City Fund Capital Programme 2023/24 to 2028/29



Within City Fund, there are currently two flagship major projects; the Museum of London relocation, and Salisbury Square Development including the Future Police Estate Programme.

Museum of London (MoL)

With a total budget of £337m (City Fund's contribution totals £197m with contributions from the GLA £70m and MoL £70m). In addition, supported by Landlord works from City's Estate - £140m, this project involves the relocation and creation of a new museum for London. It is linked to The City's Market's Relocation Programme above in that it will be moving into the current Smithfield market building.

It represents a once-in-a-generation opportunity to reconceive what a museum for London can be. The new site will enable us to offer much more, and for many more people. It will give us street-level entrances, better transport links courtesy of the Elizabeth line, and the opportunity to create innovative new galleries, exhibitions, and events. The images on the left show artist's impressions of the planned new museum venue.

Following on from a festival curated by Londoners, the London Museum will open in 2026 in the General Market and West Poultry Avenue, where the many diverse stories of London and its people will be



shared in new and innovative ways within immersive and interactive permanent galleries. Further details can be found on our dedicated micro site at <https://museum.london>.



Salisbury Square Development / Future Police Estate Programme

With a total budget of £656m, this is a major redevelopment programme and a unique opportunity to create modern facilities for both the City of London Police and Her Majesty’s Courts and Tribunals Service (HMCTS) within Square Mile. The programme will deliver a new, purpose-built 18-courtroom legal facility called the City of London Law Courts and an industry leading City of London police headquarters, equipped to combat, amongst other things, fraud and economic crime across the UK.

City Fund will receive a contribution of £210m from City’s Estate to cover the costs relating to the combined courts element.

Further detail on this exciting and unique development can be found on our dedicated website: <https://saliburysquaredevelopment.co.uk>.

The Salisbury Square development is expected to create the following benefits for the wider locale.

2,100 jobs

Be a civic hub for justice, policing and commercial activity, supporting 2,100 jobs directly;

400 new jobs

Create around 400 brand new jobs in the City of London and an estimated 280 more through the supply chain and related economic activity;

150 direct construction jobs

Create 150 direct construction jobs through the life of the build and a further 80 jobs through the supply chain;

£51 million

Generate around £51 million per year once complete and operational;

£5.4 million

Generate in excess of £5.4 million per annum in business rates receipts for the public purse of which approximately £1.6 million could be retained by the City Corporation for investment in local spaces and services;

Key role in the future of Fleet Street

Play a key role in the future of Fleet Street as a thriving part of the historic Square Mile, especially as part of the to be formed Fleet Street Business Improvement District;

c.£10 million

Generate c.£10 million in productivity benefits (GVA) per year during construction;

Enhanced and enlarged

An enhanced and enlarged Salisbury Square and creation of new pedestrian routes through the site, providing high quality hard and soft landscaping.

The 'business as usual' (BAU) portfolio of City Fund's Capital Programme totals £523.8m. Key highlights are set out in this section.

Within the **Housing Revenue Account (HRA) block of Community & Childrens services**, the City is planning to invest almost £96.0m across two large social housing schemes at Sydenham Hill estate and York Way Estate respectively.

Sydenham Hill Estate

Located within the borough of Lewisham, a further £45.9m is allocated to Sydenham Hill Estate to provide 110 truly affordable homes for people, comprising a mix of 1, 2, 3 and 4-bed homes to reflect the local need and make a positive contribution towards answering the borough's housing shortage. Alongside much-needed new homes, the scheme will provide a community room, estate office, amenity and play space as well as a wide range of landscaping and ecological enhancements for the benefit of all residents.

Work started on-site in 2023, and further details can be found on the following website:
<https://www.sydenhamhillproject.com>.

York Way Estate

The City of London Corporation will be investing £50.0m to delivering a scheme which provides

- 91 new homes all available for social rent
- High-quality landscaping and greenery
- Enhancement to public realm
- New improved community centre
- Improved entrances of Lambfold House, Penfields House and Shepherd House, and Kinefold House
- Introduction of high-quality public art
- New children's play spaces*
- A resident growing garden behind Shepherd House.

Further details can be found on the following website: <https://www.yorkwayestate.com>.



Within the **City Surveyors** portfolio;

- £22.2m has been earmarked for redevelopment and refurbishment works at the Central Criminal Court, including replacement of key plant and machinery.
- A further £13.3m has been allocated for the refurbishment of 1 – 6 Broad Street Place.

Within the **Environment** directorate:

- £18.8m has been set aside for the St Paul's Gyratory project, which aims to transform the streets and public realm between the old Museum of London site and St. Paul's Underground station through the partial removal of the 1970's gyratory. It is a priority project for delivery by 2030 as identified in the City's Transport Strategy.
- £10.6m has been earmarked for a once-in-a-generation opportunity to transform over four hectares of public realm located at West Smithfield, into a world class 24-hour cultural destination.

In **Community and Childrens Services**, a total of £23.9m is to be invested in crucial health and safety related works at Barbican Residential, and Barbican Podium Phase Two, will be undertaking waterproofing and drainage refurbishment on the podium.

City's Estate Capital Programme

City's Estate capital programme totals £1.12bn over the next five years is summarised in table 3. It comprises £893.7m on flagship Major Projects, £210.2m across 'business as usual' capital programmes across the divisional areas, and an additional £20m headroom to meet contingency requirements and any urgent new bids for future years.

CAPITAL PROGRAMME - CITY'S ESTATE	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
CAPITAL & SRP - BAU							
Barbican Centre	-	0.0	-	-	-	-	0.0
Chamberlain and Chief Finance Officer	30.1	34.6	-	-	-	-	64.7
City of London Freeman's School	2.2	0.6	-	-	-	-	2.8
City of London School	1.2	0.0	-	-	-	-	1.2
City of London School For Girls	4.4	0.2	-	-	-	-	4.6
City Surveyor and Property	55.7	28.3	7.4	-	-	-	91.5
Community and Children'S Services (Exl HRA)	0.6	0.2	-	-	-	-	0.8
Environment	4.0	3.9	5.8	3.8	-	-	17.6
Innovation and Growth	2.6	7.6	4.8	4.7	-	-	19.7
Principal GSMD	2.8	1.6	2.1	0.8	-	-	7.3
Sub-Total	103.5	77.2	20.1	9.4	-	-	210.2
CAPITAL & SRP - MAJOR PROJECTS							
Markets Consolidation	127.2	78.7	144.7	117.4	123.0	51.5	642.5
Museum of London	28.8	23.5	-	-	-	-	52.2
City Fund (Combined Courts)	30.4	39.0	95.9	31.0	2.7	-	198.9
Sub-Total	186.4	141.1	240.6	148.4	125.7	51.5	893.7
CAPITAL & SRP - CONTINGENCY & NEW BIDS							
Contingency and New Bids	-	-	5.0	5.0	5.0	5.0	20.0
TOTAL CAPITAL PROGRAMME	289.9	218.3	265.7	162.8	130.7	56.5	1,123.9

Table 3: City's Estate Capital Programme 2023/24 to 2028/29

Markets Co-Location Programme (MCP)



This is a major regeneration programme, which will see London's historic wholesale markets, Smithfield and Billingsgate, relocated to a purpose-built site in Dagenham Dock.

This has a total budget of £841m. The relocation will stimulate economic growth, generating around £14.5 billion in cumulative productivity benefits (Gross Value Added) for the UK economy to 2049. It will bring an estimated 2,700 new jobs to Barking and Dagenham and support 7,850 jobs across the UK.

Relocating Smithfield Market also offers the opportunity to reinvigorate an historic part of the Square Mile, preserving and opening up the listed buildings for the public to enjoy. The site will become home to the new London Museum, alongside a complementary cultural and commercial offer. The land at Canary Wharf that will be unlocked by relocating Billingsgate could provide around 2,000 new homes and other social infrastructure.

The following artists impression represents what the new site could look like. The final design is subject to a range of options that are currently being appraised.



Also included within City's Estate Major projects, are:

- £140m relating to the refurbishment and redevelopment of the premises vacated by the Museum of London, located at Bastion House, for future alternate use.
- £210m relating to City's Estates' contribution to the Salisbury Square development, in relation to the Combined Courts element of the wider programme. Further details of the Salisbury Square Development are disclosed above.

The 'business as usual' (BAU) portfolio of City's Estates Capital Programme totals £210.2m. Key highlights are set out in this section.

Within the **City Surveyor's** portfolio;

- £40m has been allocated for the purchase of commercial property, in line with the principles of the Investment Strategy, summarised in section 8 of this document.
- £22.4m has been earmarked for the refurbishment of 1 Alfred Place. The building previously housed a private members club, restaurant, serviced office space, co-working spaces, a digital upskilling centre and BT Business support, who vacated the building during the COVID lockdown.

Cross-Fund Programmes

There are also a number of schemes within the capital programme which encompass all funds. Some key highlights are summarised below.

Climate Action Strategy

The City of London Corporation has adopted a radical Climate Action Strategy which breaks new ground and sets out how the organisation will achieve net zero, build climate resilience and champion sustainable growth, both in the UK and globally, over the next two decades.

By adopting the strategy, the City Corporation has committed to:

- Achieve net zero carbon emissions from our own operations by 2027.

- Achieve net zero carbon emissions across our investments and supply chain by 2040.
- Support the achievement of net zero for the Square Mile by 2040.
- Invest £68m over six years to support these goals, of which £15m is dedicated to preparing the Square Mile for extreme weather events.

This follows an extensive study of our activities and assets and puts a plan in place to address emissions from our financial and property investments and full supply chain. As shown in the chart below, we are currently on track to achieve net zero by 2027.



HR, Payroll, Finance Solution - ERP (Enterprise Resource Planning)

This programme will establish a new, single cloud-based platform that can be used across The City, and replace the legacy IT systems used for Finance, HR, Payroll for 20 years which are out of date.

Whilst this is a significant IT implementation programme, it will transform the enterprise-wide management of key business processes and elevate the provision and use of data to ensure officers and members are making informed decisions.

The aims of the project are:

- to provide The City with a fully integrated HR, Payroll, Finance and Procurement solution
- to enable modern, fit for purpose systems and the right tools for services teams to deliver their key objectives for The City, and
- to enable transformation, increase efficiencies and reduce IT costs.



Cyclical Works Programme

The City's significant number of properties Operational Property portfolio across City Fund and City Estate, has fallen into a state of disrepair because of funding constraints over several years. Included within the MTFP, is a funding allocation totalling £145m for the next five years to address the accumulated backlog of maintenance, and prevent further dilapidation and degradation of property, and failure to meet statutory compliance requirements. £31.1m of the allocated funding is included within the Capital Strategy, pending final approval by the Court of Common Council in March 2024.

5. [Capital Financing](#)

Tables 4 & 5 below show how the capital programme is financed across City Fund and City's Estate.

FINANCING SOURCES - CITY FUND	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
CAPITAL & SRP - CITY FUND							
Revenue/Earmarked Reserves	108.2	36.3	40.0	16.5	10.3	8.4	219.8
HRA	50.8	66.3	31.8	10.0	-	-	158.9
Asset Disposal Proceeds	75.6	156.2	213.3	50.5	15.9	26.4	537.9
Grants and Contributions	89.6	150.7	154.0	67.2	18.8	4.4	484.6
TOTAL CAPITAL PROGRAMME	324.2	409.5	439.1	144.2	45.0	39.2	1,401.2

Table 4: Summary financing schedule for City Fund Capital Programme 2023/24 to 2028/29

FINANCING SOURCES - CITY'S ESTATE	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
CAPITAL & SRP - CITY ESTATE							
Revenue/Earmarked Reserves	45.2	50.9	17.6	14.4	5.0	5.0	138.0
Asset Disposal Proceeds	82.0	160.7	244.7	147.9	125.2	47.5	808.0
External Borrowing	152.9	-	-	-	-	-	152.9
Grants and Contributions	9.9	6.8	3.4	0.5	0.5	4.0	25.1
TOTAL CAPITAL PROGRAMME	289.9	218.3	265.7	162.8	130.7	56.5	1,123.9

Table 5: Summary financing schedule for City Fund Capital Programme 2023/24 to 2028/29

Revenue/Earmarked Reserves

Earmarked funding for the capital programme, this is specific revenue funding which has been set aside to fund asset spend.

Grants and Contributions

This includes:

- Community Infrastructure Levy (CIL) - a set charge, based on the gross internal area floorspace of buildings, on most new development to help fund the infrastructure needed to address the cumulative impact of development across the City of London. A development is liable for a CIL charge if it is creating one or more dwellings, or new floorspace of 100sqm or more. When a CIL liable development is granted planning permission, the amount of CIL required is calculated and sent to the planning applicant and/or landowner of the development on a CIL Liability Notice.
- Section 106 - Planning obligations (often called S106 agreements) are legal agreements with developers for the provision of, for example, affordable housing, local training and jobs, and sites specific mitigation measures to alleviate

the impacts of a development proposal. A S106 agreement is intended to make a development acceptable that would otherwise be deemed as unacceptable, by offsetting the impact by making specific location improvements.

- Section 278 Agreements are a legal agreement between a developer and the Local Highway Authority (LHA) which allows the developer to make permanent alterations to the adopted highway as part of a valid planning permission. The Section 278 Agreements are outlined within the Highways Act . The Section 278 Agreement process ensures that all works are designed and constructed to the satisfaction of the Highway Authority.
- Others can include ring fenced grants from governmental departments or other public sectors bodies such as the GLA or TFL.

HRA

The Housing Revenue Account (HRA) is the expenditure and income on running a council's own housing stock and closely related services or facilities, which are provided primarily for the benefit of the council's own tenants.

It is a ring-fenced account of certain defined transactions, relating to local authority housing, within the General Fund, the main items of expenditure included in the account are management and maintenance costs, major repairs and large capital projects, loan charges, and depreciation costs with the main sources of income are from tenants in the form of rents and service charges.

Asset Disposal Proceeds

This is the proceeds from the city's asset disposal programme used to fund the capital programme, this includes the Dedicated Sales Pool which funds City Estate Asset Investment. Capital receipts can only be used to fund capital expenditure, and not revenue.

External Borrowing

The capital expenditure plans for City's Estate also create a borrowing requirement. City's Estate has issued fixed rate market debt totalling £450m to fund its capital programme.

Capital Financing Requirement

City Fund expenditure financed by borrowing (internal or external) is represented by the Capital Financing Requirement (CFR), which measures the City's underlying borrowing need; it will increase with unfunded capital expenditure and decrease as the Council makes minimum revenue provision (MRP) contributions. The table below shows the actual figure for 22/23 and the estimated figure for the upcoming years, currently the borrowing is all internal.

CITY FUND
Non-HRA
HRA
Total

Table 6: Projected Capital Financing Requirement analysed by Fund type

Treasury Management Indicators

The following two treasury indicators represent the upper limits for the total amount of external debt for City Fund. These limits are required under the Prudential Code 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 from 2024/25 onwards, 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.

TREASURY MANAGEMENT INDICATORS	2022/23 Actual £m	2023/24 Estimated Outturn £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Authorised Limit for external debt (City Fund)						
Borrowing	190.4	250.3	420.2	445.5	459	327.2
other long-term liabilities	12.8	12.7	12.6	12.5	12.4	12.3
TOTAL	203.2	263	432.8	458	471.4	339.5
Operational Boundary for external debt (City Fund)						
Borrowing	90.4	150.3	320.2	345.5	359	227.2
other long-term liabilities	12.8	12.7	12.6	12.5	12.4	12.3
TOTAL	103.2	163	332.8	358	371.4	239.5
Actual external debt (City Fund)*	0	0				
Upper limit for total principal sums invested for over 365 days (per maturity date)	300.0	300.0	300.0	300.0	300.0	300.0

Table 7: Summary of Projected debt, and forecast operational debt boundary (City Fund) 2023/24 to 2027/289

Table 8 below sets out the % of financing costs to net revenue and the approved borrowing limits for City Estate, designed to ensure that it remains prudent and sustainable.

CITY'S ESTATE BORROWING INDICATORS	2022/23 Actual	2023/24 Estimated Outturn	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	%	%	%	%	%	%
Estimates of financing costs to net revenue stream	15.0%	16.1%	15.6%	15.5%	15.5%	15.6%
	£m	£m	£m	£m	£m	£m
Overall borrowing limits	450.0	450.0	450.0	450.0	450.0	450.0

Table 8: Projected financing costs as a proportion of revenue income (City's Estate) 2023/24 to 2027/28

6. Governance

Resource Allocation Process (Principles)

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
- 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.

New Capital Schemes

The annual capital bid process was introduced as a means of prioritising the allocation of central funding for capital schemes. Due to hyperinflationary pressures, this was paused during 2023/24 with a contingency sum held to meet urgent works within City Fund and City's Estate. Requirements applicable to CBF continue to be considered through the lens as to what is in the best interests of the charity. The current bids are for programmes commencing in 2024/25.

Policy and Resources Committee and Finance Committee have recommended a central funding envelope of £20m for City Fund and £5m for City Estate in relation to new bids for 2024/25. This level of spend is affordable alongside the approved major project spend/ investment, which currently sits at £2.1bn across City Fund and City Estate, and are detailed in earlier sections of this document.

Depending on the nature of the funding, the approved bids currently progress from Resource Allocation Sub Committee (RASC), Finance Committee, Policy & Resources (P&R) Committee and, where relevant, the CBF Board to provide in principle funding approval to the schemes.

The indicative costs of agreed schemes are incorporated into the medium-term financial plans/ financial forecasts to assess the financial impact in context of each corporation fund and were confirmed at the joint informal meeting of RASC and the service committee chairs in January 2024. The final approval before these bids are incorporated in the capital programme is in February and March by Finance Committee, and the Court of Common Council respectively.

Committees

Approvals for projects with a total budget of less than £100m are set out in the City Corporation's Projects Procedure. Approval of projects is currently the responsibility of the respective service committees and are recommended to the Court of Common Council where total project expenditure is due to exceed £5m. The service committee is responsible for scrutinising individual projects to ensure the proposals are meeting the business need. Following this step, the Resource Allocation Sub-Committee (RASC) will in turn recommend the release (or 'draw down') of funding for each respective project to P&R, both consider the overall programme of project activity and funding to maintain an overview. Projects and Procurement Sub Committee (PPSC) considers the overall portfolio of projects and programmes and reports into the Finance Committee, with the exception of Major Programmes.

Major Programmes (i.e. capital programmes exceeding £100m) are managed directly through the Capital Buildings Board (CBB), a sub of P&R, and is authorised to approve budget drawdowns within the approved funding envelope.

Projects involving expenditure from the City Bridge Foundation must be approved by the City Bridge Foundation Board, or via any appropriate agreed delegations to their Managing Director.

Where a scheme concerns matters of policy and strategic importance to the City of London Corporation, project reports will also be submitted to that Committee.

The Finance Committee is responsible for obtaining value for money, improving efficiency and overseeing projects and procurement generally across the organisation. The Finance Committee therefore receives periodic reports on the City Corporation's capital expenditure.



New Gateway Process

In July 2023, the City Corporation agreed to review its approach to project management. An interim projects procedure has been put in place whilst the final proposals are developed for the Spring of 2024. Any revised proposals will be subject to PPSC and Finance Committee approval. This contains five phases and is outlined in the flow diagram below. This also sees all capital schemes separated into tiers, according to value, with each tier having different requirements and governance arrangements.

Inclusion of schemes in the capital programme will be subject to agreement by the relevant City Corporation committees which, depending on value, will include the Court of Common Council. Project Boards are usually established for individual projects, particularly those that require officers from several departments to deliver them.

All projects progressing to the capital programme must 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 Board) and procurement code - and are subject to confirmation of funding.

Programme Delivery Assurance

To strengthen oversight of our capital projects and programmes, we are currently updating our approach to enterprise-wide portfolio management. This new approach will take a strategic view of delivery, provide oversight of project and programme delivery and will aim to reduce risk.

The key characteristics of the new approach will include:

- The construction of a series of portfolios containing the corporation's projects and

programmes – embedding accountability and responsibility for delivery

- Development of a revised gateways and programme lifecycle support framework
- Developing strategic governance – including the provision of portfolio board chaired by the Town Clerk
- A new EMPO system to embed new ways of working for project and programme management - supporting the reporting of project delivery to boards
- Revising project and programme management training to project managers so that they are better enabled to deliver

The new approach will be embedded through the implementation of a proactive EPMD organisation to support the provision of oversight and to drive the reporting cycle.

7. Corporate Property Asset Management Strategy '20-25

- The Corporate Property Asset Management Strategy outlines the overriding objectives for managing the operational estate (excluding Housing)
- Decisions on all operational property assets (excluding Housing) are guided by this strategy and the objectives within
- The Corporate Property Asset Management Strategy supports the Corporate Plan and is in turn supported by specific, individual property Asset Management Plans

Efficient

Page 140

- Seek to rationalise the operational estate through better utilisation to ensure a more efficient, effective and sustainable asset base
- Ensure capital and revenue investment into the operational estate is 'relevant and needed' to achieve Corporate Plan objectives.
- Develop the current risk based approach to maintenance and renewal (subject to available budget)
- Ensure capital and revenue projects are affordable, sustainable, prudent and directed to corporate priorities
- Ensure annual revenue expenditure is efficiently managed to deliver value for money and reduce operational asset running costs
- 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.

Effective

- Ensure operational assets are maintained to a good, safe and statutory compliant condition
- Maximise third party income for leased out property, including targetting effective support for businesses impacted by Covid-19
- Develop and mature the management of the portfolio by embedding the Asset Management (Service Based Review) recommendations
- Incorporate 'smart building technology', modern working practices post Covid-19 and improve connectivity for occupiers within the portfolio
- Create added value through the property Asset Management Plan process
- Ensure operational assets are relevant, fit for purpose and meet service delivery needs through a comprehensive Asset Challenge Process
- Ensure asset management activity is aligned with Service Committee's business plans through the Asset Management Plan process to deliver asset related corporate and business objectives

Sustainable

- Support the proposed Climate Action Strategy; including the achievement of net zero carbon emissions, to build resilience and to champion sustainable growth
- Achieve 40% energy savings by 2025/26
- Optimise the sustainability performance of the existing property portfolio (subject to available budget)
- Target BREEAM of excellent on all new buildings
- Maintain Heritage assets through investment and prevent their inclusion on the Heritage at Risk Register wherever possible (subject to available budget)
- Ensure where Heritage assets are not in the sole ownership of the City to drive the collective responsibility to maintain and prevent their inclusion on the Heritage at Risk Register

Further information on the Corporate Property Asset Management Strategy and supporting information including Asset Management Plans, Asset Challenge Process, Asset Management (Service Based Review) recommendations is available from the Corporate Property Group. Contact Paul Friend, Head of Corporate Asset Management (paul.friend@cityoflondon.gov.uk).

8. Investment Property

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.

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).

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.

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.

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.

The property portfolio is overseen by Members through a dedicated Investment Committee which overviews performance, sets strategy, and agree major lettings, acquisitions and disposals.

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.

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.

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

9. Risk Identification and Management

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 Corporation is prepared to accept, tolerate, or be exposed to at any point in time. The City Corporation's Property Investment Strategies give due regard to risk, and this informs various aspects of our portfolio approach. It is important to note that risk will always exist in some measure and cannot be removed in its entirety.

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.

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.

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.

Recent levels of inflation have presented 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 2023/24 budgets to mitigate this.

10. Knowledge and Skills

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.

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.

Within the Court of Common Council there are also several 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.

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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 City Bridge Foundation (CBF) Contingency is now overseen by the CBF Board and is no longer reported to Finance Committee.

General Contingencies		City's Estate	City Fund	Disaster Fund	Total
		£'000	£'000	£'000	£'000
2023/24	Provision	950	800	125	1,875
	Provision brought forward	931	1,050	0	1,981
	Total Provision	1,881	1,850	125	3,856
	Less Allocations	(1,298)	(633)	(50)	1,981
	Uncommitted Balance as at 08/02/2024	583	1,217	75	1,875
2022/23	Provision	950	800	125	1,875
	Provision brought forward	234	608	0	842
	Total Provision	1,184	1,408	125	2,717
	Less Allocations	(680)	(748)	(100)	1,528
	Uncommitted Balance	504	660	25	1,189
2021/22	Provision	950	800	125	1,875
	Top Up	0	0	250	250
	Provision brought forward	0	206	0	206
	Total Provision	950	1,006	375	2,331
	Less Allocations	(869)	(756)	(375)	(2,000)
	Uncommitted Balance	81	250	0	331
2020/21	Provision	950	800	100	1,850
	Provision brought forward	24	541	25	590
	Total Provision	974	1,341	125	2,440
	Less Allocations	(164)	(741)	(100)	(1,005)
	Uncommitted Balance	810	600	25	1,435
2019/20	Provision	950	800	100	1,850
	Provision brought forward	50	15	0	65
	Total Provision	1,000	815	100	1,915
	Less Allocations	(481)	(621)	(50)	(1,152)
	Uncommitted Balance	519	194	50	763

Policy Initiative Fund – City’s Estate		£'000
2023/24	Provision	1,200
	Provision brought forward for unspent provisions	701
	Provision brought forward for agreed allocation not yet completed	368
	Total Provision	2,269
	Less Allocation	(1,755)
	Uncommitted Balance as at 08/02/2024	514
2022/23	Provision	1,200
	Provision brought forward for unspent provisions	137
	Provision brought forward for agreed allocations not yet completed	1,073
	Total Provision	2,410
	Less Allocation	(1,709)
	Uncommitted Balance	701
2021/22	Provision	1,200
	Provision brought forward for unspent provisions	527
	Provision brought forward for agreed allocations not yet completed	477
	Transferred to Covid Contingency	(200)
	Transferred to Disaster Fund Contingency	(125)
	Total Provision	1,879
	Less Allocation	(1,742)
	Uncommitted Balance	137
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)
	Uncommitted Balance	527
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)
	Uncommitted Balance	2,216

Policy and Resources Contingency – City’s Estate		£'000
2023/24	Provision	300
	Provision brought forward for unspent provisions	357
	Provision brought forward for agreed allocations not yet completed	121
	Total Provision	778
	Less Allocations	(759)
Uncommitted Balance as at 08/02/2024		19
2022/23	Provision	300
	Provision brought forward for unspent provisions	211
	Provision brought forward for agreed allocations not yet completed	93
	Total Provision	604
	Less Allocations	(247)
Uncommitted Balance		357
2021/22	Provision	300
	Provision brought forward for unspent provisions	1
	Provision brought forward for agreed allocations not yet completed	383
	Total Provision	684
	Less Allocations	(473)
Uncommitted Balance		211
2020/21	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)
Uncommitted Balance		58
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)
Uncommitted Balance		234

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Report – Finance Committee

2024/25 City Estate Budgets & Medium-Term Financial Plan

To be presented on 7th March 2024

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

SUMMARY

This report covers the 2024/25 budget and 5-year financial outlook for City's Estate and Guildhall Administration. The report should therefore be read in conjunction with the City Fund report.

Recent years have seen major global events contribute to a very unstable economic environment. Interest rates have been at levels not seen for a number of decades. Whilst the City Corporation has benefited from higher interest rates, they have not been sufficient to offset embedded cost increases of price inflation.

There remains the risk of a recession, with the potential to impact **City's Estate** key revenue streams of property rental income and growth in financial investments, potentially making City's Cash income streams volatile in 2024/25. This cost pressure, combined with the scale of ambitions particularly for Major Projects result in City's Estate continuing to produce an operating deficit across the 5-year financial plan as outlined in the table below. Without intervention and action these deficits will continue to erode available resources.

CITY'S ESTATE	2023/24 Budget £m	2024/25 Budget £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
Net cost of services	5.8	7.7	5.5	3.8	2.1
Financing and Capital costs	(62.9)	(82.2)	(53.1)	(54.2)	(54.8)
Surplus/(Deficit)	(57.2)	(74.4)	(47.6)	(50.4)	(52.6)
CrossRail contribution	-	(25.0)	(25.0)	-	-

Annual drawdowns in excess of assumed growth in financial assets are needed to cover exceptional items including the capital programme. Over the planning period, the cumulative deficit is forecast to be £332m. Balance Sheet forecasting indicates this sum is sustainable over the medium term, but more challenging in the longer term when financing costs on major projects increase and require significant asset disposal to fund. A focus on reviewing the operational budget and attracting involvement of third-party interest is needed. Officers are exploring opportunities to bring back to Members in Spring 2024.

Under the annual process, bids for capital funding totalling £4.8m for City's Estate were approved in principle by Resource Allocation Sub Committee. This remains within the overall recommended funding allocation of £5m, the sum is considered manageable over the medium term. Any further pressures are to be contained within agreed budgets through value engineering. Where this is not practicable it is recommended alternative

sources of funding is explored (i.e. Grants, underspends from existing capital programmes, and or reprioritisation of already approved capital programmes).

In response, to the financial challenges the City Corporation has made significant cuts to budgets over the last decade, however, despite this there remains significant pressures as well as the scale of financing the major projects programme. In order to improve the operational deficit position, following discussion and steer as part of the 2024/25 budget setting and 5-year financial plan process, there needs to be a more radical review of how and what services the City Corporation operates if the scale of capital ambition is to remain sustainable. A commercial approach is also under review on our operational assets base, ensuring that we maximise operational effectiveness and only retain the buildings really needed to deliver services.

Options to stabilise the position has been outlined in City Fund and should be considered for City's Estate.

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.

RECOMMENDATION

Following your Finance Committee's consideration of this City Fund Report, it is recommended that the Court of Common Council is requested to:-

- 1.0 To note and approve the overall budget envelope for City's Estate 2024/25 revenue budgets.
 - 1.1 Additional funding is required for new on-going cost pressures and have been included as budget uplifts:
 - 1.1.1 Agreed pay award from 1st July 2023.
 - 1.1.2 Net 3% inflation uplift to local risk budgets.
 - 1.1.3 £2m central provision to cover assumptions for Ambition 25 (Reward Refresh) – subject to recommendations of the Corporate Services Committee.
 - 1.1.4 £100k increase in legal costs to support specialist advice.
 - 1.1.5 £540k contingency held centrally to support the increase in State Visits.
 - 1.1.6 £20k funding to support RASC away day.
 - 1.1.7 £113k provision set to support volunteering.
 - 1.1.8 £148k recognition of staff contribution through staff summer events and annual lunch.
 - 1.1.9 £380k funding for Corporate Graduate Scheme, increasing to £710k from 2025/26.
 - 1.1.10 £10k support for on-going Benefits-in-Kind review and annual reporting.
 - 1.1.11 Shortfall on Occupational Health Physician services (£56k split between funds).

- 1.1.12 £85k increase for Mayoralty and Shrievalty allowances as agreed at the Joint Deputation meeting on 20 March 2023. For 2024/25 an increase of £62k is being proposed – subject to Joint Deputation meeting on 28 March 2024.
- 1.1.13 £400k provision for possible increases to Members allowance.
- 1.2 For Cyclical Works Programme (CWP):
 - 1.2.1 Funding of £71m has been allocated within City's Estate to address £28m backlog of works and £43m forward plan, towards delivery of programme across the next 5 years from 2024/25.
 - 1.2.2 Following meeting with the Joint Resource Allocation Sub Committee and Service Committee Chairmen, additional headroom has been created to address urgent health and safety issues at the Guildhall School of Music and Drama over the 5-year forward plan totalling £12.5m (£8m to 2027/28).
 - 1.2.3 Funding identified from reserves in City's Estate resulting in an additional draw on assets endorsed by Finance Committee in December, to be ringfenced to the programme. Delivery will need to be managed robustly to avoid cost creep.
- 1.3 To address inflationary pressures going forward assumptions include 2% uplift from 2025/26 onwards.
- 1.4 Savings still to be achieved from Commercial - procurement and implementation of the Enterprise Resource Planning system have been profiled (£0.3m) to 2025/26 and (£0.6m) in 2026/27 respectively. Permanent savings from previous savings programme are expected to crystallise by 2024/25.
- 1.5 Other one-off pressures and opportunities for transformation in 2024/25 outlined in paragraph 11 to be funded from forecast carry forward underspends from 2023/24.
- 1.6 Unfunded additional revenue bids (paragraph 10) to be avoided during 2024/25, unless these can be prioritised from savings or income generated from the Corporation's Transformation Programme.
- 2.0 Approve the overall financial framework and the revised 5-year Financial Strategy (paragraphs 4-30).
- 3.0 Approve the 2024/25 Capital and Supplementary Revenue Project Budgets for City's Estate amounting to £218.3m (paragraph 27).
- 4.0 Approve the allocation of central funding of up to £218.3m for City's Estate to meet the cost of 2024/25 approved 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). Note the agreed capital envelope for new bids of £5m in 2024/25 (paragraph 27-30).
- 5.0 The budget approved would exclude an amount of up to £50m in respect of sums already agreed by the Court of Common Council to cover the Smithfield Annexe Buildings, which are not included in the current capital estimates. Should this sum be required, the MTFP deficit will increase accordingly.

6.0 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 proposed budgets for 2024/25 for City's Estate, 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:
 - 3% increase in net local risk budgets;
 - The July 2023 pay award to be funded in addition to the local risk increase;
 - Reprofile of previously agreed savings for 2024/25 to be pushed out to future years, providing sufficient time to embed permanent savings;
 - All other inflationary pressures to be contained within the budget envelopes.
 - 2023/24 underspends to be carried forward (subject to consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee) to address one-off budget pressure and fund transformation opportunities.
 - Progress with the Resources and Priorities Refresh (RPR) to align spend with corporate priorities and manage on-going pressures within existing resources - where this is not possible to create headroom to reallocate funds through RPR workstreams.
 - The Cyclical Works Programme (CWP) continued to build a backlog. There is a significant risk of not addressing the CWP, increasing deterioration in operational properties subsequently posing health hazards and leading to an increase in major projects programmes – funding has been allocated for 2024/25, and the wider 5-year financial plan, for urgent health and safety works, and to catch up on the backlog of works and forward plan.
3. The overall financial strategies and budget policies for City's Estate are set out in Appendix 1. City Fund's medium-term financial strategy is included in the separate City Fund report.

Current position

4. The last few years have been particularly challenging with global events causing hyper inflationary pressures as well as impacts on the wider global economy. Whilst inflation has begun to fall sharply and is expected to return to around 2% by 2025, the impact of previous price increases continues to be felt as and when contracts come up for re-procurement or tendering. In addition, the likelihood of a recession in 2024 remains high within the following financial year increases the levels of risk when developing the 5-year financial plan.
5. As with the 5-year financial forecast last year, despite significant cuts to budgets over the last decade, there remains significant pressure across City's Estate – caused mainly by the financing of major projects programme and inflationary increases. This means there needs to be a more radical review of how and what

services the City Corporation operates if the scale of capital ambition remains to remain sustainable.

6. Whilst individual budgets have changed, the overarching messages from the 2023/24 MTFP remain the same. Those being:
 - a. City's Estate runs with an annual operating deficit requiring the draw down of assets (property or financial), need to avoid running down the balance sheet.
 - b. The scale of the Capital programme, major projects for City's Estate, is placing significant pressure on the resources available.
7. When considering the competing pressures and priorities, the newly developed Corporate Plan provides a framework to ensure decisions are aligned to the approved key outcomes (refer to paragraphs 18 to 20 of City Fund Budget report).

Budget Response

8. The budget approach for 2024/25 has been to stabilise the position, acknowledging the headwinds in play, with a net 3% uplift in local risk budget, whilst also looking to reprioritise spend to priority areas via the RPR which will seek to address resourcing pressure within the overall envelope of funds available.
9. However, following the star chambers and ongoing discussions a number of pressures were identified to either align funding to more appropriate source or support the Corporation's ambitions. These have been added to the budget and are set out in Appendix 2 and further supported by Resource Allocation Sub away day:
 - Assumptions for **Ambition 25** (Reward Refresh) – it is essential that the Corporation adopts a new reward strategy and pay grading structure, failure to do so will put the delivery of the Corporation's strategic objectives at risk given the notable recruitment and retention challenges we currently have, and the risk of equal pay concerns. It is recommended assumptions are held centrally, totalling £2m p.a.
 - The Corporation is transforming across all areas which has seen a notable increase in **legal costs** supporting the Corporation's ambitions and journey. It is recommended an increase of £100k is included to address the funding gap for specialist advice in line with current requirements.
 - The **State Visit** programme was reduced to one visit per year under the late Queen Elizabeth II, and provision in the budget was adjusted accordingly, but the indications are that the programme will be restored, and initially enhanced, under the King. Recommended additional funding is made available annually to cover the expected costs of State Visits, with £540k contingency held centrally to support the increase.
 - Funding to support strategic Member and Senior Officer engagement at **RASC away day** – £20k.

- Budget correction to support the **Corporation's Volunteering Strategy** – £113k ongoing costs cannot be supported by City Bridge Foundation and should be transferred to City's Estate.
 - Recognition of staff contribution through **Staff Summer Events and Annual Lunches**, aligning budgets to costs of £148k p.a., supported by Corporate Services Committee.
 - The reintroduction of the **Graduate Scheme** can enhance our organisational capacity and serve as a platform to nurture and develop talented individuals, aligning with the City Corporation's corporate plan and commitment to social mobility, diversity and inclusivity. Recommendation to include an uplift of £380k in 2024/25 increasing to £710k from 2025/26, subject to business case approval by Corporate Services Committee.
 - On-going funding to support **Benefits-in-Kind review and annual reporting**. Supported by Finance Committee, Resource Allocation Sub Committee approved on 24 January 2024 additional £10k p.a. support to the Central Grants Unit to enable on-going BIK review and annual reporting. Recommended this is added in.
 - **Occupational Health Physician Services** shortfall of £56k p.a. (split across City Fund and City's Estate), provides statutory function and expert advice to the City of London in relation to health risk management and complex clinical issues. The absence of this role would mean that the statutory health surveillance function would not be fulfilled, and the organisation would lack expert medical advice on complex disability, legal and ill health cases - Recommendation this is added in.
 - Budget correction to the **Mayoralty and Shrievalty Budget** as approved at the Joint Deputation Meeting on 20 March 2023 – Recommendation £85k p.a. is added in. For 2024/25 an increase of £62k p.a. is being proposed at its next Joint Deputation meeting on 28 March 2024.
 - Provision for likely change in **Member allowance** to be held centrally £400k, subject to endorsement from Civic Affairs, Policy and Resources Committees and onward approval to Court of Common Council.
10. Cost pressures or bids for new activities have been identified in individual services by their service committee, these costs need to be funded within the overall envelope, or through the increase in income generation:
- As outlined in City Fund budget report, paragraph 26, the following pressures will be shared across both funds:
 - i. Additional funding to support Health and Safety team to meet statutory obligations.
 - ii. Additional funding to support Health and Safety team to meet statutory obligations.
 - iii. Alignment of budgets for Corporate Communications and External Affairs. One-off funding maybe required in 2024/25 until resources are aligned, to be addressed through 2023/24 carry forwards
 - New Commercial, Change and Portfolio delivery, from 2025/26 this will be offset through income generation, and thus be cost neutral, however in

2024/25 this income will not have been generated so the cost will be a pressure across both City Fund and City's Estate – see recommendations in paragraph 11 below.

- Guildhall Club – as with all other departments the Guildhall Club has been subject to flat cash and unable to balance its budget. Recommended one-off funding is applied to 2024/25 (though carry forwards) pending review of pay and prices bringing these in line, including a proposal to address wastage though no show – review to be bought back in 6 months.
- Over a number of years, the Lord Mayor Show has been aided through absorption of costs across several departments, following saving programmes over the last few years, this is no longer sustainable – a review is currently underway through the income generation workstream which will seek to bring in opportunities to put the Lord Mayor Show on a sustainable footing. Additional income is expected to be achieved from 2025/26 onwards, however, in 2024/25 this income will not have been generated so recommended one-off funding is applied from 2023/24 carry forwards – see recommendations in paragraph 11 below.
- Additional pressures from inflation have impacted a number of areas, this is still being felt in GSMD - £0.75m and Remembrancers office - £133k. However, saving initiatives/income generation opportunities are being developed and will be delivered in 2024/25 to combat these pressures.

11. When setting the budget for 2024/25, the intention has been to capture and consider pressures as part of that process. Therefore, the use of 2023/24 underspends to fund additional pressures has been considered for exceptional and one-off events. The wider intention is that any underspend on 2023/24 go into reserves reducing the amount required on deficit funding. We are currently forecasting underspends of c£4m on City's Estate. The below one-off or time limited funding has been requested by Committees or recommended:

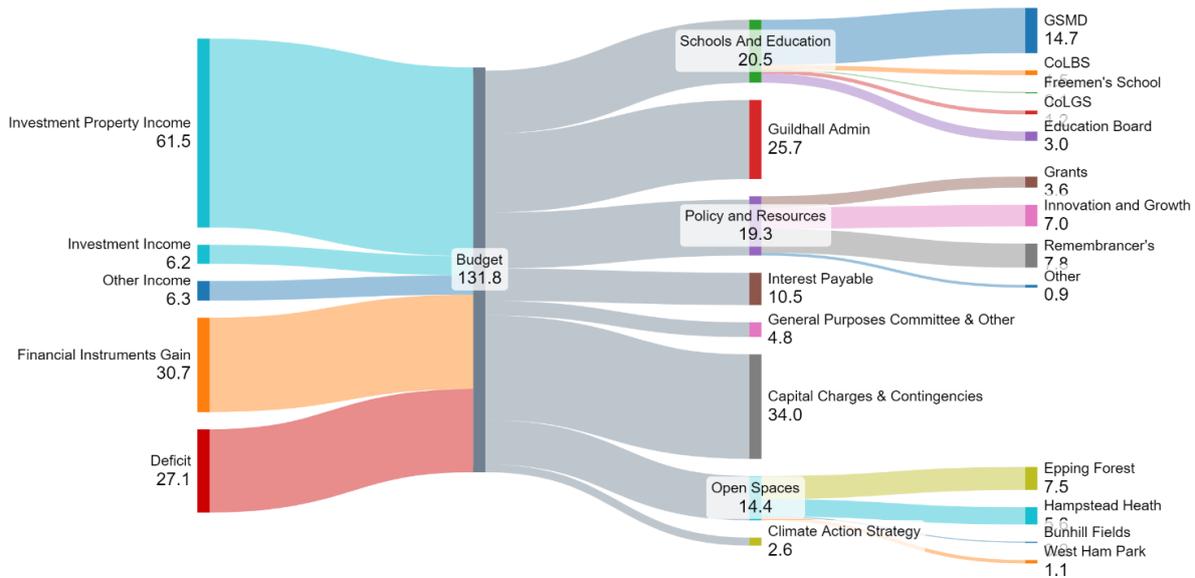
- Recommended transformation funding is ringfenced to support the radical shift in how we deliver our services and continued support required to support the cultural change needed – sums to be confirmed by likely in the region of £1m to £2m in 2024/25, to be funded from 2023/24 underspends.
- As per paragraph 10 above for 2024/25 only, additional amounts of: £701k (shared across City Fund and City's Estate) to fund the new Commercial Change and Portfolio delivery; support for Corporate Communications and External Affairs (shared across City Fund and City's Estate), Guildhall Club and Lord Mayor Show (amounts to be confirmed).
- Charity Review. Finance Committee approved additional time-limited support to complete the Natural Environment Charities Review, this was recommended to be funded from 2023/24 underspends – £635k in 2024/25.
- Recommended a reasonable amount is carried forward from 2023/24 underspends to support inflationary pressures which cannot be contained with allocated budgets.

12. City's Estate does not fall under the same financial regulation as City Fund. However, we still need to maintain a sustainable financial outlook, of which a balanced annual position should be the aim. **All City's Estate reserves are**

invested to maximise return. Therefore, any deficits being incurred require assets to be disposed. Chart 1 below, sets out the 2023/24 net budget position for City's Estate, to show in broad terms where the funding comes from and where it is spent.

13. The Sankey Chart 1 shows that at present, City's Estate operates with an annual deficit. It should be noted this already assumes a notional drawdown of financial asset gain of c£30m per annum.

Sankey Chart 1: 2023/24 net budget



14. The current approved plan by Court of Common Council is for the City Corporation to proceed with the construction of the combined market at Dagenham Docks. The construction itself would be c£400m and require financing through the disposal of assets (property or financial investments). These disposals would then result in reduced income in the region of £10-15m per annum based on high level estimates. Table 1 below sets out the estimated 5-year financial position with the assumption that the City Corporation build the market itself.

Table 1: City's Estate 5-year financial plan

CITY'S ESTATE	2023/24 Revised £m	2024/25 Budget £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
Net cost of services	5.8	7.7	5.5	3.8	2.1
Projects					
Supplementary Revenue Projects	(10.0)	(5.8)	(4.7)	(1.8)	-
Cyclical Works Programme	(3.9)	(15.4)	(15.5)	(15.5)	(15.5)
Climate Action	(2.6)	(2.5)	(1.0)	(0.7)	-
Major Projects Revenue Implication	-	-	(1.4)	(8.5)	(14.4)
Capital Programme Funding (Reserves/RCCO)	(23.1)	(33.6)	(5.6)	(2.9)	-
Surplus/(Deficit)	(33.8)	(49.6)	(22.8)	(25.5)	(27.8)
Depreciation	(12.8)	(14.3)	(14.3)	(14.3)	(14.3)
Loan interest cost	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)
Surplus/(Deficit)	(57.2)	(74.5)	(47.6)	(50.4)	(52.6)
CrossRail	-	(25.0)	(25.0)	-	-
Surplus/(Deficit)	(57.2)	(99.5)	(72.6)	(50.4)	(52.6)

15. Over the 5-year financial plan the cumulative deficit is £332m (including the planned £50m to finance Crossrail payments). This assumes an estimated drawdown on financial asset gain of £158m, meaning the overall operating deficit is in fact £490m before any assumed asset disposal or liquidation. The result produces an estimated overall net asset reduction (from 2023/24 to 2027/28) on the balance sheet over the medium-term – takes into account the drawn down on financial investments, steady growth in assets, plus the impact of approved Major Projects (assuming the Corporation delivers the construction of the Markets Co-location Programme).
16. The following areas are significant changes from the prior year's 2024/25 5-year forecast position:
 - Increase in CWP costs due to bow wave and additional funding (£8.8m)
 - Addition of GSMD CWP costs (£0.5m)
 - Additional cost pressures as per appendix 2 (£5.9m)
 - Increase in SRP schemes following a review and rephasing of the capital programme (£2.4m)
 - Loss of income on balances due to revised funding requirements (£10.9m)
17. Due to the scale of the pressures, on City's Estate in particular, an informal Resource Allocation Sub-Committee (RASC) meeting was held in November 2023 to consider potential solutions. The key outcomes being the need to prioritise health and safety work, consider the elements of the Markets Co-Location programme that constituted an investable 'product' to attract external investment and consider the scale and impact of asset disposals to ensure these are factored into forecasts.
18. Over a number of years, a significant backlog of works as part of the cyclical works programme (CWP) has built up, also referred to as the "bow wave". In response to this, members directed for total funding of backlog of works including forward plan, totalling £71m approved by Finance Committee in December 2023. Following Joint Resource Allocation Sub Committee and Service Committee Chairmen meeting in January 2024, additional headroom has been created to address urgent health and safety issues at the Guildhall School of Music and Drama over the next 5 years totalling £12.5m. The 5-year financial plan includes £65.3m in total of which £28.0m relates to backlog and £36.1m with forward plan and £1.2m ringfenced to resource to deliver the works (City Fund MTFP Appendix A paragraphs 22 to 28), amounts allocated for year 6 is recommended to be ringfenced against the financial year 2028/29.
19. The forecast includes capital bids of £4.8m approved by January Finance Committee; as well business as usual capital programmes forecast at £210.2m (excluding supplementary revenue programme) over the 5-year financial plan and is detailed in table 3 below.
20. Major Projects: Three major projects have been forecast under the 5-year financial plan. It is currently assumed these projects will be financed through borrowing (£450m private placement already in place); planned capital receipts; plus, a drawdown on non-financial investments. Drawdown on non-financial investments for Major Projects impacts on the rental income which currently

supports the City's Cash revenue expenditure, which have been included in forecasts. Based on these assumptions, there is an interim requirement for internal borrowing utilising City Fund general cash balances – pending receipts from disposal of investment properties. Interest payments to City Fund have been forecasted based on losses to City Fund from investing cash balances. On the assumption that an external partner is engaged for the delivery of the MCP construction works, this could potentially reduce the overall operating deficit draw down by £24m over the 5-year financial plan, effectively removing the revenue loss from asset liquidation. The major projects are listed within the capital strategy.

A Strategic Response to Match the Scale of the Challenges for City's Estate

21. This report recommends a number of measures to stabilise the position in 2024/25, however significantly more will be needed to shore up the medium to long-term. This will include: ensuring continuation of permanent year on year savings; major changes or stoppages to existing services provision and reduction in grants; building on collaboration breaking silos and increasing efficient ways of working; progressing with service transformation and RPR workstreams – supporting the change in the operating model which includes a review and disposals of operational properties, opportunities for income generation. This will require a renewed approach to transformation underpinned by a clear communication to all Members, so they are aware of the challenges ahead progressing with service transformation workstreams.
22. In addition, there is a need to make sure the position does not get worse by reinforcing the cap on the major capital projects and securing third party capital where possible.

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 2 – Guildhall Administration Revenue Budget

Guildhall Administration	2023/24	2024/25
by Committee	Budget	Budget
Net (Expenditure)	£m	£m
<i>Corporate Services</i>	(9.1)	(8.1)
<i>Digital Services</i>	(16.2)	(12.9)
<i>Finance</i>	(53.8)	(55.1)
Total Net Expenditure	(79.1)	(76.1)
Recovery of Costs	79.1	76.1
Total Guildhall Administration	0	0

24. The 2023/24 budget benefits from carry forwards from 2022/23 underspends and transfers from centrally held contingencies.

25. Appendix 3 shows the Guildhall Administration budgets by committee.

City's Estate Capital

26. 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 3 – City's Estate Capital Programme

CAPITAL PROGRAMME - CITY'S ESTATE	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
CAPITAL & SRP - BAU							
Barbican Centre	-	0.0	-	-	-	-	0.0
Chamberlain and Chief Finance Officer	30.1	34.6	-	-	-	-	64.7
City of London Freeman's School	2.2	0.6	-	-	-	-	2.8
City of London School	1.2	0.0	-	-	-	-	1.2
City of London School For Girls	4.4	0.2	-	-	-	-	4.6
City Surveyor and Property	55.7	28.3	7.4	-	-	-	91.5
Community and Children'S Services (Exl HRA)	0.6	0.2	-	-	-	-	0.8
Environment	4.0	3.9	5.8	3.8	-	-	17.6
Innovation and Growth	2.6	7.6	4.8	4.7	-	-	19.7
Principal GSMD	2.8	1.6	2.1	0.8	-	-	7.3
Sub-Total	103.5	77.2	20.1	9.4	-	-	210.2
CAPITAL & SRP - MAJOR PROJECTS							
Markets Consolidation	127.2	78.7	144.7	117.4	123.0	51.5	642.5
Museum of London	28.8	23.5	-	-	-	-	52.2
City Fund (Combined Courts)	30.4	39.0	95.9	31.0	2.7	-	198.9
Sub-Total	186.4	141.1	240.6	148.4	125.7	51.5	893.7
CAPITAL & SRP - CONTINGENCY & NEW BIDS							
Contingency and New Bids	-	-	5.0	5.0	5.0	5.0	20.0
TOTAL CAPITAL PROGRAMME	289.9	218.3	265.7	162.8	130.7	56.5	1,123.9

27. The City's Estate capital and supplementary revenue project budgets are being submitted to the Court of Common Council in March as part of the Summary Budget Book. Further detail is contained within the Capital Strategy (Appendix F of the City Fund Budget report).

28. Members are asked to **note** that the July Resource Allocation Sub Committee agreed an envelope of £5m for new capital bids for 2024/25 which has been maintained each year of the 5-year financial plan. As part of the 2024/25 Budget setting process all applicable bids were contained within the £5m envelope. A further £20m funding allocation is included for contingency and new bids over the 5-year financial plan.

29. The financing of the City's Estate 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.

Key risks and uncertainties – there are risks to achievement of the latest forecasts.

30. Within the City Corporation's control:

- Ensuring permanent year on year permanent savings from existing savings programme and income schemes are delivered;

- Radical thoughts now needed for future as to how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reductions in grants;
- Delay in RPR workstreams - unable to reprioritise resources to corporate prioritise and or create headroom to reallocate resource;
- Ability to retain / recruit staff under the current salaries structure;
- Major capital projects not being delivered within estimated costs; and
- Scale of ambition cannot be met through existing resources, radical decisions now required as cannot do everything.

31. Outside the City Corporation's control:

- Economists warning of a UK (global) recession during 2024, impact on income streams is unknown, particularly: rental income, event bookings, and student intakes – needs close monitoring.
- Inflation and interest rates – levels in recent years have been above anything seen in over a decade so long-term projections come with greater uncertainty.
- Political situation – the fixed term nature of current Parliamentary cycles mean that a general election will occur in the next financial year. Whilst the outcome of that election is not known, current polling suggests there is a high probability of a change in government. This brings with it significant uncertainty in a number of areas such as the wider economy as well as potential policy changes.

Conclusion

32. Recent years have seen major global events contribute to a very unstable economic environment. Interest rates have been at levels not seen for a number of decades, and whilst the City Corporation has benefited from higher interest rates over this period, they have not been sufficient to offset the growing price inflation which has now been built into contracts and ongoing costs.
33. Additional funding will be required across the medium term for cost pressures to accommodate changes in pay and price uplift assumptions; and to address the growing backlog of cyclical works and plan for a forward plan on our operational properties.
34. This cost pressure, combined with the scale of the ambition, within Major Projects in particular, of the capital programme result in City's Estate continuing to have an operative deficit across the five-year financial plan. Therefore, without intervention and action these deficits will continue to erode available resources limiting the capacity of the City Corporation in future years.

Appendices:

Appendix 1 - Medium Term Financial Strategy/Budget Policy

Appendix 2 - City's Cash Budget

Appendix 3 - Guildhall Administration Budget

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

DATED this 22nd day of February 2024.

SIGNED on behalf of the Committee.

Henry Nicholas Almroth Colthurst
Chairman, Finance Committee

City's Estate Medium Term Financial Strategy/Budget Policy

The main constituents of the current budget policy for City's Estate 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 over the long term to finance capital investment on City's Estate services;
- manage the affordability to support major projects programmes now and in the future, including bring in third party investment.
- 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 Estate cash-flow requirements.

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CITY'S ESTATE Budget

City's Estate 2024/24 and 2024/25 budgets shown by Committee in the table below:

City's Estate Summary by Committee	2023/24 Budget £m	2024/25 Budget £m
Net Expenditure (Income)		
Culture, Heritage & Libraries	(0.4)	(0.6)
Education Board	(3.1)	(3.1)
Finance	(53.7)	(59.7)
G. P. Committee of Aldermen	(4.2)	(4.5)
Guildhall School of Music and Drama	(16.0)	(15.9)
Markets	(0.5)	0.0
Open Spaces :-		
Open Spaces Directorate	(9.2)	(9.1)
Epping Forest and Commons	(5.2)	(5.4)
Hampstead, Queen's Pk, Highgate Wd	(0.2)	(0.2)
Bunhill Fields	(1.2)	(1.2)
West Ham Park	(22.0)	(20.4)
Policy and Resources	49.2	51.9
Property Investment Board	(1.5)	(1.6)
Schools :-		
City of London School (1)	0.0	0.0
City of London Freeman's School (1)	(0.1)	(0.4)
City of London School for Girls (1)	(1.5)	(1.5)
City of London Junior School (1)	0.3	0.3
(Deficit) Surplus (from) to reserves	(69.3)	(71.4)

Approved budget for 2023/24 includes additional allocations as set out below:

Changes	£'m
2023/24 Original Budget	(55.7)
Carry forwards from 2023/24 underspends	(9.7)
Supplementary Revenue Projects	(2.1)
Interest on cash balances	(5.0)
Short term borrowing	3.2
2023/24 Revised Approved Budget	(69.3)

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 Estate before the anticipated profits on the sale of assets are

taken into account (lines 6 to 8).

City's Estate Requirements 2023/24 and 2024/25			
		2023/24	2024/25
		Budget	Budget
		£m	£m
1	Net expenditure on services	(120.1)	(121.0)
2	Cyclical Works Programme and SRP's	(13.9)	(17.8)
3	Estate rent income	56.6	60.0
4	Non-property investment income	3.9	5.0
5	Interest on balances	2.5	(0.8)
6	Operating (Deficit) Surplus	(71.0)	(74.6)
7	Profit on asset sales/deferred income	1.7	3.2
8	(Deficit) Surplus funded by drawdown	(69.3)	(71.4)

2. The City's Estate position in the current year is expected to be a deficit of £69.3m compared to £55.7m 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.

Additional funded pressures

City's Estate	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m
Re-profile of FR savings	(0.51)	(0.81)	(0.60)	0.00	0.00
Shortfall in 2023/24 pay reward	0.00	(1.27)	(1.27)	(1.27)	(1.27)
State Banquet	0.00	(0.54)	(0.54)	(0.54)	(0.54)
Legal costs, internal recharges	0.00	(0.10)	(0.10)	(0.10)	(0.10)
Staff summer event and annual lunch	0.00	(0.15)	(0.15)	(0.15)	(0.15)
RASC Away Day	0.00	(0.02)	(0.02)	(0.02)	(0.02)
Volunteering funding	0.00	(0.11)	(0.11)	(0.11)	(0.11)
Grads Scheme	0.00	(0.38)	(0.71)	(0.71)	(0.71)
Reward Review	0.00	(2.00)	(2.00)	(2.00)	(2.00)
Member Allowance	0.00	(0.40)	(0.40)	(0.40)	(0.40)
Benefits in Kind review and annual reporting	0.00	(0.01)	(0.01)	(0.01)	(0.01)
Mayoralty & Shrievalty allowance	0.00	(0.15)	(0.15)	(0.15)	(0.15)
City's Estate additional pressures	(0.51)	(5.94)	(6.06)	(5.46)	(5.46)

GUILDHALL ADMINISTRATION

1. Shown by Committee is the table below:

Guildhall Administration by Committee Net (Expenditure)	2023/24 Budget £m	2024/25 Budget £m
Corporate Services	(9.1)	(8.1)
Digital Services	(16.2)	(12.9)
Finance	(53.8)	(55.1)
Total Net Expenditure	(79.1)	(76.1)
Recovery of Costs	79.1	76.1
Total Guildhall Administration	0	0

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

The net expenditure for 2024/25 is £76.1m, a decrease of £3m from the 2023/24 budget.

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Report – City Bridge Foundation Board

City Bridge Foundation – 2024/25 Budget and Financial Forecasts

To be presented on Thursday, 7th March 2024

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

SUMMARY

This report presents the 2024/25 budget and detailed financial forecasts for the period 2025/26 – 2027/28, together with a summary of forecast funds to 2032/33 for City Bridge Foundation (CBF), the working name for the charity Bridge House Estates.

The charity's proposed revenue budget for 2024/25 is a net expenditure of £104.4m, consisting of income of £39.1m and expenditure of £143.5m. Expenditure includes £21.9m for repair and maintenance of bridges, and charitable funding of £86.7m, of which £80.6m is proposed to be grant commitments, funded by income which has been allocated as surplus to the requirements for the bridges. During the forecast period 2025/26 to 2027/28, net expenditure is forecast to reduce from £74.8m to £29.8m. Significant spend on bridge maintenance is planned in earlier years of the forecast period, alongside the final commitments of the March 2020 uplift of £200m that was allocated to the charity's designated grant-making fund by this Court.

The past year has been transformative for the charity, with the implementation of express powers granted in the charity's Supplemental Royal Charter, which took effect in June 2023. This includes the ability to take a total return approach to investment of the permanent endowment, and bespoke social investment power, both of which are features of the budget and forecasts presented. The charity also launched the new brand and working name of City Bridge Foundation in September 2023, to project the whole charity's endeavours in a more effective and simple way, and to raise its profile and philanthropic ambition.

Despite the challenges of the wider economic context, the charity continues to have sufficient funds available to meet its primary object - the support and maintenance of its five Thames bridges, and its ancillary object - charitable funding for broad charitable purposes for the general benefit of the inhabitants of Greater London, in line with the charity's *Bridging Divides* policy. The charity's 2024/25 budget and financial forecasts have been scrutinised and endorsed by the CBF Board, and are now presented to the Court of Common Council for approval.

Recommendations

Following the City Bridge Foundation 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 City Bridge Foundation (Charity No. 1035628) and solely in the charity's best interests:

- i. Approve the 2024/25 budget and financial forecasts for period 2025/26 – 2027/28 (**paragraphs 5-16**);
- ii. Authorise the Managing Director of City Bridge Foundation, in consultation with the Chair and Deputy Chair of the CBF Board, to amend the charity's expenditure budgets and forecasts to provide for revised central recharges of City Corporation expenditure to the charity, following both a review by the Chamberlain of the methodology for these corporate re-charges (**paragraph 14**) and the finalisation of capital budgets for the City Corporation for its 'cross-Fund' projects which involve expenditure of CBF charitable funds (**paragraph 16**);
- iii. Approve a new designation of surplus income funds for application for future Social Investments (the Social Investment Fund) (**paragraph 29**); and
- iv. Approve the level of free reserves to be maintained over and above the agreed minimum policy of £35m due to economic factors alongside inflationary pressures (**paragraph 31**).

MAIN REPORT

Background

1. City Bridge Foundation (CBF) is an unincorporated charitable trust and a registered charity (Registered Charity Number 1035628), for which the City Corporation acting by the Court of Common Council is Trustee. Except for several matters reserved to the Court of Common Council, CBF's day-to-day management and administration is delegated to the CBF Board. Amongst the matters reserved to the Court is the approval of the budget for the charity.
2. The charity is permanently endowed which imposes particular restrictions and legal duties and in acting as charity Trustee, the City Corporation has a legal obligation always to act solely in the best interests of CBF.
3. This report presents the budget for 2024/25, financial forecasts for the period 2025/26 – 2027/28 and an overview of the charity's reserves to 2032/33. These have been prepared in line with the policy guidelines and assumptions as set out in **Appendix 1**.
4. The proposals set out in this report align with CBF's aims and objectives as set out in its overarching strategy, *Bridging London 2020 – 2045*. The vision of this strategy is '*For London and Londoners to be truly connected*'. To achieve this, CBF fulfils its primary object by supporting and maintaining its five Thames bridges and utilises any available surplus income each year to advance its ancillary purpose – by charitable funding under the '*Bridging Divides 2018-28*' funding policy, aimed at tackling inequality. The charity must also always ensure that it retains sufficient free reserves to meet its required policy level.

Overview

5. An overview of the proposed budget for 2024/25 and financial forecasts for the period 2025/26 – 2027/28 is shown in Table 1, with further detail in **Appendix 2**.

Table 1: Summary Budget & Forecasts

Summary budget and forecasts	2023/24 Budget £m	2023/24 Forecast £m	2024/25 Budget £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
Income	36.4	39.2	39.1	42.7	46.5	48.3
Expenditure	(157.8)	(137.1)	(143.5)	(117.5)	(101.0)	(78.1)
Net income/(expenditure)	(121.4)	(97.9)	(104.4)	(74.8)	(54.5)	(29.8)
Net gains/(losses) on investments/pension scheme	82.4	(53.2)	52.5	46.0	82.2	84.5
Net movement in funds	(39.0)	(151.1)	(51.9)	(28.8)	27.7	54.8
Funds brought forward at 01 April	1,650.1	1,613.4	1,462.3	1,410.4	1,381.6	1,409.3
Total funds carried forward	1,611.1	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1
Funds of the charity:						
Endowment funds	1,092.5	905.8	927.3	954.5	1,023.6	1,096.4
Restricted funds	-	-	-	-	-	-
Designated funds	167.1	200.9	144.3	115.4	100.3	103.6
Free reserves	351.5	355.6	338.8	311.6	285.4	264.0
Total charity funds	1,611.1	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1

Income

6. The charity's total income budget for 2024/25 is £39.1m, projected to increase to £48.3m in 2027/28. Income from the charity's property investments and Tower Bridge tourism are the key drivers across the period. Rental and other related income from the charity's property portfolio are budgeted at £25.0m in 2024/25. More refurbished properties are expected to gradually come back on stream, with overall property income estimated to increase to £31.7m in 2027/28. Tower Bridge tourism income budget is proposed at £9.7m for 2024/25 with steady improvements in income over the forecast period. Small increases in visitor numbers are anticipated together with projected increases in sales at the gift shop and the online facility.
7. Income from the charity's financial investments is budgeted at £3.1m for 2024/25 and forecast to increase over the period to £4.9m by 2027/28. The majority of financial investments are held on an absolute return basis, with growth reflected in the balance sheet, and are invested across a diverse array of asset classes on a global basis. Overall, the forecast is based on an improved and positive market.

Expenditure

8. The charity's total expenditure budget for 2024/25 is proposed at £143.5m, and is projected to reduce to £78.1m in 2027/28 following significant planned bridge maintenance spend and increased charitable funding in both 2024/25 and 2025/26.

9. The repairs and maintenance of bridges budget is proposed at £21.9m in 2024/25 and £25.1m in 2025/26. The proposed budgets include planned spend on projects such as deck re-surfacing, joints and parapets work on Millennium Bridge and mud tanks replacement, fire system replacement, painting and resurfacing works at Tower Bridge. Following the pause on the Blackfriars Bridge refurbishment project, spend is now earmarked for 2024/25 and 2025/26. By the end of the forecast period in 2027/28, annual bridges spend is expected to reduce to £10.8m for regular and routine maintenance works.
10. Charitable funding for 2024/25 is proposed at £86.7m, including grant commitments of £80.6m for programmes such as responsive grant-giving and proactive strategic initiatives including Propel and the Anchor Programme. Future available levels of surplus income for wider funding and philanthropic activity and social investments will be considered following the ongoing review of the future bridge replacement policy and its impact on future investment returns.
11. Tower Bridge tourism expenditure budget for 2024/25 is proposed at £8.4m and is forecast to increase over the period to 2027/28, matching anticipated increased retail income and regular required spend on the visitor attraction.
12. The budget for raising funds, comprising expenditure on property and financial investments for 2024/25 is proposed at £19.5m for 2024/25, reducing to an average of £14.0m over the forecast period to 2027/28. The budget for 2024/25 includes significant spend on the property portfolio cyclical repairs programme and energy costs. Fees for financial investment management remain broadly in line with previous years including an average management fee of 0.46% on net asset value held, which will reduce as drawdowns are made over the coming years.
13. Proposed budgets and forecasts for the various activities of the charity include an allocation of the cost of enabling services provided directly through CBF and indirectly by the wider City Corporation for the benefit of CBF. For 2024/25, enabling services comprising direct support and management of the charity across communications, finance, governance and strategy and the people function, accounting for £4.0m of total budgeted expenditure. The charity's contribution to the delivery of its Climate Action Strategy (having adopted the strategy of its Trustee, the City Corporation) is proposed at £1.5m for 2024/25.
14. In addition, recharges from the City Corporation from shared corporate resources are included in the budgets at £5.6m. These have been provided on the same basis as in previous years, although increasingly enabling services are delivered through dedicated CBF resourcing. The Chamberlain has reaffirmed a commitment to review the basis of corporate recharges to the charity, with agreed changes resulting from this to be included as an in-year adjustment to budgets. Approval is therefore sought to authorise the Managing Director of City Bridge Foundation, in consultation with the Chair and Deputy Chair of the CBF Board, to make such changes to the 2024/25 budget and future year forecasts as are specified following the Chamberlain's review. This commitment also covers 2023/24, with an adjustment to be made to the actual financial results for that year once agreement on the new methodology has been reached.

15. The charity continues to hold contingency budgets across the budget and forecast period. These include a provision for a central contingency of £850k, together with separate amounts for specified items such as the utilisation of the Climate Action Strategy designated fund. For the budget and forecast period, contingency budgets also include £5.75m to develop and implement the Tower Bridge long-term strategic plan. The latter is provisional and subject to the approval of the business plan by the CBF Board.

Capital Expenditure

16. Capital expenditure for 2024/25 is proposed at £4.08m, made up of refurbishments to three of the charity's investment properties of £2.51m and a £1.57m contribution to the City Corporation's 'cross-Fund' capital projects. CBF's contribution to 'cross-Fund' projects include implementation costs for the City Corporation's Enterprise, Resource and Planning (ERP) system budgeted at £0.557m for 2024/25. CBF have agreed an allocation of 4.5% of the total costs of the ERP, amounting to £0.873m over 3 years 2023/24 to 2025/26. Amounts allocated to CBF for other cross-Fund projects such as Guildhall fire alarm replacement, and public switched telephone network replacement are indicative and subject to revisions. In addition to the delegation set out above, authorisation is also sought for the Managing Director of CBF to make such revisions to the 2024/25 capital budget as are required following the finalisation of the City Corporation's 'cross-Fund' capital projects budget.

Investments

17. Following the adoption of the total return approach for the permanent endowment fund, this budget and forecast incorporates the new approach. Returns on these investments held can now be accessed as income, regardless as to whether the increases are capital or income in nature. For the budget and forecast period, drawdowns out of endowment funds are not anticipated as the charity continues to utilise its general income funds. Budgets and forecasts are based on the current allocation of investment assets with requirements to draw down from financial investments each year to cover expenditure needs and to maintain minimum cash requirements.

18. Property Investment values at the end of 2022/23 were £841.1m reducing to £759.9m by the end of 2023/24. These figures are based on advice from the City Surveyor's valuer indicating unrealised losses of approximately £81.2m in 2023/24. Values are anticipated with the forecast to remain level over 2024/25 and 2025/26, with recovery from 2026/27, subject to approved changes in the portfolio configuration in the future.

19. Financial Investment values at the end of 2022/23 were £819.7m reducing to £773.06m by the end of 2023/24, largely due to the drawdown of financial investments to support expenditure. During 2023/24, £68.2m drawdowns have been made to date, with a further £20.0m anticipated prior to financial year end.

Funds

Total Funds

20. Total funds held by the City Corporation as Trustee of CBF are expected to decrease by £151.1m from £1,613.4m as at 31/03/2023 to £1,462.3m as at 31/03/2024. This is largely due to the in-year deficit driven by £64.6m of grant commitments out of the £200m uplift to the ancillary object and forecast unrealised capital losses of £81.2m on the charity's investment properties by the end of March 2024.

Endowment Funds

21. The charity adopted the Total Return approach to investment of the permanent endowment fund (TR) from 1 June 2023 with the sealing of the new Supplemental Royal Charter for the benefit of the charity. When adopting TR, it was implied in taking that decision (with reference to budget decisions for the charity already approved) that the charity's income funds held at the date of the adoption of TR formed part of the Unapplied Total Return (UTR) at the relevant date (as is required) and were then immediately applied to the Trust for Application (known as the Income Fund within the Charity Commission's guidance, being within CBF's Unrestricted Income Fund).

22. The TR Report at the time did not clearly state this and so, in the interests of clarity, this is being expressly reported in this year's budget report, noting further that reporting to the Board and its Committees subsequent to the adoption of TR have been premised on this basis, with those income funds available to be spent on the charity's purposes within the budgets agreed.

23. Permanent endowment funds at the beginning of the 2024/25 budget period are identified as £905.8m, comprising the Trust for Investment at £340.3m (the original gift to be held in perpetuity, as uplifted for inflation), and the UTR of £565.5m.

24. With the adoption of TR, income, expenditure, and gains/losses on endowment investments held are now recognised within the UTR element of the endowment fund, whereas these were previously accounted for within CBF's general (income) fund.

25. A balance for the permanent endowment fund of £927.3m is budgeted for the end of 2024/25, increasing gradually to a balance of £1,096.4m by the end 2027/28, with no withdrawals being made from the UTR.

Designated Funds

26. The charity continues to maintain a number of designated funds for specified purposes.

27. The Bridges repair fund representing income funds required to maintain the charity's bridges for the next 5 years, as forecast within the 50-year bridges maintenance plan, is estimated to increase from £41.7m to £46.5m.
28. Following the release of the Bridges replacement fund to general funds (with approval given by this Court in March 2023), total designated funds are estimated to reduce from £489.0m as at March 2023 to £200.9m as at March 2024. With accelerated spending of the Grant-making designated fund in 2024/25 and 2025/26, total designated funds are estimated to further reduce from £144.3m as at March 2025 to £103.6m as at March 2028.
29. It is recommended that a new designation within unrestricted income funds for Social Investment is created, for the purpose of making financial investments in the social investment market with the associated social impact and generating a financial return consistent with agreed investment policy. The Supplemental Charter provides the power to make social investments through application of surplus income available for the ancillary object in accordance with the policy set for that purpose. This designated fund will therefore consist of income funds identified as being surplus to the primary object. The fund balance for the end of March 2024 is recommended as being £21.8m, being the balance of the previous Social Investment Fund as at April 2022 and the income generated net of any changes in value of social investments over the 2023/24 financial year.

Free Reserves

30. Based on the assumptions set out in **Appendix 1**, it is anticipated that sufficient income funds will be available for expenditure to meet the needs of the charity until approximately 2037/38. No transfers to income from the UTR are anticipated until this time.
31. In 2022/23, the target level of free reserves was set at £90m. This was based on a minimum policy requirement of £35m agreed by the Court in March 2020, plus an additional £55m reflecting growth uncertainties across the forecast period. The CBF Board recommend retaining this policy as of 31 March 2024, with future consideration to take place given the number of significant matters still requiring resolution – notably the reconsideration of the future costs of bridge replacement and the future policy to adopt in relation to this. Uncertainties of future inflation levels and investment returns further justify the continued higher level of free reserves as being a prudent approach for the Trustee to take.

General/Income Funds

32. Charity Commission Guidelines require any charity not to hold significant levels of general/income funds without reason, hence these are to be utilised over the forecast period with no recommendation for the UTR element of the endowment fund to be accessed. Future general/income fund balances reflect current available information on the costs of maintaining the bridges, with surplus income available for funding and philanthropic activities assumed at an annual level of £30m.

Conclusion

33. The 2024/25 budget and forecasts for the period 2025/26 to 2027/28 reflect the challenging and changing economic environment, alongside the opportunities for the charity following the adoption of a total return approach to investment of the permanent endowment fund. The CBF Board has considered and recommends that the Court approve the budget for 2024/25 and the ongoing forecasts for the period 2025/26 to 2027/28. The Court is also asked to note the reserves forecast for the period to 2032/33 and approve the recommendation for the creation of a new designation from surplus income for application to social investment. As a further mitigation against risk, the CBF Board recommends retaining the current reserves policy at an additional £55m above the minimum reserves policy of £35m.

34. The CBF Board has considered and endorsed the budget for 2024/25 and ongoing forecasts for the period 2025/26 to 2027/28, as well as the related recommendations outlined, as being in the best interests of the charity, and asks that the Court of Common Council approve them, in order that important work for the charity may continue.

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

DATED this 7th day of February 2024.

SIGNED on behalf of the Board.

Deputy Dr Giles Shilson
Chair, City Bridge Foundation Board

Appendices

- Appendix 1 – Key Assumptions
- Appendix 2 – 2023/24 Budget & Financial Forecasts 2024/25 – 2026/27
- Appendix 3 – Forecast Movements in Funds to 2031/32

Appendix 1 – Key Assumptions

	2023/24	2024/25	2025/26	2026/27	2027/28	Ongoing
Returns on cash held	4.68%	4.70%	3.20%	3.00%	3.25%	3.25%
Securities Growth	4.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Securities Fees	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
Property Growth - Ground Leases	-5.00%	0.00%	0.00%	5.00%	5.00%	5.00%
Property Growth - Directly Managed	-15.00%	0.00%	0.00%	5.00%	5.00%	5.00%
Property Yields	Forecast	Forecast	Forecast	Forecast	Forecast	2.00%

General

- i. Cash returns reflect the Treasury Management team's anticipation that it will be able to benefit from elevated interest rates although these will fall back from 2025/26.
- ii. Securities growth is based on the investment consultant's annualised average returns over a 20-year rolling period.
- iii. Securities fee % linked to net asset value are expected to remain consistent, with other costs of management not linked as a % of net asset value.
- iv. Property growth is expected to return a loss in 2023/24 as a result of the challenging market conditions and based on advice from the advisors to the City Surveyor, values are anticipated to be flat over 2024/25 and 2025/26, with recovery from 2026/27.
- v. Property income forecasts are developed based on rental income estimates for each property and tenant held over the next four years and are then assumed to increase at a flat rate of 2% across the portfolio.

Inflation

- i. Inflation on staff pay costs has been included at 4% for 2024/25 and 3% from 2025/26 to 2027/28, reducing to 2% on an ongoing basis.
- ii. With CBF undertaking zero based budgeting, specific costs (such as utilities & construction costs) have been included at higher inflation levels as deemed appropriate. Inflation on other costs of the organisation has been included at 3% from 2023/24 to 2026/27, reducing to 2% on an ongoing basis
- iii. Contingency calculations include a central contingency, a provision for potential future directorate restructures and yet to be approved expenditure on Tower Bridge long term strategic development plan.
- iv. Inflation on bridges maintenance has been budgeted for 2024/25 based on available information on the specific pricing for planned projects. Future rates of inflation for bridge maintenance are set out in the table below, reflecting higher inflation risks associated with construction costs. The bridge replacement inflationary rate is 5.9%.

	2023/24	2024/25	2025/26	2026/27	2027/28	Ongoing
Bridge Maintenance	Forecast	Forecast	Forecast	Forecast	Forecast	4.00%

Appendix 2 – 2024/25 Budget & Financial Forecasts 2025/26 – 2027/28

CBF Budgets & Forecasts	2022/23 Actuals £m	2023/24 Forecast £m	2024/25 Budget £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
Grant income	0.1	-	-	-	-	-
Charitable activities - Tower Bridge	7.6	9.6	9.7	10.0	10.3	10.6
Investment income:						
- Property investments	24.9	24.7	25.0	27.3	30.5	31.7
- Financial investments	2.2	3.1	3.1	4.3	4.6	4.9
- Interest receivable	0.1	1.4	0.7	0.5	0.5	0.5
- Social Investment income	-	0.2	0.3	0.4	0.4	0.4
Total Investment income	27.2	29.4	29.1	32.4	35.9	37.4
Other income	0.4	0.2	0.3	0.3	0.3	0.3
Total income	35.3	39.2	39.1	42.7	46.5	48.3
Raising funds:						
- Property Investments	(6.9)	(10.5)	(13.7)	(8.7)	(8.4)	(8.2)
- Financial Investments	(5.1)	(5.9)	(5.8)	(5.6)	(5.6)	(5.6)
Total expenditure on raising funds	(12.0)	(16.4)	(19.5)	(14.3)	(14.0)	(13.8)
Charitable activities:						
- Repair & maintenance of bridges	(18.0)	(12.6)	(21.9)	(25.1)	(17.9)	(10.8)
- Tower Bridge tourism	(6.6)	(7.4)	(8.4)	(8.6)	(8.8)	(8.9)
- Grants to voluntary organisations	(60.2)	(90.9)	(80.6)	(55.6)	(42.8)	(30.0)
- Grant & social investment costs	(5.1)	(5.4)	(6.1)	(6.2)	(6.3)	(6.2)
Total expenditure on charitable activities	(89.9)	(116.3)	(117.0)	(95.6)	(75.8)	(55.9)
Other expenditure - pension costs	(1.8)	(3.1)	(3.0)	(3.1)	(3.2)	(3.3)
Other expenditure - enabling services	-	(1.3)	(4.0)	(4.5)	(8.0)	(5.1)
Other expenditure - uncommitted contingency	-	(1.3)	(4.0)	(4.5)	(8.0)	(5.1)
Total expenditure	(103.7)	(137.1)	(143.5)	(117.5)	(101.0)	(78.1)
Net income/(expenditure)	(68.4)	(97.9)	(104.4)	(74.8)	(54.5)	(29.8)
Gains/(losses) on property investments	(62.5)	(81.2)	1.6	(0.2)	37.5	39.4
Gains/(losses) on financial investments	1.6	27.5	50.4	45.7	44.2	44.6
Gains/(losses) on pension scheme	20.3	0.5	0.5	0.5	0.5	0.5
Net movement in funds	(109.0)	(151.1)	(51.9)	(28.8)	27.7	54.8
Funds brought forward at 01 April	1,722.4	1,613.4	1,462.3	1,410.4	1,381.6	1,409.3
Total funds carried forward	1,613.4	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1

Funds of the charity:

Endowment funds	969.2	905.8	927.3	954.5	1,023.6	1,096.4
Restricted funds	-	-	-	-	-	-
Designated funds:						
- Bridges repairs	50.8	46.3	41.7	39.5	40.6	46.5
- Bridges replacement	242.6	-	-	-	-	-
- Grant-making	179.9	119.0	68.3	42.8	30.0	30.0
- Social investment fund	-	21.8	22.1	22.5	22.9	23.2
- Climate action	15.0	14.5	14.0	13.5	10.5	7.5
- Property dilapidations/service charges	0.7	0.7	0.7	0.7	0.7	0.7
Total designated funds	489.0	202.4	146.8	119.0	104.6	107.9
General funds	159.5	361.0	345.7	319.9	295.7	277.0
Pension reserve	(4.3)	(6.8)	(9.3)	(11.9)	(14.6)	(17.3)
Total general funds	155.2	354.1	336.3	308.0	281.1	259.8
Total charity funds	1,613.4	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1

Appendix 3

Budget and future reserves forecast Income and Expenditure Statement

	2023/24 Latest forecast £m	2024/25 Budget £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m	2030/31 Forecast £m	2031/32 Forecast £m	2032/33 Forecast £m
Surplus/(Deficit) prior to charitable giving	(1.6)	(17.7)	(13.0)	(5.4)	6.3	1.4	1.6	1.9	2.1	2.4
Charitable Giving including operational costs	(96.3)	(86.7)	(61.8)	(49.1)	(36.2)	(37.5)	(37.7)	(37.8)	(38.0)	(38.1)
	(97.9)	(104.4)	(74.8)	(54.5)	(29.8)	(36.1)	(36.1)	(36.0)	(35.8)	(35.7)
Net gains/(losses) on property investments	(81.2)	1.6	(0.2)	37.5	39.4	41.4	43.5	45.7	48.0	50.4
Net gains/(losses) on financial investments	27.5	50.4	45.7	44.2	44.6	45.4	46.2	47.1	48.1	49.1
Net gains/(losses) on social investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gains/(losses) on Pension Fund	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Net Movement in Funds	(151.1)	(51.9)	(28.9)	27.7	54.8	51.1	54.1	57.3	60.7	64.3
Funds b/fwd as 1 April	1,613.4	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1	1,515.2	1,569.3	1,626.6	1,687.3
Total Funds c/fwd	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1	1,515.2	1,569.3	1,626.6	1,687.3	1,751.6
Funds of the charity:										
Permanent endowment funds	905.8	927.3	954.5	1,023.6	1,096.4	1,170.5	1,247.7	1,328.3	1,412.3	1,499.9
Restricted funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated Funds	200.9	144.3	115.4	100.3	103.6	110.1	109.9	103.0	98.5	93.1
Free Reserves	355.6	338.8	311.6	285.4	264.0	234.6	211.7	195.4	176.5	158.6
	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1	1,515.2	1,569.3	1,626.6	1,687.3	1,751.6
Split between assets:										
Investment Properties	759.9	761.5	761.3	798.8	838.2	879.5	923.0	968.7	1,016.7	1,067.0
Financial Investments	773.1	708.1	658.9	641.1	649.7	662.9	677.2	692.4	708.9	726.5
Other net assets/(Liabilities)*	(70.6)	(59.2)	(38.6)	(30.6)	(23.8)	(27.3)	(30.9)	(34.5)	(38.2)	(42.0)
Total	1,462.3	1,410.4	1,381.6	1,409.3	1,464.1	1,515.2	1,569.3	1,626.6	1,687.3	1,751.6

* including grant commitments and deferred income

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Report – City Bridge Foundation Board

Bridging London Strategy Refresh

To be presented on Thursday, 7th March 2024

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

SUMMARY

This report presents to the Court of Common Council the refreshed version of City Bridge Foundation’s overarching strategy, *Bridging London 2020-2045* for approval, for implementation from April 2024. The strategy refresh follows an internal review, overseen by the City Bridge Foundation Board, to reflect operational and governance changes, and external contextual developments since 2020 and better articulate parts of the strategy that can now be defined in more detail. The strategy refresh was considered and endorsed by the City Bridge Foundation Board and is recommended to this Court for approval.

Recommendations

Following the City Bridge Foundation 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 City Bridge Foundation (Charity No. 1035628) and solely in the charity’s best interests:

- i) Agree the refreshed version of the charity’s overarching strategy, *Bridging London 2020-2045*.

Main Report

Background

1. City Bridge Foundation (CBF), the working name for the charity Bridge House Estates, is an unincorporated charitable trust and a registered charity (reg no. 1035628) for which the City Corporation acting by the Court of Common Council is Trustee. Except for several matters reserved to the Court of Common Council, CBF’s day-to-day management and administration is delegated to the CBF Board. Amongst the matters reserved to the Court is the approval of the charity’s strategy, including its overarching strategy.
2. In October 2020, the Court of Common Council approved the charity’s current overarching strategy, entitled “*Bridging London 2020-2045*”. Prior to this, at least in recent decades, there was no single strategy that articulated the overall vision and aims of the whole charity. Rather, there were strategies and plans for different parts of the charity’s activities. The new overarching strategy therefore

set a framework for all the charity's activities and outlined the collective impact the charity sought to make.

3. When the 25-year strategy was originally approved, it was agreed that it would require regular monitoring and evaluation to remain relevant. Ahead of the planned five-yearly in-depth review of the strategy, the CBF Board agreed in 2023 that an earlier 'refresh' be undertaken, to reflect the internal operational and governance changes, and external contextual developments since 2020.
4. The Board agreed that the intention of the refresh was not to rewrite the strategy entirely, but rather to articulate better those parts of the strategy that could now be defined in more detail following the implementation of the Strategic Governance Review outcomes. It was agreed that the refresh would also provide the opportunity to streamline existing strategies and plans and to articulate the charity's purpose and vision in a more concise way in line with the new brand narrative. Furthermore, the refresh provides an opportunity to develop in greater detail an impact framework for the charity – articulating better what 'impact' means to CBF across all its activities.

Bridging London Strategy Refresh

5. Over the past 12 months, CBF officers have worked collaboratively across the charity to deliver the refresh of the *Bridging London Strategy*. This has included working with teams leading other significant strategic reviews and workstreams, including the development of the Tower Bridge Long Term Development Plan for the visitor attraction, the Future Funding Approach, the Philanthropy Review and the implementation of the new Investment Strategy Statement.
6. For ease of reference, a summary of the main changes and updates to the strategy is provided below:
 - a. A new foreword from the Chair of the CBF Board and Managing Director, which will be updated annually.
 - b. A streamlined background section which has been updated with the new brand narrative for City Bridge Foundation.
 - c. Re-positioning the focus of the strategy by framing all activities around three outcomes:
 - 1) We maintain and promote world-class bridges,
 - 2) We develop and deliver world-class charitable funding, and
 - 3) We embed and encourage world-class responsible business practices.
 - d. Adding an additional section to enhance commitments to the charity's cross-cutting strategic ambitions on Equity, Diversity and Inclusion (EDI) and Climate Action, as well as outlining further commitments to exploring themes that are relevant and important to our work, including Science, Technology, Engineering, Arts and Maths (STEAM), suicide prevention, and mental health.

- e. Adding a new section on the charity's values.
- f. Incorporating the high-level objectives of the Investment Strategy Statement and Social Investment Policy, the Tower Bridge Long Term Development Plan for the visitor attraction, the Future Funding Approach, and the Philanthropy Review into the actions.
- g. Including greater reference to the UN Sustainable Development Goals (SDGs) that have been previously identified by the Board as having a direct impact on the charity.

Values

- 7. A key workstream integral to the refresh is the development of new values for CBF. The original version of the *Bridging London Strategy* did not articulate values for the charity, as it was agreed that further work was first required to bring together the charity's operations and activities through the development of a 'one-charity culture'.
- 8. Significant effort has been made over the past two years to embed the 'one-charity culture', culminating in the development of new values for the charity.
- 9. The creation of new values was developed through various inputs over the past 12 months, including discussions on culture at team away days, an all-staff away day at the Barbican Centre in July 2023, surveys, the brand consultation and research, and engagement with staff Steering Groups. Member engagement was also undertaken at the Board's Strategic Away Half-Day in October 2023.
- 10. Following analysis of the initial inputs, a further round of consultation with CBF staff in November and December 2023 was undertaken on the proposed value statements. There were high levels of staff engagement in the consultation sessions and a strong sense of support for developing new values that will guide the way we work together to deliver the charity's activities.
- 11. Resulting from the consultation, five values were proposed by CBF staff. These are:
 - a) Service
 - b) Collaboration
 - c) Inclusion
 - d) Innovation
 - e) Ambition
- 12. The CBF Board considered the five values outlined above and endorsed their inclusion in the refreshed *Bridging London Strategy* and adoption for the charity going forward. The Board further agreed that developing a 'statement' alongside the values would provide greater definition to what is meant by each value. Value statements were therefore incorporated into the final version of the refreshed strategy.

13. The proposed refreshed version of the *Bridging London Strategy, 2020 – 2045*, is provided at **Appendix 1**. On the recommendation of the CBF Board, the Court is asked to approve the refreshed overarching strategy for the charity. If approved, a designed version of the strategy will be prepared for roll-out to all staff from April 2024, to be available both internally and externally.
14. As part of the ongoing implementation of the strategy, officers are currently working to develop a new impact framework for the measurement of the impact of the strategy and the charity's activities.
15. The refreshed *Bridging London Strategy* provides a framework for all the charity's work and all activities should align with the vision, outcomes and values set out in the document. The operating model for the charity will continue to be kept under review to ensure that it is structured in a way to deliver on the outcomes and activities outlined in the strategy.

Conclusion

16. The CBF Board has considered and endorsed the proposed refreshed overarching strategy for City Bridge Foundation, *Bridging London 2020-2045*, and recommends it to the Court of Common Council. The strategy outlines the charity's ongoing commitment to bridging London and connecting communities in furthering the charity's purposes. The CBF considers the strategy refresh to be in the best interests of the charity, and asks that the Court of Common Council approve it, to best support continuation of the charity's important work.

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

DATED this 7th day of February 2024.

SIGNED on behalf of the Board.

Deputy Dr Giles Shilson
Chair, City Bridge Foundation Board

Appendices

- Appendix 1 – *Bridging London 2020-2045: Refreshed Strategy*



CITY BRIDGE
FOUNDATION

**BRIDGING LONDON STRATEGY
2020 – 2045**



FOREWORD

We first published the *Bridging London* strategy in 2020, outlining the impact we aim to achieve as a charity over a 25-year period and providing a framework for all our activities.

In the past four years there has been a considerable amount of change, both for the charity itself, and for the world we all live in, prompting us to update this strategy ahead of schedule.

One change you will notice is our new brand – City Bridge Foundation – launched in September 2023. We have adopted a new working name ‘City Bridge Foundation’ across the whole of our activities. This brings together our dual roles - of maintaining and supporting five Thames bridges, and as London’s largest independent charitable funder – under one recognisable brand with a new look, feel and visual identity.

So, while some of the language may have changed, our goals remain the same. We have always existed, and continue to exist, for the benefit of London and Londoners.

Our *Bridging London* strategy sets a clear and ambitious vision for a connected capital, which we will deliver by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. Our cross-cutting strategic ambitions of Equity, Diversity and Inclusion and Climate Action will be fundamental to everything we do.

We have also developed a new shared set of values for the charity. They will guide us in everything we do and inform how we work – both internally with each other and externally with our peers and wider networks. We commit to sharing transparently how we live up to these values and we encourage you to hold us accountable to them.

We know we can’t deliver the change we want to see alone. We hope that this strategy, and our commitment to making it a reality over the next 25 years, will inspire you to join us in aiming for London and Londoners to be truly connected. We look forward to working with you to deliver this vision, together.

Giles Shilson

Chair of the City Bridge Foundation Board (on behalf of the Board)

David Farnsworth

Managing Director of City Bridge Foundation

Signed March 2024

THE CITY BRIDGE FOUNDATION BOARD

City Bridge Foundation's* primary purpose is to maintain and support five Thames bridges; its secondary purpose, subject to meeting the needs of the bridges, is to apply surplus income for general charitable purposes for the benefit of the inhabitants of Greater London.

The City Bridge Foundation Board has day-to-day responsibility for administering City Bridge Foundation on behalf of the Trustee, the City of London Corporation. The City Corporation's principal decision-making body, the Court of Common Council, retains ultimate oversight of, and responsibility for, the City Bridge Foundation, with some aspects of the charity's governance and administration being reserved to the Court.

The City Bridge Foundation Board delegates some of its responsibilities to its two Committees – being the Investment Committee and the Funding Committee. The Investment Committee is responsible for the strategic oversight and monitoring of the performance of the charity's investment portfolio. The Funding Committee is responsible for overseeing the development and implementation of the funding policy, which includes grant-making and social investment activities.

Members of the City Bridge Foundation Board (as of March 2024)

Giles Shilson (Chair of the Board)
Paul Martinelli (Deputy Chair of the Board)
Henry Colthurst
Simon Duckworth
Emma Edhem
Alison Gowman
John Griffiths
Campbell Middleton
Deborah Oliver
Nighat Qureishi
James Thomson
Sue Threader

** City Bridge Foundation is the working name of 'Bridge House Estates', charity registration number 1035628.*

WHO WE ARE

We are City Bridge Foundation.

Around 900 years ago, a group of progressive Londoners built the first stone bridge across the River Thames, London Bridge, and gave over property and funds to maintain and protect it. Since then, we've become responsible for five of London's most iconic Thames crossings (Tower, London, Southwark, Millennium and Blackfriars Bridges). Maintaining and supporting these five bridges is our primary purpose.

Today, we keep our bridges fit for purpose - connecting people, keeping the capital moving and bringing joy to those visiting the attraction at Tower Bridge.

We are always looking for ways to create a brighter future for London. The innovative thinking that catalysed the first stone river crossing drives our funding and other charitable activities. Each year we grant around £30m to local causes, alongside our partners - this being our secondary purpose. Since 1995, we have distributed over £760m of funding across Greater London.

This is all enabled by our endowment and investment strategy – ensuring we remain there for Londoners as long as needed.

The focus on London and Londoners has always been central to our work. Whilst much has changed over the centuries since we were established, we continue to reach out across the capital in many important and diverse ways, anchored in supporting the needs of London and its communities.

INTRODUCTION

This strategy sets out our vision, intended outcomes and values - outlining our approach to achieving our ambitions over the next 25 years. We are pleased to take a long-term view with our strategy, showing our commitment to supporting London now and in the future.

We recognise the privilege of our position to act as a catalyst for positive change in London, both through exemplary delivery of our activities and through our convening and influencing role. We take this role seriously and commit to delivering our work and managing our assets in the most sustainable and responsible way possible. By placing learning and impact at the heart of all that we do, we will openly share and learn from our successes and challenges along the way.

Ultimately, this strategy outlines the positive and sustained role that we will fulfil in bridging and connecting London, for the benefit of Londoners today and for generations to come.

OUR STRATEGY

Our vision		
For London and Londoners to be truly connected.		
Our outcomes		
We maintain and promote world-class bridges.	We develop and deliver world-class charitable funding.	We embed and encourage world-class responsible business practices.
Our cross-cutting strategic ambitions		
Our cross-cutting strategic ambitions of Equity, Diversity and Inclusion and Climate Action are fundamental to everything we do.		
Our values		
<p>We stand for London and Londoners in everything we do (Service)</p> <p>We connect to learn and achieve more together (Collaboration)</p> <p>We work towards equity, diversity and inclusion for all (Inclusion)</p> <p>We embrace new ways to drive positive change (Innovation)</p> <p>We challenge ourselves to deliver the best for our communities (Ambition)</p>		

Our vision

“For London and Londoners to be truly connected”.

Our vision outlines the change we want to see and explains why we do what we do. We literally and metaphorically bridge London, connect its communities and invest in its future.

Our Outcomes

Everything we do contributes towards the achievement of three outcomes:



Our Cross-Cutting Strategic Ambitions

Equity, Diversity and Inclusion (EDI) and climate action are fundamental to everything we do whether in maintaining and supporting our bridges, in running an iconic visitor attraction, in distributing charitable funding, in managing our investments, and in our wider activities.

Equity, Diversity and Inclusion (EDI)

Pursuing EDI harmoniously aligns with our charitable purposes – providing access to bridge crossings for everyone in London and combatting inequality and achieving social justice through our charitable funding. We believe it must be at the heart of our work.

As a public-facing charity we have a strong impetus to become a truly equitable, diverse and inclusive charity. We will invest time and resources to embed EDI within the design and delivery of all our activities. We know we will be more successful with a greater diversity of people, ideas and perspectives and we therefore need to become more reflective of our great city. Our leadership will take responsibility and accountability for our progress, but everyone at CBF has an important role to play.

We recognise that we have a way to go. As we progress, we will focus on learning and development; integrating lived and learned experience into our practices; ensuring we encourage greater diversity amongst our people and Board; holding ourselves accountable by collecting, tracking and publishing our EDI data; using our power and networks to advance EDI; and listening to and amplifying the voices of marginalised and underrepresented groups.

Climate Action

We can play a pivotal role in the transition to net zero and building climate resilience, both by reducing the environmental impact of our activities and using our convening power to lead change across our sector and the capital.

We have adopted the Climate Action Strategy of our Trustee, the City of London Corporation, which commits us to net zero in our operations by 2027 and in

investments and supply chain by 2040. We are also signed up to the Funder Commitment on Climate Change, managed by the Association of Charitable Funders.

Exploring other themes

We have identified EDI and Climate Action as cross-cutting strategic ambitions because they are fundamental to advancing our charitable purposes and are relevant to all areas of our work. In addition to these cross-cutting ambitions, we commit to exploring further themes that are relevant and important to our work, including Science, Technology, Engineering, Arts and Maths (STEAM), suicide prevention, and mental health.

Our Values

Everyone who works for the charity has an important role to play in delivering our strategy and shaping our culture. Our values set out what we expect from each other, at every level of the charity, every day. Our values demonstrate what our stakeholders can expect from us across all our work – whether they are encountering us through our bridges, our tourist attraction at Tower Bridge, our charitable funding or our investment portfolio. Our values are:

- We stand for London and Londoners in everything we do (**Service**)
- We connect to learn and achieve more together (**Collaboration**)
- We work towards equity, diversity and inclusion for all (**Inclusion**)
- We embrace new ways to drive positive change (**Innovation**)
- We challenge ourselves to deliver the best for our communities (**Ambition**)



WHAT WE WILL DO

This section outlines the actions that we will take to achieve our outcomes. We commit to reviewing these actions on a regular basis to ensure they are bringing us closer to the impact we seek to achieve.

Outcome 1: We maintain and promote world-class bridges.

Our primary purpose is to maintain and support five of London's key bridges, ensuring they not only serve the capital now, but will continue to do so, for as long as they are needed. They form a critical part of London's transport infrastructure, help keep the capital moving and support its role as a global capital of business, culture and tourism. Maintaining and promoting world-class bridges extends beyond our duty to manage the bridges' physical infrastructure. It is also about our bridges serving as assets which can have a positive social and environmental impact for London and its communities.

To achieve this outcome, we will:

- Ensure our bridges are maintained to high industry standards by effectively managing their repair, refurbishment and replacement, as needed.
- Embed sustainability and environmental responsibility when undertaking any works on the bridges to enhance their resilience to adapt to future climate conditions.
- Promote cooperation, collaboration and shared learning with the network of national and international bridge owners and managers.
- Seek to protect the safety and security of bridge users in partnership with our stakeholders.
- Ensure that relevant teams are trained and supported in dealing with distressed persons and work with partners on developing and implementing effective measures to safeguard those who use and access our bridges.
- Develop an exemplar visitor attraction at Tower Bridge driven by social values, that excites, inspires, connects and educates everyone we reach and encounter.
- Promote, enhance and celebrate the heritage and cultural value of our bridges.

- Enable and encourage pathways into Science, Technology, Engineering, Arts, and Maths (STEAM), especially for those from underrepresented or marginalised groups.
- Enhance the experience of people crossing our bridges, through improved inclusivity and accessibility.
- Use our bridges as a catalyst for engagement around the future of urbanism including the need for environmental responsibility and the provision of clean air and water.
- Embed a consistent approach to the use of our bridges by third parties for events, lighting and filming.
- Encourage our stakeholders to consider the impact of transport management on our bridges and the people who use them.

Outcome 2: We develop and deliver world-class charitable funding.

As London's largest independent charitable funder, we want London to be a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation. Through our funding programmes and collaborations, we support London's civil society organisations and connect them with each other and the communities they serve.

To achieve this outcome, we will:

- Use our funding, expertise and leadership to help support the reduction of inequality in London and grow more cohesive communities for a London that serves everyone.
- Remain accountable by regularly reviewing and refining our funding offer, consulting widely with our stakeholders to ensure our funding priorities reflect the needs of London's communities.
- Recognise our power and privilege, adopting an equitable approach to our funding and integrating lived experiences into our practices.
- Identify opportunities for greater alignment between our role in maintaining and supporting the five bridges and in our funding priorities.

- Work more collaboratively with other funders, joining or leading funding initiatives that draw on our collective strengths and assets so that, together, we can tackle the issues facing London.
- Offer tailored support to our funded organisations, designed to enhance an organisation's capacity, resilience and long-term sustainability.
- Provide accessible, long-term, and flexible finance for social change through social investments, as well as providing opportunities for organisations to connect with others who can support their work.
- Create time and space to focus on impact and learning, so that we can deepen the impact of our funding and use the learning to evolve our practices.
- Build, sustain and leverage partnerships across different sectors to catalyse greater levels of giving across London.
- Contribute to contemporary debates within the charitable sector on the complex challenges facing Londoners and amplify the voices of London's communities in these discussions.
- Commit to continuous improvement, striving for greater transparency, equity and accountability in our funding practices and participate in initiatives that hold us to account.

Outcome 3: We embed and encourage world-class responsible business practices.

We aim to create positive impact for and with our people, our customers, our suppliers, and our communities through our charitable activities. Through our work under this outcome area, we want to role model excellence ourselves and inspire others towards more socially and environmentally conscious practices.

To achieve this outcome, we will:

- Align our approach with the United Nations Sustainable Development Goals (SDGs), in particular the four following goals which are relevant to our activities:
 - SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
 - SDG 10 – Reduce inequality within and among countries.

- SDG 11 – Make cities and human settlements inclusive, safe, resilient and sustainable.
- SDG 13 – Take urgent action to combat climate change and its impact.
- Recognise our people as our most important assets to achieving our goals and strive to make City Bridge Foundation an even better place to work.
- Support and develop our people and create an equitable, diverse and inclusive environment where everyone can thrive.
- Leverage our expertise, networks, people, physical assets, and use our convening and influencing power, to achieve greater social value and impact across London.
- Responsibly manage our investment portfolio to deliver the required financial returns whilst also intentionally directing capital towards activity that is catalytic, sustainable and impact driven.
- Work with our suppliers to maximise social value, minimise environmental harm and strive to ensure the ethical treatment of people throughout our supply chains.
- Reduce our environmental harm and protect all our assets through better use of our resources and increase our positive impact through greening, advocacy and influencing.
- Keep the governance and powers of the charity under review to ensure that we operate effectively and efficiently, and in accordance with charity good governance best practice.
- Grow our learning culture across the charity and become more evidence-based and data-driven to deepen our understanding of what we are achieving, to improve our work and to transparently share our learning with others.

CONCLUSION - DEFINING SUCCESS

We define success as furthering our charitable purposes effectively and achieving our vision *for London and Londoners to be truly connected*. We will do this by maintaining and promoting world-class bridges; developing and delivering world-class charitable funding; and embedding and encouraging world-class responsible business practices. We believe to do this well, we need to uphold and role-model our values of service, collaboration, inclusion, innovation and ambition; and pursue our cross-cutting strategic ambitions of EDI and climate action in everything we do.

We know that in an ever-changing society, we must remain responsive and relevant to the needs of London and Londoners at any given time. We will therefore keep our strategy under regular review and learn along the way. We cannot predict what the world will look like in five years, let alone in 2045, so we remain flexible to adapting our priorities as we progress through the strategy.

We will develop a detailed and clear impact framework to measure the combined impact of all our charitable activities. This will help us understand the difference we are making and learn from what's going well and what's not to take steps to better serve the people and causes we support.

Modelling our learning culture, we will share annual updates and publish more in-depth progress reviews at the end of each period. In the final year of the strategy, we will collate, reflect and publish all the learning we have gathered throughout the delivery of *Bridging London 2020 – 2045*.

We recognise that achieving our vision and outcomes will not happen overnight and will require deep collaboration with others. We look forward to sharing our progress with you as we continue to bridge and connect London.

For further information on City Bridge Foundation, please visit www.citybridgefoundation.org.uk

Report – City Bridge Foundation Board

City Bridge Foundation Annual Report and Financial Statements 2022/23

To be presented on Thursday, 7th March 2024

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

SUMMARY

This report presents the Annual Report and Financial Statements for City Bridge Foundation (CBF) for the year ended 31 March 2023. The report was finalised and signed on behalf of the Trustee before being published and submitted to the Charity Commission. The audit work in respect of these accounts has been completed and Crowe LLP, the charity's external auditors, have issued an unqualified opinion.

The Annual Report and Financial Statements 2022/23 were scrutinised and approved by the CBF Board, the Audit & Risk Management Committee having first provided their comments for the Board's consideration, consistent with their particular skills, knowledge, and experience. The CBF Board now present them to this Honourable Court, to be noted.

RECOMMENDATIONS

It is recommended that the Court of Common Council, on behalf of the City Corporation as Trustee of City Bridge Foundation (Charity No. 1035628), note the CBF Annual Report and Financial Statements for the year ended 31 March 2023.

MAIN REPORT

1. City Bridge Foundation (CBF), the working name for the charity Bridge House Estates, is an unincorporated charitable trust and a registered charity (reg no. 1035628). The City Corporation is the corporate trustee of CBF, and the charity is administered by the City Corporation in accordance with the charity's own governing documents and the City Corporation's usual procedures and governance framework.
2. Following their approval by the CBF Board, the 2022/23 Annual Report and Financial Statements for CBF for the year ended 31 March 2023 are presented for information and are attached at **Annex 1** to this report. The Charity Commission requires charities to submit their annual report within 10 months of their financial year-end (i.e., for CBF, by 31 January 2024) and the 2022/23 Annual Report and Financial Statements for CBF were submitted in advance of this deadline.
3. With the constitution of the CBF Board on the 15 April 2021, unless expressly reserved to the Court of Common Council, the discharge of all the City

Corporation's functions as Trustee of City Bridge Foundation is now the responsibility of the CBF Board (unless otherwise delegated to officers).

4. Review and approval of the Annual Report and Financial Statements for the charity are delegated to the CBF Board, as per the committee terms of reference in place. In line with those responsibilities, the annual report is presented to the next possible meeting of the Court of Common Council for information, following signature by the Chair and Deputy Chair of the CBF Board.
5. In advance of this decision being taken, the full Court of Common Council was invited to attend an all-Member briefing on 26 October 2023. The CBF Board then sought comments from the Audit & Risk Management Committee on the Annual Report and Financial Statements at its meeting on 6 November 2023, consistent with that committee's particular skills, knowledge and experience and oversight of such matters for the City Corporation's other Funds, to help inform the decision of the CBF Board.
6. Following comment by the Audit & Risk Management Committee, the CBF Board considered and approved the Annual Report and Financial Statements of City Bridge Foundation. The Chair and Deputy Chair of the CBF Board subsequently signed the Annual Report, on behalf of the Trustee.

Appendices

Annex 1: Annual Report and Financial Statements for City Bridge Foundation, 2022/23

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

DATED this 29th day of January 2024.

SIGNED on behalf of the Board.

Deputy Dr Giles Shilson
Chair, City Bridge Foundation Board



**CITY BRIDGE
FOUNDATION**

Charity registration
number: 1035628

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2023



CONTENTS

Chair’s Statement	4
Origins of the Charity	6
Trustee’s Annual Report	8
Trustee Responsibilities	32
Independent Auditor’s Report	33
Statement of Financial Activities	36
Balance Sheet	37
Statement of Cash Flows	38
Notes to the Financial Statements	39
Reference and Administration Details	64

CHAIR'S STATEMENT

This has been a momentous year. Though the origins of City Bridge Foundation (CBF) can be traced back for over 900 years, it is our recent history, spanning one very particular lifetime, that brought to mind the big moments that this capital and its people have experienced.

The death of Her Majesty Queen Elizabeth II reminded us of that generation who came through the blitz, determined to build back better from the devastation of war by creating the NHS, public housing and education for all. It was all the more poignant given the challenges we now face, in the aftermath of the Covid pandemic, including a cost-of-living crisis and growing inequality.

The current London Bridge, completed in 1972, was opened by Queen Elizabeth II. Fifty years later London Bridge, and the other four CBF bridges, were lit in purple during ten days of national mourning for the late Queen, as a tribute to her service and an expression of appreciation for all those who serve our communities, in London and beyond.

This has been another year of significant change and progress for CBF. We have modernised the charity's governance powers through the granting of a Supplementary Royal Charter. We have also developed a new brand and working name: City Bridge Foundation (used throughout this report, in place of Bridge House

Estates and City Bridge Trust). Our bridges have seen major progress on refurbishment, an enhanced visitor attraction at Tower Bridge and increased visitor numbers. We have also launched several new funding initiatives to meet some of London's greatest needs.

The newly refurbished first span of Blackfriars Bridge was unveiled to the public for the first time in March. A meticulous restoration was carried out, blending modern paint systems and the traditional re-casting of bridge elements, combining both heritage and progress.

Tower Bridge's international, domestic and local visitor base surpassed pre-pandemic numbers, in an excellent recovery from the impact of Covid on the attraction. The bridge was also given the top-category Gold accreditation by Visit England Green Tourism and achieved an overall score of 92% for its annual Visit England quality assessment. Further plans are being developed to improve its offer even further, including greater access for those with particular needs.

An exciting long-term development plan for Tower Bridge started this year, aiming to grow the existing business while also considering areas for engaging new audiences. The plan will enable Tower Bridge to embody the strategic aims and values of the charity in all its activities.

Through sound investment and good governance, the City Bridge Foundation is able to award over £30 million in grants each year to charitable organisations across London and is committing an additional £200 million over three years to support London's charity sector. CBF is London's largest independent funder.

During the disruption of the Covid pandemic, the charity made rapid adjustments to its funding and ways of working. It has now re-opened its funding programmes, focusing on partnerships, collaboration and equity to maximise efficiency and extend reach.

Four new Alliance Partnerships are building on previous collaborations and maximising the benefits of working with other funders to increase the reach and impact of CBF's funding. This year saw significant funding awarded to Comic Relief's Global Majority Fund, Baring Foundation, Smallwood Trust and London Legal Support Trust.

City Bridge Foundation's Anchor Programme was co-designed with civil society organisations and will provide funding to organisations that support frontline groups, while Propel is a funder collaboration, enabling organisations to lead joint approaches to tackle some of London's biggest challenges.

The charity continues to role model high-impact philanthropy. It also funds other organisations that are focused on improving the quality and scale of giving funds, time, skills and assets.

It was an honour to host the Annual Conference of the Beacon Collaborative at the Guildhall in November. Over 150 delegates attended, including philanthropists and organisations active in supporting greater and more effective giving.

Convening organisations which share our ambition to create a more equitable London remained high on the agenda this year and in March we brought together more than 80 of our funded organisations to discuss solutions to systemic change, finding their voice, and staff burnout. After Covid, it is encouraging to see so many from London's civil society coming together in this way.

The charity undertook a collaborative process to create and launch a new website, which, as well as reflecting the wider work, makes it much easier to apply for grants and non-financial support.

The majority of CBF's revenue derives from its property and financial investments. Despite challenging economic circumstances, particularly inflationary pressures, CBF remains financially secure and is more than able to meet the needs of the bridges that it maintains and supports.

A new Investment Strategy Statement (ISS) has been developed. It establishes investment objectives in line with the charity's Bridging London strategy and will enable investments to be managed in a way that most benefits its charitable purposes and its vision for London. The process of bringing it into legal effect will take place in 2023/24.

CBF has made tremendous efforts in delivering its Bridging London Strategy. This has included modelling good governance, establishing a new Investment Committee and recruiting external co-opted members on to the Grants Committee. The aim is for these new members to improve the diversity of skills, knowledge and experience in our governance structures. The charity has also begun a cultural change programme, bringing together the different teams to build a 'one charity' culture. Significant progress was made to develop a new brand that expresses these unifying changes. We are excited to develop this work further in 2023/24 and build upon our history to achieve greater impact for London and Londoners.

ORIGINS OF THE CHARITY



The Grant-Making and Other Charitable Activities of City Bridge Foundation

After the responsibilities relating to the bridges have been met, the charity can use surplus income in any year for its ancillary charitable purposes, the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London, further to a cy-près scheme settled by the Charity Commission in 1995. This scheme enables the charity to work for a fairer London through tackling disadvantage. CBF works collaboratively to further these purposes through three key areas of activity, namely:

- Grant-making;
- Social investment; and
- Encouraging philanthropy.

Further information on the activities of CBF is available at www.citybridgefoundation.org.uk

City Bridge Foundation owes its existence to London Bridge. This dates back to 1122 when the charity's predecessors began raising funds to maintain the bridge's forerunners, opening the first stone bridge in 1209.

By the end of the twelfth century, the shops and houses adorning Peter de Colechurch's new stone London Bridge were beginning to generate not only increased cross-river trade, but also increased taxes, rents and bequests. A significant fund began to accumulate, administered from a building on the south side of the bridge called Bridge House. Over succeeding centuries this fund has been administered by The City of London Corporation ('The City Corporation') as Trustee.

The work of City Bridge Foundation reaches out across the whole of London in many important and diverse ways:

The River Bridges

The maintenance and support of five of the bridges that cross the Thames into or by the City of London – London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge, and Millennium Bridge – is the primary purpose of the charity. They are gateways to the City of London and require sustained investment and expert care.

Millennium Bridge

- **2000:** initial opening of the first pedestrian bridge to be built across the Thames in London for over a century.
- It was funded by the Millennium Commission, with a contribution from CBF to which ownership was subsequently transferred for the charity to maintain.

London Bridge

- **1097:** King William II raises a tax to help repair London Bridge.
- **1209:** the first stone bridge is completed. Cross river trade, taxes, rents and bequests result in a fund administered from the Bridge House.
- **1831:** the stone bridge is replaced with a new bridge, designed by John Rennie the Elder.
- **1972:** just over 140 years later, the current bridge is completed and is opened by Queen Elizabeth II in 1973.
- **2023:** the 50th anniversary of the bridge from its opening.

Tower Bridge

- **1894:** completed with a design by Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB.
- The City Corporation has a statutory requirement to raise the bridge for registered vessels with a mast or superstructure of 30 feet or more, free of charge subject to 24 hours' notice, night or day, 356 days a year.
- It is a designated Grade 1 listed building, and is maintained and protected as part of the nation's heritage.



Blackfriars Bridge

- **1769:** bridge is completed and known as 'Pitt Bridge' after William Pitt the Elder.
- **1869:** replaced with a new bridge designed by Joseph Cubitt and opened by Queen Victoria.

Southwark Bridge

- **1819:** completed and subsequently purchased by CBF in 1868. The City of London wanted to obtain control of the bridge to catch criminals escaping to Southwark, outside its jurisdiction!
- **1921:** replaced with a design by Sir Ernest George and Basil Mott.



TRUSTEE'S ANNUAL REPORT

Structure and Governance

Governing Document

Reflecting its long and complex history and its enduring connection to The City Corporation, City Bridge Foundation' (CBF) "governing document" is made up of a number of different sources or instruments, some of which are referenced below. In March 1994, the charity has been registered with the Charity Commission as Bridge House Estates.

Founders

By various ancient gifts of property, added to over the centuries.

Governing Instruments

Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282.

A supplemental Royal Charter of 26 November 1957 Private Acts of Parliament including:

- The Blackfriars Bridge Act 1863
- The Blackfriars and Southwark Bridges Act 1867
- The Corporation of London (Tower Bridge) Act 1885
- The Corporation of London (Bridges) Act 1911
- The City of London (Various Powers) Act 1926, section 11

- The City of London (Various Powers) Act 1949, section 13
- The City of London (Various Powers) Act 1963, sections 9 & 32
- The London Bridge Act 1967
- The City of London (Various Powers) Act 1979, section 19

Various Schemes and Orders made by the Charity Commission:

- The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047) and the Charity Commission Scheme which took effect by that Order
- An Order of the Charity Commission sealed 10 July 1997 (350.97)
- An Order of the Charity Commission sealed 20 July 1998 (251.98)
- The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017)
- The Charity Commission Scheme dated 26 August 2005
- The Charities (Bridge House Estates) Order 2007 (S.I. 2007/550)

Ancient custom and practice.

In February 2023, His Majesty The King made an Order for the grant of a new Supplemental Royal Charter to The City Corporation as Trustee of CBF. The Charter was sealed and took legal effect on 01 June 2023.

Governance Arrangements

CBF is an unincorporated charity. The Mayor and Commonalty and Citizens of the City of London (also referred to as 'The City Corporation' or 'The City of London Corporation'), a corporation by prescription, is the corporate Trustee of CBF. The City Corporation is Trustee acting by its Court of Common Council and that assembly has delegated responsibility to CBF of the day-to-day administration and management of this charity for the period of this report, subject to those matters expressly reserved to the Court.

The CBF Board is responsible for the management and control of the charity, in the discharge of the City Corporation's functions as Trustee, under the oversight of the Court. This governance arrangement provides a framework for effective decision-making and better demonstrates decisions that have been taken solely in the best interests of the charity. In considering ongoing and effective administration and governance, the CBF Board has established a sub-committee, the Funding Committee of the Board, to discharge operational functions in advancing the charity's ancillary object. As with the exercise of any delegated authority, CBF retains responsibility and accountability for all decisions taken by its Funding Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of CBF remaining vested in the Court.

Membership of the CBF Board and the Funding Committee is drawn from the 125 elected Members of the Common Council together with external appointees.

In making appointments, the Court of Common Council will take into consideration any skills, knowledge and experience of the elected Members, and where relevant, external appointees. External appointments are made after a 'skills' audit. Members of the Court of Common Council are unpaid for support provided to CBF and are elected by the electorate of the City of London. The CBF Investment Committee was approved this year and will be established in 2023/24.

To support its responsibilities, the CBF Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council. By doing so, it draws on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements, and to better inform the Board's decision-making on certain matters. The following Committees' advice were sought on matters as described below in the year 2022/23:

Policy & Resources Committee – in relation to any existing and on-going CBF projects which were previously within the purview of that Committee prior to the constitution of the CBF Board in April 2021. This assisted the Board in taking its decisions for the successful delivery of those projects, as appropriate.

Audit & Risk Management Committee – in relation to audit and risk matters previously within its purview as they affected both the external and internal audit of CBF, as it operates and is managed within the City Corporation's operational and management audit and risk framework adopted in the discharge of all the City Corporation's functions.

The above Committees are ultimately responsible to the Court of Common Council. Meetings are held at the Trustee's discretion in public (except where it is considered not to be in the charity's best interests to do so), supporting a decision-making process which is clear, transparent and publicly accountable.

Good governance is considered by the Trustee to be fundamental to the success of the charity. The comprehensive governance review that commenced in 2017/18 moved to an implementation stage in 2021/22 which continued throughout 2022/23. Appointments to the CBF executive leadership team were completed during the year, reporting to the CBF Board via the Managing Director and holding responsibility for the day-to-day operational management of the charity. Establishing the operation of this team across the charity has been a focus for the year under review. Appropriate consideration is being given to the practices recommended within the Charity Governance Code throughout the implementation stage of the review.

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference, setting out the scope of delegations from the Court of Common Council, alongside Standing Orders for conduct of meetings, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations). These City Corporation governance documents can be obtained via a request to the email address stated on page 65.

Each elected Member by virtue of their membership of the Court of Common Council, including its relevant Committees (sometimes named 'Boards') and its sub-committees, has a duty to support the City Corporation in the proper discharge of its duties and functions as Trustee of CBF. They do this by faithfully acting in accordance with charity law, the charity's governing documents, and the City Corporation's own corporate governance framework and procedures as noted above, including the delegation framework such as the Terms of Reference of the CBF Board (and its sub-committees).

A Conflicts of Interest Policy was approved by the Court of Common Council during the year. This policy will support the Trustee (and Members individually) in managing conflicts of interest and loyalty in discharging the City Corporation's functions as trustee of CBF and when acting in the City Corporation's other capacities. It took effect when the new Supplemental Royal Charter was sealed.

Induction and training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of CBF, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities.

Purposes and activities

The purposes of the charity are the support and maintenance of London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge. After these responsibilities are met, any income surplus to that which can be usefully applied in accordance with the subsisting trusts in any given year is applied for the charity's ancillary object. This object is for the provision of transport for elderly and disabled people in Greater London and/or for other charitable purposes for the general benefit of the inhabitants of Greater London in accordance with a policy settled by the Trustee following consultation.

Public benefit statement

The Trustee confirms that it has referred to the Charity Commission's general guidance on public benefit when reviewing CBF aims and objectives and in planning future activities. The five river bridges maintained and supported by the charity are available to the general public on an open access basis. Regarding grant-making activities of the charity and other support for the charitable sector, the Trustee awards grants at its discretion to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity uses a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that CBF operates to benefit the general public and satisfies the public benefit test.

Reference and administrative details

The administrative details of the charity are stated on pages 64 - 65.

Disability Sports Coach © Emmanuel Cole



Blackfriars Bridge renovation with new parapets and a rich colour scheme © Emmanuel Cole



For several years now, the engineering team have been working closely with the Tideway Tunnel Project (a massive new Super Sewer being constructed along the river that passes beneath all five CBF bridges). Work was completed this year by the Tideway Tunnel Project to mitigate the small amount of movement caused on Tower Bridge by the tunnelling activity. The movement was less than predicted but did cause the gap between the bascules to decrease. This was corrected to minimise the risk of any operational issues, particularly in hot weather as the bridge structure expands. The team will continue to work closely with the Tideway Tunnel project team to protect CBF assets.

ACHIEVEMENTS AND PERFORMANCE

The Bridges

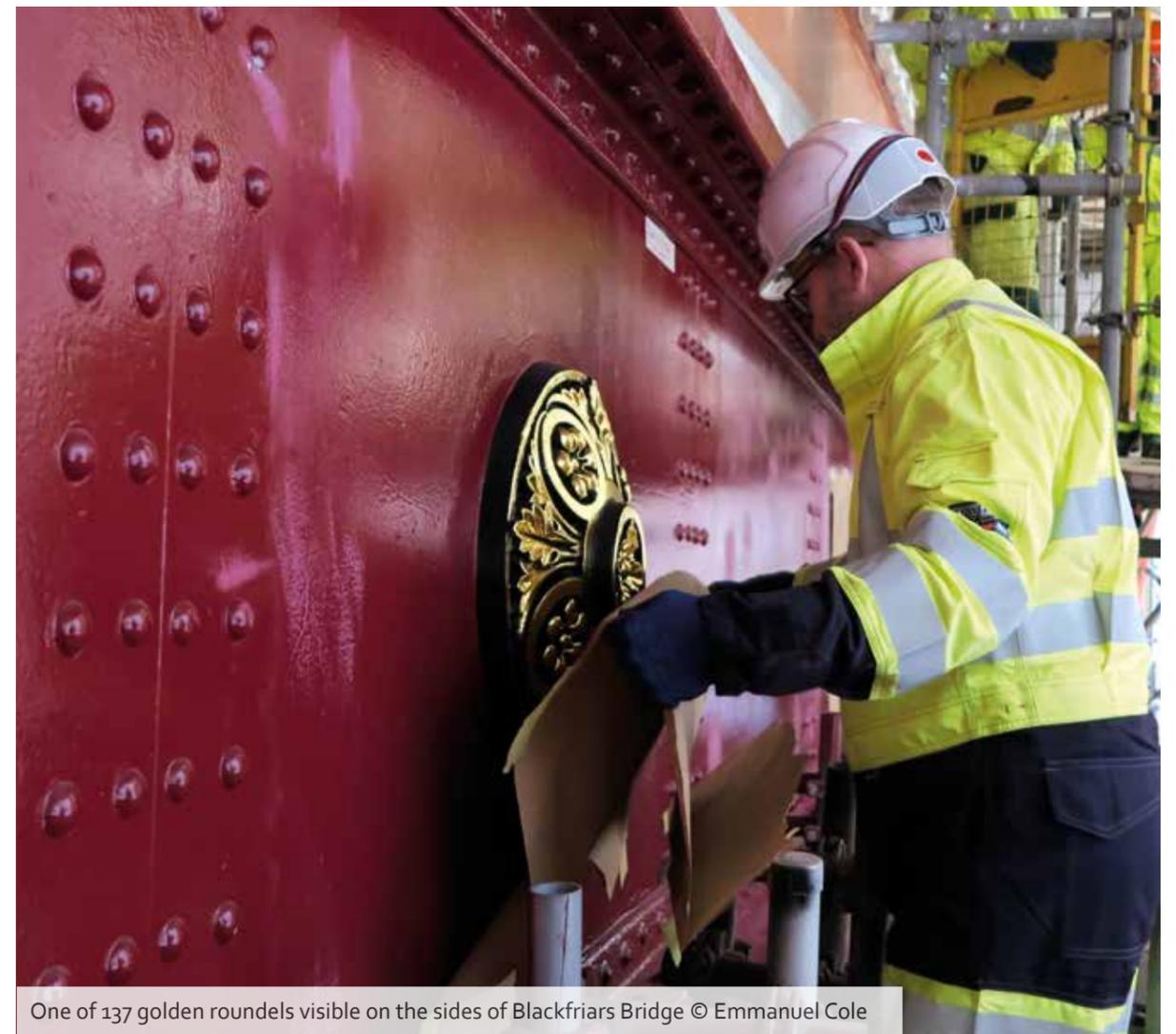
Page 209 City Bridge Foundation maintains and supports five of the main river bridges in central London: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge. These vital thoroughfares cross the Thames into (or nearby) the City. The bridges are maintained by a specialist team, working closely with other stakeholders to ensure they continue to serve the capital, safely and securely now and into the future.

The refurbishment of Blackfriars Bridge has made significant progress this year. The first span of the bridge, with its newly restored parapets and rich paint scheme, was completed and unveiled to the public in March. This received positive media coverage, showcasing the history and unique details of the structure. Despite the scale of the work, the bridge has remained fully open to the public. Behind screens and below the paving slabs and road, an unseen workforce is busy on the Grade II-listed structure.

As part of the process, more than 2,000 cast-iron balusters, the small upright columns which line the bridge parapets, are being carefully disassembled and restored. Seemingly identical, there are nine different designs, a subtle Victorian design twist which is being

conserved. A new type of paint is also being trialled for the first time on a CBF river crossing. The paint is resistant to UV degradation, and it is expected that its vibrancy and protection of the structure will be retained for many years to come.

The waterproofing to the north and south approaches of Southwark Bridge was also replaced this year. This was a significant project, which required stripping back the existing surfacing, carrying out concrete repairs and replacing the surfacing and kerbs. This will reduce water ingress to the structure below, protecting and prolonging its lifespan. The project had to coordinate with a major adjacent development being carried out at the former Financial Times building.



One of 137 golden roundels visible on the sides of Blackfriars Bridge © Emmanuel Cole



Tower Bridge © Emmanuel Cole

Tourism at Tower Bridge

For almost 130 years Tower Bridge has been the symbolic gateway to London. It is one of the capital's most recognisable landmarks and a working bascule bridge. It is also an award-winning and popular, paid visitor attraction.

During 2022/23 business recovery continued at pace, resulting in record levels of income by the end of the year. The focus has been on bringing in local audiences and the gradual return of international visitors.

The Bridge's international, domestic and local visitor base was 100% of pre-pandemic levels in December, with continued increases in the last quarter. Local audiences were attracted to Tower Bridge through its £1 community ticket. The Bridge welcomed almost 750,000 visitors and generated a record £7.6m in overall income, comprising admissions, events, filming and retail, with the latter exceeding £2m in turnover for the first time.

The venue hire business at Tower Bridge also continued to recover in 2022/23, with clients preferring smaller, 'last minute' events. The decrease in bookings for large events reflected across the industry, and Tower Bridge's smaller event spaces proved attractive for prospective clients.

The positive business recovery resulted in development projects and improvements - previously put on hold during the pandemic - being restarted. This included the first stage of the West Walkway content overhaul, a new lighting system, access and inclusivity improvements and efforts to help meet the charity's strategic aim for climate action. A review of the Bridge's ticketing system took place, with the project for procuring and implementing a new system put on hold due to changes in the nature of visitor attractions admissions and ticketing technologies during the period of continued business recovery following the pandemic.

A key objective for 2022/23 was to seek Visit England's Green Tourism accreditation. The initial informal assessment suggested entering the scheme at Bronze level. Following formal assessment however, Tower Bridge scored 85%, putting it into the top category of Gold. The assessor said, "85% is one of the highest scores that has been achieved on this assessment criteria and I think there are less than 10 businesses who have managed this so far. It really is an achievement to be proud of."

	22/23	21/22*	20/21**	19/20
Visitor numbers to Tower Bridge	746,895	261,815	45,127	835,821
No. of pupils participating in education programme	3,721	2,604	1,429	4,344
Admissions Income	£4,373,918	£1,867,911	£320,625	£4,033,965
Retail Income	£2,161,087	£703,458	£147,512	£1,698,765
Venue Hire Income	£995,400	£529,502	£10,448	£931,116

*Business recovery year following the pandemic – reopened from mid-May 2021 in line with Government restrictions, to reduced capacities and increased safety measures. Onsite school sessions did not recommence until October 2021. Visitor appetite gradually increased throughout the year.

**Business and operations severely affected by the pandemic. Open for only four months of the financial year in line with Government restrictions and substantially reduced footfall and appetite across the tourism industry after initially reopening in July 2020.

Tower Bridge achieved an overall score of 92% for its annual Visit England quality assessment in June, with a particularly high score of 98% in the staff category. The Bridge also achieved a Visit England Welcome Accolade, relating to customer service and quality of experience.

The Mayor of London and the Alzheimer's Society launched a scheme to make London the world's first Dementia friendly city. This scheme has recognised Tower Bridge as a 'Dementia Friendly Venue'. This offer will be further enhanced via a dedicated Tower Bridge Access and Inclusion group.

Regular Relaxed Early Openings proved very popular for those wanting to explore the Bridge in a tranquil atmosphere, including people living with neuro-diverse needs. Positive responses included this parent's comment: "It was nice to be able to visit when there were

less visitors so my son felt less anxious and could look around comfortably."

An exciting long-term development plan started in 2022/23 looking at the growth of the existing business at the Bridge (including learning, connecting communities, tourism, events and retail) while also considering areas for engaging with new audiences. The plan will enable Tower Bridge to embody the strategic aims and values of the charity in all activities.

Tower Bridge operated as a working bascule bridge with 24-hour security provision throughout 2022/23, fulfilling the trustee's statutory obligation to raise the Bridge for river vessels. A number of operational projects were also completed, including a replacement and upgrade of the Bridge's high voltage electrical supply and associated infrastructure.



City Bridge Foundation' Funding and Philanthropic Activities

Page 211

Since 1995, CBF has distributed surplus income that is not required for the long-term maintenance and support of the five bridges. As London's largest independent funder, CBF provides grants to hundreds of organisations every year, and works collaboratively with other funders and partners to maximise efficiency and extend reach. The funding is used to reduce inequality and grow stronger, more resilient and thriving communities for a London that serves everyone.

CBF completed the review of its pre-Covid open grant programmes. The majority of these were closed to applications during the pandemic to focus support on current grantees and transition funding to new organisations to get them through that difficult period. In June 2022, the Funding Committee approved the re-opening of the programmes to new applications. Open grant funding totalled £29.7m by the end of the financial year. CBF programmes were updated in response to lessons learned from the pandemic and to incorporate an improved focus on equity.

Alliance Partnerships

This year CBF awarded four Alliance Partnerships: in which grants are made to associate funders for onward grant-making. Partners will have already conducted research and development into an area which is key to meeting CBF's mission and vision, or they have greater reach into the communities which CBF's funding aims to impact.

Comic Relief: CBF awarded £2m to the Global Majority Fund, a collaborative fund managed by Comic Relief. Over three years this funding will support infrastructure and grassroots organisations led by and for communities experiencing racial inequality, to address the needs of communities they support.

Baring Foundation: Awarded £1.5m to develop and deliver a programme to promote and develop the use of human rights-based approaches for London-based civil society organisations.

Smallwood Trust: CBF awarded £864k to support the London Women's Resilience Fund. The Fund will provide grants and support to two partnerships in Newham and Hackney, reaching 15-20 civil society organisations working with and for local women most vulnerable to poverty.

London Legal Support Trust: Awarded £6m to enhance the capital's legal advice sector, which provides access to legal support, advice and representation, irrespective of people's financial position. Onward grants will be made available through the Advice Skills Development Fund, delivered through the funder collaboration Propel.

Anchor Programme

Following the Funding Committee's endorsement of a £20m allocation from the designated grants fund, work has continued on the Anchor Programme. The programme has been co-designed with civil society

organisations and will provide long-term, core funding to second-tier organisations that provide support to frontline groups. The aim is to achieve change for Londoners at a systemic level. CBF staff, advised by Civil Society organisations, processed Stage 1 expression of interest applications and 15 applicants were invited to submit Stage 2 applications.

Grant-making policy

The Trustee has established CBF's grant-making policy to achieve the charity's ancillary purpose, as laid out on page 7, for the public benefit. CBF considers and funds a large number of organisations and makes awards through a wide programme of funding schemes. The majority of grant commitments are usually for revenue expenditure, awarded over 2-5 years.

All applications are assessed via a robust process to ensure that proposed activities for funding will be supported by adequate and appropriate resources and will be used only for activities that match CBF's criteria. Approved funded organisations are required to report annually on the impact of their work. Information is collected in a uniform and systematic way, enabling analysis and feedback to take place. Benchmarking and performance data is collated from CBF's Impact & Learning reports, which support funded organisations to learn from their work and provide useful data for decision-making to CBF. Data is also collected from anonymous perception surveys of funded organisations, undertaken by an independent third party.

Details of how to apply for grants are available on www.citybridgefoundation.org.uk

Diversity, transparency and accountability

The Foundation Practice Rating (FPR) is an initiative started by a group of charitable foundations, including CBF, in 2021. The FPR is led by Friends Provident Foundation and aims to improve UK charitable grant-making foundations' practices around diversity, transparency and accountability. CBF supported the FPR with an award of £15,000 in 2022/23.

The foundations funding the FPR are assessed and rated each year, along with other large grant-making foundations. On a rating scale of A to D, City Bridge Foundation scored A for transparency and accountability, and C for diversity, giving an overall score of B.

The FPR assessment is scored by independent testers and is based on information provided on foundations'

websites. Specific feedback on final scores is not given. The lower diversity score potentially relates to insufficient published data regarding the diversity of staff and board members.

CBF's forthcoming end-to-end review will address issues of equity, diversity and inclusion (EDI), ensuring EDI is embedded throughout the charity's processes. As employers, CBF and its trustee The City of London Corporation are values-based and welcome applications from all backgrounds and sectors.

CBF is also a signatory to the Open and Trusting Grant-making Initiative coordinated by the Institute for Voluntary Action Research (IVAR).

Social investment

CBF's social investment fund remained closed to new proposals pending the approval of the Supplemental Royal Charter, with CBF continuing to manage the existing holdings.

Impact and learning

CBF continued to deliver the five-year impact and learning strategy. This focussed on better gathering, analysis and sharing of data to improve funding and other philanthropic approaches. It also further developed CBF's learning ethos and embedded equity in all impact and learning activities.

The Impact and Learning team commissioned the Work Foundation to undertake independent research into disabled people's experiences of hybrid working during the pandemic. This was published as 'The changing workplace: enabling disability inclusive hybrid working'. The report includes practical advice for employers to ensure they create a truly disability-inclusive culture at work, and recommendations to the Government for policy changes to tackle the disability employment gap.

In March 2023, CBF held a Networking and Learning Day for more than 150 representatives of funded organisations at the Barbican Conservatory. The event provided an opportunity for attendees to focus on their organisations' strengths, explore challenges, and seek solutions. Attendees also met members of the funding team and learned more about the extensive, additional support CBF can offer to funded organisations.

Learning visits, which had been paused because of Covid-19, were refreshed and relaunched. The

programme aims to create an open and honest environment in which funder and funded organisations can both learn and benefit equally.

Strategic Initiatives

In addition to its responsive grant-making, CBF also funds Strategic Initiatives. These are awarded for work which doesn't necessarily qualify for any of CBF responsive grant streams but which nevertheless meets the charity's vision and mission.

Strategic Initiatives also are only awarded for work which will have a strategic impact for Londoners and/or London's civil society.

Baobab Foundation: A grant of £200k was awarded towards the running costs and the development of the Baobab Foundation, with further funding of £2m for onwards grant-making. This grant was conditionally approved in 2021/22 but only formally committed in 2022/23. Baobab is the first funder dedicated explicitly to growing, supporting and strengthening groups and organisations led by and serving Black people and communities affected by racism and racial disparities in the UK. CBF had already supported Baobab with seed funding of £100,000 prior to this award.

Action for Race Equality: An award of £400,000 over three years was made to Action for Race Equality, towards the pan-funder Windrush Justice programme. CBF's funding is restricted to the onwards awarding of small grants, capacity building, and convening elements of work, with all monies restricted for the benefit of Londoners.

London Funders: CBF granted London Funders £695k for their convening and co-ordination role of the Propel funder collaboration. CBF is a founding collaborator of Propel and has allocated £30m to this ten-year, £100m initiative, with an emphasis on equity-led organisations.

The Propel fund launched in October 2022, inviting applications from organisations developing work to bring about systems change. In 2022/23 Propel awarded approximately £25m to 80 organisations, with CBF contributing £5.7m.

Ascension Trust: £167k was awarded to the Ascension Trust to support the Bridge Watch programme. The Bridge Watch Programme aims to provide a 'physical presence' of teams of volunteers who will 'patrol' the areas on and around the bridges of London, and who have a brief to engage with anybody indicating intent to enter the water.

Cost of living

CBF awarded the London Community Foundation £1m over five months for onward grant-making through the Together for London Winter appeal, supporting those Londoners most impacted by the cost-of-living crisis.

CBF also distributed £1.2m of funding uplifts to more than 350 current grant-holders. These one-off, unrestricted grants were provided to help offset the impact of inflation, with charities encouraged to use the funding in ways that best meets their needs.

Beyond funding: non-financial support

CBF is in the privileged position of being able to provide more than financial support to those it works with. Through a network of partners, CBF's Bridge Programme offers free guidance and training to funded organisations, covering issues such as organisational development, governance, fundraising, and business planning.

The support that CBF provides will continue to evolve in response to the needs of the charity's partners in civil society. CBF is striving to strike the right balance between the helpful provision of support, training and other resources whilst being mindful of the pressures of time and capacity that are faced by many civil society organisations.

CBF hosted the Annual Conference of the Beacon Collaborative at the Guildhall in November 2022, welcoming over 150 delegates including philanthropists, and organisations which are actively supporting increased quality and scale of giving from High-Net-Worth Individuals. CBF announced its £30m funding contribution to the ten-year Propel initiative at the conference.

An important aspect of CBF's non-financial support for charities involves the utilisation of its unique asset base, such as Tower Bridge, alongside other opportunities available through its trustee, The City of London Corporation.

In March 2022, CBF hosted an event for SafeLives at the Old Bailey on why we need a trauma-informed approach to domestic abuse in the family and criminal courts. In December 2022, CBF arranged a special viewing at the Barbican of *Someone's Daughter, Someone's Son*, a new film about street homelessness from award-winning director Lorna Tucker. Made in partnership with The Big Issue, the film raises awareness of homelessness issues. CBF aims to expand on its philanthropic offer, in partnership with City Corporation.



The Albany Garden in Deptford © Emmanuel Cole



CBF Investments

Page 213 CBF's Investment Strategy Statement (ISS) provides the framework for managing the charity's investment portfolio and incorporates the objectives approved within the overarching strategy for CBF, *Bridging London 2020 – 2045*. This reflects the radical Climate Action Strategy adopted in 2020 by The City Corporation for both the organisation itself and as Trustee for CBF.

The charity had undertaken a review of its ISS, and a new ISS was approved by the Trustee of the charity in April 2023, which came into legal effect following the sealing of the Supplemental Royal Charter in June. The new ISS establishes investment objectives in line with the charity's Bridging London strategy and sets out the guiding principles for its investments.

Investment policy

The purpose of the ISS applicable during 2022/23 has been to ensure that the charity maintains consistent funding for its primary purpose, meeting the needs of the five Thames Bridges, with surplus investment income being appropriately managed to support the ancillary purpose in line with CBF's latest approved charitable

funding strategy. The ISS covers the investment of the charity's permanent endowment fund – both now and in the future, and unrestricted income fund. It encompasses property, financial and social investments.

The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the Trustee Act 1925, the Trustee Act 2000 and within its Investment Strategy Statement (ISS). The Order, in addition to its other powers, enables the Trustee to invest the property of the charity either:

- in the acquisition of any securities or property (real or personal) of any sort; or
- on deposit or loan whether in the UK or elsewhere.

The charity defines investment risk principally as the danger of failing to meet its primary purpose. As an endowed charity, the Trustee has a duty, when investing the permanent endowment, to balance capital growth and income return to meet the charity's purposes now and in the future. To achieve this, the real value of the permanent endowment is required to be preserved, after providing for annual expenditure, alongside consideration of required levels of income generation. Due to the in-perpetuity nature of the objects and value of the charity's funds, the charity can take a more long-term view and tolerate a reasonable level of short-term volatility to the value of the endowment fund as an investment opportunity rather than as a threat. The long-term investment objectives of the portfolio are currently to:

- Apply a targeted income return of CPI +4% to the financial investment funds held.
- Outperform the MSCI Benchmark (Greater London Properties) for total return on an annualised 5-year basis, for the property investment funds held.
- Apply a minimum targeted income return of CPI to the Social Investment Fund.

The Trustee is committed to being a responsible investor of the charity's funds and the long-term steward of the assets in which it chooses to invest those funds. It expects this approach to protect and enhance the value of the charity's assets over the long term. The Trustee is aware that the charity's mission or its credibility may be undermined if it invests in businesses whose activities

undermine the charity's values and charitable purposes. The Trustee recognises it is consistent with its fiduciary duties and duty in investing charity property to manage Environmental, Social and Governance (ESG) issues that may be financially material. As a long-term investor, CBF recognises that it should manage ESG risks that can be both long-term and short-term in nature. In addition, the Trustee seeks to identify investment opportunities for CBF aligned with the charity's long-term purposes. As a signatory to the Principles for Responsible Investment (PRI), the Trustee has also agreed to incorporate the six core principles of PRI into the charity's investment analysis and decision-making processes. The Trustee is also committed to align the charity's financial investment portfolio with the goals of the Paris Agreement on climate change (2015). It is further committed to being net zero across CBF's value chain, working closely with other aspects of The City Corporation's business to deliver the joint Climate Action Strategy adopted for CBF and by The City Corporation for itself, with a long-stop deadline of net zero by 2040.

The performance of the charity's investments during the year is discussed on pages 20 - 23 and set out in Notes 13 - 15.

Property Investments

CBF has a property investment portfolio comprised of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents 87% of the permanent endowment funds of the charity. There are now 62 assets (2021/22: 66 assets) within the portfolio of which 55% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, decreased by £47m (5.3%) to £841.1m at 31 March 2023. The fall in values across the CBF property investment portfolio mainly reflects the economic background of increasing interest rates and high inflation. As interest rates increased throughout the financial year, there was a sharp decrease in property investment transactional activity in the market. Property values have dropped as valuation yields increased.

The ISS set the objectives for this portfolio for 2022/23. This was to maximise rental income and to outperform the MSCI Benchmark for total returns on an annualised

5-year basis, for Greater London Properties (including owner occupied). The portfolio outperformed the MSCI benchmark across all reported periods. The performance of the property portfolio is shown in the table below:

	31 March 2023	31 March 2022
Capital Value*	£841.1m	£888.1m
Gross Rental Income **	£25.1m	£26.2m
5-year annualised Total Return	5.22%	8.55%
Benchmark 5-year annualised Total Return	1.71%	6.28%
MSCI Universe (All UK Property) 5-year annualised Total Return	1.32%	2.14%

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

Review of activities from 2022/23:

- Completed a ground lease restructure of Adelaide House, a Grade II Listed Building. This released a £4.6m premium and facilitated a major refurbishment of this asset to provide Grade A office space, targeting BREEAM Excellent and Energy Performance Certificate (EPC) A ratings.
- The freehold sale of tertiary parade category retail assets in Lewisham for £3.1m.
- Between April 2022 and March 2023 £0.5m per annum of additional new lettings was achieved.
- Completed the major refurbishment of 120 Cannon Street in October 2022 and started lettings. An EPC rating of B was secured for this office building as well as BREEAM Excellent.
- There have been issues/delays with major ground lease transactions during the year due to the state of the commercial property market in London. This has meant that anticipated significant capital receipts did not materialise.

Financial Investments

The CBF financial investment portfolio primarily represents the unrestricted income funds of the charity, although currently around 13% of the portfolio forms part of the permanent endowment fund. The aim of the portfolio, as set out in the Investment Policy on page 20, is to seek an absolute return over the long term to provide for increases in annual expenditure whilst preserving its capital base in real terms, which is currently set at CPI + 4%.

To achieve its objectives, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income, multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. The performance of the financial investment portfolio is shown in the table below:

	31 March 2023	31 March 2022
Financial Investments Portfolio Value*	£838.6m	£888.0m
One year total return	-0.24%	6.6%
Absolute return target	14.11%	11.0%
Asset Allocation Benchmark	6.43%	11.4%

* The Portfolio Value includes £819.7m long term investments (£879.5m as of 31 March 2022) plus £18.9m short term investments with fund managers (£8.5m as of 31 March 2022).

It has been the worst year in global financial markets since the 2008 financial crisis. Increases in inflation and commodity prices, changing interest rate expectations, and the ongoing Russian/Ukrainian war created a challenging investment environment. Global equities posted deep negative returns, as a result of high inflation, with the action of central banks to combat it alongside fears of a global recession, dominating the markets.

September's mini-budget led to a sharp rise in gilt yields with sterling reaching a 37-year low against the US dollar. The UK Government's subsequent renewed talk of fiscal discipline was well received by markets. Gilt yields fell and sterling rallied. Market conditions improved and equities benefitted from most international currencies strengthening against the dollar.

Equity markets returns were positive in January 2023, with falling energy prices and China's continued post-covid reopening. However, high inflation and



Staff day at the Barbican © Musa Bwanali

continued tightness in labour markets increased fears of recession, resulting in most global equity markets falling in February. Despite the impact of the banking crisis in the US & Europe in March, overall equity growth remained robust during the final quarter.

It is very difficult for the CBF portfolio to outpace high inflation over the short term and under these challenging investment conditions, the charity's financial investments reflected an annual return of -0.24% in the year to 31 March 2023. Events described above are a reminder of the risks inherent in investing. To address this, the charity sets a diversified asset allocation strategy, to alleviate the volatile episodes in financial markets. However, it should be noted that the charity aims to meet its investment targets over the long term, where performance continues to be positive.

The charity's Climate Action Strategy (CAS) includes the Financial Investments workstream with a net zero target of 2040, with interim emission reduction targets of 24% by 2025 and 55% by 2030. During 2022/23 engagement meetings were held with all Fund Managers to gain insight into their approach to climate change, along with social and governance factors. In addition, a CAS dashboard was launched in 2022, demonstrating the progress of this in relation to Financial Investments and other work streams. We will continue to monitor the Fund Managers to ensure that the transition to net-zero remains on target.

Social Investments

CBF holds £8.9m (2021/22: £8.6m) of unrestricted income funds as social investments. The activities and performance of the social investment fund is stated on page 18 alongside the section on CBF's philanthropic and funding activities.

Plans for future periods

A number of major themes will be the focus of CBF's plans for the coming year. These include enhancing the governance of the charity in accordance with the new Supplemental Royal Charter, continuing the refurbishment of Blackfriars Bridge, establishing a long-term business plan for Tower Bridge, preparing a review of the way charitable funding is undertaken and implementing a new Investment Strategy Statement.

These plans will ensure CBF is a modern and progressive charity that continues its vital role of bridging and connecting London – both physically via its five bridges, and through supporting causes at the heart of London's communities.

In September 2023 a new brand and working name was launched, representing all aspects of the charity's work. The new name, City Bridge Foundation, was submitted to, and approved by the Court of Common Council. The new brand was launched internally and then externally in the Autumn of 2023.

The vision for the next year across the activities of the charity includes:

The Bridges: Deck work is being planned for the Millennium Bridge. This work will improve the alignment of the deck, reduce noise and help to protect the structure from future corrosion.

Further sections of the Blackfriars Bridge Refurbishment project will also be unveiled, rejuvenating the aesthetics of the bridge as well as protecting the heritage structure.

Despite concerns raised by CBF regarding Transport for London's (TfL) proposal to make the Experimental Traffic Order (ETO) at London Bridge permanent, TfL will recommend it goes ahead. In order to prevent any adverse effects of the ETO, particularly by Heavy Goods Vehicles being diverted to Tower Bridge, the Engineering Team has instructed work to be done in advance. This will require a full road closure for Tower Bridge over the August Bank Holiday Weekend to undertake structural replacement and strengthening to the back of the Bascules at the Pawl Supports.

Tower Bridge Tourism: The focus will be on establishing an ambitious Long Term Business Development Plan, Audience Development Plan and Estate Strategy for Tower Bridge. Green Tourism and Accessibility will be further developed, in pursuit of CBF's aims for Climate Action and Equity, Diversity and Inclusion.

A programme of major projects and improvement works for the Bridge will be progressed. A new ticketing, bookings, point of sale and back of house system will be put in place, as a business-critical development project, with emphasis on 'here to stay' practices implemented following the pandemic. There will also be a redesign, re-tender and commissioning of the successful sole events management arrangement.

Activities of City Bridge Foundation:

Over the course of 2023/24, we will be looking closely at how we can make the application process easier and more accessible, improve and strengthen the relationships we have with the organisations we fund, and learn more from the work we support. This 'end-to-end' review will have implications for our future direction as a funder, and how we distribute charitable funding through our open programmes in the years ahead.

Investments

A new Investment Strategy Statement (ISS) was developed, to be approved by the Trustee of the charity in April 2023, and come into legal effect following the sealing of the Supplemental Royal Charter in June. The new charter will provide the power to take a total return approach to the investment of the permanent endowment fund and will be adopted in 2023. This will enable the Trustee to decide how much capital growth and income to spend each year, subject to specific duties which apply. The new ISS establishes objectives and guiding principles for investments in line with the charity's *Bridging London* strategy. These will ensure that investments are managed in accordance with the Trustee's duties, and in a way that most benefits its charitable purposes and its overall vision for a better-connected London. An implementation plan will be developed by the Investment Committee during the year, starting with a review of the allocation of investment assets held. There will also be recruitment of external co-opted Members onto the Investment Committee.

Property Investments:

A focus for the year ahead will be to meet the requirements of the new ISS, working closely with the Investment Committee of City Bridge Foundation Board in this connection.

The major refurbishments of 30 New Bridge Street and 84 Moorgate are continuing, targeting a minimum EPC of B and BREEAM ratings of Excellent, while reducing carbon emissions.

The impacts of high inflation and delays on these projects continue to be felt. They will require close management and will need capital to be raised from the property investment portfolio to meet the expenditure.

A rolling programme of refurbishing vacant office floors continues, both to improve specification and to bring EPC ratings to a minimum of B.

Work on a tenant-occupied industrial unit is underway to achieve an EPC B rating. The upgrade will be completed this year.

Letting the vacant space at 120 Cannon Street and a pre let of 30 New Bridge Street is a priority.

Financial Investments:

The CBF Investment Committee will manage the charity's financial investment portfolio in line with the overall objectives which have been set out within the new ISS. Throughout 2023/24 it will monitor the performance of the financial investments, managing the performance of appointed investment managers whilst supporting changes that result from the implementation of the new impactful focussed ISS. Supporting plans to achieve the ambitious climate action strategy of CBF will continue to be a key focus.



FINANCIAL REVIEW

Overview of financial performance

Over the year, the charity made significant progress in the refurbishment of its bridges, awarded a record high amount in grants alongside seeing substantial recovery in Tower Bridge tourism income. This was against a backdrop of a changing economic environment with high interest rates, cost of living challenges and continued uncertainties within investment markets. The charity remains financially resilient and will continue to have sufficient funds available to meet its primary objective - the support and maintenance of its five Thames bridges - alongside its ancillary purpose of charitable funding for the general benefit of the inhabitants of Greater London.

Page 216

Income

Total income for 2022/23 was £35.3m, an increase of £1.2m on the previous year (£34.1m).

Tower Bridge tourism continued its post-pandemic recovery in 2022/23, progressing much faster than predicted. The income derived from visitor admissions, retail and events at Tower Bridge increased to £7.6m from the previous year's £3.1m. The increase in visitor numbers can be attributed to the return of international tourists to London along with Tower Bridge's continuing popularity with a domestic audience. The cost-of-living crisis had been expected to impact visitor numbers and overall income; however, this has not yet materialised possibly because, compared to many other tourist attractions in London, Tower Bridge has a more accessible price point.

Investment income, from the property portfolio and the financial investment holdings of the charity, totalled £27.2m, a reduction of £3.2m compared to previous year. Within this total, property rental income reduced due to voids and properties undergoing refurbishment. The reduction in financial investments income was driven by lower private equity distributions compared to previous year.

The remainder of the charity's investment income comes from interest earned from treasury deposits and social investments held, at £0.1m (2021/22: £0.3m).

Other income of £0.4m includes fees receivable by the charity for undertaking administrative duties on behalf of other organisations and bridges film and licences income for granting access to third parties to the bridges.

Expenditure

Total expenditure for 2022/23 was £103.7m, an increase of £37.1m on the previous year. Expenditure on supporting and maintaining the bridges increased in the year by £8.2m to £18.0m, with the refurbishment of Blackfriars Bridge continuing alongside a project on the Southwark Bridge Approach Spans. Other cyclical improvement works took place for all five bridges. At Tower Bridge, in light of the additional income, a range of activity-related spend proposals were approved including projects that were deferred during the pandemic. The increase in expenditure is also due to the increased cost of goods sold by the gift shop following higher demand. The overall increase in charitable activities expenditure was attributable to the increase in funding activities with a record high in grant commitments made in the year, totalling £65.3m (including linked operational spend), an increase of £30.8m. This increase reflects the commitments that are being made from the additional £200m that was approved from surplus income in March 2020.

Expenditure on raising funds decreased to £12m (2021/22: £15.3m). This was driven by fees relating to the management of the charity's financial investments being based on the market value of assets under management, which decreased over the year. Property investment expenditure reduced due to lower than anticipated business rates costs as properties were let faster than expected. There was also a reduction in staff costs following the previous disposal of a property that required onsite management.

Overall performance

Activities by the charity over the year resulted in an overall deficit of £68.4m (2021/22: £32.5m), prior to movements on investments held. Total losses of £60.9m were reported as at 31 March 2023, compared to gains of £104.5m for the previous year. Financial investments performance declined resulting in a small gain of £1.8m (2021/22: £62.4m). This was due to a challenging environment characterised by inflationary pressures, changing interest rate expectations, and the ongoing Russian/Ukrainian war. There was a loss on property investments of £62.5m (2021/22: £42.3m gain). This resulted from the property market experiencing downward pressures with reduced market activity amidst

higher interest rates. Further details on the performance of investments is stated on pages 21 -23.

There was an unrealised loss of £0.2m on the social investment fund (2021/22: loss of £0.2m).

Funds held

Total funds held by the charity as at 31 March 2023, decreased by £109.0m to £1,613.4m (2022: £1,722.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Within total funds, £969.2m represent the permanent endowment funds (2021/22: £1,030.1m) which are held in perpetuity to generate income for the future activities of the charity. All income arising from the endowment fund is accounted for within unrestricted funds. Such income enables the charity to meet its primary purpose of maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the funding activities of the charity.

Restricted funds held as at year-end was nil (2022: £0.5m). Details of these are stated on page 59.

The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds. As at 31 March 2023, these funds totalled £644.2m (2022: £691.8m) being net of £4.3m held to cover the pension deficit (2022: £22.8m).

From the charity's unrestricted income funds, it has set aside or designated funds for specific purposes. At year-end, these designated funds totalled £489.0m (2022: £494.8m). £31m of surplus income for the year was transferred to the grant-making designated fund bringing the total held at year-end to £179.9m (2022: £210.3m). Following approval by the Trustee, £21.7m was released from the social investment fund to the general fund, bringing the social investment designated fund balance to nil. Following the granting of the Supplement Royal Charter, a new designated fund is being considered. £11.6m was transferred into the bridges repair fund in order to meet future maintenance costs of the five bridges. A further £51.4m was transferred into the bridges replacement fund, giving a total of £242.6m (2022: £191.2m) held as at year-end to fund future rebuild costs.

Details of all funds held, including their purposes, is set out within Note 21 to the financial statements.

Reserves policy

The permanent endowment funds are held in perpetuity. It is the Trustee's policy to invest the assets of the charity held within this fund to retain the real value of the endowment. It does this while also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges. At the same time it preserves both the 'real' value of the asset base and the purchasing power of the sums available for annual expenditure over the long term.

Any income surplus to that required to be applied to the charity's primary purpose in any one year is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London. The level of funds available for charitable funding is monitored and adjusted to ensure compliance with the policy to preserve the 'real' value of the asset base.

The free reserves of the charity are held to cover working capital needs and a provision for unplanned urgent activities. In 2022/23, following review, the target level of free reserves was maintained at £35m. Alongside this, an additional £55m is held (giving a total of £90m) reflecting growth uncertainties across the forecast period. This amount is subject to annual review.

The charity intends to adopt a total return basis for its permanent endowment fund – this power being within the new Supplemental Royal Charter (page 20). With this approach, the charity's Trustee decides each year how much of the total return within the permanent endowment fund can be released to income for spending against the objectives and how much is retained for investment.

Reserve levels held as at 31 March 2023 are set out in Note 21. The charity holds free reserves of £155.2m (2022: £197m), which is £65.2m above the current policy. The Trustee remains cautious of the impacts of the ongoing uncertain economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

Remuneration policy

The charity's key management personnel, as defined within Note 11 to the financial statements, are employees of The City Corporation and, alongside all other staff, their pay is reviewed annually. Salary costs

incurred by the Trustee in administering the charity are re-charged to CBF. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised during the year.

The Managing Director's post is evaluated and assessed independently against the external market allowing the post to be allocated a salary range which incorporates market factors as well as their relevance to the charity. The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by The City Corporation to actively promote equity, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing The City Corporation's gender pay gap.

Fundraising

Section 162(1)(a) of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although the charity does not undertake widespread fundraising activities, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or

third parties. The day-to-day management of all income generation is undertaken by the CBF team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2021/22: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the Executive Leadership Team and the City Bridge Foundation Board ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. Following a review workshop in June 2022, a revised Principal Risk Register was prepared for the charity, which has been reviewed and adopted by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks. Furthermore, throughout 2022/23, a review of the charity's Risk Management Protocol was undertaken to ensure it remained fit for purpose and reflected governance changes. Alongside this, work has been undertaken to develop operational risk registers for the charity's bridge activities (including a specific risk register for Tower Bridge) and for its funding activities.

The principal risks faced by the charity, and actions taken to manage them are as follows:

RISKS	Actions to manage risks
<p>Structural damage to Bridges/ Maintenance of the Bridges Major structural damage to one of the bridges may cause it to become non-operational, or ineffective, incomplete or faulty maintenance of bridges and associated infrastructure.</p>	<p>The City Surveyor's Department and Department of the Environment within The City Corporation work together (for the charity and in the discharge of The City Corporation's separate statutory and regulatory functions), alongside other bodies and stakeholders, to manage ongoing actions associated with this risk which includes potential structural damage as a result of issues such as a substantial vessel strike or through acts of terrorism. A 50-year maintenance plan is in place to manage on-going works. Significant work has taken place in 2022/23 to consider and evaluate security measures on the Bridges, including the upgrading of CCTV facilities on the Bridges as part of the Secure City Programme.</p>
<p>Reputation Management A range of incidents both within and outside the direct control of the Trustee, may adversely impact upon the charity's operations, activities, and reputation.</p>	<p>Better internal early warning systems are now in place for the notification of emerging/ potential crisis. In 2022/23 work was undertaken to develop a new brand for the charity – the refreshed brand (which will launch in 2023/24) will provide an opportunity to better promote the charity's activities.</p> <p>Staff have developed a communications crisis response plan, although have not yet had to initiate this. Staff continue to discuss potential reputational risks on the horizon and operate a proactive strategic communications approach that positively promotes the charity's activities.</p>
<p>Insufficient investment returns Insufficient returns from investment activities available to meet the charity's purposes, strategies and objectives due to uncertain investment environment, notably with high inflation and other factors continuing to drive higher costs related to investment property projects.</p>	<p>In 2022/23, a new Investment Strategy Statement was developed to set clear objectives and targets for the charity's investments. Ongoing reviews of forecasts, reserve levels and liquidity needs are undertaken regularly by the CBF Finance Team. The charity's internal and external investment managers are held to account and performance is monitored.</p>
<p>Failure to deliver CBF's strategy and organisational change Lack of support for CBF's strategic vision; insufficient capacity and resources to deliver strategy; poor communication/ collaboration within and between teams; lack of cohesive business plan to deliver strategic aims; lack of engagement from The City Corporation in implementing strategic decisions for organisational change within The City Corporation as they affect CBF.</p>	<p>Deliver a detailed implementation plan for the charity's overarching strategy, Bridging London, and review the charity's policies and plans on a regular basis to ensure the charity has an effective strategic framework in place to measure its impact. A series of staff engagement opportunities were delivered in 2022/23 to promote collaboration amongst teams and help build a one-charity culture, helping to gain support for CBF's vision. Continued engagement with City Corporation departments to share information and plans on CBF's strategy and organisational change programmes.</p>

RISKS	Actions to manage risks
<p>Safeguarding Safeguarding requirements not embedded into all of the charity's activities, including lack of regular and effective safeguarding training for the Board and for all relevant staff; insufficient monitoring of safeguarding issues across operational delivery of strategies furthering the primary and ancillary objects.</p>	<p>A new staff Safeguarding Group has been established and meets regularly to review any safeguarding issues and to identify improvements to CBF's internal operational processes. A new bespoke Safeguarding Policy for the charity was implemented in 2022/23. Training opportunities for staff continue to be identified and rolled out accordingly. Enhanced reporting to the CBF Board on safeguarding measures implemented.</p>
<p>Lack of diversity of skills, knowledge and experience within the charity Risk that CBF does not have personnel (staff and Board members) with the appropriate diversity of skills, knowledge and lived experience that is reflective of the charity's beneficiaries.</p>	<p>Embed Equity, Diversity and Inclusion (EDI) principles and practices into the charity's work. Establish a new pan-charity EDI Steering Group to identify areas for improvement across the charity. Undertake regular skills audit on the CBF Board and seek to recruit external co-opted Members to support with the mix of skills and experience.</p>

Going concern

The Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern and the financial statements of CBF have been prepared on that basis. In making this assessment, the Trustee has considered the charity's financial position, the value of investment assets held, future income and investment return levels, expenditure requirements and the liquidity of the charity taking into account the ongoing impact of the cost-of-living crisis, inflationary pressures and changing economic environment.

The Trustee is satisfied that the charity could absorb significant changes in investment value with no impact on its ability to continue as a going concern. The charity's funds reduced by £109.0m in the year to 31 March 2023, with sufficient funds available in liquid assets to satisfy cashflow needs.

A rolling annual review of the charity's detailed forecast financial position over a 3-year period is carried out, alongside 10-year modelling of funds held to confirm

that sufficient returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding. The primary purpose of the charity is to meet the needs of the charity's five Thames bridges, ensuring that adequate funds have been set aside to cover both their short and long-term needs. The Trustee continues to be satisfied that it will have the necessary resources to meet these needs. The ancillary purpose of CBF is undertaken only where surplus income is available after responsibilities relating to the Bridges have been met, as stated on page 7, and the charity continues to be able to fund both its responsibilities for the Bridges and its ancillary purpose. However, should it be required, this method of operation provides flexibility to the charity when approving future plans. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity. This includes the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is required to:

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

The Trustee is responsible for keeping adequate accounting records. These must be sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity. They must also enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Dr Giles Shilson



Chairman of CBF Board
Guildhall, London

Paul Martinelli



Deputy Chairman of CBF Board

26 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF CITY BRIDGE FOUNDATION

Opinion

We have audited the financial statements of City Bridge Foundation ('the charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustee's responsibilities statement set out on page 32, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, the valuation of financial investments and investment properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates including those specific to the investment valuations for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London, UK

30 January 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2023

BALANCE SHEET

As at 31 March 2023

	NOTES	Unrestricted Funds £m	Restricted Funds £m	Endowment Funds £m	2022/23 Total Funds £m	2021/22 Total Funds £m Restated
Income and Endowments from:						
Voluntary income	2	–	0.1	–	0.1	0.2
Charitable activities	3	7.6	–	–	7.6	3.1
Investments	4	27.2	–	–	27.2	30.4
Other income	5	0.4	–	–	0.4	0.4
Total Income		35.2	0.1	–	35.3	34.1
Expenditure on:						
Raising funds	6	11.6	–	0.4	12.0	15.3
Charitable activities						
Repair and maintenance of bridges		18.0	–	–	18.0	9.8
Tower Bridge tourism		6.6	–	–	6.6	4.7
Charitable funding		64.7	0.6	–	65.3	34.5
Total charitable activities	7	89.3	0.6	–	89.9	49.0
Other						
Net pension scheme costs	19	1.8	–	–	1.8	2.3
Total Expenditure		102.7	0.6	0.4	103.7	66.6
Net (expenditure) before (losses)/gains on investments		(67.5)	(0.5)	(0.4)	(68.4)	(32.5)
Net (losses)/gains on property investments	13	–	–	(62.5)	(62.5)	42.3
Net (losses)/gains on financial investments	14	(0.2)	–	2.0	1.8	62.4
Net (losses) on social investments	15	(0.2)	–	–	(0.2)	(0.2)
Total (losses)/gains on Investments		(0.4)	–	(60.5)	(60.9)	104.5
Net (expenditure)/income/after (losses)/gains on investments		(67.9)	(0.5)	(60.9)	(129.3)	72.0
Other recognised gains:						
Actuarial gains on defined benefit pension scheme	19	20.3	–	–	20.3	7.1
Net movement in funds		(47.6)	(0.5)	(60.9)	(109.0)	79.1
Reconciliation of funds:						
Fund balances brought forward at 1 April 2022		691.8	0.5	1,030.1	1,722.4	1,643.3
Total funds carried forward	21	644.2	0.0	969.2	1,613.4	1,722.4
Total funds carried forward	23	660.0	3.8	979.5	1,643.2	1,536.4

All of the above results are derived from continuing activities. There were no other recognised gains and losses other than those shown above. 2021/22 has been restated following the March 2022 pensions triennial funding valuation. Further details of this are stated in note 19. The notes on pages 39 to 63 form part of these financial statements.

	Notes	2023 Total £m	2022 Total £m Restated
Fixed assets:			
Tangible assets	12	3.0	3.1
Investment properties	13	841.1	888.1
Financial investments	14	819.7	879.5
Social investment fund	15	8.9	8.6
Total fixed assets		1,672.7	1,779.3
Current assets			
Stock		0.3	0.2
Debtors	16	14.8	11.3
Short term investments and deposits	14	35.7	26.9
Cash at bank and in hand		7.6	4.1
Total current assets		58.4	42.5
Creditors: Amounts falling due within one year	17	(67.6)	(47.4)
Net current (liabilities)		(9.2)	(4.9)
Total assets less current liabilities		1,663.5	1,774.4
Creditors: Amounts falling due after more than one year	18	(45.8)	(29.2)
Net assets excluding pension scheme liability		1,617.7	1,745.2
Defined benefit pension scheme liability	19	(4.3)	(22.8)
Total net assets	20	1,613.4	1,722.4
The funds of the charity:			
Permanent endowment funds		969.2	1,030.1
Restricted funds		–	0.5
Designated funds		489.0	494.8
General funds		155.2	197.0
Total funds	21	1,613.4	1,722.4

The notes on pages 39 to 63 form part of these financial statements

Approved and signed on behalf of the Trustee



Caroline Al-Beyerty
Chamberlain of London and Chief Financial Officer
26 January 2024

STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS

	Notes	2022/23	2021/22
		Total	Total
		£m	£m
Cash flows from operating activities:			
Net cash (used in) operating activities	22	(60.3)	(56.7)
Cash flows from investing activities:			
Dividends, interests and rents from investments		27.2	30.0
Additions to short term deposits		(89.8)	(58.2)
Proceeds from sale of short term deposits		81.0	69.3
Sale of investment property		7.9	24.7
Purchases and improvements of property		(23.4)	(26.7)
Additions to tangible fixed assets		(0.2)	–
Additions to Social Investments		(0.9)	(1.0)
Social Investments repayments		0.4	1.3
Additions to financial investments		(208.3)	(136.1)
Proceeds from sale of financial investments		269.9	153.0
Net cash provided by investing activities		63.8	56.3
Increase/(decrease) in cash in the year		3.5	(0.4)
Change in cash and cash equivalents in the reporting period		3.5	(0.4)
Cash and cash equivalents at the beginning of the reporting period		4.1	4.5
Cash and cash equivalents at the end of the year	23	7.6	4.1

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The City Corporation is Trustee of the charity, with officers of The City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity. Please see note 1 (c) (vi) below for further explanation.

The Financial Statements are presented in sterling which is the functional currency of the charity.

b. Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. A rolling detailed annual review of the charity's forecast financial position over a three-year period is carried out, alongside ten-year modelling of funds held, to confirm that sufficient income funds will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding.

In assessing the appropriateness of the going concern basis, the Trustee has considered the charity's financial position, the value of investment assets held, future income and investment return levels, expenditure requirements and the liquidity of the charity, taking into account the ongoing impact of the cost-of-living crisis, inflationary pressures and the changing economic environment. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. Accordingly, as further stated on page 32, the Trustee has a reasonable expectation that the charity will continue as a going concern for at least 12 months from the date of signing this report and has adopted this basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

Key accounting judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the significant judgements that have been made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

Investment properties are properties ultimately owned by the charity and are held for capital appreciation, rental income, or both. They are valued at each balance sheet date at fair value as determined by professionally qualified internal and external valuers.

Valuations are prepared in accordance with "RICS Valuation – Global Standards (incorporating International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, (the "RICS Red

Book”). The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

Property markets are functioning but there is reduced transaction activity and the sentiment of purchasers and vendors across the market has been impacted. There remains evidence of wide bid spreads, price renegotiations and transactions taking longer to complete which all add to the market dynamics. The valuation methods adopted for the 62 properties held by the charity take into account appropriate comparable market evidence and indices against the backdrop of a changing economic outlook. The valuers did not identify any assumptions that provided a material impact on a single or sub-group of properties held that were relevant to the judgements applied as at 31 March 2023.

ii. Investment property disposals

When accounting for the disposal of long leaseholds of investment properties, the charity utilises the methodology as set out within the RICS Professional Standards (“the Red Book”) in apportioning values between land and buildings. This includes a number of factors such as insurance values and future construction costs, which are subject to judgement.

iii. Valuation of financial investments

Within financial investments are amounts invested in private equity fund vehicles. These funds are valued by the fund managers based on a number of assumptions, some of which are based on non-observable inputs (such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples).

iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social

investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 19 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

The Pension Fund is the responsibility of The City Corporation as a corporate body exercising its functions including as Trustee of CBF, and the charity does not have an exclusive relationship with the City of London Pension Fund. The proportion of the Pension Fund that relates to City Corporation employee members engaged on CBF activities is not separately identifiable. However, an estimated share of the total Pension Fund net deficit has been allocated to CBF on employer’s pension contributions paid into the Fund by, CBF as a proportion of total employer’s contributions paid.

vi. Allocation of support costs

Support costs, incurred by The City Corporation on behalf of the charity, are allocated on a cost recovery basis to the charity. Human resources and digital services are apportioned on a headcount basis. Legal support and public relations are allocated per usage; premises costs are allocated on a space occupied basis; accounting services costs are allocated on the basis of time spent and number of invoices processed; with committee administration costs allocated on the basis of the number of committees overseeing the charity’s activities.

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is probable that the economic benefit associated with the transaction will come to the charity and the amount can be measured reliably. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property

(see policy g below) and financial investments and income on money market deposits held.

Grant income - Grant income is accounted for on a receivable basis when there is evidence of entitlement to the grant, receipt is probable, and the amount of the grant can be measured reliably.

Tower Bridge tourism fees and charges - Income included under this heading includes admissions fees, events income, retail and filming fees, all of which are recognised in the period to which the income relates.

Investment property income - Income is recognised on an accrual basis and on a straight-line basis (note (1) (g)).

Financial investments income – consists of dividend and interest which are recognised when receivable.

Other income - is recognised in the period in which the charity becomes entitled to receipt.

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of ‘expenditure on raising funds’, ‘expenditure on charitable activities’ and ‘other expenditure’.

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund.

Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs.

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. Where the payment is planned to be more than 12 months after the reporting date of the charity’s accounts, the charity reviews the present value of future payments and considers whether the effective financing cost is material to the charity’s reporting. If so, the financing charge is disclosed in the SOFA. Otherwise, the unadjusted value of the grant awarded is shown within creditors. In 2022/23 the charity does not consider the effective financing cost of future payments as material, and no adjustment has been made.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the activities undertaken. These include external audit, internal audit and costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by The City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 10.

The Trustee, The City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 11.

e. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate of exchange. All gains or losses on translation are taken to the Statement of Financial Activities in the year in which they occur.

f. Pension costs

Defined benefit scheme

The Trustee operates a funded defined benefit pension scheme for its staff employed on its activities, which includes staff acting for the Trustee on behalf of City Bridge Foundation. The original scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salary, with various protections in place for those members in the Scheme before the changes took effect.

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary, using the projected unit method and discounted at a rate equivalent to the current rate of return, on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

g. Operating leases – City Bridge Foundation as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another method is more representative of the time pattern in which the benefits derived from the leased asset are diminished. Rent-free periods are allocated over the term of the lease.

Rent concessions including the forgiveness of a portion of or all lease payments for an agreed period (i.e., a temporary rent reduction or rent holiday) have been recognised over the periods that the changes relate to and in accordance with the appropriate guidance.

h. Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

i. Fixed assets

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Computer software	3 years
Computer and other equipment	5 years
Fixtures and fittings	8-20 years
Operational assets	10-30 years

Land is not depreciated.

Where a fixed asset (other than freehold land) is not depreciated or has a life of more than 50 years, an annual impairment review is carried out.

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e., they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2023 was £1,143.5m (2022: £1,034.2m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1 (d).

Investment properties

Investment properties for which fair value can be measured reliably on an on-going basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. The valuations are estimated by appropriately qualified professional valuers.

No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

Financial investments

i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value,

using the bid price. Asset sales and purchases are recognised at the date of trade.

ii. Unquoted investments

Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018). Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Where a valuation is not available at the balance sheet date, the most recent valuation is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date. These valuations are provided by fund managers and are subject to either independent valuation or annual audit.

iii. Cash held by fund managers

The fund managers utilised by the charity may hold investments in the form of cash from time to time when making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investment

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

j. Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the Tourism operation at Tower Bridge.

k. Cash

Cash and cash equivalents include cash in hand, short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less and, if any, overdrafts.

I. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds' structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purposes of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income generated by assets held within the permanent endowment fund and from those representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

2. Income from voluntary activities

	RESTRICTED INCOME FUNDS 2022/23 £M	RESTRICTED INCOME FUNDS 2021/22 £M
Grant income	0.1	0.2
	0.1	0.2

3. Income from charitable activities

	UNRESTRICTED INCOME FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS 2021/22 £M
Tower Bridge tourism fees and charges	7.6	3.1
	7.6	3.1

4. Income from investments

	UNRESTRICTED INCOME FUNDS £M	TOTAL FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS £M	TOTAL FUNDS 2021/22 £M
Investment property	24.9	24.9	26.2	26.2
Financial investments	2.2	2.2	3.9	3.9
Interest receivable	0.1	0.1	0.3	0.3
Total Investment income	27.2	27.2	30.4	30.4

All investments are held to provide an investment return to the charity.

5. Other income

	UNRESTRICTED INCOME FUNDS 2022/23 £M	UNRESTRICTED INCOME FUNDS 2021/22 £M
Other income	0.4	0.2
Government grants	–	0.2
	0.4	0.4

In the prior year government grants covered claims from HMRC under the Government's Coronavirus Job Retention Scheme (CJRS) for staff who were furloughed due to the Covid-19 pandemic. There were no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance were received.

6. Expenditure on raising funds

	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2022/23 £M	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2021/22 £M
Investment property expenses	4.4	2.5	6.9	5.8	2.6	8.4
Financial investment expenses	4.9	0.2	5.1	6.7	0.2	6.9
	9.3	2.7	12.0	12.5	2.8	15.3

Of the total expenditure on raising funds, £11.6m (2021/22: £14.9m) relates to the unrestricted income fund and £0.4m (2021/22: £0.4m) to the endowment fund.

Investment property expenses – staff costs, repairs and maintenance costs, and professional fees relating to the management of the investment property portfolio.

Financial investment expenses – fees paid to fund managers.

7. Expenditure on charitable activities

	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2022/23 £M	DIRECT COSTS £M	SUPPORT COSTS £M	TOTAL 2021/22 £M
Repair and maintenance of bridges	17.0	1.0	18.0	9.0	0.8	9.8
Tower Bridge tourism	6.0	0.6	6.6	3.9	0.8	4.7
Charitable funding	63.4	1.9	65.3	33.3	1.2	34.5
	86.4	3.5	89.9	46.2	2.8	49.0

Repair and maintenance of bridges – staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames River bridges maintained by the charity.

Tower Bridge tourism – staff costs and other expenses related to the management and operation of the Tower Bridge tourist attraction.

Charitable funding – grants awarded by CBF, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £60m (2021/22: £29.8m) and costs of administering the grants process of £3.4m (2021/22: £3.5m).

8. Charitable funding

During the year ended 31 March 2023, grants were awarded to institutions under the following programmes:

	2022/23 £M	2021/22 £M
Bridging Divides:		
Core Activities	34.6	13.0
Strategic Initiatives	19.7	14.2
London Community Response Fund	–	2.9
Stepping Stones Fund	0.2	0.2
Propel	5.7	–
Charitable Funding	60.2	30.3
Charitable funding adjustments and cancellations	(0.2)	(0.5)
Net charitable funding	60.0	29.8
Other charitable funding related activities	3.4	3.5
	63.4	33.3

Grants were made to 665 organisations in the year (2021/22: 251), supporting 733 projects (2021/22: 278). The average amount of grant equalled £82k (2021/22: £109k). The decrease in the average size of grant and increase in the number of funded organisations in the year was due to the award of 352 Inflationary Pressure Payments to support existing grantees with increased costs, which are shown as additional grants. Excluding Inflationary Pressure Payments, the average grant size increased to £158k, an increase on the average 21/22 grant size due to a number of programmes where significant large grants were awarded, including the new Propel collaborative fund with several £1m+ grants, and notable Alliance Partnership awards (as part of Strategic Initiatives), including one £6m grant.

All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Details of all the grants approved are shown on the CBF website www.citybridgefoundation.org.uk, within the News & events section, including organisation name, amount given and purpose of the award.

Reconciliation of grants payable:

	2022/23 £M	2021/22 £M
Commitments at 1 April	48.1	46.6
Commitments made in the year	60.2	30.3
Charitable funding adjustments and cancellations	(0.2)	(0.5)
Charitable funding paid during the year	(27.4)	(28.3)
Commitments at 31 March	80.7	48.1

Outstanding grant commitments at 31 March 2023 are payable as follows:

	2022/23 £M	2021/22 £M
Within one year (note 19)	48.6	32.6
After more than one year (note 20)	32.1	15.5
Commitments at 31 March	80.7	48.1

The split of future payment dates is based upon contractual terms, which may relate to multi-year commitments.

9. Net income for the year

Net income is stated after charging:

	2022/23 £	2021/22 £
Auditors' remuneration for the audit of the financial statements	89,050	75,000
Additional fees incurred for the audit of 2020/21 financial statements	–	9,000
Depreciation	298,492	262,873

The 2022/23 audit fee has increased as a result of inflationary pressures and the introduction of ISA (International Standards on Auditing) 315 (revised).

10. Support costs

Support costs include activities undertaken by The City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. Such costs are determined by department, and are allocated to recover costs to the charity on the basis of resources consumed by the respective activities as follows:

	TOURISM £M	INVESTMENT PROPERTY £M	FINANCIAL INVESTMENTS £M	BRIDGES £M	GRANTS £M	GOVERNANCE £M	2022/23 £M	2021/22 £M
Department:								
Chamberlain	0.1	0.3	0.1	0.1	–	–	0.6	0.5
Comptroller & City Solicitor	–	0.1	–	–	–	–	0.1	0.3
Town Clerk	0.1	–	–	–	0.2	0.2	0.5	0.5
City Surveyor	–	1.9	–	0.2	–	–	2.1	2.2
Environment	–	–	–	0.1	–	–	0.1	0.1
Culture, Heritage & Libraries	–	–	–	–	–	–	–	0.1
Digital services	0.2	–	–	0.1	0.2	–	0.5	0.4
Premises costs	–	–	–	0.1	0.2	–	0.3	0.4
CBF Central costs	0.1	0.1	0.1	0.3	1.1	–	1.7	0.8
Other	0.1	0.1	–	–	–	0.1	0.3	0.3
Sub-total	0.6	2.5	0.2	0.9	1.7	0.3	6.2	5.6
Reallocation of governance costs	–	–	–	0.1	0.2	(0.3)	–	–
Total Support costs	0.6	2.5	0.2	1.0	1.9	–	6.2	5.6

All support costs are undertaken from unrestricted funds. Governance costs are allocated on the basis of FTE staff within each activity. Costs for management and administration support services provided directly to the charity are included in CBF Central costs.

11. Details of staff costs

All staff that work on behalf of the charity are employed by The City Corporation. The average full-time equivalent number of people directly undertaking activities on behalf of the charity during the year was:

	2022/23 Number	2021/22 Number
Investments	6	9
Tower Bridge tourism	51	49
Repair & maintenance of bridges	24	31
Funding	35	31
Enabling services	13	11
	129	131

Enabling services (previously named Administration) includes staff providing direct support and management to the charity in communications, governance and strategy, finance and human resources. In 2021/22, 3 FTE have been reanalysed from Funding to Enabling services.

The above figures are for the FTE average number of staff rather than the average number of employees on an annual basis due to The City Corporation employing all staff. FTE is based on the activities undertaken on behalf of the charity.

In addition, support staff are charged to the charity on the basis described within Note 10. The full-time equivalent number of support service staff charged is 51.9 (2021/22: 56.7).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2022/23 £m	2021/22 £m
Salaries and wages	6.2	5.5
National Insurance costs	0.7	0.6
Employer's pension contributions	1.2	1.0
Total emoluments of employees	8.1	7.1

The number of directly charged employees whose emoluments for the year were over £60,000 was:

	2022/23	2021/22
£60,000 - £69,999	6	7
£70,000 - £79,999	4	2
£90,000 - £99,999	4	2
£120,000 - £129,999	–	1
£130,000 - £139,999	1	–
	15	12

All employees paid over £60,000 have retirement benefits accruing under the defined benefit scheme.

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of The City of London Corporation, acting collectively for The City Corporation in its capacity as the Trustee, senior officers employed by The City Corporation and key members of the CBF leadership team. The senior officers of The City Corporation include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, and the City Surveyor. These officers work on a number of The City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including CBF on the basis of employee time spent on the respective services, as stated within Note 11. Further details on this can be found within the Annual Report for City Fund. The CBF executive leadership team comprising the Managing Director, Finance Director, Chief Operating Officer, Associate Director of CBF, replaced by the Chief Funding Director in January 2023, Philanthropy Director and Director of Communications and Engagement are included within key management personnel.

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2022/23 was £927k (2021/22: £351k). This reflects a full year for this team in 2022/23 (2021/22: 3 months).

The highest paid role is the Managing Director of CBF, with total employment benefits, including employer pension contributions and employer national insurance contributions in 2022/23 being £183k (2021/22: £173k).

No Members received any remuneration for time spent on CBF matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2022/23 from the charity (2021/22: Nil).

12. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold Improvements £m	Total £m
Cost				
At 1 April 2022	0.7	2.5	4.3	7.5
Additions	0.1	0.1	–	0.2
Disposals	–	–	–	–
At 31 March 2023	0.8	2.6	4.3	7.7
Depreciation				
At 1 April 2022	0.5	1.4	2.5	4.4
Charge for the year	0.1	0.1	0.1	0.3
Disposals	–	–	–	–
At 31 March 2023	0.6	1.5	2.6	4.7
Net book value				
At 31 March 2023	0.2	1.1	1.7	3.0
At 31 March 2022	0.2	1.1	1.8	3.1

13. Investment properties

	2023 £m	2022 £m
Market value at 1 April	888.1	843.8
Purchases and improvements	23.4	26.7
Book value of disposed assets	(0.9)	(17.4)
Total unrealised (losses)/gains*	(69.5)	35.0
Market value at 31 March	841.1	888.1

* Includes rent free adjustment of £4.5m (2021/22: £4.4m).

The net gain on property investments is arrived at as follows:

	2023 £m	2022 £m
Total unrealised (losses)/gains	(69.5)	35.0
Realised gains on disposal	7.0	7.3
	(62.5)	42.3

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (“the Red Book”). This was undertaken by Savills (UK) Ltd and Jones Lang LaSalle Limited, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices.

As many of the investment properties were gifted to the charity and others were acquired centuries ago, it is impracticable to provide historical cost information. It has therefore been assumed that the historical cost is nil. The properties are all situated in Greater London.

The charity determines its valuation policies and procedures and is responsible for overseeing the valuations. Valuations performed by the charity’s independent external valuers are based on information extracted from the charity’s financial and property reporting systems, such as current rents and the terms and conditions of lease agreements, together with assumptions used by valuers (based on market observation and their professional judgement) in their valuation models.

14. Financial investments

Total financial investments as at 31 March are split as follows:

	2023 £m	2022 £m
Long term investments	819.7	879.5
Short term investments:		
– short term deposits and money market funds	16.8	18.4
– short term investments in hands of fund managers	18.9	8.5
	35.7	26.9
Total market value at 31 March	855.4	906.4

	2023 £m	2022 £m
Long term investments held by fund managers		
Market value 1 April	879.5	834.0
Additions to investments at cost	208.3	136.1
Disposals at market value	(269.9)	(153.0)
Gain from change in fair value	1.8	62.4
Long term investments at 31 March	819.7	879.5

	2023 £m	2022 £m
Cash investments		
Investment at 1 April	26.9	38.0
Additions to investments at cost	89.8	58.2
Disposals at market value	(81.0)	(69.3)
Investments at 31 March	35.7	26.9
Total investments at 31 March	855.4	906.4

At the year-end £4.5m (2021/22: £nil) had been committed in private equity investments and yet to be paid out by the charity. During the year £40m was withdrawn from fund managers to support the operational activities of the charity (£nil: 2021/22).

The geographical spread of investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2023 £m	Total at 31 March 2022 £m
Fixed Interest	22.1	56.6	78.7	60.1
Index Linked	24.2	6.9	31.1	46.3
Pooled units	124.0	494.9	618.9	654.7
Listed equities	8.5	19.4	27.9	58.4
Managed funds	18.9	–	18.9	8.5
Private equity	4.0	17.7	21.7	25.5
Infrastructure	–	58.2	58.2	52.9
	201.7	653.7	855.4	906.4

The majority of the charity’s financial investments are held in mutual funds operated by professional asset managers whereby the charity’s assets are pooled with other investors and invested in equities, bonds and other securities. These investment assets are termed “pooled units” in the above table.

15. Social Investment Fund

	Value as at 1 April 2022 £m	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2023 £m
Investment Fund	3.3	–	–	(0.2)	3.1
Loan	1.0	–	(0.4)	0.1	0.7
Bond	1.4	–	–	(0.1)	1.3
Property Fund	2.9	0.9	–	–	3.8
	8.6	0.9	(0.4)	(0.2)	8.9

The geographical spread of social investments as at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2023 £m	Total at 31 March 2022 £m
Investment Fund	2.9	0.2	3.1	3.3
Loan	0.7	–	0.7	1.0
Bond	1.3	–	1.3	1.4
Property Fund	3.8	–	3.8	2.9
	8.7	0.2	8.9	8.6

At the year-end, £0.5m (2021/22: £1.3m) had been committed but remained undrawn, making a total promised of £9.4m (2021/22: £9.9m). Details of all investments placed are shown on the City Bridge Foundation website www.citybridgefoundation.org.uk.

16. Debtors

	2023 £m	2022 £m
Debtors – amounts due in less than one year		
Trade debtors	0.4	0.5
Rental debtors	2.9	2.6
Prepayments & accrued income	6.5	3.5
Sundry debtors	0.5	0.3
	10.3	6.9
	2023 £m	2022 £m
Debtors – amounts due in more than one year		
Rental debtors	4.5	4.4
	4.5	4.4
Total debtors	14.8	11.3

17. Creditors – amounts falling due within one year

	2023 £m	2022 £m
Grants payable (note 8)	48.6	32.6
Trade creditors	3.1	1.6
Accruals	6.8	3.9
Deferred income	6.1	6.0
Rent deposits	3.1	3.0
Other creditors	–	0.3
	67.7	47.4

Deferred income comprises property rental income and lease premiums received in advance.

	2023 £m	2022 £m
Deferred income analysis within creditors:		
Balance at 1 April	6.0	6.2
Amounts released to income	(5.7)	(6.2)
Amounts deferred in the year	5.8	6.0
Balance at 31 March	6.1	6.0

18. Creditors – amounts due after more than one year

	2023 £m	2022 £m
Grants payable (note 8)	32.1	15.5
Deferred income	11.8	11.9
Other creditors	1.8	1.8
	45.7	29.2
	2023 £m	2022 £m
Deferred income – due after more than one year:		
Balance at 1 April	11.9	11.9
Amounts transferred to less than one year	(1.7)	(1.6)
Amounts deferred in the year	1.6	1.6
Balance at 31 March	11.8	11.9

Deferred income relates to lease premiums that will be released over periods of up to 162 years.

19. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Cash and City Bridge Foundation).

The assets of the scheme are held in a specific trust separately from those of the Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund deficit that relates to City Bridge Foundation is not separately identifiable, the share of pension contributions paid to the scheme by the charity is calculated pro-rata to employer's contributions paid by each of The City Corporation contributors to the scheme. Further details can be found in the Annual Report of City Fund.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2022 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2022/23 is £969,000 (2021/22 actual: £965,000). This figure is calculated pro-rata to total contributions that will be payable by The City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method which will set contributions up to 31 March 2026.

Restatement

The 2021/22 position has been restated to incorporate the results of the March 2022 funding valuation which were not available at the time the annual report was approved. The table below sets out the restated figures for 2021/22 with these reflected within the analysis within this note.

	2022/23 £m	2021/22 £m Revised	2021/22 £m Original
Deficit at 1 April	(22.8)	(27.6)	(27.7)
Current service cost	(2.1)	(2.6)	(2.5)
Past service cost	(0.1)	(0.3)	(0.3)
Net interest	(0.6)	(0.6)	(0.6)
Employer contributions	1.0	1.2	1.1
	(1.8)	(2.3)	(2.3)
Return on plan assets	(1.2)	1.9	1.7
Actuarial gains/(losses) arising from changes in demographic assumptions	–	1.5	–
Actuarial gains/(losses) arising from changes in financial assumptions	21.5	3.7	3.3
Deficit at 31 March	(4.3)	(22.8)	(25.0)

a) Major assumptions by the actuary

Financial

The financial assumptions used for the purposes of the FRS102 calculations are as follows:

Assumptions as at:	2023 % p.a.	2022 % p.a. Restated	2021 % p.a.	2020 % p.a.
CPI increases	2.9	3.3	2.9	1.9
Salary increases	3.9	4.2	3.9	2.9
Pension increases	2.9	3.2	2.9	1.9
Discount rate	4.8	2.6	2.0	2.4

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2022), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		2023	2022
Age 65 retiring today	Males	21.1	21.0
	Females	23.5	23.5
Retiring in 20 years	Males	22.3	22.3
	Females	25.0	24.9

Sensitivity analysis

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Scheme's liabilities is shown in the table below:

Sensitivity analysis	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	0.0	0.2
Life expectancy	+/- 0.1	1.7	0.0
Discount rate	+/- 0.1	(0.7)	(3.0)

b) Amounts included in the balance sheet

The amounts included in the charity's balance sheet arising from The City Corporation pension scheme's liabilities in respect of the defined benefit scheme for the current and previous two periods are as follows:

	2023 £m	2022 £m	2021 £m
Fair value of assets (bid value)	37.9	38.2	35.7
Fair value of liabilities	42.2	61.0	63.3
Net liability in balance sheet	4.3	22.8	27.6

The net pension fund liability represents 3% (2021/2022: 3%) of the total net balance sheet liability in The City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

The amounts included within total expenditure in relation to the defined benefit scheme are as follows:

	2023 £m	2022 £m
Current service cost	2.1	2.5
Past service cost	0.1	0.3
Settlements and curtailments	–	–
Interest cost	0.6	0.6
Contributions	(1.0)	(1.1)
Total expense	1.8	2.3

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2021/22: 3%) of the total charge in The City Corporation Pension Fund financial statements.

d) Asset allocation

The current allocation of the scheme's assets is as follows:

Employer asset share - bid value	2023		2022	
	£m	% p.a.	£m	% p.a.
Equity investments	22.2	59	22.6	60
Cash	0.3	1	0.5	1
Infrastructure	5.1	13	4.7	12
Absolute return portfolio	10.3	27	10.4	27
Total assets	37.9	100	38.2	100

The charity's share of pension scheme assets at 31 March 2023 represents 3% (2021/22: 3%) of the total pension scheme assets of The City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

	2023 £m	2022 £m
(Deficit) at beginning of the year	(61.0)	(63.3)
Current service cost	(2.1)	(2.6)
Interest cost	(1.6)	(1.2)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	–	1.5
Actuarial gains arising from changes in financial assumptions	26.4	3.8
Other actuarial (losses)	(5.0)	–
Past service cost, including curtailments	(0.1)	(0.3)
Liabilities extinguished on settlements	–	–
Benefits paid	1.5	1.4
Contributions from scheme participants	(0.3)	(0.3)
(Deficit) at the end of the year	(42.2)	(61.0)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2021/22: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

	2023 £m	2022 £m Restated
(Deficit) at beginning of the year	(22.8)	(27.6)
Current service cost	(2.1)	(2.6)
Net interest	(0.6)	(0.6)
Employer contributions	1.0	1.2
Past service cost	(0.1)	(0.3)
Actuarial gains/(losses)	20.3	7.1
Other (losses)	–	–
(Deficit) at the end of the year	(4.3)	(22.8)

g) Movement in the present value of scheme assets

Changes in the fair value of the scheme assets over the year are as follows:

	2023 £m	2022 £m Restated
As at 1 April	38.2	35.7
Interest on assets	1.0	0.7
Remeasurement gains/(losses):		
Return on assets less interest	(1.2)	1.9
Contributions by employer including unfunded	1.1	1.1
Contributions by scheme participants	0.3	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.5)	(1.5)
Settlement prices received	–	–
Closing value of scheme assets	37.9	38.2

h) Projected pension expense for the year to 31 March 2024

No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Year to 31/03/2024 £m	Year to 31/03/2023 £m	Year to 31/03/2022 £m
Service cost	0.8	–	2.4
Interest cost	0.2	0.6	0.5
Total expense	1.0	0.6	2.9
Employer contribution	1.0	1.0	1.0

20. Analysis of net assets between funds

As at 31 March 2023	Unrestricted Income Funds		Restricted Funds		Endowment Funds	Total at 31 March 2023 £m	Total at 31 March 2022 £m Restated
	General Funds	Designated Funds	Restricted Funds	Endowment Funds			
	£m	£m	£m	£m			
Fixed assets – Investment properties	–	–	–	841.1		841.1	888.1
Fixed assets – Financial investments	213.7	489.0	–	117.0		819.7	879.5
Other fixed assets	11.9	–	–	–		11.9	11.7
Current assets & liabilities	(20.3)	–	–	11.1		(9.2)	(4.9)
Long-term liabilities	(45.8)	–	–	–		(45.8)	(29.2)
Pension liability	(4.3)	–	–	–		(4.3)	(22.8)
	155.2	489.0	0.0	969.2		1,613.4	1,722.4

As at 31 March 2022	Unrestricted Income Funds		Restricted Funds		Endowment Funds	Total at 31 March 2022 £m Restated	Total at 31 March 2021 £m
	General Funds	Designated Funds	Restricted Funds	Endowment Funds			
	£m	£m	£m	£m			
Fixed assets – Investment properties	–	–	–	888.1		888.1	843.8
Fixed assets – Financial investments	278.4	486.2	–	114.9		879.5	834.0
Other fixed assets	3.1	8.6	–	–		11.7	12.2
Current assets & liabilities	(32.5)	–	0.5	27.1		(4.9)	9.7
Long-term liabilities	(29.2)	–	–	–		(29.2)	(28.8)
Pension liability	(22.8)	–	–	–		(22.8)	(27.7)
	197.0	494.8	0.5	1,030.1		1,722.4	1,643.2

21. Movement in funds

As at 31 March 2023	Total as at 1 April 2022 £m Restated	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2023 £m
Endowment Funds	1,030.1	–	(0.4)	(60.5)	–	969.2
London Communities Response Fund	0.3	–	(0.3)	–	–	–
Other Restricted Funds	0.2	0.1	(0.3)	–	–	–
Total Restricted Funds	0.5	0.1	(0.6)	–	–	–
General Funds	219.8	34.7	(22.5)	(0.2)	(72.3)	159.5
Pension Reserve	(22.8)	–	(1.8)	20.3	–	(4.3)
Total General Funds	197.0	34.7	(24.3)	20.1	(72.3)	155.2
Property Dilapidations	0.4	0.3	–	–	–	0.7
Climate Action	15.0	–	–	–	–	15.0
Bridges Repairs	56.2	–	(17.0)	–	11.6	50.8
Bridges Replacement	191.2	–	–	–	51.4	242.6
Grant-making	210.3	–	(61.4)	–	31.0	179.9
Social Investment Fund	21.7	0.2	–	(0.2)	(21.7)	–
Total Designated Funds	494.8	0.5	(78.4)	(0.2)	72.3	489.0
Total Unrestricted Income Funds	691.8	35.2	(102.7)	19.9	–	644.2
Total Funds	1,722.4	35.3	(103.7)	(40.6)	–	1,613.4

As at 31 March 2022	Total as at 1 April 2021 £m	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2022 £m Restated
Endowment Funds	979.5	–	(0.4)	51.0	–	1,030.1
Endowment Funds	979.5	–	(0.4)	51.0	–	1,030.1
London Community Response Fund	3.4	–	(3.1)	–	–	0.3
Other Restricted Funds	0.4	0.2	(0.4)	–	–	0.2
Total Restricted Funds	3.8	0.2	(3.5)	–	–	0.5
General Funds	242.0	33.5	(23.5)	53.7	(85.9)	219.8
Pension Reserve	(27.6)	–	(2.3)	7.1	–	(22.8)
Total General Funds	214.4	33.5	(25.8)	60.8	(85.9)	197.0
Property Dilapidations	0.4	–	–	–	–	0.4
Climate Action	–	–	–	–	15.0	15.0
Bridges Repairs	48.1	–	(9.0)	–	17.1	56.2
Bridges Replacement	168.7	–	–	–	22.5	191.2
Grant-making	206.9	–	(27.9)	–	31.3	210.3
Social Investment Fund	21.5	0.4	–	(0.2)	–	21.7
Total Designated Funds	445.6	0.4	(36.9)	(0.2)	85.9	494.8
Total Unrestricted Income Funds	660.0	33.9	(62.7)	60.6	–	691.8
Total Funds	1,643.3	34.1	(66.6)	111.6	–	1,722.4

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Any income arising from this capital is accounted for within unrestricted funds. Further detail of the origins of this fund is stated on page 6.

Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London’s civil society in furtherance of the CBF funding policy, ‘Bridging Divides’. This was fully utilised in 2022/23.

Other Restricted Funds included:

The Cornerstone Fund – a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities. This fund was fully utilised in 2022/23.

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

Property Dilapidations	represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
Climate Action	represents funds set aside to further progress and potentially accelerate delivery of the Charity’s Climate Action Strategy.
Bridges Repairs	represents funds required to maintain the bridges for the next 5 years.
Bridges Replacement	represents funds set aside to fund the future rebuild of the bridges. This is based on the annually calculated present value of estimated future costs, adjusted for increases in construction costs.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of CBF.
Social Investment Fund	the Trustee approved the release of this designated fund during 2022/23: Following the granting of the Supplement Royal Charter, a new designated fund is being considered.

The charity also maintains a Pension Reserve Fund, representing the net liability owed.

Transfers between funds

Transfers are made to and from unrestricted income funds in order to maintain designated funds at the required levels.

All funds from the Social Investment Fund were transferred back into unrestricted general funds, with amounts invested in social investment holdings not considered part of free reserves due to their illiquid nature.

22. Note to the statement of cash flows

Reconciliation of net income to net cash outflow from operating activities:

	2022/23 £m	2021/22 £m
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(129.3)	72.0
Adjustments for:		
Interest and income from investments	(27.2)	(30.4)
Depreciation charges	0.3	0.3
(Gains) on financial investments	(1.8)	(62.4)
Losses/(gains) on property investments	62.5	(42.3)
Losses on social investments	0.2	0.2
(Increase)/decrease in stock	(0.1)	0.1
(Increase)/decrease in debtors	(3.5)	0.5
Increase in creditors falling due within one year	20.2	2.7
Increase in long term creditors	16.6	0.3
Net pension scheme costs	1.8	2.3
Net cash (used in) operating activities	(60.3)	(56.7)

23. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2022 £m	Cash Flows £m	Total as at 31 March 2023 £m
Cash and cash equivalents			
Cash	4.1	3.5	7.6
Total	4.1	3.5	7.6

Other non-cash changes are detailed in Note 22.

24. Operating Leases

Minimum lease payments receivable under operating leases:

	31 March 2023 £m	31 March 2022 £m
Not later than one year	22	23
Later than one year and not later than five years	80	77
Later than five years	1,096	1,073
Total	1,198	1,173

25. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2023 £m	2022 £m
Works to bridges	6.8	14.6
Investment properties	10.2	26.3
Total	17.0	40.9

26. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 8. The City Corporation provides various services to the charity, the costs of which are recharged. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in Note 10.

The charity is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions. The charity has decided to disclose all instances whereby a Member or officer has a connection with a charity which is a grantee of CBF to provide full transparency.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2022/23 £000	2021/22 £000	Detail of transaction
London Funders (LF)	An Officer of The City Corporation is a Trustee of LF	796 (781)	300 (400)	LF received grant funding from CBF
		4 (-)	3 (-)	The charity paid a membership fee to LF
Trust for London (TL)	The City Corporation nominates three Members to TL	25 (3,945)	4,375 (4,475)	TL received grant funding from CBF
		100 (-)	200 (-)	CBF received grant as contribution to Cornerstone fund
		264 (-)	216 (132)	TL paid rent, service charges & insurance
Partnership for Young London (PYL)	A Member of The City Corporation is a Trustee of PYL	373 (318)	27 (-)	PYL received grant funding from CBF
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of The City Corporation are Trustees of CF	269 (390)	225 (225)	CF received grant funding from CBF
Heart of the City (HoTC)	An Officer and a Member of The City Corporation are Trustees of HoTC	- (24)	- (119)	HoTC received grant funding from CBF
Guild of Freemen of the City of London (GF)	A Member is a Director of GF	- (-)	20 (-)	GF paid rent, service charges & insurance to the Charity
Augmentum Capital Limited (AC)	A Member of The City Corporation is a Director of AC Ltd	131 (-)	12 (-)	AC paid rent, service charges & insurance to the Charity

Related party	Connected party	2022/23 £000	2021/22 £000	Detail of transaction
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE	4,169 (328)	259 (3)	CBRE provided various advisory services on the Charity's investment properties.
WSP Group plc (WSP)	A Member is a Consultant at WSP	23 (-)	19 (19)	WSP provided consultancy services to the Charity

The Members and Officers noted above did not participate in the discussions or decision making relating to the award of the grants.

Related Party Transactions with the City Fund (the City Fund is held by the City Corporation in respect of its activities as a local authority, police authority and port health authority).

During the year CBF contributed £52k towards Corporate IT projects and £138k towards the 'Secure City' project, relating to CCTV and telecommunications (2021/22: £255k). The balance owed to City Fund at year end was nil (2021/22: nil).

Related Party Transactions with City's Cash (City's Cash is held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City's Cash holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2021/22: £24k). The balance owed to CBF year end was nil (2021/22: nil). At the year-end, City's Cash held a cash balance of nil (2021/22: £303k), relating to rental receipts on behalf of the Charity.

27. Subsequent events

The Supplemental Royal Charter was placed before the Privy Council meeting in February 2023 and His Majesty the King, upon the advice of his Privy Council, made an Order granting the Supplemental Charter to The City Corporation as trustee in respect of CBF. The Great Seal was affixed in June 2023, at which time the Charter became legally effective.

As a result of this Charter, the Charity was granted the power to adopt the total return approach to investment for the permanent endowment, a decision taken with effect from the date of the Great Seal being affixed. In adopting the total return approach, the Trustee identified the initial value of the trust for investment as £188.1m as at the date of valuation (March 1994). An additional irreversible transfer of £152.2m to the trust for investment was approved by the Trustee at the date of adoption, to reflect increases in the real value of this amount up to March 2022.

The remainder of the permanent endowment is the unapplied total return, which can be accessed by the Trustee to spend on the charity's objects. The unapplied total return is to be used to provide for future requirements for bridge replacement, and hence in June 2023, the unrestricted designated fund for bridge replacement was released.

REFERENCE AND ADMINISTRATION DETAILS



City Bridge Foundation

City Bridge Foundation is the operating name of Bridge House Estates, a registered charity 1035628 (England and Wales).

Principal office:

Guildhall, London, EC2P 2EJ

Trustee:

The Mayor and Commonalty & Citizens of the City of London

CBF Board members:

Deputy Dr Giles Shilson (Chair)

Paul Martinelli (Deputy Chair from 27/04/2022)

Deputy Henry Colthurst

Colonel Simon Duckworth, OBE DL (from 21/04/2022)

Alderman Professor Emma Edhem

Alderman & Sheriff Alison Gowman (from 15/04/2021, Interim Deputy Chair to 27/04/2022)

John Griffiths (from 27/04/2023)

Deborah Oliver (from 27/04/2023)

Judith Pleasance (to 27/04/2023)

Deputy Henry Pollard (to 27/04/2023)

Deputy Nighat Qureishi (from 21/04/2022)

Deputy James Thomson (from 21/04/2022)

City Corporation – Senior officers:

Chief Executive John Barradell OBE – The Town Clerk and Chief Executive of the City of London Corporation (to 31/12/2022)

Michael Cogher – Acting Town Clerk and Chief Executive of the City of London Corporation (from 01/01/2023 to 05/02/2023)

Ian Thomas – The Town Clerk and Chief Executive of the City of London Corporation (from 06/02/2023)

Chief Financial Officer Caroline Al-Beyerty – The Chamberlain of The City of London Corporation

Solicitor Michael Cogher – The Comptroller and City Solicitor of The City of London Corporation

Surveyor Paul Wilkinson – City Surveyor

CBF Executive Leadership team:

Managing Director David Farnsworth OBE

Finance Director Karen Atkinson

Chief Operating Officer Simon Latham

CBF Associate Director Dinah Cox OBE (to 19/01/2023)

Chief Funding Director Sacha Rose Smith (from 09/01/2023)

Philanthropy Director Fiona Rawes MBE

Director of Communications and Engagement Catherine Mahoney

Auditors

Crowe U.K.LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Financial investment advisors

Mercer, Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for City Bridge Foundation, to request copies of governance documents – CBF@cityoflondon.gov.uk



CITY BRIDGE FOUNDATION

City Bridge Foundation
City of London
PO Box 270
Guildhall
London EC2P 2EJ

www.cityoflondon.gov.uk
Telephone: 020 7606 3030
Registered Charity 1035628

Report – Planning and Transportation Committee

City Plan 2040

To be presented on Thursday 7th March 2024

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

SUMMARY

The City Plan 2040 is a new local plan for the City of London, setting the policies and strategic priorities that will guide the growth of the Square Mile up to 2040. The City Plan has been in production for a number of years, with initial 'issues and options' explored and consulted on in 2016, a draft plan consulted on in 2018/19, and a proposed submission version of the Plan produced and consulted on in 2021.

Over the last 18 months, new evidence has been produced and further informal engagement has taken place to inform the Plan. The City Plan has been amended to reflect the findings of evidence, to take into account the engagement responses received, and to align the Plan with other updated corporate strategies – work that has been informed by the advice of the Local Plan Sub-Committee. The Plan has also been updated in light of changes to the National Planning Policy Framework in December 2023.

It is proposed that this latest version of the City Plan is progressed through pre-submission consultation before being submitted to the Secretary of State for public examination. The latest position was considered in detail by your Planning and Transportation Committee at its meeting on 31 January 2024, and your Policy and Resources Committee at its meeting on 22 February 2024. Following this consideration, your Committees took the view that it would endorse the officer recommendations. [The full report and appendices are available online.](#)

RECOMMENDATIONS

That this Honourable Court –

1. **Agrees** the proposed changes to the City Plan set out in Appendix 2 and that the City Plan 2040 (Appendix 3) be published for pre-submission consultation;
2. **Agrees** that, following consultation, the City Plan, the public representations; and other supporting documentation be submitted to the Secretary of State, for examination;
3. **Authorises** the Planning and Development Director, in liaison with the Chair and Deputy Chair of the Planning & Transportation Committee, to compile a list of further changes to the City Plan in response to public representations and submit this to the Secretary of State; and
4. **Authorises** the Planning and Development Director to make further non-material amendments and editorial changes prior to public consultation and submission to the Secretary of State.

MAIN REPORT

Background

1. The City Plan 2040 has been in development for a number of years and has undergone extensive public engagement over this time:
 - 2016 – an issues and options consultation took place (the ‘regulation 18’ consultation)
 - 2018 – consultation on a draft local plan
 - 2021 – the first proposed submission version of the City Plan 2036 was published and consulted on (regulation 19 stage)
2. On 14 December 2021, your Planning and Transportation Committee decided not to submit the City Plan 2036 to the Secretary of State immediately for examination but instead to undertake further evidence work and revise the City Plan in light of the issues raised during the pre-submission consultation. These issues are set out in the report to that committee and primarily related to:
 - Tall buildings and their impacts on heritage, including an issue of ‘non-conformity’ with the London Plan
 - Sustainability, in particular the approaches to embodied carbon and demolition
 - The need for more recent evidence on office and retail demand, given shifting working patterns and changes to shopping behaviours following covid-19
 - How inclusive approaches can be woven into more aspects of the City Plan, especially as the City aims to widen its appeal to visitors.
3. The work required to address these issues has been carried out over the last 18 months, and relevant changes have been made to the City Plan, as set out in Appendix 1 of the report which was considered by your Planning and Transportation Committee on 31 January 2024 and Policy and Resources Committee on 22 February 2024. On 14 December 2021, your Planning and Transportation Committee also decided to extend the end date of the City Plan to 2040, in order to align with the net zero carbon target for the Square Mile in the Climate Action Strategy and to allow for the Plan to cover a 15-year timeframe, as required by national policy.
4. In recent years, there have been a number of changes to the planning system and updated local strategies that have warranted and informed updates to the City Plan.

These are discussed in relation to the relevant policies below, and include:

- An updated National Planning Policy Framework (NPPF) published in December 2023, with the main changes for plan-making being to how housing requirements are calculated;
- The introduction of requirements for development to deliver biodiversity net gain, set out in national legislation;
- Changes to the use class order, bringing together retail and services, cafes and restaurants, some community uses and workspaces into a single use class, allowing change of use between them without the need for planning permission;
- The introduction of the City Corporation’s flagship Destination City vision, to transform the Square Mile into a leading destination for leisure, culture and

- recreation;
- Updates to the City Corporation's Transport Strategy;
 - A new Sports Strategy for the City Corporation.
5. During the summer of 2023, informal public engagement was undertaken to inform changes to the City Plan 2040. Ten public events were held, split between those covering specific themes and those related to the City's seven Key Areas of Change. Online engagement through the Planning Division's Commonplace platform was also carried out. The priorities identified informed the latest version of the City Plan 2040. The main issues raised during the consultation were summarised in the report to your Planning and Transportation and Policy and Resources Committees and Appendix 1 to this report set out the changes made to the plan and how the informal engagement informed those changes.
 6. This latest version of the City Plan takes the City Plan 2036 (consulted on in 2021) as its starting point. While changes have been made, it remains consistent in many ways with the previous version of the Plan. The subject and approach of many policies remains as before, and the strategic priorities (which have been added in this version) are based on the spatial strategy from the previous version. The overall approach in the Plan is similar to earlier versions; recent evidence and the public engagement have informed changes but have on the whole broadly confirmed that the direction of travel of the 2021 version remains a sound approach to planning for the future of the Square Mile.
 7. Extensive evidence has been produced to inform the City Plan 2040. This has included work on office demand, which shows a need for a minimum 1.2m additional square metres of office floorspace up to 2040. Trends in recent months since this work was finished suggest that demand may well outstrip this 1.2m sqm figure – reinforcing the importance of this figure being set as a minimum.
 8. Work has also been undertaken on characterisation of different parts of the Square Mile, to understand their capacity for growth and tall buildings in particular, alongside assessments of strategic views and potential heritage impacts of strategic landmarks. This work identified two areas – the City Cluster and the Fleet Valley – as potentially being suitable for tall buildings. Digital 3D modelling has been used to identify potential maximum heights for tall buildings in these areas, to comply with the requirements of the London Plan and overcome the non-conformity issue raised by the Mayor of London. Capacity modelling, informed by tall buildings work, has shown that there could be potential for around 1.4m square metres of additional office floorspace in the City. Around 85% of this floorspace is within the City Cluster tall building area identified in the City Plan, reinforcing the importance of this area as a tall building cluster to deliver strategically important quantities of employment floorspace for the City and London as a whole.
 9. Other evidence has been developed to inform updated policies including evidence on biodiversity, hotel demand, housing need, retail demand, and other areas.
 10. The appendices to the report considered by your Planning and Transportation and Policy and Resources Committee includes Appendix 2 which sets out the City Plan as a 'tracked change' version, showing the amendments compared to the City Plan 2036. It also includes Appendix 3 which sets out a 'clean' version of the City Plan 2040. Many of the changes that have been made to the Plan are to eradicate duplication and make it a more usable document. Diagrams in the City Plan have

been updated to reflect changes. The City Plan is accompanied by a Policies Map suite, which sets out in detail the specific areas to which relevant policies apply. Appendix 4 to that report includes the four policies maps, and sets out the changes made to the policies map compared to the adopted 2015 version of the Local Plan, as required by legislation.

11. In December 2023, the Government published a revised National Planning Policy Framework (NPPF). This followed a consultation early in 2023 on draft proposed changes to the NPPF, not all aspects of which were taken forward in the final version. Because of the imminent publication of the revised NPPF, the City Plan was withdrawn from the Planning and Transportation Committee in November 2023. This short delay has allowed the City Plan to reflect the revised NPPF, preventing the need for further revisions at a later stage. The main shift for plan-making in the revised NPPF relate to technical aspects of how the housing requirement for local planning authorities is calculated; these changes have been reflected in the City Plan 2040.

Next Steps

12. Further proofing and minor modifications that do not materially affect policies may be required to the City Plan 2040, as well as reformatting to make the document as user-friendly and accessible as possible. Authorisation is sought for the Planning and Development Director to make these amendments prior to the Regulation 19 consultation.
13. Subject to approval by Honourable Members, from March 2024 there will be a 'regulation 19' public consultation, running for a minimum of six weeks (in accordance with the Statement of Community Involvement). The scope of this consultation is to establish whether respondents consider that amendments should be made to the Plan; these responses are submitted together with the Plan to the Secretary of State for public examination by the Planning Inspectorate. The Planning and Development Director, in liaison with the Chair and Deputy Chair of the Planning & Transportation Committee, will, if necessary, compile a list of further changes to the Local Plan in response to public representations and submit this to the Secretary of State.
14. Formal Examination hearings are then likely to take place later in 2024, with adoption of the new Local Plan scheduled for 2025. Once adopted the City Plan 2040 will be part of the statutory development plan for the City of London. In determining planning applications, the City Corporation will be required to have regard to the provisions of it so far as material to the application (Section 70 of the Town and Country Planning Act 1990) and are required to determine applications in accordance with the development plan unless material considerations indicate otherwise (Section 38(6) of the Planning and Compulsory Purchase Act 2004).

Conclusion

15. The report sets out the main issues addressed in the City Plan 2040 and the matters that have informed proposed amendments to the policies and structure of the City Plan, including public engagement, changes to the NPPF, recent evidence and corporate strategies. The revised Plan sets out a sustainable approach to development in the City, with changes addressing the key issues raised during previous consultations and arising from recent evidence.

Appendices

- Appendix 1 – Implications Report

Background Documents

- The report outlining the results of the public consultation, analysis and conclusions considered by your Planning and Transportation Committee at its meeting on 31 January 2024 and your Policy and Resources Committee at its meeting on 22 January 2024, along with an addendum report,
Appendix 1 – Summary of changes to the City Plan policies
Appendix 2 – City Plan 2040 – policy text changes
Appendix 3 – City Plan 2040 – revised proposed submission version (March 2024),
Appendix 4 – City Plan 2040 Policies Maps and
Appendix 5 – Equality Impact Assessment (City Plan 2040) are [available online](#).
- The City Plan 2040 is supported by an extensive evidence base, which has been published on the City Plan website - [Local Plan review: Draft City Plan 2040 - City of London](#)

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

DATED this 22nd day of February 2024.

SIGNED on behalf of the Committee.

Deputy Shравan Joshi MBE
Chairman, Planning and Transportation Committee

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Implications

Corporate & Strategic implications

1. The preparation of the City Plan is informed by and will contribute to the implementation of the Corporate Plan (2018-23). The City Plan will support the delivery of key Corporate priorities, along with proposals to ensure a sufficient supply of business space and complementary uses to meet future needs. The City Plan has been discussed with colleagues developing the new Corporate Plan to ensure consistency wherever possible. Preparation of the revised City Plan is being undertaken alongside the review of the Transport Strategy and the revised end date of the City Plan (2040) will align with the key net zero target in the Climate Action Strategy.

Financial implications

2. The City Plan is a statutory function that the Corporation are required to deliver. While the costs of drafting and consulting on the City Plan up to Regulation 19 stage can be met from existing budgets for FY 2023/24, the cost of public examination are substantial, particularly related to the fees for Planning Inspectors, the costs of a programme officer to facilitate the examination, advice from Counsel on key issues, and potential need to undertake further evidence depending on the outcome of the regulation 19 consultation. These costs can vary substantially depending on the length of the public examination hearings and the complexity of issues raised during regulation 19 consultation.
3. The City Corporation holds a reserve of funds for the local plan; however, this will not cover the full costs and would not be replenished. Discussions with the Chamberlains' Department regarding the departmental budget for financial year 2024/25 are ongoing and there are no immediate unfunded financial barriers to continuing to regulation 19 consultation.

Staff Resource implications

4. Preparation of the revised pre-submission Regulation 19 City Plan is being carried out in-house by the Development Plans Team, working alongside and supported by Development and Design colleagues in the planning service and by other services as appropriate.

Legal implications

5. There are no specific legal requirements, other than the ongoing requirement to ensure that all relevant statutory processes are complied with during production of the City Plan.
6. Paragraph 48 of the NPPF states that local planning authorities may give weight to relevant policies in emerging plans according to:
 - a) the stage of preparation of the emerging plan (the more advanced its

- preparation the greater the weight that may be given);
- b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and
- c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).
7. Once the Court of Common Council has approved the City Plan 2040 for Regulation 19 consultation it will be a material consideration to be taken into account in determining planning applications. The weight to be given to it will increase as the plan advances through the process in accordance with paragraph 48 of the NPPF.

Equalities implications

8. An Equality Impact Assessment of the City Plan 2040, including the latest amendments, have been undertaken and these demonstrate that the effects of the plan will be broadly positive. There are no major negative impacts as a result of the City Plan. Any material changes to the Plan following Regulation 19 consultation will be subject to further Equality Assessment. The Public Sector Equality Duty has informed the development of the Plan throughout its production. The EqlA is appendix 5 to this report.

Risk implications

9. The December 2021 report to the Grand Committee identified the risks associating with preparing a revised pre-submission Regulation 19 City Plan as compared to submitting the current version for examination. The Grand Committee agreed to revise the City Plan and officers will continue to monitor and report back on any changes to the risk assessment as the project progresses.

Climate implications

10. The City Plan is one of the key mechanisms for achieving the targets in the Climate Action Strategy that relate to the Square Mile rather than the City Corporation's own operations, in particular the net zero target for the Square Mile by 2040, and tackling climate resilience. Many policies in the Plan seek to address climate issues, particularly policies on sustainable development and the retention of existing buildings, including for offices.

Security implications

11. Policies in the City Plan seek to ensure the Square Mile remains resilient to security requirements, especially as new developments come forward in the City.

Report – Corporate Services Committee

People Strategy 2024 - 2029

To be presented on Thursday, 7th March 2024

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

SUMMARY

This report seeks approval and adoption of the City Corporation's first ever People Strategy which will cover the period 2024 – 2029. It highlights the process that has been used to develop the strategy, outlining the engagement with employees and Members to date and summarises corporate and strategic implications for the creation of a People Strategy.

The People Strategy itself, outlining key ambitions, priorities, suggested KPI categories along with a glossary of definitions is contained in Appendix 1, with a summary of engagement in the Annex. The People Strategy has been created to enable the realisation of the Corporate Plan and will be implemented alongside the pillars of the Digital Strategy and Transformation work. The People Strategy was considered at your Corporate Services Committee in January, whereupon several amendments were made, a redrafted Strategy was then submitted to your Policy & Resources Committee in February and was endorsed for onward submission to the Court in March.

RECOMMENDATION

The Court of Common Council is **recommended** to approve the adoption of the City Corporation's People Strategy 2024 – 2029 (Appendix 1).

MAIN REPORT

Background

1. The People Strategy for 2024 - 2029 provides a framework to guide the City of London Corporation's thinking and decision-making over the next five years in realising the overarching outcomes of the Corporate Plan that covers the same period. Alongside a new Digital Strategy and Transformation work, the People Strategy will enable employees within the City of London Corporation to achieve the organisation's ambition to be world-class.
2. An initial People Strategy framework made up of eight themes was approved by your Corporate Services Committee in December 2022. The resulting framework was created based on lessons learned from the Target Operating Model work that had taken place over the previous 18 months, alongside the 2022 all staff survey

results and action plans. Employee engagement with the People Strategy framework, including discussions with Trade Unions, took place across the City Corporation in early spring 2023 with over 200 employees taking part.

3. Following a brief pause due to a change of HR leadership, additional engagement was initiated between July - October 2023 in close partnership with parallel discussions leading to the development of a new 2024 - 2029 Corporate Plan. This dual engagement was led directly by the Town Clerk, the new interim Chief People Officer, and the Chief Strategy Officer. The engagement included brief presentations and open question and answers at each session. This work resulted in a refinement from eight to five themes, the opportunity to report on actions already underway, and a confirmation of the details and the priority ordering of the five themes. Over 1,200 Face-to-face (F2F) / live and virtual interactions occurred in sessions held across the sites of the City Corporation. Sessions were supplemented with a dedicated joint intranet site, as well as a regular newsletter and email updates from the Town Clerk that led to over 15,000 'hits' in that period.
4. Further engagement with employees occurred in November and December 2023, resulting in an additional focused reach to over 300 employees through a core group of HR colleagues undertaking F2F and virtual listening sessions at senior team and all team meetings, as well as connecting back with the Trade Unions, EDI networks, and the Strategy Forum. This deeper engagement and listening work have supported the creation of key priorities, with a particular emphasis on activity during the first two years.
5. In addition to fore fronting employee engagement, an informal People Strategy Member Reference Group was launched in November 2023 to enlist the engagement of the Member community. Chaired by the Chair of the Corporate Services Committee, the group is made up of 11 Members and the Interim Chief People Officer, supported by other Officers as appropriate. The group will meet regularly over the course of the five-year People Strategy to monitor progress, reporting to the relevant Committee(s) at appropriate junctures..
6. The following assumptions and aims framed the work to date:
 - a. The overarching purpose of the People Strategy framework is not to detail everything related to Human Resources and people-focused work, but instead to define the key activities we want to undertake in the next five years to help create a culture of exceptional performance and inclusion.
 - b. The People Strategy, in tandem with the Corporate Plan and other collaborative partnerships and Strategies and wider transformational change, will provide a catalyst for culture change.
 - c. The People Strategy will be a living document that is reviewed and refreshed over the five-year period. An annual progress report will be produced and linked to performance metrics.

People Strategy 2024 – 2029

8. The People Strategy 2024 - 29 Appendix 1 features a detailed breakdown of the five themes for 2024-2029:
 - i. My Contribution, My Reward
 - ii. My Wellbeing and Belonging
 - iii. Trustworthy Leadership
 - iv. My Talent and Development
 - v. Building Brilliant Basics
9. The breakdown for each theme includes ambitions, a vision of what is needed, a rationale about what is important, a description of what success will look like and a summary of key activities with a particular focus on years one and two.
10. The five themes are currently presented in an order that has been strongly endorsed by employees. In the final form of the People Strategy, these themes will be presented in a way that ensures that Trustworthy Leadership of all activity (theme three) is placed at the core given its importance in achieving all other outcomes. Design work will be undertaken to consider the placement and representation of all five themes within the final publication.
11. The design and layout of the People Strategy will ensure it is easy for our communities to read, both in physical and digital copies. The tone will reflect a desire to be brilliant at the basics and to be world class, recognising that different areas of City Corporation are at various stages of maturity.
12. The City Corporation's mission¹, legal, statutory, regulatory obligations and commitments remain unchanged. And our ambition to be world class is critical to how employees work together within a values-driven organisation, striving for equity in addition to equality, diversity, and inclusion.
13. Establishing new values and behaviours that correlate to those that already exist in our institutions will be critical to the success of the People Strategy and will require a period of active engagement across City Corporation with employees and with Members. This work will begin in spring 2024 and the values and behaviours that are created will then inform all elements of the People Strategy as it unfolds.

Monitoring Progress

14. As already mentioned, the People Strategy 2024 - 29 will be a living document that will adapt during its five-year span. Some of the proposed content will also last beyond 2029. It will be reviewed and refreshed annually to ensure we continue to meet our stated outcomes and ambitions (supplementing these as required) and will be reported on annually, along with key performance indicators.

¹ Note our mission: "City of London Corporation is the governing body of the Square Mile and is dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK."

15. The People Strategy 2024 - 29 is the first time we are bringing together data sets into the organisation on our people in this way to be able to analyse performance, and we are aware there are many gaps. Given the maturity of elements of City Corporation's data infrastructure and capabilities, our capacity to collect, manage and monitor data is limited and will be improved through the implementation of the Enterprise Resource Planning (ERP) system, which itself is one of the major programmes of work within the Strategy. The People Strategy 2024 - 29 will be used to identify opportunities to improve the data we collect and how we collect this data. Data maturity will continue to grow over the lifetime of the Strategy and as this develops, so will the measures.

Next Steps

16. Once the People Strategy 2024 - 29 has been endorsed for adoption by the Court of Common Council, officers will continue engagement across all activities and programmes of work with all employees across City Corporation.

17. Planning will be undertaken internally pre-publication and for external launch (intranet site, internet site, posters, hard and soft copy versions of the People Strategy). Some of this work will extend beyond the launch date to enable and facilitate continued iteration.

18. As mentioned previously, engagement work to create new values and behaviours which connect with those that exist across our institutions will be undertaken, beginning in spring 2024.

Corporate and Strategic Implications

19. Strategic implications – Peter Drucker is credited with saying, “Culture eats strategy for breakfast” which is true in the sense that how people do what they do all day —culture — determines whether the strategy will succeed or fail. Likewise, leaders embed cultural values into an organisation's people-based strategies and operational plans. Culture determines how humans spend their days, how decisions are made, who people surround themselves with, who has a seat at the table, who is respected and how respect is shown. That is the operating system of an organisation, and at its foundation demonstrates what is most valued. The City Corporation's first ever People Strategy must be a live document that is iterated at least annually to meet and execute activities that respond to changing needs and context. As mentioned, KPIs and Objective and Key Results (OKR) targets will be agreed and measured and reported on annually.

Financial Implications

20. Financial and Resource implications – The People Strategy has been created to guide thinking on prioritised thinking on employee initiatives over the next five years. The cost of design and publication will be taken from existing budgets. For any new activity occurring in FY 2024/25, the existing People and HR budgets will need to be amended and increased to accommodate all the work as outlined in the People Strategy (Appendix 1). As specific programmes of work are agreed in

greater detail, funding sources will need to be identified and, where applicable, Member agreement sought.

Legal Implications

21. The People Strategy must be proactive to anticipate and address all regulatory and legal changes and issues impacting employees that arise over the course of the period covered by the People Strategy.

Risk Implications

22. Risks inherent to the People Strategy relate to the importance of recruiting, supporting, developing, and retaining an engaged and highly performing workforce and a positive organisational culture that forefronts inclusion, belonging and wellbeing as well as world-class performance and impact for its communities. Additionally, efficient, effective systems and processes that provide data for decision-making are necessary to facilitate the work of people, and the quality and timely delivery of all system-based elements of the People Strategy will also be critical.

Equalities Implications

23. Equality, Diversity, and Inclusion are critical to the successful implementation of the People Strategy. Wide engagement with employees over the course of the development and implementation of the People Strategy and all its activities, along with close interaction with EDI colleagues to connect EDI and People related activities will ensure that equality impacts will be considered carefully across all projects. A full Equalities Impact Assessment has been completed as part of the work leading to the April 2024 People Strategy launch.

Climate Implications

24. There are no specific climate implications although communications about and employee engagement in sustainability and climate justice activity will be important to realise the ambitions and aspirations of City Corporation's workforce since employees are keen to support the realisation of societal action and positive role modelling of behaviours in this critical area.

Security Implications

25. Security implications – There are no direct security implications. The People Strategy emphasises the importance of enabling a safe and secure environment for all employees.

Conclusion

26. The City Corporation's first ever People Strategy will drive employee engagement, retention, professional development, and performance in alignment with the Corporate Plan. It will be based on data and insights, and will set the stage for attracting, developing, and retaining talented employees in a unique, complex yet inclusive and equitable 21st Century workplace that has strong roots in history and tradition. It will help to identify and fill workforce gaps; provide a framework for people management; and will be adaptable and responsive to change through an annual review and update process and through regular reporting on key performance indicators to track momentum and success.

Appendices

Appendix 1: Draft People Strategy, including:
Annex: Engagement Summary

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

DATED this 10th day of January 2024.

SIGNED on behalf of the Committee.

Deputy Alastair Moss
Chair, Corporate Services Committee

Appendix 1



People Strategy 2024 to 2029

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Contents

Foreword – Chair of the Corporate Services Committee	3
Foreword – Town Clerk and Chief Executive	4
Executive summary	5
Underpinning principles and values	8
Engaging our people	10
Measuring and reporting progress	11
Our current workforce profile	13
Our people strategy framework	17
1. My Contribution, My Reward – Ambition 25	18
2. My Wellbeing and Belonging	20
3. Trustworthy Leadership	23
4. My Talent and Development	25
5. Building Brilliant Basics	27
Key performance indicators	29
People strategy glossary	34
Annex: People strategy engagement	36

Foreword – Chair of the Corporate Services Committee

I am immensely proud to serve as Chair of the Corporate Services Committee of the City of London Corporation. City of London Corporation enjoys more than 900 years of history and tradition combined with the new and cutting edge. It is truly a unique organisation – a place where the ancient and modern stand side by side. We have seven corporate departments, three service departments, and seven institutions that work in unity to protect the past and create the future.

Our Corporate Plan 2024 to 2029 sets out our strategy for a fantastic five years through six priority outcomes that will help us establish the City of London Corporation as a truly exceptional and world-class organisation. Our People Strategy 2024 to 2029 has been created in parallel to the corporate plan, since it is our employees who will create our success.

Our people are critical to achieving positive organisational outcomes. This people strategy is a framework will help us to proactively meet current and future challenges – as well as organisational and community requirements – by ensuring we have the right people in the right places, at the right time.

As employees, members and leaders at all levels within City Corporation's unique community, we all contribute to the environment and culture that enables our people to thrive. We will shape our future together over the next fantastic five years. The story that will be written is in our hands.

Foreword – Town Clerk and Chief Executive

We are very excited to have developed the City of London Corporation's first ever five-year people strategy. This strategy will help us create an exceptional work environment where our people feel empowered and deeply connected with our vision and values. It will help us create an environment where employees have the skills, recognition, and motivation to deliver our ambitious Corporate Plan 2024 to 2029. Together, our corporate plan and people strategy will enable us to become a truly world-class organisation.

The People Strategy 2024 to 2029 has been created following an extensive period of collaboration with employees and members in 2023, as we build on our success and co-create our future. We have engaged with over 1,500 individuals across City Corporation: employees, our recognised trade unions GMB and Unite, and equality, diversity, and inclusion (EDI) networks and members to ensure that the framework responds to the needs of our organisation.

Our people strategy will be a live document that will continually develop over the five-year period it covers, ensuring that performance management, EDI, health and safety, and sustainability are embedded in all that we do. We know that the combination of getting the basics right in relation to systems, processes, and procedures, alongside prioritising employee engagement can achieve remarkable results and growth for organisations. We also know that the best way to see organisational and individual results is to prioritise what matters to our people. Therefore, in the spring, we will also begin to engage across the organisation to refresh our existing City Corporation values and behaviours, connecting these with those that already exist within our institutions.

Changing the City Corporation starts with changing our culture. Our people strategy will support us to empower one another to be our brilliant best. We will create the confidence to try new things, voice new ideas, and embrace new goals. We know people will make mistakes. But making mistakes while embracing a culture of learning and innovation will help us to make great things happen. Big challenges lie ahead, and now is the time to act by being daring and creative.

This people strategy is about you and for you. I thank everyone at the City Corporation for your hard work and commitment. I look forward to continuing our collaboration to shape our future and our organisation together through the initiatives outlined in this document.

Executive summary

To achieve our ambitions for a fantastic five years as set out in our Corporate Plan 2024 to 2029, we must first create an inclusive, supportive City Corporation where every colleague thrives. Our People Strategy 2024 to 2029 will help us achieve this by establishing a framework for people-centred success.

The variety of work carried out by City Corporation's employees is vast. Our staff work across seven corporate departments, three service departments and seven institutions. This framework demonstrates how we can support all of them as one corporation, while leaving space for leaders to tailor the strategy's outputs to their people's needs.

We will use this framework to guide us in how we set our employees up for success; how we support, challenge, and motivate our people; how we maintain and deliver our mission; and how we create an inclusive and equitable environment where employees can thrive.

Our mission

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London, within a globally successful UK.

Our five themes

1. My Contribution, My Reward – Ambition 25
2. My Wellbeing and Belonging
3. Trustworthy Leadership
4. My Talent and Development
5. Building Brilliant Basics

These five themes make up our people strategy, and through them we will create a culture that encourages excellent performance and embeds equality, equity, diversity, inclusion, and health and safety in everything we do.

What does success look like?

By 2029, our people will:

- be supported, challenged and motivated to do excellent work and achieve exceptional outcomes while being seen as unique with individual and collective aspirations and strengths
- take personal responsibility for their individual contributions
- experience and contribute to a culture where inclusive, values-led leadership is consistently role-modelled across all levels
- feel valued, rewarded, and recognised
- know they are respected, safe, included, and heard
- be able to get on with work at hand without barriers to efficiency

To achieve our objectives, we must develop our employees' skills and commitment, in service to our many communities. We will do this by:

- empowering people by providing responsibility and accountability
- rewarding high performance
- dealing with poor performance quickly, honestly, consistently and with dignity and a solutions-focused mindset
- being evidence-based and shaping actions using qualitative and quantitative data
- creating a fair and inclusive culture
- establishing inclusive leadership at all levels
- identifying and modelling positive values and behaviours
- encouraging co-operation and collaboration
- acknowledging that the world is in a state of continuous change
- anticipating the future by scanning our external horizons to see what is becoming important and then preparing to meet both current and future workforce priorities
- diversifying our workforce
- promoting personal and professional growth
- modernising systems, processes and procedures
- using technology to create efficiency, effectiveness and flexibility

How we will achieve this

Our first ever people strategy runs alongside our new digital strategy and our transformation work, enabling our employees to make City Corporation a world-class organisation.

We have already begun putting some of the people strategy's projects into action. Because of their size and significance, this document has a particular focus on what we want to deliver over the next two years.

This people strategy is a living document that will be monitored, reviewed, and refreshed during its five-year life cycle. We will publish our progress against our success measures twice a year, and we will continue to develop and refine these measures during the lifetime of the plan.

We want to develop our culture as one corporation and break down barriers and silos that currently exist, but not at the expense of the distinct organisational identities across City Corporation. Our people, particularly our leadership teams and HR teams, will need to create close partnerships with one another to successfully carry out this strategy. Those already working on Ambition 25 are making sure to acknowledge the varying contexts of individual institutions, departments, and services, while still intentionally identifying commonalities.

This people strategy covers the same period as the corporate plan, from 2024 to 2029. It will develop in an iterative way. Some large pieces of work – like Ambition 25 and the Enterprise Resource Planning project – are outlined within the people strategy and will develop over the next two years. They will significantly impact our priorities and work plans over the following three years while the creation of new

values and behaviours, which will begin in 2024, will underpin our culture development more broadly.

Included within the people strategy is an initial summary of key performance indicators (KPIs). We will confirm and publish the 2023/24 baseline measures and target measures for 2024/25 and beyond, and undertake the work required to develop objectives and key results (OKRs) following the end of the 2023/24 financial year.

Some terms used in this strategy may carry multiple meanings or be continually evolving. You will find a glossary of initial definitions at the conclusion of this people strategy and we will update this as required.

A supplementary annex separate from this document summarises the engagement with employees and members across City Corporation that led to the creation of this people strategy.



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Underpinning principles and values

In spring 2024, City Corporation will begin working with all employees and members to create a new set of values and behaviours. These will fit our evolving vision and continue our journey to develop an inclusive culture. Changing culture does not happen overnight. We want to embed these new values and behaviours across all our people activities by the end of the strategy's five-year period. And we will use them to inform how we develop our planned activities in the people strategy's later years.

In the meantime, we have used the following principles as an initial guide until our new values and behaviours are confirmed. These principles were previously agreed by members and officers for Ambition 25, a people strategy project that is already underway.

Equity

- Our definition of work and careers helps every colleague thrive.

Empowerment

- People are clear on what is expected of them.
- We are one corporation, enabling colleagues to operate and partner effectively across organisational boundaries.

Engagement

- We retain our distinct organisational identities while uniting around a shared purpose and culture where people strive for excellence, encourage trust, and drive innovation.

Excellence

- We can attract talent to secure a pipeline of brilliant diverse people and identify and target inclusive development and retention opportunities for all colleagues, therefore reducing the risk of critical skills gaps.

Efficiency

- There is less duplication of effort associated with people-related activity and processes across all areas.

This people strategy has been designed to support City Corporation's ambition to be a world-class organisation. To achieve this, we need to take a strategic, evidence-based approach to EDI. EDI is still at an early point in its evolution at City Corporation and the additional concept of equity is also not yet fully embedded. To progress this work, we need the committed engagement of members and officers. This includes actively engaging with our work to embed City Corporation's equality objectives.

Work has already begun across the Executive Leadership Board (ELB) to engage with our equality objectives and:

- review local policies, processes and systems through an EDI lens

- work towards seamless, consistent reporting and monitoring procedures to enable data-driven activities
- integrate EDI into mainstream learning and development programmes
- identify delivery owners for actions at different levels
- ensure commitment to ELB actions

Over the course of the next five years, we will centre all aspects of EDI within and across the people strategy's five themes to deliver sustainable change.

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Engaging our people

We engaged with more than 1,500 employees to create this people strategy.

We will continue to engage our people over the five years we deliver this people strategy. We want to create a culture that enables innovative and collaborative partnerships and that taps into great practices already underway across City Corporation.

We will do this by hosting:

- all-employee webinars, led by the Town Clerk and Chief Executive, and the Chief People Officer
- Senior Leadership Team (SLT) sessions
- Executive Leadership Board sessions
- quarterly forums for senior/mid-level leadership or management tiers with up to three groupings that will also be adjusted based on Ambition 25 project results
- GMB and Unite Trade Union sessions with the Chief People Officer
- engagement sessions with HR leads from all areas
- EDI network sessions
- Strategy Forum sessions
- individual department / service / institution team sessions
- collaborative partnerships with Corporate Strategy and Performance, Health and Safety, EDI, and Corporate Communications (and others as appropriate)
- specific project working groups already underway or that will be established (for example, Ambition 25, ERP, and other projects)
- regular meetings of the people strategy member reference group – the group reports to the Corporate Services Committee (CSC), is chaired by the Chair of CSC, and includes the Deputy Chair of CSC and nine additional members, along with the Chief People Officer and other officers where required
- bi-annual CSC reports

Measuring and reporting progress

The People and Human Resources department hold responsibility for leading the delivery of the people strategy. They are also responsible for monitoring its progress across all areas of City Corporation. The CSC holds overall accountability for the outcomes of this people strategy.

We will report to the CSC on the people strategy twice a year. This will include an update on the overall work and our progress on all agreed KPIs against targets across all five themes (including any individual service area, department or institution reporting agreed).

Individual work programmes may be reported on more frequently, such as the Ambition 25 project.

We will carry out a review in the final year of the people strategy to report on the achievement of overall outcomes and final performance against targets. This will include a section on lessons learned. This review will form the basis for the 2029 to 2034 people strategy.

Data and informing decision-making

Objectives and key results (OKRs)

We will use OKRs to track progress over the course of the next five years. OKRs are goal-setting frameworks that combine actionable business goals with a set of measurable ways to achieve them. They are typically based on organisational missions and aspirations, measure bolder and more ambitious goals, are used as a motivational tool, and are typically reported on quarterly or yearly with goals changing each cycle. The creation of meaningful OKRs will be undertaken in close collaboration with the Town Clerk and Chief Executive, and Member Reference Group.

Key performance indicators (KPIs)

Baseline measures are included from 2022/23 where available. New baseline measures and targets will be proposed and confirmed in consultation with the member reference group by June 2024 following the 2023/24 financial year end. KPIs will be reported to CSC in the people strategy bi-annual report. Additional KPIs will be added as more data becomes available.

As part of internal annual workforce planning processes (initially a manual exercise and then enabled by the Enterprise Resource Planning system) managers will have the ability to review and take action to improve team diversity, employee engagement, and other KPIs.

Performance reporting and measuring progress also requires both data baselining and target setting. While initial data is currently provided for 2022/23, all figures will be updated to incorporate baseline measures and targets following the close of the

2023/24 financial year. Work has already taken place over the course of the current year to enhance reporting by adjusting elements within the existing people system, and through manual interventions and mechanisms.

A small amount of data measures do not currently follow the financial cycle. For instance, the most recent baseline data on staff survey results is from 2022. The next staff survey is planned for spring 2024 to tie in with people strategy initiatives and provide a helpful set of measures. Reporting progress on people measures also goes beyond numbers, and therefore will require qualitative elements to supplement quantitative measures. Qualitative feedback from future staff surveys that span the five thematic areas will be incorporated into people strategy reporting along with findings from associated practices such as interviews, exit surveys, focus groups, and other types of engagement activities.

Benchmarking

Future benchmarking measures will be considered where reliable data sources are available. For instance, salary benchmarking will be part of the Ambition 25 reward project that is now underway. Once these benchmarks are agreed, they will provide examples for appropriate benchmarking for other areas of work.

The objective is to work towards developing a set of meaningful measures and targets across the lifespan of the people strategy.

Our current workforce profile

Summary for 2022/23

In 2022/23 we directly employed 4,248 or 3,993 full time equivalent employees. We have a turnover rate of 14%, and an average length of service of 8 years, with 21% of employees serving between 10 and 20 years.

Salary bands:

Grade	Total number of staff	Percentage of workforce
Apprentice	58	1.4%
F9 Grade	117	2.8%
Grade A	114	2.7%
Grade B	579	13.6%
Grade C	817	19.2%
Grade D	761	17.9%
Grade E	612	14.4%
Grade F	436	10.3%
Grade G	217	5.1%
Grade H	101	2.4%
Grade I	36	0.9%
Grade J	18	0.4%
Senior Management Group	20	0.5%
Teachers Grade	362	8.5%
Total	4,248	100.0%

Sex %

Sex	Total number of staff	Percentage of workforce
Female	2,167	51%
Male	2,081	49%
Total	4,248	100.0%

Ethnicity %

Ethnic group	Total number of staff	Percentage of workforce
Ethnic minority	758	17.8%
Not known	989	23.4%
White	2,501	58.9%
Total	4,248	100.0%

Disability %

Disability	Total number of staff	Percentage of workforce
None	2,898	68.2%
Not known	1,155	27.2%
Disabled	195	4.6%
Total	4,248	100.0%

Age %

Age	Total number of staff	Percentage of workforce
20 and under	39	0.9%
21 to 30	691	16.3%
31 to 40	1,004	23.6%
41 to 50	1,011	23.8%
51 to 60	1,111	26.2%
61 and over	392	9.2%
Total	4,248	100.0%

Sexual orientation %

Sexual orientation	Total number of staff	Percentage of workforce
Declined to specify	213	5.0%
Heterosexual	2,402	56.5%
LGBTQ+	262	6.2%
Not known	1,370	32.3%
Total	4,248	100.0%

Religion or belief %

Religion or belief	Total number of staff	Percentage of workforce
Buddhist	11	0.3%
Christian	1,195	28.1%
Hindu	56	1.3%
Jewish	27	0.6%
Muslim	139	3.3%
No religion	1,431	33.7%
Not known	1,212	28.5%
Other	114	2.7%
Sikh	25	0.6%
Spiritual	38	0.9%
Total	4,248	100.0%

Note: All EDI questions informing EDI data collection will be reviewed and adjusted as a priority activity in 2024/25 for full alignment with good EDI practice and benchmarking data. Social mobility will be tracked and reported on in future people strategy updates, however there is currently insufficient data to report at this time.

Trends

Item	2021/22	2022/23	Change
Total staff	3,997	4,248	Increase 251
Average age	N/A	44	N/A
Disabled	5%	5%	No change
Ethnic minorities	18%	18%	No change
Gender	Female =50% Male=50%	Female =51% Male=49%	Increase female 1%
LGBTQ+	6%	6%	No change

Note: Due to low levels of disclosure in some areas, caution must be exercised in drawing conclusions from this data. A top priority will be to increase employee voluntary disclosure rates through a sustained campaign explaining the benefits of data collection for the individual and for the organisation. Creating an environment of trust and safety for people to feel comfortable disclosing sensitive information will be critical to this work.

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Our people strategy framework

This framework outlines the most significant priorities across our people strategy's five themes:

1. My Contribution, My Reward – Ambition 25
2. My Wellbeing and Belonging
3. Trustworthy Leadership
4. My Talent and Development
5. Building Brilliant Basics

The framework focuses on what we will deliver in the first two years. Some major projects within themes 1 and 5 are already underway and will significantly impact our priorities for years three to five. Business as usual HR work is ongoing, and therefore not all HR activity is explicitly included within the priority initiatives outlined in the people strategy.

1. My Contribution, My Reward – Ambition 25

What do we need?

A total reward and recognition offer that acknowledges individual contribution and performance and supports progression.

Why is it important?

For our people to function as our greatest ambassadors – who facilitate and contribute to City Corporation’s success – they need to feel that we are a world-class organisation. For that to happen, we need to make sure our reward offer is the best it can be.

What does success look like?

We will provide flexible, sustainable, fair, equitable and transparent reward and recognition opportunities for our people, beginning with the Ambition 25 project. These will help us attract a diverse array of excellent people.

We will increase the clarity and transparency of our roles and how they work together. We will provide assurance that pay and grading is fair. We will support employees to undertake fulfilling and meaningful work that creates organisational success. And we will provide career support to enable progression and improve retention.

Our employees will feel empowered by this greater access to information and opportunities. As a result, we will see reductions in disengagement and resignations due to insufficient role clarity, or pay, reward and opportunity issues. Our people will take responsibility for their individual contributions and be given the tools to learn and gain expertise.

How we will achieve this

Activity	Year 1 2024/25	Year 2 2025/26	Years 3 to 5 2026/27 2027/28 2028/29
Implement a manageable number of succinct and outcome-focused role profiles that clearly define each role’s purpose, responsibilities, accountabilities, knowledge, skills, and experience, with follow-on work outlined in theme 4.	x		

Implement job families that inform a variety of career pathways as outlined in theme 4, and ensure career progression opportunities are available to all eligible employees, regardless of job type.	x		
Develop a new pay and grading structure based on market benchmarking.	x		
Create a new job evaluation process to grade and evaluate roles.	x		
Design an approach and underpinning principles for a new total reward strategy.	x	x	
Simplify re-grading and promotion processes to acknowledge job growth and exceptional contribution.	x	x	
Create and implement the new total reward approach to pay, recognising contribution and offering flexibility and choice through a new flexible benefits portal that includes recognition mechanisms.		x	x
Ensure reviews and regular benchmarking of pay and reward are undertaken.		x	x

2. My Wellbeing and Belonging

What do we need?

Our people should feel physically and psychologically safe. Employees and members should treat one another with respect. Employees should have sufficient support and resources to undertake their work. And they should have manageable workloads, a sense of control and autonomy, and excellent partnership working.

Why is it important?

Supporting the wellbeing and belonging of our people is critical to our continuing success. We need to integrate our EDI objectives into all our people initiatives to create an environment of belonging for all.

What does success look like?

We will be inclusive, diverse, and people-oriented. We will make sure all employees are supported, challenged and motivated. And we will create a flexible working environment that takes personal commitments into consideration.

Our employee survey results will show upward trends for:

- employee engagement
- how employees view managers, leaders, and members
- feeling valued and listened to
- employee pride in their work and in our organisation
- visible leadership on important issues such as sustainability and climate action

Employee alumni will be encouraged and supported to stay in touch with City Corporation through regular communications. Current and previous employees will be City Corporation’s most vocal positive ambassadors.

How we will achieve this

Activity	Year 1 2024/25	Year 2 2025/26	Years 3 to 5 2026/27 2027/28 2028/29
Undertake and implement a values and behaviours project on how we work and how we deliver organisational results and outcomes.	x		
Create and sustain deeper working partnerships across City Corporation with a particular focus on members, recognised trade unions, EDI, Health and Safety, and all City Corporation institutions and locations.	x	x	x

Undertake collaborative HR, EDI, and Health and Safety projects. For example, continue the work of the Tackling Racism Taskforce as a top priority, and address other priorities like gender and disability through an intersectional lens.	x	x	x
Create quarterly forums for senior/mid-level leadership or management tiers across up to three groupings. These will be used to share good practices and lessons learned with the goal to increase transparency, decision-making autonomy, empowerment, commitment, measured risk appetite, permission to fail, appreciation, recognition, and reduce hierarchy.	x		
Undertake an annual employee survey, creating collective and individual action plans and connecting these directly to future year people strategy initiatives.	x	x	x
Develop cross-organisation virtual lunch and learns on topics such as sustainability, digital literacy and EDI, and encourage face-to-face site visits.	x	x	
Review and revise our Celebrating our People Awards to connect to new values and behaviours. Create employee case studies showing what 'good' looks like, and an annual publication to celebrate success.		x	x
Research, benchmark and implement a holistic and proactive wellbeing offer to create consistent conditions for our people to flourish.	x		
Introduce an anonymous HR reporting system and process to investigate and resolve employee complaints.	x		
Undertake a 'stress at work' project with Health and Safety that reviews and addresses physical, psychological, and psychosocial impacts.		x	
Develop and implement actions to improve autonomy and address frustrations around what we do and how we work.		x	
Review our occupational health service.		x	
Refine mental health awareness training for managers and employees, including stress risk assessments, and review the role of mental health and wellbeing champions.		x	x

Introduce communications and a 'staying connected' programme for City Corporation employee alumni.			x
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3. Trustworthy Leadership

What do we need?

Our leaders should use horizon scanning and strategic thinking to guide a clear sense of direction for City Corporation. They should create regular opportunities for two-way dialogue and feedback with employees. They should model reliable, credible, compassionate, and values-based behaviours to our people. And they should use a collaborative, inclusive, creative, and strengths-based approach to developing our culture.

Why is it important?

Leaders and managers hold responsibility for creating a safe physical and psychological working environment. They can also influence excellent employee experience and create exceptional organisational outcomes. To deliver our corporate plan successfully, we need to empower our leaders and managers to understand how they are accountable when making decisions.

What does success look like?

We will develop a community of leaders and managers at all levels who create an inclusive and respectful environment. All leaders and managers will consistently role model our values. They will be able to confidently engage with, empower, develop, challenge, and celebrate our people. They will also understand how to take measured risks and deliver excellent outcomes.

We will monitor our leaders' positive impact through employee survey results. We will use a robust performance management framework that is aligned with our corporate plan. Our managers will engage with and empower their teams to deliver organisational results that improve year on year.

How we will achieve this

Activity	Year 1 2024/25	Year 2 2025/26	Years 3 to 5 2026/27 2027/28 2028/29
Lead the development, communication and embedding of values and behaviours that create an environment where everyone can thrive. Create time for listening, reflection and learning that empowers teams and individuals.	x	x	x
Create and sustain deeper values-based work relationships and review and revise codes of conduct for employees and members in partnership with the governance team.	x		

Develop and implement a new performance management framework that features dynamic conversations with individual and team objectives connected to the corporate plan outcomes. Over time, include 360-degree feedback, beginning with SLT and ELB.	x	x	
Provide programmes of development for SLT and ELB leadership cohorts, including horizon scanning, strategic capability, team empowerment, and inclusive culture team building.	x	x	
Provide three levels of integrated and inclusive programmes for management and leadership that are internally-delivered and cohort-based. Middle and senior managers will enable talent development and leadership succession planning.	x	x	
Develop the 'Head of Profession - People and HR' network of HR professionals across City Corporation to enable information and good practice sharing, and creative collaborations.	x	x	
Develop leadership capacity and capability across all aspects of EDI. For example, by widening the range of access and participation in working groups and meetings, actively listening to understand lived experience, and considering who is in the room and who has a voice.	x	x	x
Ensure that the ELB takes an active role to engage with equality objectives and: <ul style="list-style-type: none"> • review local policies, processes, and systems through an EDI lens • work towards seamless, consistent reporting and monitoring procedures • integrate EDI into mainstream learning and development programmes • identify delivery owners at different levels for all actions • ensure cohesive, collective commitment to ELB-level actions 	x	x	x

4. My Talent and Development

What do we need?

We should use a strong employer brand to create effective and inclusive recruitment approaches that recruit and retain both internal and external candidates. Our recruitment should be underpinned by proactive workforce planning.

Once people join us, we should provide supportive onboarding. Our performance conversations should be aligned with the corporate plan, and we should offer development initiatives that support progression and retention.

Why is it important?

Effective recruitment, onboarding and development will pave the way for improved performance, retention and exceptional organisational outcomes aligned to the corporate plan.

What does success look like?

We will attract and retain excellent, diverse, local and national talent to support the success of City Corporation. We will continue to create opportunities for people to develop and grow professionally.

Existing and new employees will be able to easily access exciting new opportunities within City Corporation. We will support and encourage them to develop in their current roles and to progress into future roles anywhere across City Corporation. They will want to stay in, thrive in, and be part of a world-class organisation, but they will have the confidence, skills and capabilities to move on when the time is right.

How we will achieve this

Activity	Year 1 2024/25	Year 2 2025/26	Years 3 to 5 2026/27 2027/28 2028/29
Introduce a manual process and then automate annual workforce planning to enable understanding of current and future recruitment and succession planning needs, including identifying and addressing skills gaps, critical roles, and improving recruitment timelines.	x	x	x
Overhaul end-to-end internal and external inclusive recruitment and assessment processes to address talent identification and acquisition, including anonymised applications, panel composition review, and	x	x	

improving access and accessibility for those from marginalised groups.			
Develop career path maps based on job families, including access to apprenticeships, secondments and shadowing opportunities to inform progression and promotion processes.		X	X
Develop an employer brand refresh.			X
Review and refine organisational structure and organisational design approaches.			X
Enhance central and local induction, including technology-led mandatory training.	X		
Enhance member inductions and training.	X	X	
Create a comprehensive EDI training offering with a focus on awareness-raising, skills-building and the development of an inclusive culture, including coaching and embedding EDI in general training.	X	X	
Partner across City Corporation to create solutions to training needs in the areas of technical and digital, professional, external customer services, and conflict.	X	X	
Introduce online interactive on-boarding and digital learning solutions to address initial and ongoing core probation and training needs.		X	
Implement a systems-based, all-employee dynamic conversations and performance management framework with individual and team objectives connected to the corporate plan outcomes and based on values and behaviours, including dedicated time and resource allocated for development.		X	X
Create continuous professional development for all employees supported by the job family groupings that will be created as part of the theme 1 work.			X

5. Building Brilliant Basics

What do we need?

We should have robust, easy-to-use automated systems that make data collection easier. We should collect data on all protected characteristics and social mobility, and be able to filter that data by identity characteristics. We should have the tools to consider, where possible, how protected characteristics intersect across our people.

We should make sure our reporting and self-service mechanisms support prioritisation and decision-making. We should have people policies that are easy to understand and simple to use, and we should be able to create simple, effective and timely workforce planning solutions.

Why is it important?

By putting simple and efficient processes and policies in place, we will set our people up for success and allow them to focus on doing their job effectively.

What does success look like?

Our policies, processes and practices will be fully legally compliant and simple to use and understand. They will support managers and employees to work together easily and efficiently, giving them the tools to deliver their work well.

Our systems and reporting mechanisms will be automated and will provide us with real-time data. All the data we hold about our people will be high quality and adhere to GDPR requirements. We will be able to use data to prioritise our work and inform our decision-making, paying particular attention to ensuring fairness across our workforce. Our recruitment and workforce planning processes will be simple, fair and inclusive.

How we will achieve this

Activity	Year 1 2024/25	Year 2 2025/26	Years 3 to 5 2026/27 2027/28 2028/29
Continue to make back-office improvements and data cleansing within the existing people system in preparation for the new Enterprise Resource Planning system.	x		
Create an agile talent management approach by implementing and embedding contingent labour and casual labour approaches.	x		
Continue to improve data and insights, including improving data gathering through extensive and sustained communications in partnership with EDI and communications	x	x	x

teams. Priorities include dashboard provision and reporting on all protected characteristics, along with social mobility. Breakdown by identity data will also be undertaken where possible.			
Undertake a comprehensive compliance and risk management audit of HR policies. Create a prioritisation matrix and calendar for updates to all HR policies, procedures and guidelines with a focus on those that have the greatest impact on managers and employees, undertaking work on those prioritised as most urgent in year one.	x		
Adjust HR policies as required due to legislative, regulatory, and internal and external changes, embedding EDI principles.		x	x
Implement and embed the Enterprise Resource Planning system to bring together financial and people data and provide easy-to-use automated systems for the management of people processes. These include recruitment, onboarding, induction, probation, performance management, development, talent management, succession planning, and exiting.		x	x

Key performance indicators

We will measure our progress by baselining data and setting targets using the following measures.

Theme 1: My Contribution, My Reward – Ambition 25		
Measure	Current baseline	Future baselines and targets
% turnover	14% all reasons 11% voluntary (2022/23)	2023/24 baseline and 2024/25 target to be set
% voluntary turnover in first two years of employment (based on headcount)	20.3% (2021/22 to 2022/23)	2023/24 baseline and 2024/25 target to be set
Voluntary turnover reason trends (data now being collected)		2023/24 baseline and 2024/25 target to be set
% ethnicity pay gap	17.4% mean hourly rate 14.7% median hourly rate (2022/23)	2023/24 baseline and 2024/25 target to be set
% gender pay gap	4.5% mean hourly rate 2.7% median hourly rate (2022/23)	2023/24 baseline and 2024/25 target to be set
% disability pay gap	8.8% mean hourly rate 2.4% median hourly rate (2022/23)	2023/24 baseline and 2024/25 target to be set
% social mobility pay gap (to be added when data is available)		2025/26 baseline and 2026/27 target to be set
Pay benchmarking reviews (to be added through Ambition 25 project; groupings of appropriate benchmarking comparators will be determined)		2025/26 baseline and 2026/27 target to be set
Theme 2: My Wellbeing, My Belonging		
Measure	Current baseline	Future baselines and targets
Employee survey participation	51% (2022)	2024/25 target to be set
Employee survey engagement* *Five survey elements were used to create the engagement measure: 1. The purpose of City Corporation makes me feel good about my work.	52% (2022)	2024/25 target to be set

2. I have confidence my career aspirations can be met at City Corporation. 3. I feel valued and recognised for the work I do. 4. I feel appropriately supported through change. 5. City Corporation has a culture of openness, transparency, and inclusion.		
Rolling average sick days per full time employee (and review other patterns of sickness absence)	0.6 (2022/23)	2023/24 baseline and 2024/25 target to be set
Number of referrals to occupational health function	61 (2022/23)	2023/24 baseline and 2024/25 target to be set
Employee Assistance Programme utilisation (as a percentage, calculated as counselling and advice calls against headcount)	5.7% (2022/23)	2023/24 baseline and 2024/25 target to be set
Number of grievance cases and outcome trends (data now being collected)		2023/24 baseline and 2024/25 target to be set
Number of bullying and harassment cases and outcome trends (data now being collected)		2023/24 baseline and 2024/25 target to be set
Number of anonymous complaints about employee issues, such as bullying and harassment, investigated and resolved (the specific nature of complaints to be included are still to be confirmed as part of next steps)		2025/26 baseline and 2026/27 target to be set
Stress indicator tool measurements and reporting to be developed with Health and Safety		2025/26 baseline and 2026/27 target to be set
Safety index score to be developed with Health and Safety		2025/26 baseline and 2026/27 target to be set
Theme 3: Trustworthy Leadership*		
*Set baselines and targets in response to employee surveys and action plan results to address gaps, for example:		
Measure	Current baseline	Future baselines and targets
Measure against revised code of conduct in relation to leadership of values and inclusive behaviours (once created and agreed)		2024/25 baseline and 2025/26 target to be set
Actively contribute to and promote an inclusive culture that forefronts equity, wellbeing and belonging		2024/25 baseline and 2025/26 target to be set
Enable career progression and promotion through projects, secondments, and activities including mentoring, coaching and sponsorship programmes		2024/25 baseline and 2025/26 target to be set

Demonstrate connectedness of teams		2024/25 baseline and 2025/26 target to be set
Theme 4: My Talent and Development*		
*Indicative historical figures are provided to highlight possible future measures for career pipelines across EDI characteristics to enable target-setting based on the communities around us. This is not an exhaustive list and is provided as an example only, noting there continues to be a high level of missing and incomplete data.		
Measure	Current baseline	Future baselines and targets
Average time to hire in days, as measured across: <ul style="list-style-type: none"> • manager request to advertisement live • advertisement close to conditional offer • conditional offer to all checks complete (data now being collected)		2023/24 baseline and 2024/25 target to be set
Diversity of applicant pipeline, measured at application, shortlisting and appointment		2025/26 baseline and 2026/27 target to be set
% of ethnic minority employees	18% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of ethnic minority employees grades H to Senior Management Group (SMG)	18% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of women employees	11% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of women grades H to SMG	51% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of LGBTQ+ employees	41% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of LGBTQ+ employees grades H to SMG	6% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of employees declaring they meet the Equality Act definition of disability	6% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of ethnic minority employees grades H to SMG	5% (2022/23)	2023/24 baseline and 2024/25 target to be set
% of annual appraisal completions	80% (2023/24)	82% 2024/25 target
% of internal appointments (data now being collected)		2023/24 baseline and 2024/25 target to be set

Number of capability cases and outcome trends (data now being collected)		2023/24 baseline and 2024/25 target to be set
Number of disciplinary cases and outcome trends (data now being collected)		2023/24 baseline and 2024/25 target to be set
% employees undertaking at least one learning and development opportunity each year		2025/26 baseline and 2026/27 target to be set
% of positive responses to 'how was my onboarding' survey within 6 months of start		2025/26 baseline and 2026/27 target to be set
Theme 5: Building Brilliant Basics		
Measure of missing data	Current baseline	Future baselines and targets
Ethnicity	23% (2022/23)	2023/24 baseline and 2024/25 target to be set to reduce missing data
Sexual orientation	32% (2022/23)	2023/24 baseline and 2024/25 target to be set to reduce missing data
Disability	27% (2022/23)	2023/24 baseline and 2024/25 target to be set to reduce missing data
Religion or belief	32% (2022/23)	2023/24 baseline and 2024/25 target to be set to reduce missing data
Social mobility	89% (2022/23)	2023/24 baseline and 2024/25 target to be set to reduce missing data
Policy updates adherence to annual revision calendar		2023/24 baseline and 2024/25 target to be set to reduce missing data

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People strategy glossary

“Our words create our worlds.” – Pierre du Plessis

Our understanding of the world around us is shaped by language. Our intention in this glossary, based on feedback from employees about the development of the people strategy, is to provide definitions for commonly used terms.

It is impossible to create finite definitions with universal agreement, especially as language and terminology is continually evolving. However, it is important to establish a shared understanding of what we mean when we use certain words.

Definitions have been provided by City Corporation subject matter expert leads in HR, Health and Safety, and EDI.

Belonging

A concept from social psychology used to describe an individual's quality of social connections, and the extent to which they feel like a valued member of a group.

Equality

The right of different groups of people to receive the same treatment.

Equity

Fair treatment for all people, so that the norms, practices, and policies in place ensure identity does not determine access to opportunities or workplace outcomes.

Equity differs from equality in a subtle but important way. While equality assumes that all people should be treated the same, equity takes into consideration a person's unique circumstances, adjusting treatment accordingly so that the result is equal.

Diversity

Who is represented in the workforce. Some examples of diversity in workplaces include, but are not limited to:

- gender (how many men, women and nonbinary people are there?)
- age (are people in a group from mostly one generation, or is there a mix of ages?)
- ethnicity (do people in a group share common social or cultural traditions, or do they represent different backgrounds?)
- physical ability and neurodiversity (are the perspectives of people with disabilities, whether visible or not, accounted for?)

Inclusion

The practice or policy of providing equal access to opportunities and resources for all people, including those who might otherwise be excluded or marginalised, such as people with physical or intellectual disabilities and members of all other minority groups.

Intersectionality

The complex, cumulative way in which the effects of multiple forms of discrimination (such as racism, sexism and classism) combine, overlap or intersect, especially in

the experiences of marginalised individuals or groups. Kimberlé Crenshaw introduced the theory of intersectionality and the idea that when it comes to thinking about how inequalities persist, categories like gender, race, and class are best understood as overlapping, with all elements forming essential parts rather than being isolated and distinct.¹

Key performance indicators (KPIs)

A measurable metric for tracking progress towards a certain goal. Reporting periods vary and the metrics can stay the same for months or years, or change as projects develop and results are gathered.

Objectives and key results (OKRs)

Goal-setting frameworks that combine actionable business goals with a set of measurable ways to achieve them. They are typically based on organisational missions and aspirations, measure bolder and more ambitious goals, are used as a motivational tool, and are typically reported on quarterly or yearly with goals changing each cycle.

Physical safety

The absence of harm or injury that can be experienced by any person from a physical object or practices that include a physical object.

Psychological safety

The absence of harm to mental wellbeing and the ability to speak up, take interpersonal risks and challenge without fear of negative repercussions.

Psychosocial safety

Conditions in the workplace that affect the psychological and social wellbeing of employees, including factors such as work organisation, job design, interpersonal relationships, organisational culture, and management practices.

Trust

Based loosely on the Trust Equation, a model of trust that details four components that affect trust.² Three of them increase a person's trustworthiness: credibility, reliability, and good relationships. The fourth one, self-interest, reduces a person's trustworthiness.

¹ Kimberlé Crenshaw, 'Demarginalising the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory, and Antiracist Politics', (1989), *Feminist Theory and Antiracist Politics*, University of Chicago Legal Forum Vol 140: 139-167.

² David Maister and Charles Green, *The Trusted Advisor*, (2000), New York: Free Press.



Annex: People strategy engagement

Employee and Member Engagement leading to People Strategy Creation Period Covered

1. Employee Engagement

A summary follows highlighting people strategy priorities based on employee engagement.

My Contribution, My Reward – Ambition 25

- All agreed this is our top priority. We need to get this right.
- Work is underway already through a separate consultation process happening in parallel with broader engagement on the less developed areas of the people strategy.
- The Reward Refresh Project name was considered too unspecific – the word ‘refresh’ does not reflect a complex project across the whole City Corporation. There is a need to focus on pay and recognition as a baseline. The project was renamed to Ambition 25: My Recognition, My Reward.
- It was explained that the Ambition 25 project seeks to improve recruitment and retention and ensure fairness, transparency and equity throughout the reward structure.

My Wellbeing and Belonging

- Our second priority is wellbeing and belonging with a genuine focus on equality, diversity, and inclusion.
- What is wellbeing? Values need to be role modelled. Wellbeing is psychological safety where colleagues can share ideas and take risks.
- Flexibility at work, rather than using the terms work life balance or integration is more descriptive of what is needed. Boundaries between work and other parts of life need to be clear and respected.
- Wellbeing is about 1) physical space 2) physical safety 3) psychological safety and 4) psychosocial safety and is a key leadership responsibility for all who manage and lead others; definitions are needed for each.
- Wellbeing is also impacted through interactions with external communities as well as internal colleagues; including employees who experience discriminatory, insulting & even criminal behaviours by the public – better reporting & employee

training needed to provide support to know how to manage tricky situations & maintain wellbeing.

- Challenging Member behaviours also impact employee wellbeing; Members need to role model the type of behaviours we wish to see in employees.
- Every day racism is hurtful as are other discriminatory behaviours. What behaviours do we want to embed? Employees often do not feel safe speaking up. An anonymous reporting system is needed.
- We need to provide better access to employees to offerings made externally through events and networks; collaborating and partnering more with businesses and others.
- Employee networks such as EDI networks struggle to use our own facilities due to prohibitive catering costs and difficulty getting space.
- We need to continue to break down siloes to understand what people do (including more attention to Heads of Profession); challenges faced; share good practices; develop communities.
- Team / area meetings can support or detract from a feeling of belonging; how often they are held; what format they take; who does the talking; how is information shared both about the area and the wider organisation; how are people recognised for good work? How are new starters introduced?
- All areas need to be considered in relation to wellbeing and belonging initiatives; not just office-based employees.
- A policy on violence and abuse of employees by external communities is needed – a no tolerance policy and clear sign posting.

Effective (Trustworthy) Leadership

- Although this is our third priority, good leadership is critical to all themes.
- Effective leadership feels top-down. Trust-worthy leadership embodies credibility, reliability, good relationships, and shared purpose.
- How can we better understand connections to Members?
- We need greater transparency about how decisions are made.
- Employees would value an increase of autonomy of ownership and if decisions could be pushed further down from senior leadership levels; a great deal of time is spent simply reporting upward on work underway, rather than doing the work itself.
- The role modelling of leadership behaviours should include the demonstration of inclusion, equity, and wellbeing; the 'heart' of City Corporation.
- Managers need to emphasise the value they place on employee training by ensuring time and resource is allocated for employees to undertake as well as to engage in City activities (e.g. EDI networks); the ambition is to make City Corporation more of a 'learning' organisation.
- 'Accidental' managers require support & development to effectively carry out responsibilities.
- One area commented they were not keen on the term 'trustworthy' leadership – need to continue to emphasise what 'trustworthy' means in our context: demonstrating credibility; reliability; good relationships; working to a greater purpose to benefit the organisation (rather than self-interest).
- Staff surveys are important, and people need to know something will be done; need to focus beyond quick wins; need to measure progress and benchmark with other organisations; not just local councils.

- Greater leadership stability is required; there continues to be constant flux, particularly at senior levels, leading to continuous uncertainty on priorities, expectations, approaches to work and change.
- A good deal of leadership language here still has a very top-down approach.
- Need to look at people development and success.
- Near miss incident reporting can be a good indicator of a 'safe' environment

My Talent & Development

- Our fourth priority is to support the development of our current and future workforce.
- We need clearer career pathways. Our learning is outdated and needs to be revamped for a digital age. We are focusing on key elements of inclusive recruitment, including apprenticeships, a review of contingent labour and creation of management programmes.
- Internal career development will be a critical element within the People Strategy; including the opportunity to consider succession planning and lateral as well as vertical moves across the entire unique organisation that is City Corporation; this will become easier as Ambition 25 brings more clarity to roles, job families and interconnections; technical specialties as well as management pathways in some areas.
- Secondments and shadowing opportunities would also be great additions; more opportunities to gain experience on the job rather than in a classroom.
- Apprenticeships and graduate scheme welcomed; however, also need to provide short, sharp development (e.g. centrally run manager pilot programme underway).
- More bite-size technical training would also be welcomed – e.g. Finance and IT; apps for use in hybrid team meetings to increase participation and engagement.
- A high profile for sustainability and climate justice externally; how to embed more deeply across City Corporation; an appetite by employees to engage in this space.
- Some areas also have funding to create their own development programmes; inconsistencies between areas are noticed; what do areas do when there is no budget for staff development?
- Need to 'sell' City Corporation better as a contemporary employee brand while not losing the 'bizarre and weird' unique traditions that its history brings.

Modernising Our City Corporation (Building Brilliant Basics)

- Our fifth priority is getting the basics right. This is foundational and we want to see this work completed. It is important to just get on with this work which will make it important as a baseline.
- Our people systems and processes need streamlining and modernising. City People Improvement Projects & Enterprise Resource Planning project.
- Modernising is about getting the basics right; transformation will come from the outcomes contained in other themes.
- Policies are not written in helpful ways for users; too ambiguous; too negative in approach and tone; need to be clearer, simpler, and more specific on responsibilities; overuse of the passive tense.

2. Member Reference Group engagement

Member engagement has been initiated through the creation of a Member Reference Group (RG) that launched in November 2023 and will meet quarterly over the course of the five-year people strategy. The group will report formally to Corporate Services Committee.

The Chair of the RG will be the Chair or Deputy Chair (as availability permits) of Corporate Services Committee. The full membership is as follows:

1. Alastair Moss (Chair) (AM)
2. Florence Keelson-Anfu (Deputy Chair) (FKA)
3. Deputy Henry Colthurst (HC)
4. Anthony Fitzpatrick
5. Steve Goodman
6. Alderman Alison Gowman
7. Deputy Shравan Joshi
8. Deputy Edward Lord
9. Paul Martinelli
10. Catherine McGuinness
11. Deputy Andrien Meyers
12. Alison Littlewood, Interim Chief People Officer
13. Additional Members and/or Officers may be invited to attend as appropriate.

My Contribution, My Reward – Ambition 25

- This project is progressing as a separate strand with close Member and Officer oversight and its outcomes will provide a critical foundation to further work within the People Strategy, particularly in the areas of Recruitment and Workforce Planning, Total Reward and Benefits, Career Progression, Development and Retention.

Wellbeing and Belonging

- Belonging includes having a voice and feeling safe to use it and wellbeing includes considering the whole person, not just what people do at work; 'being human.'
- In some cases, sickness absence has reduced, and mental health had improved when employees have been in the office and younger employees in particular welcome the opportunity to receive mentoring by senior members of staff when they are all in the office.
- While there is a global push by many organisations to return to full on-site working, equity does not mean treating everyone the same. The benefits of learning from COVID in relation to adjustments to working patterns that have also benefited people and organisations should not be abandoned.

Effective (Trustworthy) Leadership

- Leadership today is about the importance of embracing new ways of working; City Corporation needs to ensure action is taken when individuals or managers are simply unable to do their job; competence is important, along with ensuring they are fully committed – engaging heads and hearts.

Talent and Development

- Talent development / career progression and EDI should not be in tension. Managers need to be clear about expectations and in truly diverse organisations, this requires reflection about what good looks like.
- Training on and off the job is important; formal and informal; F2F as well as remote. It would be beneficial to offer training in multiple locations across City Corporation which requires time and resources to make happen.

Modernising Our City Corporation (Building Brilliant Basics)

- The work on getting the basics right with processes and systems as well as the significant Enterprise Resource Planning project is progressing. The ERP implementation will provide a sound foundation for data, reporting and prioritised decision-making as the People Strategy progresses.
- Given the long and illustrious traditions and history of City Corporation, the term 'Modernising' could be misconstrued. The term 'Building Brilliant Basics' demonstrates our ambition and intention to ensure we have contemporary, efficient and agile fundamental systems in place to support all of our work.

Report – Corporate Services Committee

Draft Pay Policy Statement 2024/25

To be presented on Thursday, 7th March 2024

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

SUMMARY

The Localism Act 2011 requires the City of London Corporation to prepare and publish a Pay Policy Statement setting out its approach to pay for the most senior and junior members of staff. This must be agreed each year by the full Court of Common Council.

The Statement has now been updated for 2024/25 and has been considered and approved by your Corporate Services and Policy and Resources Committees. It is now recommended to the Court for approval.

RECOMMENDATION

It is recommended that the Court considers and agrees the draft Pay Policy Statement for 2024/25 as set out in Appendix C to this Report to ensure that the City Corporation meets its requirements under the Localism Act 2011.

MAIN REPORT

Background

1. The requirement for local authorities to produce Pay Policy Statements was introduced under section 38(1) of the Localism Act 2011 (the Act). This states that “A *relevant authority must prepare a pay policy statement for the financial year 2012-2013 and each subsequent financial year*”. In the City Corporation’s case, it is a “*relevant authority*” only in its capacity as a local authority. However, and in general, the City has not tried to distinguish in its Pay Policy Statements its local-authority capacities from any of its other undertakings, other than where these are specifically excluded from the remit of the 2011 Act.
2. The aim of the Act is that authorities should be open, transparent and accountable to local taxpayers, and this advice is repeated or expanded upon in various pieces of Government guidance, and a Code of Recommended Practice for Local Authorities on Data Transparency, having statutory effect. The main themes of these are transparency, fairness and accountability. Pay Policy Statements should set out the authority’s approach to issues relating to the pay of its workforce, and in particular to the pay of its “Chief Officers” and the pay of its lowest paid employees.

3. Section 38 of the Act goes on to outline certain features which must be included within Pay Policy Statements.
 - Section 38(2) says that the Statements must set out the authority's policies for the financial year relating to the remuneration of its chief officers, the remuneration of its lowest-paid employees and the relationship between the remuneration of its chief officers and the remuneration of any other employees.
 - Section 38(3) says that the Statements must state the definition of "lowest-paid" employee adopted by the authority and its reasons for adopting that definition.
 - Section 38(4) says that the Statements must include the authority's policies relating to the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay and bonuses for chief officers, the approach to the payment of chief officers when they cease to be employed and the publication of and access to information relating to chief officers' remuneration.
4. The definition of "Chief Officers" given in the Localism Act (under section 43(2)) is that of the Local Government and Housing Act 1989 and incorporates the latter Act's definitions of both "Chief Officers" and "Deputy Chief Officers". This is a much wider definition than the conventional definition of "Chief Officer" used in the City Corporation (generally denoting a head of department), and also wider than that which governs posts included in our Senior Management Group.
5. Under the Local Government and Housing Act, a "Chief Officer" is:
 - the authority's head of the paid service (the Town Clerk & Chief Executive, in the City Corporation's case),
 - any person who in general answers directly to the head of the paid service, and
 - any person (irrespective of whether they report directly to the head of the paid service) who in general is required to report directly to the authority itself or to any Committee or sub-Committee of the authority.

A "Deputy Chief Officer" under the Act is anyone who reports directly to any person defined as a Chief Officer.
6. The only employees who could be caught by any of these definitions who are excluded from them under the 1989 Act are those employees engaged principally in clerical or secretarial support, or who are responsible for other support services.
7. The 1989 Act applies to the City only in its capacities as a local authority, police authority and port health authority. However, in keeping with the commitment to wider transparency in our Pay Policy Statements, the basic definitions of "Chief Officer" and "Deputy Chief Officer" given in the 1989 Act have been applied in our Pay Policy Statements to all relevant employees of the City Corporation, irrespective of the capacity or capacities they work under, other than where their duties are specifically excluded from the provisions of the Localism Act.

8. The Localism Act makes supplementary provisions relating to Pay Policy Statements in its section 39. This says that the authority's Pay Policy Statement must be approved by a resolution of the authority by the 31 March before the financial year to which it relates, that the Statement may (again by resolution of the authority) be subsequently amended after the beginning of the financial year, and that, as soon as is reasonably practicable after its approval or amendment, the Statement must be published on the authority's website.
9. The general notion of the Act in relation to the Statements is that *"the Act's provisions will ensure that communities have access to the information they need to determine whether remuneration, particularly senior remuneration, is appropriate and commensurate with responsibility. In addition, the provisions will ensure that policies on the pay and reward of the most senior staff are set out clearly within the context of the pay of the wider workforce"*.

Current Position - City of London Pay Policy Statement 2024/25

10. A draft Pay Policy Statement for 2024/25 is attached (Appendix C). This was approved by your Corporate Services and Policy and Resources Committees in February 2024, and is now submitted for your consideration.
11. It should be noted that a Pay Policy Statement is not, as such, a "statement on pay policies", giving an account of all matters connected with remuneration in local authorities, but the putting into practice of a narrowly defined legislative requirement. The information presented by this statutory requirement has to be clear and accessible, and it is in keeping with that requirement to ensure that extraneous material is kept to a minimum.
12. In keeping with this, Pay Policy Statements are also meant to be an accurate account of current pay practices. These may change over the course of the year covered by the Statement, but it is not the job of the Statement to make predictions on this. Legislation allows Statements to be changed as policy or practice alters over the year, but until it does the Statement should reflect what is the current situation.

Conclusion

13. To meet the requirements of the Localism Act, the City Corporation must agree and publish a Pay Policy Statement before each financial year. This Report introduces for approval the draft Statement for 2024/25 (Appendix C).

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

DATED this 21st day of February 2024.

SIGNED on behalf of the Committee.

Deputy Alastair Moss
Chair, Corporate Services Committee

Appendices

Appendix A – SMG Grade Range

Appendix B – Pay Structure Main Grades

Appendix C – Draft Policy Statement for 2024/25

Appendix A: Senior Management Grade (SMG)

1. The Senior Management Grade comprises of the most senior roles in the organisation, as determined by Job Evaluation. Posts are those which are the professional lead for a significant area of City Corporation business, directing the function to meet corporate strategic goals, and professionally determining the construction those strategic goals.
2. As distinct roles, each role is individually evaluated and the pay for that role is benchmarked against the external market. The Senior Remuneration Sub-Committee sets the initial salary on appointment, together with the individual salary band, for staff with posts in the Senior Management Grade. The range for the role is based on the market rate for the role, which is used, alongside corporate importance, to determine the 'datum point' for the salary range.
3. The City Corporation subscribes to salary benchmarking services, which provide information on both public and private-sector comparator jobs. General practice is to use the median level of comparator public-sector jobs in central London for organisations which employ between 1001 and 4000 staff, with a turnover of £50m-£100m. Each post is allocated an individual salary range within the SMG pay range around the 'datum' point on the SMG scale. The range minimum is 2 increments below the datum point and range maximum as 3 increments above the datum point.
4. Thereafter, the Town Clerk & Chief Executive may recommend salary progression for SMG posts (other than in relation to their own) within the individual salary band (and up to the maximum) and in accordance with relevant reward policies, which will be considered by the Senior Remuneration Sub-Committee. Any changes to the individual salary bands for SMG posts will be approved by the Senior Remuneration Sub-Committee. Any payment above the maximum, as with other Contribution Payments, would not be consolidated into basic salary, and would not form part of contractual pay for subsequent years.
5. The range for any role may also be reviewed when new SMG posts are created, or the duties and responsibilities of posts or other external factors relevant to their pay and reward have changed. SMG posts are not necessarily the best-paid in the organisation, as other posts in Grades I and J may be better paid than some SMG posts, depending on the separate market supplements applied to the Graded posts.
6. Each year the datum point advances by a percentage equivalent to any 'cost of living' pay award. Individual salaries would move according to the table below:

Contribution Level	Salary Change
A Outstanding	Datum % change + up to 6%
B Very Good	Datum % change + up to 4%
C Good	Datum % change
D Improvement Required	0.0%

7. As outlined in para 4.3, normal practice on progression through Grades or Contribution Payments for eligible staff has been waived since 2020. SMG staff not on the top of their range have received incremental progression through their individual pay scales, but no Contribution Payments were made to those at the top of their scales.
8. In respect of the Town Clerk & Chief Executive, the post's salary and any Contribution Payments that may be due to its holder are determined by the Senior Remuneration Sub-Committee. The Sub-Committee is advised by an Appraisal Panel comprising the Chairs of the Policy & Resources Committee, Corporate Services Committee, Finance Committee and General Purposes Committee of the Court of Aldermen. The Appraisal Panel set the Town Clerk's annual objectives and review performance against those objectives, receiving a report from the Chair of the Policy & Resources Committee who conducts the annual appraisal meeting with the Town Clerk. The Sub-Committee and Appraisal Panel are supported by the Chief People Officer, together with any appropriate external advisers.
9. The current Senior Management pay range and the range of SMG roles are attached.

**City of London Corporation Annual Pay Scales
Senior Management Grades**



**Spinal Point WEF
 01/07/2023**

1	£ 91,280	Assistant Town Clerk and Exec Dir of Governance and Member Services
2	£ 93,960	
3	£ 96,780	
4	£ 99,650	
5	£ 102,600	
6	£ 105,630	
7	£ 108,790	
8	£ 112,020	Executive Director & Private Secretary to Lord Mayor
9	£ 115,330	
10	£ 118,760	Exec Dir & Private Secretary to Chair Policy & Resources
11	£ 122,300	
12	£ 125,950	Managing Director City Bridge Foundation
13	£ 129,650	
14	£ 133,540	Executive Director of Corporate Communications and External Affairs
15	£ 137,500	
16	£ 141,630	Chief Strategy Officer
17	£ 145,830	
18	£ 150,180	Executive Director Innovation and Growth
19	£ 154,640	
20	£ 159,230	Deputy Town Clerk
21	£ 163,970	
22	£ 168,860	Executive Director Children and Community Services
23	£ 173,870	
24	£ 179,120	Chief People Officer & Executive Director of Human Resources
25	£ 184,430	
26	£ 189,950	Executive Director Built Environment
27	£ 195,620	
28	£ 201,430	City Surveyor
29	£ 207,460	
30	£ 213,640	Principal of Guildhall School of Music and Drama
31	£ 220,040	
32	£ 226,600	Chamberlain and Chief Financial Officer
33	£ 233,370	
34	£ 240,310	Remembrancer
35	£ 247,520	
36	£ 254,910	Comptroller & City Solicitor and Deputy Chief Executive
37	£ 262,530	
38	£ 270,340	Chief Executive Officer Barbican
39	£ 278,440	

All Grades Spine Points are plus £6,910 London Weighting; and £200 London Weighting Supplement

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Non-Residential Salary Rates from 01 July 2023

		London Weighting	N/A	£6,710		£4,020				
		LW Supplement**	N/A	£200		£120				
Non Residential Grading Structure	SCP	Basic Salary	Hourly Rate*	Inner London Salary	Hourly Rate*	Outer London Salary	Hourly Rate*			
		1009	£21,470	£11.76	£28,180	£15.44	£25,490	£13.96		
		1010	£21,950	£12.02	£28,660	£15.70	£25,970	£14.23		
		1011	£22,640	£12.40	£29,350	£16.08	£26,660	£14.60		
		1012	£22,970	£12.58	£29,680	£16.26	£26,990	£14.78		
A	B	1013	£23,470	£12.86	£30,180	£16.53	£27,490	£15.06		
		1014	£24,020	£13.16	£30,730	£16.83	£28,040	£15.36		
		A+	B+	1015	£24,580	£13.46	£31,290	£17.14	£28,600	£15.67
				1016	£25,180	£13.79	£31,890	£17.47	£29,200	£16.00
				1017	£25,750	£14.10	£32,460	£17.78	£29,770	£16.31
				1018	£26,410	£14.47	£33,120	£18.14	£30,430	£16.67
				1019	£27,000	£14.79	£33,710	£18.47	£31,020	£16.99
				1020	£27,650	£15.15	£34,360	£18.82	£31,670	£17.35
				1021	£28,350	£15.53	£35,060	£19.21	£32,370	£17.73
C		1022	£29,030	£15.90	£35,740	£19.58	£33,050	£18.10		
		1023	£29,740	£16.29	£36,450	£19.97	£33,760	£18.49		
		C+	1024	£30,490	£16.70	£37,200	£20.38	£34,510	£18.90	
			1025	£31,220	£17.10	£37,930	£20.78	£35,240	£19.30	
			1026	£32,010	£17.53	£38,720	£21.21	£36,030	£19.74	
			1027	£32,830	£17.98	£39,540	£21.66	£36,850	£20.19	
			1028	£33,650	£18.43	£40,360	£22.11	£37,670	£20.64	
			1029	£34,470	£18.88	£41,180	£22.56	£38,490	£21.09	
		D	1030	£34,650	£18.98	£41,360	£22.66	£38,670	£21.18	
			1031	£35,510	£19.45	£42,220	£23.13	£39,530	£21.66	
			D+	1032	£36,450	£19.97	£43,160	£23.64	£40,470	£22.17
				1033	£37,380	£20.48	£44,090	£24.15	£41,400	£22.68
				1034	£38,360	£21.01	£45,070	£24.69	£42,380	£23.22
E		1035	£39,340	£21.55	£46,050	£25.23	£43,360	£23.75		
		1036	£40,360	£22.11	£47,070	£25.79	£44,380	£24.31		
		E+	1037	£41,370	£22.66	£48,080	£26.34	£45,390	£24.87	
			1038	£42,250	£23.15	£49,160	£26.93	£46,390	£25.41	
			1039	£43,450	£23.80	£50,360	£27.59	£47,590	£26.07	
			1040	£44,620	£24.44	£51,530	£28.23	£48,760	£26.71	
			1041	£45,860	£25.12	£52,770	£28.91	£50,000	£27.39	
			1042	£47,080	£25.79	£53,990	£29.58	£51,220	£28.06	
F		1043	£48,390	£26.51	£55,300	£30.30	£52,530	£28.78		
		1044	£49,720	£27.24	£56,630	£31.03	£53,860	£29.51		
		F+	1045	£51,130	£28.01	£58,040	£31.80	£55,270	£30.28	
			1046	£52,520	£28.77	£59,430	£32.56	£56,660	£31.04	
			1047	£53,960	£29.56	£60,870	£33.35	£58,100	£31.83	
			1048	£55,480	£30.40	£62,390	£34.18	£59,620	£32.66	
G		1049	£57,000	£31.23	£63,910	£35.01	£61,140	£33.50		
		1050	£58,630	£32.12	£65,540	£35.91	£62,770	£34.39		
		G+	1051	£60,230	£33.00	£67,140	£36.78	£64,370	£35.27	
			1052	£61,940	£33.93	£68,850	£37.72	£66,080	£36.20	
			1053	£63,670	£34.88	£70,580	£38.67	£67,810	£37.15	
H		1054	£65,480	£35.87	£72,390	£39.66	£69,620	£38.14		
		1055	£67,310	£36.88	£74,220	£40.66	£71,450	£39.15		
		H+	1056	£69,190	£37.91	£76,100	£41.69	£73,330	£40.18	
			1057	£71,150	£38.98	£78,060	£42.77	£75,290	£41.25	
			1058	£73,160	£40.08	£80,070	£43.87	£77,300	£42.35	
I		1059	£75,250	£41.23	£82,160	£45.01	£79,390	£43.50		
		1060	£77,370	£42.39	£84,280	£46.18	£81,510	£44.66		
		I+	1061	£79,620	£43.62	£86,530	£47.41	£83,760	£45.89	
			1062	£81,990	£44.92	£88,900	£48.71	£86,130	£47.19	
			1063	£84,410	£46.25	£91,320	£50.03	£88,550	£48.52	
			1064	£86,920	£47.62	£93,830	£51.41	£91,060	£49.89	
J		1065	£89,510	£49.04	£96,420	£52.83	£93,650	£51.31		
		1066	£92,160	£50.49	£99,070	£54.28	£96,300	£52.76		
		J+	1067	£94,910	£52.00	£101,820	£55.79	£99,050	£54.27	
			1068	£97,760	£53.56	£104,670	£57.35	£101,900	£55.83	
			1069	£100,620	£55.13	£107,530	£58.92	£104,760	£57.40	
			1070	£103,620	£56.77	£110,530	£60.56	£107,760	£59.04	
			1071	£106,650	£58.43	£113,560	£62.22	£110,790	£60.70	
			1072	£109,880	£60.20	£116,790	£63.99	£114,020	£62.47	

*Hourly Rates are approximate and provided for information purposes only

**London Weighting Supplement from Pay Point SCP1038 and above

Residential Salary Rates from 01 July 2023									
London Weighting		N/A		£5,970		£3,620			
LW Supplement**		N/A		£180		£110			
Residential Grading Structure	SCP	Basic Salary		Inner London Salary		Outer London Salary			
		Hourly Rate*	Hourly Rate*	Hourly Rate*	Hourly Rate*	Hourly Rate*	Hourly Rate*		
A	B	1009	£21,470	£11.76	£27,440	£15.03	£25,090	£13.74	
		1010	£21,950	£12.02	£27,920	£15.29	£25,570	£14.01	
	B+	A+	1011	£22,640	£12.40	£28,610	£15.67	£26,260	£14.38
		1012	£22,970	£12.58	£28,940	£15.85	£26,590	£14.56	
		1013	£23,470	£12.86	£29,440	£16.13	£27,090	£14.84	
		1014	£24,020	£13.16	£29,990	£16.43	£27,640	£15.14	
		1015	£24,580	£13.46	£30,550	£16.73	£28,200	£15.45	
		1016	£25,180	£13.79	£31,150	£17.06	£28,800	£15.78	
		1017	£25,750	£14.10	£31,720	£17.38	£29,370	£16.09	
		1018	£26,410	£14.47	£32,380	£17.74	£30,030	£16.45	
C	C+	1019	£27,000	£14.79	£32,970	£18.06	£30,620	£16.77	
		1020	£27,650	£15.15	£33,620	£18.42	£31,270	£17.13	
	C+	1021	£28,350	£15.53	£34,320	£18.80	£31,970	£17.51	
		1022	£29,030	£15.90	£35,000	£19.17	£32,650	£17.89	
		1023	£29,740	£16.29	£35,710	£19.56	£33,360	£18.27	
		1024	£30,490	£16.70	£36,460	£19.97	£34,110	£18.69	
		1025	£31,220	£17.10	£37,190	£20.37	£34,840	£19.09	
		1026	£32,010	£17.53	£37,980	£20.81	£35,630	£19.52	
		1027	£32,830	£17.98	£38,800	£21.26	£36,450	£19.97	
		1028	£33,650	£18.43	£39,620	£21.70	£37,270	£20.42	
D	D+	1029	£34,470	£18.88	£40,440	£22.15	£38,090	£20.87	
		1030	£34,650	£18.98	£40,620	£22.25	£38,270	£20.96	
	D+	1031	£35,510	£19.45	£41,480	£22.72	£39,130	£21.44	
		1032	£36,450	£19.97	£42,420	£23.24	£40,070	£21.95	
		1033	£37,380	£20.48	£43,350	£23.75	£41,000	£22.46	
		1034	£38,360	£21.01	£44,330	£24.29	£41,980	£23.00	
		1035	£39,340	£21.55	£45,310	£24.82	£42,960	£23.53	
		1036	£40,360	£22.11	£46,330	£25.38	£43,980	£24.09	
		1037	£41,370	£22.66	£47,340	£25.93	£44,990	£24.65	
		1038	£42,250	£23.15	£48,400	£26.52	£45,980	£25.19	
E	E+	1039	£43,450	£23.80	£49,600	£27.17	£47,180	£25.85	
		1040	£44,620	£24.44	£50,770	£27.81	£48,350	£26.49	
	E+	1041	£45,860	£25.12	£52,010	£28.49	£49,590	£27.17	
		1042	£47,080	£25.79	£53,230	£29.16	£50,810	£27.84	
		1043	£48,390	£26.51	£54,540	£29.88	£52,120	£28.55	
		1044	£49,720	£27.24	£55,870	£30.61	£53,450	£29.28	
		1045	£51,130	£28.01	£57,280	£31.38	£54,860	£30.06	
		1046	£52,520	£28.77	£58,670	£32.14	£56,250	£30.82	
		1047	£53,960	£29.56	£60,110	£32.93	£57,690	£31.61	
		1048	£55,480	£30.40	£61,630	£33.76	£59,210	£32.44	
F	F+	1049	£57,000	£31.23	£63,150	£34.60	£60,730	£33.27	
		1050	£58,630	£32.12	£64,780	£35.49	£62,360	£34.16	
	F+	1051	£60,230	£33.00	£66,380	£36.37	£63,960	£35.04	
		1052	£61,940	£33.93	£68,090	£37.30	£65,670	£35.98	
		1053	£63,670	£34.88	£69,820	£38.25	£67,400	£36.93	
		1054	£65,480	£35.87	£71,630	£39.24	£69,210	£37.92	
		1055	£67,310	£36.88	£73,460	£40.25	£71,040	£38.92	
		1056	£69,190	£37.91	£75,340	£41.28	£72,920	£39.95	
		1057	£71,150	£38.98	£77,300	£42.35	£74,880	£41.03	
		1058	£73,160	£40.08	£79,310	£43.45	£76,890	£42.13	
G	G+	1059	£75,250	£41.23	£81,400	£44.60	£78,980	£43.27	
		1060	£77,370	£42.39	£83,520	£45.76	£81,100	£44.43	
	G+	1061	£79,620	£43.62	£85,770	£46.99	£83,350	£45.67	
		1062	£81,990	£44.92	£88,140	£48.29	£85,720	£46.96	
		1063	£84,410	£46.25	£90,560	£49.62	£88,140	£48.29	
		1064	£86,920	£47.62	£93,070	£50.99	£90,650	£49.67	
		1065	£89,510	£49.04	£95,660	£52.41	£93,240	£51.09	
		1066	£92,160	£50.49	£98,310	£53.86	£95,890	£52.54	
		1067	£94,910	£52.00	£101,060	£55.37	£98,640	£54.04	
		1068	£97,760	£53.56	£103,910	£56.93	£101,490	£55.61	
H	H+	1069	£100,620	£55.13	£106,770	£58.50	£104,350	£57.17	
		1070	£103,620	£56.77	£109,770	£60.14	£107,350	£58.82	
	H+	1071	£106,650	£58.43	£112,800	£61.80	£110,380	£60.48	
		1072	£109,880	£60.20	£115,090	£63.57	£113,610	£62.25	

*Hourly Rates are approximate and provided for information purposes only

**London Weighting Supplement from Pay Point SCP1038 and above

**CITY OF LONDON CORPORATION
PAY POLICY STATEMENT 2024-2025**

1. Introduction and Scope

1.1. Legislation

- 1.1.1. The Localism Act (2011) requires local authorities to produce a 'Pay Policy Statement' to set out their policy relating to the remuneration of their highest paid staff alongside their policies towards their lowest paid staff. The statement is required to be reviewed annually and agreed by 'a resolution of the authority', which in the City of London Corporation's case is the Court of Common Council. This statement meets these requirements for the City of London Corporation for the financial year 2024-2025.
- 1.1.2. The Government guidance to the Act (which has statutory effect) requires the Pay Policy Statement to refer to policies in relation to remuneration (including bonuses; performance pay); severance payments; staff leaving the authority, senior staff moving posts within the public sector, senior staff recruitment, and re-employment of senior postholders who have left the authority.
- 1.1.3. The Act's provisions do not supersede the City of London Corporation's autonomy to make decisions on pay which are appropriate to local circumstances and deliver value for money for local taxpayers. The Corporation seeks to be a fair employer and an employer of choice, recognising and rewarding the contributions of staff. The Corporation sets pay fairly within published scales and, in doing so, has regard to changing conditions in differing occupational and geographic labour markets.

1.2. Scope:

- 1.2.1. The Act applies to the City of London Corporation only in its capacity as a local authority. It should be noted that not all of work of the City of London Corporation is carried out in this capacity or funded from public resources. As well as having statutory local authority functions, the Corporation undertakes public functions, such as those of a police authority and of a port health authority and has private and charitable functions which are outside the scope of the Act. In keeping with the spirit of openness and transparency, this Statement does not distinguish between information which applies to the City of London Corporation as a local authority and that which applies to it in any of its other capacities.
- 1.2.2. The Act excludes police authorities from its remit, so the Statement does not include information about Police Officers. It is noted that all Police Officer pay scales are nationally determined and as such do not form part of local Pay Policy.
- 1.2.3. The provisions in the Act do not apply to the staff of local authority schools and teaching staff are outside the scope of the pay policy statement. While the City of London Corporation does not directly manage local authority schools, it does run independent schools. The statement in general follows the Government Guidance and leaves teaching staff outside of its scope.

2. Background and Governance Arrangements

- 2.1. Pay, terms and conditions of service are negotiated locally, in consultation with the Corporation's recognised trade unions and staff representatives. These are supplemented by a range of policies and guidance relating to tangible pay terms, to help ensure the fair and consistent application of these principles to all employees.
- 2.2. The Corporate Services Committee has specific authority to deal with or make recommendations to the Court of Common Council where appropriate on all matters relating to the employment of City of London Corporation employees where such matters are not specifically delegated to another Committee. These matters include the remuneration of senior officers. The Corporate Services Committee has delegated this to its Senior Remuneration Sub-Committee.

3. Definitions

- 3.1. The pay policy statement must set out policy relating to the remuneration of its Chief Officers, the remuneration of its lowest-paid employees, and the relationship between the remuneration of its chief officers, and the remuneration of its employees who are not chief officers. This should include a definition of the "lowest paid employees" adopted by the authority for the purposes of the statement, and the rationale for adopting that definition.

3.2. Chief Officers (and Deputy Chief Officers)

- 3.2.1. The act [43(2)] identifies Chief Officers as defined under the Local Government & Housing Act 1989, and inclusive of Deputy Chief Officers. Under this definition, some Chief Officer and most Deputy Chief Officer roles, will be paid within the A-J grade range. Chief Officers while mainly within the Senior Management Grade (SMG), occasionally may be paid within the A-J grades, although likely only within the top 2 or 3 grades. Deputy Chief Officers may be paid across the whole of Grades A-J, although in practice these are likely to fall within Grades F and above.
- 3.2.2. The distinctions between Senior Management Grade pay and payments made to employees on other Grades are outlined in the relevant sections of this Statement. Appendix A, details more fully the arrangements in place for those on the Senior Management Grade. The most significant element of pay able to be received by employees in Grades A-J that is not available to SMG posts is Market Forces Supplements.
- 3.2.3. The schemes for incremental pay increases and Contribution Payments for employees in Grades D-J and the Senior Management Grade are also set out in the relevant sections of this Statement. These apply equally to Chief Officers and Deputy Chief Officers, depending on whether they are in one of the D-J Grades or the SMG. No Chief Officer or Deputy Chief Officer has an element of their basic pay "at risk" to be earned back each year. Progression through grades is subject to performance. Contribution Payments, when in operation, for any Chief Officer or Deputy Chief Officer are only available to those at the top of their Grades, through performance appraisal, and payments are not consolidated into base pay – so must be earned again through performance in future years.

3.3. Lowest Paid Employees

3.3.1. The City of London Corporation is an accredited Living Wage Employer. As such we commit to pay all workers the London Living Wage (£13.15 per hour with effect from 24th October 2023) as a minimum rate of pay. The London Living Wage is used as the basis to determine the rates of pay for Level 2 Apprentices within the organisation. Our lowest graded employees are in Grade A as determined by the outcomes of the Job Evaluation process.

4. Pay Determination

4.1. Pay Structures

4.1.1. The pay and grading structure (established in 2007) consists of two main pay grades. The main body of City of London Corporation employees are paid on a Grade structure of 10 Grades (Grades A-J) [Appendix B], with the most senior posts paid on a range within a Senior Management Grade (SMG) [Appendix A]. Posts are allocated to the grade based on job evaluation of the role, using the Corporation's own job evaluation scheme, to ensure equal and fair pay to people in those roles.

4.1.2. New posts and any existing posts that change the level of responsibility required, are evaluated, and ranked under the Job Evaluation scheme. The scheme, its application, the scoring and how scores relate to Grades are published so staff can be assured that the process is fair and transparent. There is also an appeal mechanism agreed with the recognised trade unions and staff representatives.

4.1.3. There are some structural variations in the pay structure for roles on Grades A-J. Those who manage or supervise other workers on the same evaluated grade as their own, are on 'Plus Grades' which pay 2 increments more than the substantive Grade. Those who hold a residential post, have a separate pay scale which pay 4 increments less than the non-residential scale.

4.1.4. Some roles within the corporation sit outside of this pay structure, due to the need to keep their terms in line with their profession. These include: Teachers; Police Officers; Coroners; Judges; and those protected by TUPE. Apprentices also have separate pay arrangements.

4.2. Recruitment and Appointment

4.2.1. Individual appointment is normally to the minimum pay point of the grade range, unless there is a good business case for an individual to receive a higher starting salary. Such as where a successful applicant's existing salary falls within the post's pay range, the employee is normally appointed to the nearest point on the scale which is higher than their existing salary. Where the existing salary is higher than the range, they are normally appointed to the top point of the relevant pay scale.

4.2.2. For posts where the salary is Grade I or the packages is £100,000 or more, the following approvals are required:

- (i) in respect of all new posts*, the Court of Common Council (via the Corporate Services Committee);

- (ii) in respect of all existing posts, as delegated by the Court of Common Council.

*Including when existing posts are subject to re-evaluation and/or a Market Forces Supplement that take them over the Grade I or £100k threshold.

4.3. Pay Progression

- 4.3.1. All employees are eligible for incremental increases within the grade structure, until they reach the top increment of the grade. Pay progression is linked to performance measured through appraisal over the year 1 April - 31 March. In recent years, this policy has been waived, such that failure to progress incrementally has been by exception (i.e. confirmation of poor performance) rather than through confirmation of performance.
- 4.3.2. **Grades A-C** are the lowest Grades in the City of London Corporation. Grade A is a single increment; Grades B and C each have 6 increments, and progression through each Grade can be achieved by annual incremental progression, subject to satisfactory performance.
- 4.3.3. **Grades D-J** Grades D to J have 6 increments each. Progression through each Grade can be achieved by annual incremental progression, subject to performance.
- 4.3.4. **Senior Management Grade:** Consist of 6 increments arranged around the 'datum point'. Any pay progression for SMG roles, is subject to regular review of performance by the Manager/Town Clerk, considering their personal contribution, their service performance, and the success of the organisation. Recommendations are considered by the Senior Remuneration Sub-Committee.
- 4.3.5. Staff on all grades may also be entitled to pay increases through the annual pay award process. The pay scale values are subject to annual review, taking into account a range of internal and external factors (e.g. inflation; cost of living; affordability; pay settlements elsewhere; etc.) and through discussions with recognised trade unions and employee representatives.
- 4.3.6. Apprentices: Are paid on spot point grade linked to the London Living Wage. As such there is no Pay Progression available.

4.4. Performance Pay

- 4.4.1. Individuals in roles on the grading structure may also, when in operation, be able to access certain performance payments.
- 4.4.2. **Grades A-C** may have access to a 'Recognition Award' scheme where employees at the top of their grade have the opportunity, if they have undertaken exceptional work, to be considered for a Recognition Award. The value of the award is within a range up to a maximum level set corporately each year (£500 in each year since 2010). Recognition awards were last applied in October 2023.

- 4.4.3. **Grades D-J and SMG** at the top of their grade may be eligible for “Contribution Payments”. Those individuals who achieve the highest standards of performance and contribution, can receive a one-off non-consolidated Contribution Payment of up to 6% of basic pay depending on the assessed level of contribution over the previous year. In years when these payments are in operation, achievement is determined by appraisal over the 1 April - 31 March period. The payments are not contractual and are therefore made at the employer’s discretion. In 2023, it was agreed no Contribution Payments would be made.
- 4.4.4. **Commercial Arrangements:** A separate performance-payment scheme is in place for a specific group of employees at the Barbican Centre engaged in commercial activities. These staff may receive payments of up to £4,000 or £6,000 per annum, depending on Grade and their success in meeting certain performance targets. The employees involved are excluded from the Recognition Awards and Contribution Payments schemes applying to other employees on their Grades.

5. Additional Pay Determination

- 5.1.1. In addition to basic salary, roles may receive additional payments to reflect the location, nature and or market conditions relevant to the role. Such payments may include:

5.2. London Weighting:

- 5.2.1. All graded staff are paid a London Weighting allowance, to assist them with the higher cost of living and working in London. The value of the allowance varies depending on where they are based (inner or outer London) and whether they are supplied by the employer with residential accommodation necessary for the purposes of fulfilling the duties of their job. In 2022, a ‘London Weighting Supplement’ was introduced for employees in spine point 1038 upwards, including SMG employees. The current levels of London Weighting Allowance and London Weighting Supplement are provided on the Grading Structure [Appendix B].

5.3. Market Force Supplements

- 5.3.1. There will be times where the external pay market for certain roles will exceed the local grade pay range. This can result in difficulties in both recruiting and retaining a suitably qualified and skilled workforce to key roles within the organisation. The use of market force supplements (MFS) can help to bridge the pay gap, to help attract, recruit and retain such talent.
- 5.3.2. Market Force Supplements can be applied to roles in Grades A-J. Any request must be based on a robust analysis and supported by analysis of market data. This helps to ensure that the resulting differential in pay is fully justified for equal pay purposes (material factors defence). All MFS are subject to Chief Officer; MFS Board; or Committee Chairs approval, dependent on the value proposed, and its proportion of base pay (detailed in guidance). All market force supplement payments are kept under regular review.

5.4. London Living Wage Supplement

- 5.4.1. The City of London Corporation is an accredited London Living Wage (LLW) employer. We apply the LLW, set externally by the Living Wage Foundation, as our minimum rate of pay for all directly employed staff, including Apprentices, some Casual staff and some agency workers. It is our policy that LLW increases should be applied to affected employees and other workers from the date of any increased announcement, which in 2023 was on 24 October 2023.

5.5. Additional Duties

- 5.5.1. There will be occasion where, due to service needs, employees at any grade will temporarily be required to undertake work or perform beyond the normal remit of their substantive role (for example working to a higher-level role; or undertaking additional responsibilities). Payment for these extra duties will be considered under the Acting Up Policy and Honorarium guidance.

5.6. Other Additional Allowances and Enhancements

- 5.6.1. The City of London Corporation utilises additional allowances and enhancements to reflect and recompense for other responsibilities; duties; working patterns and working time. The eligibility to these enhancements varies dependent on the nature of the allowance or enhancement. The applicable principles, scope, eligibility, process and rates are detailed in the relevant policies, guidance and/or minutes of committee decisions. These are kept under review, to ensure they support the ambitions of the Corporation and changing legislation. Examples include policies and practices relating to overtime and unsocial hours; standby arrangements; first aid allowances etc.

6. Termination of Employment

6.1. Staff who leave the City Corporation, including the Town Clerk & Chief Executive and staff on the Senior Management Grade, are not entitled to receive any payments from the authority, except in the cases outlined in Section 5 below.

6.2. Payment in lieu of notice

6.2.1. In exceptional circumstances, where it is beneficial to the service's operational needs, payment in lieu of notice may be made to employees on the termination of their contracts.

6.3. Retirement

6.3.1. Staff who contribute to the Local Government Pension Scheme (LGPS) and who retire from age 55 onwards are able to elect to receive immediate payment of their pension benefits on a reduced basis in accordance with the LGPS Scheme.

6.3.2. Unreduced benefits are payable if retirement is from Normal Pension Age (NPA). NPA is linked to the State Pension Age, unless protections in the Pension Scheme allow for an earlier date. Early retirement, with immediate payment of pension benefits, is also possible under the Pension Scheme following dismissal on redundancy or business efficiency grounds from age 55 onwards and on grounds of permanent ill-health at any age.

6.3.3. The Local Government Pension Scheme also provides for applications for flexible retirement from staff aged 55 or over, where staff reduce their hours or Grade. It has in general been the City of London Corporation policy to agree to such requests only where there are clear financial or operational advantages to the organisation.

6.4. Redundancy

6.4.1. Employees made redundant are entitled to receive redundancy pay as set out in legislation. Using the statutory 'ready reckoner' to determine the statutory entitlement in weeks, the City of London Corporation currently bases the calculation of redundancy pay on 1.5 x actual salary x statutory weeks.

6.4.2. This scheme may be amended from time to time subject to Member approval. The authority's policy on discretionary compensation for relevant staff under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 is published on the Corporation's website.

6.5. Settlement of potential claims

6.5.1. There may very occasionally be circumstances where it is necessary to consider termination payments outside of those listed above, to avoid or settle a legal claim and reduce the risk of costs following an employee's departure from employment. Such instances may be settled by way of a settlement agreement paying due regard to the Special Severance Guidance issued by the Government, and where it is in the City Corporation's interests to do so based on advice from the

Comptroller & City Solicitor, Chief People Officer and Chamberlain & Chief Financial Officer.

- 6.5.2. The amount to be paid in such instances may include an amount of compensation, which is appropriate in all the circumstances of the individual case. Should such a matter involve the departure of a member of staff in the Senior Management Grade or the Town Clerk & Chief Executive, any such compensation payment will only be made following consultation with the Chairs of Policy & Resources and Corporate Services Committees and legal advice that it would be lawful, proper and reasonable to pay it.

6.6. Re-employment

- 6.6.1. Applications for employment from staff who have retired or been made redundant from the City of London Corporation, or another authority will be considered in accordance with the Corporation's normal recruitment policy.

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7. Publication of information relating to remuneration

7.1. Transparency:

- 7.1.1. The City Corporation will publish details of positions with remuneration of £50,000 or above in accordance with the Accounts and Audit Regulations 2015 and the Local Government Transparency Code issued by the Secretary of State for Communities and Local Government.

7.2. Pay Gap Reporting:

- 7.2.1. The City of London Corporation is required under the Equality Act 2010 to publish information every year showing the pay gap between male and female employees. The annual City of London Corporation Pay Gap Report has been widened to consider other non-statutory pay gaps (e.g. Ethnicity Pay Gap; Disability Pay Gap) and this is published on the Corporation's website, in line with statutory timescales.

7.3. Pay Policy Statement:

- 7.3.1. This statement will be published on the Corporation's website. It may only be amended during the year by resolution of the Court of Common Council. Any amendments will also be published on the Corporation's public website.

7.4. Pay Ratio Multiple:

- 7.4.1. As part of the Local Government Transparency Code, we publish our 'Pay Ratio', defined as the ratio between the highest paid and the median earning figure of the workforce in scope, this results in a ratio for the City of London Corporation, that can be compared with other organisations. We also choose to publish the ratio between the highest paid and lowest paid permanent staff.
- 7.4.2. As at December 2023, these ratios were:
- Highest paid: Lowest Paid Permanent Staff, 1:11 (1:11 in Dec 23/24)
 - Highest paid: Median Earnings Figure, 1:6 (1:7 in Dec 23/24)

A. Moss
Chair, Corporate Services Committee

F. Keelson-Anfu
Deputy Chair, Corporate Services Committee

February 2024

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Report – Finance Committee

UK Shared Prosperity Funding: Funding Agreement

To be presented on 7th March 2024

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

SUMMARY

The City Corporation acts as the Contracting Body for Central London Forward (CLF) and in this respect the Honourable Court's decision is required to passport the recommendations put forward by the CLF Board through your Finance Committee.

This report concerns an update to the use of £8.3m of UK Shared Prosperity Funding, previously reported to, and approved by, this Honourable Court in July 2023. Following subsequent direction of the Department for Work and Pensions (DWP), the Court's approval is now required to vary proposals relating to the recipients of said funding, and to authorise the activities required to implement this agreement.

RECOMMENDATION

That the Court of Common Council approve:-

- Accessing the proposed £8.3m UKSPF funding to provide employment and skills support for central London residents, as proposed by the CLF Board.
- Varying the use of £3.1m of UKSPF previously planned and approved for the Central London Works programme, with the revised approach of devolving to member authorities, as approved by the CLF Board.
- The signing of a funding agreement with the GLA, reflecting the delivery plan set out and approved by the CLF Board.
- The signing of funding agreements with CLF member authorities, enabling them to access this funding.

MAIN REPORT

Background

1. Central London Forward (CLF) is the sub-regional partnership of the 11 central London local authorities and the City of London Corporation. The City of London Corporation is the Contracting Body for CLF. And, as such, it enters into contracts on behalf of the member authorities, as requested by the CLF Board. The CLF Board is made up of the Leaders or Mayors of member boroughs including the Chairman of your Policy & Resources Committee. Central London Works is the largest employment programme managed by CLF. The programme is the devolved Work and Health Programme in central London, and it is funded by the Department of Work and Pensions (DWP).

2. The UK Shared Prosperity Fund (UKSPF) is a UK Government fund which replaces EU Structural and Investment Funds post-Brexit. UKSPF seeks to tackle inequalities and improve life chances across the UK. The Greater London Authority (GLA) is the managing authority for UKSPF in London. The fund is overseen by the Department for Levelling Up, Housing and Communities (DLUHC) nationally.
3. The GLA has allocated £8.3m of UKSPF to CLF to provide employment and skills support for residents of member authorities. The CLF Board originally planned to use £3.1m of this to increase the contract value of Central London Works. This was approved by Finance Committee and Court of Common Council in July 2023 – of the remaining funding, £4.8m was planned to be used to provide employment and skills support through the local employment services of CLF member authorities.
4. However, DWP subsequently informed CLF, GLA, and the other London sub-regional partnerships that UKSPF could not be used to fund the Work and Health Programme.

Current Position

5. Once CLF was made aware of the change in position from DWP, revised proposals went to the CLF Board. The CLF Board consequently agreed to re-allocate the £3.1m to the employment services of CLF member authorities, taking the total funding for the employment services to £7.9m. The remaining £0.4m of the grant would be used to provide health and wellbeing support, and to fund management of the performance and claim process.
6. As this proposal differed from the specific terms of the Court of Common Council agreement in July 2023, revised decisions required approval to progress.
7. A decision was, therefore, brought forward to your Finance Committee under urgency procedures as the funding agreement with the GLA must be signed by the end of March 2024 in order to be able to claim funding for 2023/24. It was not possible to meet Committee deadlines following the reconsideration of the CLF Board, the consequential legal reviews of the grant documentation and mechanisms by which funding can be devolved to the boroughs as part of this pan-London partnership to be undertaken. There were also complexities surrounding CLF and the City of London Corporation's role as contracting body to be clarified before being taken forward.
8. Approval of the revised proposals was sought from the Town Clerk, in consultation with the Chairman and Deputy Chairman of your Finance Committee and agreed under Standing Order No. 41(a). It is now referred to the Honourable Court on this basis.

Proposals

9. Your Committee proposes the approval of accessing of £8.3m of UKSPF to provide employment and skills support for over 2,000 disadvantaged Londoners, with a minimum of 347 residents to be supported into employment. This would enable the implementation of the approach collectively agreed by the CLF Board, the GLA, and by DLUHC (who have national responsibility for UKSPF). This would enable CLF member authorities collectively to provide support for residents through their local employment services.

Conclusion

10. The proposal will enable CLF member authorities collectively to provide support for residents through their local employment services. We therefore **recommend** that this Honourable Court approve the access by CLF to £8.3m of UKSPF to provide employment and skills support for disadvantaged residents across central London. We also further recommend approving varying the use of the £3.1m originally intended for Central London Works and recommend the approval of signing a funding agreement with the GLA and funding agreements with CLF member authorities, to implement this funding programme.
11. In doing so, the City Corporation fulfils its responsibilities as the Contracting Body for Central London Forward (CLF) and in this respect the Honourable Court's decision is required to passport the recommendations put forward by the CLF Board through your Finance Committee.

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

DATED this 26th day of February 2024.

SIGNED on behalf of the Committee.

Deputy Henry Nicholas Almroth Colthurst
Chairman, Finance Committee

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Report – Port Health and Environmental Services Committee

Animal Reception Centre – Heathrow Airport: Annual Review of Charges

To be presented on 7th March 2024

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

SUMMARY

The purpose of this report is to seek approval of the increase to be applied to the Schedule of Charges in respect of services provided at the Heathrow Animal Reception Centre (HARC), for the forthcoming financial year 2024/25.

Your Port Health & Environmental Services Committee propose an increase in fees relating to pet imports of 5% - 20%. Pet imports are more price sensitive than commercial imports, and there is greater choice of carriers, routes and Border Control Posts (BCPs). The range of percentage increases reflects the need to maintain a more competitive price for pet imports and increase income through commercial imports.

It also proposes to reintroduce the £22 processing and handling fee for all imports other than cats, dogs and ferrets. This fee was suspended in 2023/24 to ensure HARC fees were competitive but should now be reintroduced for consignments other than pets.

RECOMMENDATION

That the Court of Common Council:-

- Approve the charges included in the Appendix to this report with effect from 1 April 2024, or as soon as practicable thereafter.
- Approve the proposed Byelaws contained in the Appendix to this report and recommend that they be made, and that the Comptroller and City Solicitor be instructed to seal the Byelaws accordingly.

MAIN REPORT

Background

1. The charges for holding animals and provision of other services at the Heathrow Animal Reception Centre (HARC) require review towards the end of each year to enable an appropriate variation to be applied with effect from the following April. The major proportion of the charges is in respect of quarantine animals and allied services and has to be introduced as an “additional byelaw” to the principal byelaws for the Centre. The second, smaller element of the charges is

not byelaw controlled and relates to non-quarantine (export and boarding) charges but for practical and operational reasons the two are dealt with together.

2. The main source of income at HARC, the Pet Travel Scheme, is a non-statutory function and is thus open to competition from commercial enterprises. Income for 2023/24 has been severely impacted by competition, as documented in reports presented to your Committee in November 2023.
3. Whilst a downturn in pet import numbers is evident for 2023, this calendar year to date, HARC has received 76% of the level of pet imports received for the same period in 2019 (2019 being the most recent typical year to measure against). Considering the market share of British Airways was estimated to be around 40% before their move to the competing BCP, this is a positive result. It demonstrates that imports have increased, albeit not to the levels predicted, and/or that British Airways have lost market share to airlines using HARC services.
4. To allow HARC to compete against the other service provider at Heathrow, there was zero increase to fees in 2023/24. However, the loss of income and additional costs mean that an increase in fees for 2024/25 is advised. Fees are charged to customers clearing agents and not typically to airlines, and no further airlines have been lost to the competing facility since February 2023 when Lufthansa informed HARC managers that they would recommence their pet imports using Animal AirCare. It is therefore felt that agents will accept an increase in fees at this time, provided this is kept minimal for pet imports.
5. A 5% increase in fees relating to pet imports is proposed by your Committee, with a 10% or 20% increase in fees for commercial movements (except for commercial dog and cat imports which are typically pets). The 20% increase is to be applied to the disposal of crates (£18 to £22), destruction of goods (£90 to £108) and to the use of the large animal facility (£367 to £440). Pet imports are more price sensitive than commercial imports, and there is greater choice of carriers, routes and BCPs. The range of percentage increases reflects the need to maintain a more competitive price for pet imports and increase income through commercial imports.
6. The fee for processing and handling for all imports was suspended in 2023/24 to ensure HARC fees were competitive. It is now proposed to reintroduce the £22 fee for all imports other than cats, dogs and ferrets.

Current Position

7. It should be noted that HARC should only operate on a full-cost recovery basis for many of the services and functions it provides. Increasing HARC fees is a measure designed to contribute towards cost recovery.
8. Budgeted income for the Animal Health and Welfare Services in 2023/24 was £4.766m. The overall projected overrun for 2023/24 is £1.074m net expenditure.
9. Budgeted income for the service for 2024/25 is £3.51m.

Proposals

10. Your Committee now propose that the HARC Schedule of Charges is amended as shown in Appendix 1 and that this is introduced from 1 April 2024, or as soon as practicable thereafter.
11. The Comptroller and City Solicitor will prepare the necessary revised Byelaws that reflect the proposed charges as contained in Appendix 1 and will subsequently seal these should the Court give them their approval.

Corporate & Strategic Implications

12. Strategic Implications

These proposals aim to achieve the following Corporate Plan aims of: 1) People are safe and feel safe; 5) Businesses are trusted and socially and environmentally responsible; and 7) We are a global hub for innovation in finance and professional services, commerce and culture.

13. Resource Implications

The proposal has been designed to contribute towards cost recovery for the Animal Health and Welfare Service which includes the Animal Health Team and HARC.

14. Legal Implications

The Comptroller and City Solicitor has been consulted and reviewed the HARC fees. The Comptroller and City Solicitor comments:

“The statutory provision under which these charges are now made is Section 30 of the City of London (Various Powers) Act 1987 (which was an enactment removing the need for Ministerial approval of the HARC Byelaws), which provides ... “the charges imposed by such Byelaws shall be such as to secure so far as possible, that taking one year with another, the aggregate amount raised by such charges is equivalent to the reasonable costs incurred by the Corporation in operating the Animal Reception Centre”. The need for increases to be reasonable is especially important here, since, unusually, the Byelaws machinery which implements the new charges is not subject to any public notification procedure or to confirmation by the appropriate Minister.

15. Risk Implications

Increasing HARC fees does pose a risk of negative response from shipping agents who compete for import work. However, it is felt that reducing resources to create savings at a level to match the increase in income proposed, would detriment the service and pose a greater risk at this point. Efforts towards new income streams and cost reductions continue alongside this proposal.

16. **Equalities Implications** – N/A

17. **Climate Implications** – N/A

18. **Security Implications** – N/A

Conclusion

19. This proposal will increase HARC income which, alongside with increased Animal Health Team fees, new income streams and savings, will move the service budget towards full cost recovery. We therefore **recommend** that this Honourable Court approve the increase in HARC fees through the proposed Byelaws contained in Appendix 1 of this report, and that the Comptroller and City Solicitor be instructed to seal the Byelaws accordingly.

Appendices:

- Appendix 1 – Additional Byelaws Relating to the Heathrow Animal Reception Centre

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

DATED this 9th day of January 2024.

SIGNED on behalf of the Committee.

Mary Durcan
Chairman, Port Health and Environmental Services Committee

**ADDITIONAL BYELAWS RELATING TO THE
HEATHROW ANIMAL RECEPTION CENTRE**

1 April 2024 – 31 March 2025
(2023/24 rates shown in brackets)

Processing and handling fee for all shipments that terminate at Heathrow (excluding those listed under point 2.0 and 2.1 where consignments contain 5 animals or less): £22 (£0)

ANIMALS CHARGE PER CONSIGNMENT

1. a. Mammals (excluding those listed under point 2.0 and 2.1) £205 (£186) for up to 24 hours, £52 (£47) per day or part thereof after 24 hours

2.0 Dogs, Cats and Ferrets under the Pet Travel Scheme Non-commercial movement of Pet Animals Order 2011

In order to meet the “pre-check” requirements (where applicable) all documentation must be submitted to the HARC no later than 72 hours prior to the animal’s departure.

- If a documentation ‘pre-check’ has been completed and approved by HARC, the consignment will be charged at the minimum charge of £195 (£186) for the first animal. Where the consignment consists of more than one animal, a handling fee of £49 (£47) per animal thereafter.
- PETS that have NOT received a documentation ‘pre-check’ or arrive against the advice of HARC, will be charged at £268 (£255) for the first animal. Where the consignment consists of more than one animal, a handling fee of £49 (£47) per animal thereafter.

a. PETS checked at aircraft (Assistance Animals)

- If a documentation ‘pre-check’ has been completed and approved by HARC, Assistance Animals will be charged at £240 (£230) plus a 1-hour collection charge of £189 (£180) = £429 (£410) for the first animal. Where the consignment consists of more than one animal, a fee of £49 (£47) per animal thereafter.
- Assistance Animals that have NOT received a documentation ‘pre-check’ or arrive against the advice of HARC, will be charged at £494 (£470) for the first animal. Where the consignment consists of more than one animal, a fee of £49 (£47) per animal thereafter.

2.1 Dogs, Cats and Ferrets not under the Pet Travel Scheme

a. Dogs, Cats and Ferrets imported under licence to authorised quarantine kennels
£195 (£186) for up to 24 hours, £49 (£47) per animal per day or part thereof after 12 hours

b. Dogs, Cats and Ferrets being moved into the U.K. under Commercial Rules
£195 (£186) for up to 12 hours and £49 (£47) per animal per day or part thereof after 12 hours

3. Birds

Commercial birds £73 (£66) per box for up to 24 hours £205 (£186) minimum charge

Pet birds: £73 (£47) per box for up to 24 hours.

Birds of prey £20 per bird for up to 24 hours, £205 (£186) minimum charge

Transit commercial bird consignments should be booked through to have a maximum stay at Heathrow of 24 hours. Any transit commercial bird consignments that stay more than 24 hours will be charged at £73 (£47) per box per day, or part thereof.

Bird Quarantine £414 - £1,413 (£376-£1,300) plus laboratory testing fees.

Fees are dependent on size of consignment and housing requirements.

Faecal Sampling and Bird Autopsy costs as per current Animal & Plant Health Agency rates.

Larger consignments to be negotiated see Part 2, Section 6

4. Reptiles and amphibians £205 (£186) for up to 24 hours, £205 (£226) per day or part thereof after 24 hours.

Transit commercial reptile consignments should be booked through to have a maximum stay at Heathrow of 24 hours.

Additional special £249 (£226) minimum per consignment per day, or part thereof handling for any consignment after 24 hours requiring transfer from containers.

5. Fish/Aquatic Invertebrates/Invertebrates/Semen/Fish and Bird Eggs £2.26 (£2.05) per box, £40 (£36) minimum charge.

A surcharge of £741 (£674) will be added to the above for any transit consignment that has landed without an “OK to forward” from the on-going airline.

6. Security

A charge of £25 (£23) will be made in respect of any consignment, which requires security screening prior to leaving the ARC.

7. Not on Board

Requests for collection of animals from aircraft, which are subsequently not found on board will be charged at normal collection charge (see Part 2, Section 5).

PART 2 **CHARGES FOR ANCILLIARY SERVICES**

1. Destruction including disposal of livestock or goods - £50 (£42) per kilogram. Minimum charge £108 (£82).

Travelling containers are the owner's property and should be collected with the animal. If they are no longer required, they will be disposed of for a fee of £22 (£18) per box.

2. Cleansing and disinfecting aircraft, animal holding facilities, vehicles, loose boxes etc. - £402 (£365) per hour (including disposal of special waste).

3. Identification of species for DEFRA/HM Revenue and Customs/Border Agency - £184 (£175) per hour. Assisting on off airport operations - £99 (£90) per hour/£627 (£570) per day.

4. Re-crating or repair to crates - quotations on request.

5. Collection and delivery of animals and birds to and from the Animal Reception Centre by an Animal Reception Centre member of staff - £189 (£180) per hour or £95 (£90) per consignment if no extra waiting time.

6. Long term rates for government agencies and non-government agencies i.e., RSPCA, to be negotiated.

7. Modification of containers to International Air Travel Association (IATA) standards: -

Space Bars/Battens - £55 (£50) per box

Air Holes - £25 (£23) per box

Water Pots - £25 (£23) per box

(If these services are carried out on the airport an additional fee of £99 (£90) applies for 'delivery' of the service).

8. Use of Large Animal Facility (per pallet) £440 (£367)

9. Special handling e.g., re-oxygenation of fish/re-packaging reptiles £99 (£90) per hour plus cost of materials

10. Additional administrative functions £99 (£90) per hour

Report – Audit & Risk Management Committee

External Member Recommendation

To be presented on Thursday, 7th March 2024

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

SUMMARY

In September 2011, the Court of Common Council agreed that your Audit & Risk Management Committee should have the ability to recruit up to three External non-voting Members to provide additional expertise and challenge.

Term lengths for all Members of the Committee are three years, with the maximum continuous period of service (except when serving as Chairman or Deputy Chairman) is nine years within any twelve year period.

The first term of one of the current External Members, Gail Le Coz, expires in March 2024. Gail also serves as one of the Committee's Deputy Chairs. Upon review of her first term, your Audit & Risk Management Committee has agreed to recommend to the Court that Gail should be appointed to a second term.

RECOMMENDATIONS

Members of the Court are asked to agree the recommendation that Gail Le Coz be re-appointed as an External Member of the Audit and Risk Management Committee, for a second three-year term expiring in April 2027.

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

DATED this 26th day February 2024

SIGNED on behalf of the Committee.

Alderman Prem Goyal
Chairman, Audit and Risk Management Committee

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Motion –

by Ann Holmes, Deputy (Chief Commoner)

To be presented on Thursday, 7th March 2024

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

Motion:-

That this honourable Court amend:

Standing Order 27(2) which states:

'The Chair and Deputy Chair of a Sub- Committee shall be the Chair and Deputy Chair of the appointing Committee, or their nominee(s), subject to the support of the wider Committee Membership. Policy and Resources Committee can approve exceptions to this practice.'

By deleting everything after 'be' on line one, and replacing with 'elected by the membership of the appointing committee, except where the court has designated to a particular role'

Standing Order 29(4) which states:

'Ahead of the first meeting of each Committee following the annual appointment, the Town Clerk will seek expressions of interest of members who are willing and able to take the Chair.'

By adding, 'of the Committee and any of its Sub-Committees other than those excepted at Standing Order 27(2).'

Signatories to the Motion, pursuant to Standing Orders 12(2) and 12(3):-

Deputy Ann Holmes (Mover)

Brendan Barns

Matthew Bell

Deputy Anne Corbett

John Foley

Dawn Frampton

Deputy Elizabeth King

Deputy Brian Mooney (Seconder)

Gregory Lawrence

Timothy McNally

Paul Martinelli

Eamonn Mullally

Deborah Oliver

Philip Woodhouse

Motions: Addendum

The proposed Standing Order Amendments, with the deletions struck-through and additions underlined, have been included below for ease of reference:

Standing Order 27(2)

'The Chair and Deputy Chair of a Sub- Committee shall be elected by the membership of the appointing committee, except where the Court has designated to a particular role the Chair and Deputy Chair of the appointing Committee, or their nominee(s), subject to the support of the wider Committee Membership. Policy and Resources Committee can approve exceptions to this practice.'

Standing Order 29(4)

'Ahead of the first meeting of each Committee following the annual appointment, the Town Clerk will seek expressions of interest of members who are willing and able to take the Chair of the Committee and any of its Sub-Committees other than those excepted at Standing Order 27(2).'



List of Applications for the Freedom

To be presented on Thursday, 7th March, 2024

*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.

Siobhan Gite Aarons	a Senior Compliance Officer	Elephant and Castle, London
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	
Olukemi Olubunmi Sinmideleoluwa Adedeji, JP	a Legal Adviser	St Neots, Cambridgeshire
<i>Ald. Alison Jane Gowman</i>	<i>Citizen and Glover</i>	
<i>Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Pewterer</i>	
Claudine Alexia Adeyemi-Adams	a Software Company Chief Executive Officer	Kenley, London
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	
Kike Oniwinde Agoro	a Professional Network Founder	Dagenham, Essex
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	
Debra Alder-Bentley	a Personal Assistant Services Company Director	Ely, Cambridgeshire
<i>Andrew Graham Trapnell</i>	<i>Citizen and Fletcher</i>	
<i>James Frank Bryan</i>	<i>Citizen and Educator</i>	
Mary Louise Alder-Bentley	a Personal Assistant Services Company Director	Ely, Cambridgeshire
<i>Andrew Graham Trapnell</i>	<i>Citizen and Fletcher</i>	
<i>James Frank Bryan</i>	<i>Citizen and Educator</i>	
Nirmal Kaur Aouilk	an Activist	Wallington, London
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	

Dr Arinola Ibiyemi Araba <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Social Enterprise Company Director <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Dagenham, Essex
Simon Ashton <i>Deputy James Michael Douglas Thomson</i> <i>Ian Dyson</i>	a Police Officer, retired <i>Citizen and Grocer</i> <i>Citizen and Glover</i>	Rayleigh, Essex
Ashley Kwaku Asomani <i>Deputy Andrien Gereith Dominic Meyers</i> <i>Deputy Shравan Jashvantrai Joshi</i>	a Broadcaster <i>Citizen and Goldsmith</i> <i>Citizen and Fueller</i>	Croydon, London
Julie Baker <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Bank Head of Enterprise <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Winchester, Hampshire
Nicola Lisa Baldwin, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Solicitor <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Canonbury, London
Amanda Mary Lillian Barron, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Solicitor, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Barnes, London
Stephen Neville Bates , OBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Bioindustry Association Chief Executive <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Streatham, London
David Mark Best, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Lawyer <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Enfield, Middlesex
Philip Lawrence David Black <i>Deputy Henry Nicholas Almroth Colthurst</i> <i>Ald. Sir William Anthony Bowater Russell</i>	a Financial Services Director <i>Citizen and Grocer</i> <i>Citizen and Haberdasher</i>	Wrotham, Kent
Karen Tracey Blackett, OBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Marketing and Advertising Company President <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Chiswick, London
Professor Philip Charles Bond <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Consultant and University Professor <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Chiswick, London
Harriet Jane Boughton, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Solicitor <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Putney, London
Sir Matthew Christopher Bourne, OBE <i>His Honour Judge Mark Lucraft</i> <i>Fiona Josephine Adler</i>	a Theatre Director and Choreographer <i>Citizen and Founder</i> <i>Citizen and Tobacco Pipe Maker</i>	Islington, London

Ezechi David Michael Britton, MBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Fintech Chief Executive Officer <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Eltham, London
Paul Brooks, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Private Equity Investor, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Battersea, London
Dr Geoffrey Charles Browell <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Head of Archives <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Southall, Middlesex
Patrick O'Neil Brown <i>Deputy John William Fletcher</i> <i>Munsur Ali, CC</i>	an Estates Services Supervisor <i>Citizen and Common Councillor</i> <i>Citizen and Common Councillor</i>	Orpington, London
Charlotte Mary Buchanan, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Strategy Manager <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Tunbridge Wells, Kent
Kieran Richard David Buckley <i>Anthony Sharp</i> <i>Simon Stuart Walsh</i>	a Construction Company Director <i>Citizen and Loriner</i> <i>Citizen and Loriner</i>	Loughton, Essex
Lady Jan Mary Carr, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Lay Magistrate <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Canterbury, Kent
Martin Carroll, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Metropolitan Police Officer, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Kingsbury, London
Martino Giuseppe Alessandro Cartella <i>Paul Howard Thistlethwaite</i> <i>Richard Alexander Samuel</i>	a Consulting Company Director <i>Citizen and Carman</i>	Peterborough, Cambridgeshire
Simon Causer <i>Deputy Keith David Forbes</i> <i>Bottomley</i> <i>Deputy Patricia Ann Holmes</i>	a Corporate Head of Security <i>Citizen and Pattenmaker</i> <i>Citizen and Cordwainer</i>	Watford, Hertfordshire
Lee John Chambers <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Psychologist <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Wesham, Lancashire
Jenovive Chioma Chinyere <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	an Entrepreneur <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Kennington, London
Lauren Michelle Chiren <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Motivational Speaker <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Filton, Bristol
Alexander Lochlann Clark <i>Peter Grenville Cazalet</i> <i>Virginia Ann Bond</i>	a Chemistry Student <i>Citizen and Tallow Chandler</i> <i>Citizen and Cook</i>	Leatherhead, Surrey

Dr Joel Coles, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Solicitor <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Chertsey, Surrey
Peter Matthew Collins <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Charity Trustee <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Poplar, London
Stephanie Elizabeth Conder, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Solicitor, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Chiswick, London
Pauline Margaret Ann Conroy, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Bank Manager, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Bishops Stortford, Hertfordshire
Anne Carter Lassen Cortazzi, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Health Service Director, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Paddington, London
Andrew Claudio Gabrielle Croci <i>David Michael Bole</i> <i>Christopher John Birch</i>	an Office Manager <i>Citizen and Maker of Playing Cards</i> <i>Citizen and Maker of Playing Cards</i>	Surbiton, Surrey
Teresa Mary Crowley, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a School Careers Officer, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	East Dulwich, London
Bijal Tanuj Dalsania, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Magistrate <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Edgware, London
Jean Yves Alain Bernard Darcel <i>Gregory James Kirby</i> <i>Peter John Lambert</i>	a Restaurateur <i>Citizen and Glover</i> <i>Citizen and Pavior</i>	Mitcham, Merton
Gurjinder Singh Dhaliwal <i>The Hon. Emily Sophia Wedgwood Benn</i> <i>Andrew Paul Mayer</i>	an Artificial Intelligence Company Head of Growth <i>Citizen and Common Councillor</i> <i>Citizen and Common Councillor</i>	Stratford, London
Shevelle Lloyd Richard Dynott <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	an Actor and Dancer <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Battersea, London
Professor David Edward Herbert Edgerton <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a University Professor <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Chalk Farm, London
Dr Comfort Ekhurse Olubusola Ero <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Non-Governmental Organisation President <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Holloway, London

Elham Fardad	a Social Entrepreneur	Rickmansworth, Hertfordshire
<i>The Rt. Hon The Lord Mayor Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and World Trader Citizen and Blacksmith</i>	
Matthew John Fitzpatrick	a Construction Labour Supply Company Chairman	Hillingdon, Middlesex
<i>Ald. Vincent Thomas Keaveny, CBE Vincent Dignam</i>	<i>Citizen and Solicitor Citizen and Carman</i>	
Elizabeth Jacqueline Ford, JP	a Biomedical Scientist	Waddon, London
<i>Ald. Alison Jane Gowman Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Glover Citizen and Pewterer</i>	
Florence Rose Fox-Andrews	an Investment Company Executive Director	Notting Hill, London
<i>Anthony Ben Charlwood Donald Newell</i>	<i>Citizen and Basketmaker Citizen and Pattenmaker</i>	
Sarah Gander, JP	a Solicitor	Bloomsbury, London
<i>Ald. Alison Jane Gowman Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Glover Citizen and Pewterer</i>	
Cedric John Gerreyen	a Gas Company Project Manager	Brockley, London
<i>Anthony Sharp Simon Stuart Walsh</i>	<i>Citizen and Loriner Citizen and Loriner</i>	
Sally Margaret Gilding, JP	a Financial Services Company Director	Wapping, London
<i>Ald. Alison Jane Gowman Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Glover Citizen and Pewterer</i>	
Karen Ann Gill, MBE	a Women's Network Co- Founder	Charlton, West Sussex
<i>The Rt. Hon The Lord Mayor Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and World Trader Citizen and Blacksmith</i>	
Dr Mohammad Mahdi Godazgar, JP	a Lawyer	Whitechapel, London
<i>Ald. Alison Jane Gowman Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Glover Citizen and Pewterer</i>	
Francesco Jonathan Goedhuis	an Investment Management Company Chief Executive	Belgravia, London
<i>The Rt. Hon The Lord Mayor Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and World Trader Citizen and Blacksmith</i>	
Dr Darrell Anthony Green	a Molecular Biologist	Norwich, Norfolk
<i>The Rt. Hon The Lord Mayor Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and World Trader Citizen and Blacksmith</i>	
Andrew George Haldane, CBE	an Economist	Long Ditton, Surrey
<i>The Rt. Hon The Lord Mayor Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and World Trader Citizen and Blacksmith</i>	
Jacqueline Frances Haliday, JP	an Art Dealer	Notting Hill, London
<i>Ald. Alison Jane Gowman Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Glover Citizen and Pewterer</i>	

Dr Caroline Hargrove, CBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Chief Technology Officer <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Kew, London
Dr Rashada Kamara Harry <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	an Enterprise Technologist <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Purley, Surrey
Miles Douglas Jason Hayward <i>Lord Robert George Alexander</i> <i>Lingfield, Kt, DL.</i> <i>Nigel Anthony Chimmo Branson,</i> <i>JP</i>	a Lifeguard <i>Citizen and Goldsmith</i> <i>Citizen and Haberdasher</i>	Brentwood, Essex
Alice Eleanor Emily Heard, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Safeguarding Manager <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Paddington, London
Joanna Linda Hunneybell <i>Robert James Ingham Clark</i> <i>Deputy Keith David Forbes</i> <i>Bottomley</i>	a Senior Project Manager <i>Citizen and Clothworker</i> <i>Citizen and Pattenmaker</i>	Woolwich, London
Naz Islam <i>Shahnan Bakth, CC</i> <i>Deputy Christopher Michael</i> <i>Hayward</i>	a Restaurateur <i>Citizen</i> <i>Citizen and Pattenmaker</i>	Northampton, Northamptonshire
Marc Stuart Jones <i>Deputy James Michael Douglas</i> <i>Thomson</i> <i>Tijs Broeke, CC</i>	a Police and Crime Commissioner <i>Citizen and Grocer</i> <i>Citizen and Goldsmith</i>	Fillingham, Lincolnshire
Gillian Angela Joseph <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Journalist <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Harrow, Middlesex
Professor Claire Elaine Jowitt <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	an Academic <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Framingham Pigot, Norfolk
Caroline Mary Joy, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Solicitor, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Bentley, Hampshire
Donald James Kennedy, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Photographic Company Director, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Hammersmith, London
Baroness Kennedy of the Shaws Helena Ann Kennedy, KC <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Peer of the Realm and Barrister <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Hampstead, London
Oliver Guy Milton Kent, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Television Producer <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Kensington, London

<p>Vanessa Gathoni Kingori, OBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i></p>	<p>a Media Company Managing Director <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i></p>	<p>Acton, London</p>
<p>Wincie Viola Knight-Piau <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i></p>	<p>an Inclusion Strategies Director <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i></p>	<p>Tottenham, London</p>
<p>Jane Christine Knights <i>Andrew John Knights</i> <i>The Hon Simon Michael Imbert</i></p>	<p>a Chartered Accountant <i>Citizen and Security Professional</i> <i>Citizen and Security Professional</i></p>	<p>Marlborough, Wiltshire</p>
<p>Laura Dzesika Krawczyk, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>a Civil Servant <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Maida Hill, London</p>
<p>Thomas Anthony Hedley Leathart <i>Deputy Alastair Michael Moss</i> <i>Deputy Andrien Gereith Dominic Meyers</i></p>	<p>a Chartered Surveyor <i>Citizen and Goldsmith</i> <i>Citizen and Goldsmith</i></p>	<p>Goudhurst, Kent</p>
<p>Howard David Lewis, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>a Magistrate <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Potters Bar, Hertfordshire</p>
<p>Richard Alexander Lewis <i>Adarsh Kumar Sharma</i> <i>Paresh Bhanji Modasia</i></p>	<p>a Civil Aviation Company Director <i>Citizen and Chartered Accountant</i> <i>Citizen and Apothecary</i></p>	<p>Stapleton, Bristol</p>
<p>Prof Dame Henrietta Miriam Ottoline Leyser, DBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i></p>	<p>a Regius Professor of Botany <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i></p>	<p>Cambridge, Cambridgeshire</p>
<p>Daniel John Liversidge <i>Mark Richard Cooper</i> <i>Nicholas Simon Coletta</i></p>	<p>a Children's Entertainment Company Director <i>Citizen and Basketmaker</i> <i>Citizen and Basketmaker</i></p>	<p>Enfield, London</p>
<p>Colonel Crispin Alexander Lockhart, LVO, MBE <i>Nicholas Michael Bensted-Smith, CC</i> <i>Colin Alan Gurley</i></p>	<p>a Livery Company Clerk <i>Citizen and Loriner</i> <i>Citizen and Loriner</i></p>	<p>Ipswich, Suffolk</p>
<p>Jacqueline Salomie Macdonald-Davis, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>a National Health Service Education Lead <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>West Dulwich, London</p>
<p>George William Boorman Major, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>an Energy Consultant <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Peckham, London</p>

Leon William Douglas Mann, MBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Sports and E.D.I. Consultant <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Walthamstow, London
Jeffrey Seth Manton, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Communications Director, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Malmesbury, Wiltshire
David William McCorkell, DL <i>Christopher Desmond William McCorkell</i> <i>Rex Michael Thornborough, RD</i>	a Businessman <i>Citizen and Gardener</i>	Lisburn, County Antrim
Edward Brownlow McMullan, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Chartered Accountant <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Fulham, London
Snigdha Kundu Misty <i>Shahnan Bakth, CC</i> <i>Deputy Christopher Michael Hayward</i>	a Women's Activist <i>Citizen</i> <i>Citizen and Pattenmaker</i>	Dagenham, Essex
Alison Rosalind Lillian Moore, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Headteacher, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Hatch End, Middlesex
Rami Mortada <i>Dr Mahmoud Saleh Barbir</i> <i>Farid Barakat</i>	a Diplomat <i>Citizen and Apothecary</i> <i>Citizen and Loriner</i>	Kensington, London
James Lee Mortimer <i>Denise Deroy-Parker</i> <i>Alan Stanley Cook</i>	a Property Developer <i>Citizen and Upholder</i> <i>Citizen and Gunmaker</i>	Brighton, East Sussex
James Frederick Peter Mulligan <i>Keith Richard Stevens</i> <i>Dmytro Tupchiienko</i>	a Police Officer, retired <i>Citizen and Management Consultant</i> <i>Citizen and Stationer & Newspaper Maker</i>	Droitwich Spa, Worcestershire
Jo Murphy, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Housing and Community Safety Company Director <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Bromley, London
Margaret Marie Mary Neary <i>Anthony Sharp</i> <i>Simon Stuart Walsh</i>	a Dentistry Lecturer <i>Citizen and Loriner</i> <i>Citizen and Loriner</i>	Lee, London
Ian Andrew Neill, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Management Consultant <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Bournemouth, Dorset
Sheila Anne Nicoll, OBE <i>Deputy Christopher Michael Hayward</i> <i>Deputy Keith David Forbes Bottomley</i>	a Public Policy Adviser <i>Citizen and Pattenmaker</i> <i>Citizen and Pattenmaker</i>	Lambeth, London

Joshua Taylor Nixon <i>Deputy Keith David Forbes</i> <i>Bottomley</i> <i>Ald. The Hon. Timothy Charles</i> <i>Levene</i>	a Project Manager <i>Citizen and Pattenmaker</i> <i>Alderman and Carmen</i>	Tooting, London
Helen Mary Nunn <i>Deputy Marianne Bernadette</i> <i>Fredericks</i> <i>Matthew Legh Preston Bell, CC</i>	a Social Worker <i>Citizen and Baker</i> <i>Citizen and Common Councillor</i>	South Woodford, London
Sir Paul Maxime Nurse, OM CH <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Biomedical Research Centre Director <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Oxford, Oxfordshire
Sheila Mary O'Connor, MBE <i>Deputy Patricia Ann Holmes</i> <i>Thomas Sleigh, CC</i>	a Diplomat <i>Citizen and Cordwainer</i> <i>Citizen</i>	Bromley, Kent
Kieran Patrick O'Donnell, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Tax Consultancy Director <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Belgravia, London
Rashiklal Dullabhbhai Parmar , MBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	an Information Technology Institute C.E.O. <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Burton Salmon, Leeds
Kishan Nitinkumar Parshotam, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Solicitor <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Westminster, London
Russell Stuart Pearson, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a University Dean, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Bermondsey, London
Denis Bernard Pellerin <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Photographic Historian <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Windlesham, Surrey
Iain Bryden Percy, OBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Maritime Technology Company Chief Executive <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Homerton, London
Joanne Patra Pisani <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Life Sciences Charity Trustee <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Chiswick, London
Frederick Matthew Thomas Ponsonby, Lord Ponsonby of Shulbrede, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Peer of the Realm <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Wandsworth, London
Ciara Melanie Pryce <i>Ald. Vincent Thomas Keaveny, CBE</i> <i>Vincent Dignam</i>	a Construction Company Chief Operating Officer <i>Citizen and Solicitor</i> <i>Citizen and Carman</i>	Gerrards Cross, Buckinghamshire

Admiral Sir Antony David Radakin <i>Jeremy Mark Fox</i> <i>Admiral Sir Philip Andrew Jones, GCB DL</i>	Chief of the Defence Staff <i>Citizen and Stationer & Newspaper Maker</i> <i>Citizen and Shipwright</i>	Winchester, Hampshire
Jessica Louise Radley, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Teacher and Non-Legal Employment Tribunal Member <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	Pimlico, London
Sherece Michelle Rainford <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Gallery Founder and Creative Director <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Ipswich, Suffolk
Pauline Veronica Rainford-Hinkson <i>Richard Charles Clinton Fynes</i> <i>David Charles Mortlock</i>	a Skincare Company Director <i>Citizen and Framework Knitter</i> <i>Citizen and Wheelwright</i>	Streatham, London
Shernett Andrea Ranson <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Civil Servant <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Surbiton, Surrey
Michael James Reed <i>Geliya Chukmarova</i> <i>Dhruv Patel</i>	a Police Officer and Police Federation Chairman <i>Citizen and Fueller</i> <i>Citizen and Clothworker</i>	Wembley, Middlesex
Giles Elliott William Richardson <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	an Archaeologist <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Poole, Dorset
Florangel Maritza Russel <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i>	a Children's Healthcare Organisation Founder <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i>	Rotterdam, Netherlands
Deborah Janet Sandford, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i>	a Charity Manager, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i>	North Kensington, London
Amelia Elizabeth Rosemary Sankey <i>Simon Stuart Walsh</i> <i>Anthony Sharp</i>	a Consultant Business Analyst <i>Citizen and Loriner</i> <i>Citizen and Loriner</i>	Southwark, London
Donna Michelle Schooling <i>Ald. Timothy Russell Hailes, JP.</i> <i>Deputy Madush Gupta</i>	an Information Technology Project Manager <i>Citizen and Pewterer</i> <i>Citizen</i>	Moorgate in the City of London
Matthew Peers Screen <i>The Rt. Hon The Lord Mayor</i> <i>Deputy Patricia Ann Holmes</i>	a British Army Officer <i>Citizen and World Trader</i> <i>Citizen and Cordwainer</i>	Windsor, Berkshire

<p>Professor Laura Serrant, OBE <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i></p>	<p>a Leadership Development Company Director <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i></p>	<p>Retford, Nottinghamshire</p>
<p>Kevin Ronald Spencer, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>an Insurance Company Chief Executive <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Tunbridge Wells, Kent</p>
<p>Daniel Paul Stephenson <i>Caroline Wilma Haines, CC</i> <i>Paul Christian Bobjerg-Jensen</i></p>	<p>a Music Company Founder and Chief Executive <i>Citizen and Educator</i> <i>Citizen and Baker</i></p>	<p>Kings Hill, Kent</p>
<p>Carole Stone <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i></p>	<p>a Radio Producer, retired <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i></p>	<p>Covent Garden, London</p>
<p>Emma Jane Harington Stranack Cavelle, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>a Marketing Director <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Chiswick, London</p>
<p>Julian Wyndham Alexander Strong, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>a University Director of Operations <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Romford, London</p>
<p>Emma Lucy Supple <i>Timothy James McNally, CC</i> <i>Shailendra Kumar Kantilal Umradia, CC</i></p>	<p>a Consultant Podiatrist <i>Citizen and Glazier</i> <i>Citizen and Information Technologist</i></p>	<p>Enfield, London</p>
<p>Nicholas Rory Tapner <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i></p>	<p>a Private Bank Chairman of the Board <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i></p>	<p>Chipperfield, Hertfordshire</p>
<p>Nicholas James Tarry, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>a Magistrate <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Shepherds Bush, London</p>
<p>Giles Tirayi Terera, MBE <i>Deputy Andrien Gereith Dominic Meyers</i> <i>Deputy Keith David Forbes Bottomley</i></p>	<p>an Actor and Writer <i>Citizen and Goldsmith</i> <i>Citizen and Pattenmaker</i></p>	<p>Earls Court, London</p>
<p>Professor Katrina Alison Thompson <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Alastair John Naisbitt King, DL</i></p>	<p>a Chief Engineer <i>Citizen and World Trader</i> <i>Citizen and Blacksmith</i></p>	<p>Newtownabbey, Northern Ireland</p>
<p>Gregory Peter Kerr Thomson, JP <i>Ald. Alison Jane Gowman</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>a Trade Union Official, retired <i>Citizen and Glover</i> <i>Citizen and Pewterer</i></p>	<p>Aylesbury, Buckinghamshire</p>

Jane Louise Varley, JP	a Magistrate	Wotton Underwood, Buckinghamshire
<i>Ald. Alison Jane Gowman</i>	<i>Citizen and Glover</i>	
<i>Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Pewterer</i>	
Carla Maria Johanna Velterop-Martin	a Heritage Professional	Newport Pagnell, Buckinghamshire
<i>Keith John Ebsworth</i>	<i>Citizen and Glover</i>	
<i>Stephen Joseph Michael Marsh</i>	<i>Citizen and Glover</i>	
Philip Johannes Velterop-Martin	a Pilot	Newport Pagnell, Buckinghamshire
<i>Keith John Ebsworth</i>	<i>Citizen and Glover</i>	
<i>Stephen Joseph Michael Marsh</i>	<i>Citizen and Glover</i>	
Professor Thomas Welton, OBE	a Professor of Sustainable Chemistry	Herne Bay, Kent
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	
Professor Sir Simon Charles Wessely	a Medical Doctor and University Academic	Kennington, London
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	
Jane Amanda Whewell, JP	a Civil Servant	South Kensington, London
<i>Ald. Alison Jane Gowman</i>	<i>Citizen and Glover</i>	
<i>Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Pewterer</i>	
Samantha Louise Williamson, JP	an Investment Banker, retired	Pimlico, London
<i>Ald. Alison Jane Gowman</i>	<i>Citizen and Glover</i>	
<i>Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Pewterer</i>	
David Stephen Wilmot	a Marketing & Property Company Director	Bristol
<i>Adarsh Kumar Sharma</i>	<i>Citizen and Chartered Accountant</i>	
<i>Paresh Bhanji Modasia</i>	<i>Citizen and Apothecary</i>	
Nicholas Wise	an Ocean Conservation Company Director	Pamber Heath, Hampshire
<i>The Rt. Hon The Lord Mayor</i>	<i>Citizen and World Trader</i>	
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	
Ian Wonacott	a Civil Servant, retired	South Croydon, Surrey
<i>Adarsh Kumar Sharma</i>	<i>Citizen and Chartered Accountant</i>	
<i>William Joseph Browning</i>	<i>Citizen and Glass Seller</i>	
Taylor Courtney Wood, JP	a Student	Whitechapel, London
<i>Ald. Alison Jane Gowman</i>	<i>Citizen and Glover</i>	
<i>Ald. Timothy Russell Hailes, JP</i>	<i>Citizen and Pewterer</i>	
Lt Col Robert Abbott Zeidler	a Real Estate Developer	Toronto, Canada
<i>Justin Giles Joseph Morin-Carpentier</i>	<i>Citizen and Tyler & Bricklayer</i>	
<i>James Anthony Drabble</i>	<i>Citizen and Art Scholar</i>	

Report – Barbican Centre Board

Barbican Centre Annual Report 2022-23

To be presented on Thursday, 7th March 2024

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

SUMMARY

The Annual Report, presenting the achievements of the Barbican Centre for 2022/23, was endorsed by Members of the Barbican Centre Board at their meeting in January 2024 and is hereby submitted to the Court for information.

The Report presents an overview of the Centre's activities and impact during 2022/23 and includes detail on Programme highlights, change achievements such as the EDI Strategy and Action Plan, and the ongoing early work to deliver the Barbican Renewal Programme.

The report is appended and accompanying [video](#) is available on the Barbican Centre's website.

RECOMMENDATION

That the Court:

- Notes the Barbican Centre Annual Report for 2022-23.

Appendices

Appendix 1 – Barbican Centre Annual Report for 2022-23

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

DATED this 24th day of January 2023.

SIGNED on behalf of the Board.

Tom Sleigh
Chair, Barbican Centre Board

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The Barbican Centre Annual Report 2022/2023 written summary



Welcome from Tom Sleight, Chair of the Barbican Board

Looking back on a remarkable year, I am amazed by how the Barbican has brought together audiences, artists and communities through its innovative programme, educational offer, and iconic spaces.

It has been incredible to see our venues packed with people from all over the world, and those closer to home. The Barbican is more than just an iconic architectural landmark; it's a place for discovery, a refuge for personal reflection, and a rich resource for our local community.

The Barbican is a creative catalyst that sparks possibilities and transformation for artists, audiences, and communities. We have an important role to play in creating and supporting a thriving cultural economy, here in the City, in London, and beyond. We have helped to drive the nation's cultural recovery, post-pandemic.

We are supporting the City of London's Destination City programme, positioning the City as a world-leading destination for UK and global visitors, workers, and residents to enjoy. The Barbican, as we have now passed our 40th birthday, is the jewel in the crown of that programme. I would like to extend my thanks to our CEO Claire Spencer and to the Barbican team for their tireless efforts in making this year so extremely successful. Their talent and commitment is second to none.

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The Barbican is a unique place with an unrivalled artistic programme. None of this would be possible without the passion, dedication and talent of the Barbican team and the many artistic, community and funding partners.

I would also like to take a moment to thank the City of London Corporation, members of the Barbican Board and Trust, patrons, donors, supporters and members for their ongoing and vital support.

Welcome from Claire Spencer AM, CEO of the Barbican Centre

Welcome to our Annual Report for 2022/23. The year was filled with many incredible moments and our short film features five members of the Barbican team who reflect on an extraordinary year of inspiring and joyful programming.

This film is just a snapshot of the thousands of events we presented and the hundreds of artists, performers and directors we welcomed to the Barbican. During 2022/23, we had the privilege to work on projects with local community groups and showcase some of the most exciting and varied artists from around the world and on our doorstep in London.

Over the past year, we have also been reflecting on our purpose and values – about what it means to be a creative catalyst in London, and how this and our values influence both what we do and how we do it. We aspire to always be inclusive, sustainable, connected, daring and joyful. We have progressed with our important work on Equity, Diversity and Inclusion to make the Barbican a place where everyone belongs and an organisation that reflects the diversity of the community we serve. In February 2023, we launched our new EDI Strategy and Action Plan, which is the next chapter of our ongoing work to create sustainable, systemic change – within the Barbican and beyond.

I'm thrilled that we have also made important strides with our ambitious Barbican Renewal Programme. We are working with a brilliant design team to deliver a sustainable development that will upgrade and revitalise our building, all without adding even an additional square metre to our footprint. We are grateful to the City of London Corporation for the £25 million in funding to start the first phase of Barbican Renewal, which will allow us to both develop our plans and commence early works that will boost both our operational and environmental performance.

As a not-for-profit, we need to raise 60 per cent of our income through ticket sales, venue hire, fundraising, and our commercial activities. We have hosted hundreds of industry events including many graduation ceremonies, the Greater London Authority's Climate Action Week Launch Event, the BBC's Women Event, London Fashion Week shows and very excitingly you'll recognise our Conservatory in Daniel Kaluuya's new Netflix's film, *The Kitchen*, starring British rapper and actor Kano. The success of these events directly supports our arts and learning programmes, enabling more people to experience the transformative power of creativity.

We are incredibly grateful to our founder and principal funder the City of London Corporation, and our donors, patrons and members for their generosity to the Barbican, and to our Board Members and Trustees for their time and commitment. Our sincere thanks goes to our Resident Orchestra, the London Symphony Orchestra, and all our other brilliant artistic and community partners.

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My final thanks are reserved for the incredible Barbican team whose passion and hard work make all of this possible. Their dedication and commitment to our purpose and values, while supporting our audiences and communities, is inspirational and I am truly grateful to all of them. I look forward to welcoming you to the Barbican soon.

Introduction

Welcome to the Barbican's Annual Report for 2022/2023. This document follows on from our [annual report video](#) which featured five members of the Barbican team who reflected on a successful year and explained in their words what the Barbican means to them.

The Barbican is a catalyst for creativity and each year we present hundreds of different performances, events and exhibitions that entertain and inspire millions of people, create connections, provoke debate, and reflect the world we live in.

Our 2022/2023 was filled with many incredible moments where we welcomed around 1.7 million visitors to the Centre and held over 4,000 events, exhibitions and performances. Our eclectic programme featured 1,400 of the world's most exciting, relevant and varied artists.

We're rooted firmly in our neighbourhood and our exceptional arts programme and sector-leading educational opportunities will continue to play a vital role in creating and supporting a thriving cultural economy through the [City of London Corporation's Destination City Programme](#), which aims to make Square Mile a world-leading leisure destination for UK and global visitors, workers, and residents to enjoy.

It has been an exciting period of change at the Barbican, and we have made significant progress in our Barbican Renewal project which will upgrade and revitalise our building. We have also made important strides in our work around Equity, Diversity and Inclusion (EDI) work, as we continue to make the Barbican a place where everyone belongs.

Report highlights

Programme highlights:

We're passionate about showcasing the most exciting art from around the world, pushing traditional artistic boundaries and helping us understand our lives in new and unexpected ways. Over the past year we programmed and worked with 1,400 artists who came from 80 different nationalities.

Highlights from our programme include:

Visual Art

In October 2022, we opened [Rebel Rebel](#), the first major UK commission by Iranian artist Soheila Sokhanvari, which celebrated and commemorated feminist icons from pre-revolutionary Iran. The exhibition unintentionally coincided with the death of Zhina (Mahsa) Amini, which sparked mass uprising in Iran. Due to its relevance the show welcomed around 70,210 visitors – 249% over its predicted target. It received extensive media coverage including three 4-star reviews in the Guardian, The Times and Time Out.

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In May 2022, we opened [Our Time on Earth](#), a groundbreaking exhibition featuring the work of 95 artists which encouraged positive conversations on climate change. The show explored radical ideas around the climate crises and used technology to create an immersive experience which brought us closer to nature and our roots. The exhibition opened during a period where museums and galleries were required to operate at 70 per cent capacity as of the Covid-19 pandemic. Despite this, Our Time on Earth received just under 60,000 visitors and 282 press mentions – including coverage in BBC Click, Al-Jazeera and New Scientist while achieving five-star reviews in Londonist and Culture Whisper.

Theatre and Dance

In November 2022, we opened [A Perfect Show for Rachel](#), an extraordinary experimental show in our Pit Theatre, as a learning-disabled artist had the power to lead the creation of her 'Perfect Show'. Produced by Zoo Co Theatre, the show set out to devise a show specifically to please Rachel O'Mahony, the 31-year-old sister of the company's artistic director, Flo O' Mahony. The show sold 782 tickets – 44 percent of those purchases were first time bookers to the Barbican. The show received 5-stars from The Guardian and two 4-star reviews in The Times and The Stage. Due to its resounding success, A Perfect Show has been brought back to the Barbican for May 2024.

In October 2022, we got lost in the magical world of [My Neighbour Totoro](#). Adapted from the Studio Ghibli anime film, produced by the Royal Shakespeare Company and Joe Hisaishi, with a world premiere at the Barbican, My Neighbour Totoro has been one of the most successful shows ever presented on our stage. When first announced, the show broke our box office record for most tickets sold in a single day and brought in the highest amount of money taken and tickets ever sold before an opening performance and achieved our highest ever number of first-time bookers. My Neighbour Totoro went onto win six Olivier Awards – where it was the most successful production on the night and five WhatsOnStage Awards. It received five-star reviews in The Guardian, Financial Times, The Metro and The stage. The show was such a success that it has now returned to the Barbican for a limited season until March 2024.

Music

In March 2023, contemporary and classical music collided in an awe-inspiring collaboration between GRAMMY-nominated songwriter and producer, [Devonté Hynes](#) (Blood Orange) and our Resident Orchestra, the London Symphony Orchestra. The two sold out nights in our Hall, brought new audiences to the Barbican and to orchestral music.

In November 2022 the [Royal Concertgebouw Orchestra](#) made a long-awaited return to the Barbican Hall with a two-night residency alongside conductor Daniel Harding. The show sold just under 3,500 tickets over both nights and received five-star reviews in the Daily Telegraph, The Times and The Guardian, who both rated the orchestra's performances of Mahler's 9th symphony as amongst the finest they had ever heard. These international connections are vital to the Barbican as we believe art has the power to transcend borders and we welcome contemporary artists, experimental collaborations and visits from the world's best orchestras and soloists.

Cinema

Our [Emerging Film Curators Programme](#) invites individuals or collectives, with limited film programming experience, who're interested in developing socially engaged, inclusive films,

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to work with our experienced film curators and potentially have their projects screened at the Barbican. Our most recent cohort featured eight people from five different film collectives. The scheme will run again in 2024.

Our popular [Outdoor Cinema Programme](#) provided an exciting experience of fantasy, action and adventure films in the spectacular setting of our Sculpture Court. During 2022/2023 our Outdoor Cinema Programme took inspiration from the Our Time on Earth Exhibition, where each film presented profound meanings to the environment of their settings. The Outdoor Cinema programme returned this year and will be back in 2024.

Our Change Programmes

New purpose and values

Over the past year we have been reflecting on what London and the wider world needs from an art centre like the Barbican and we have now launched our new [purpose and values](#) to help us achieve this.

One key takeaway from this period is that the Barbican is more than a famous architectural landmark. It is a public space for discovery and a catalyst for creativity that sparks possibilities for audiences, artists and communities. By underpinning everything we do with this new purpose and our organisational values, by being inclusive, connected, and daring, by operating sustainably, and by creating moments of joy, we hope that being part of the Barbican community will become a positive, life-changing experience for everyone.

Equity, Diversity, and Inclusion

In February 2023, after a period of engagement through workshops and consultations with over half of the Barbican team, external consultants and our diversity networks, we launched our new [EDI strategy and Action Plan](#). This work outlines our activities over the next three years as we aim to become a place where everyone feels they belong, a place where fairness and equal opportunity exist and a place that reflects the diversity of our community.

As part of our EDI work, we launched our [Zero Tolerance](#) statement and accompanying training for all of our staff in November 2022. This is an important piece of work that will help us ensure the Barbican is a place of safety and respect for everyone who works here, uses our venue, or visits to enjoy our programme. To date, 800 colleagues have completed the training, which provides everyone working at the Barbican with guidance on how to create and maintain a safe, respectful working environment. We will continue to proactively engage with creating safe, welcoming spaces for everyone and hold ourselves to high standards.

During this period, we established four Diversity Networks including the Global Majority Network, Barbican Women, the Disability Network and the Pride Network. These networks provide a culture of representation, inclusion and a sense of community by increasing awareness, educating and encouraging advocacy.

We have expanded our EDI team, and their work has played a central role in the development of our new Audience Strategy, which aims to increase and diversify our audiences. Alongside this work we also developed and later launched our Anti-Racism Action Plan, which focuses on providing resources and counselling sessions to support racial wellness for colleagues from the Global Majority.

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We have embarked on a big organisational transformation programme that touches on every aspect of the Barbican. We recognise that culture change is a long journey, but we are confident of the foundational steps we have made so far. We publish updates on our EDI work via our [website](#) 6 months.

Barbican Renewal Programme

The Barbican is a major contributor to the economic, social and cultural life of the City, London and the UK, making an annual £40 million contribution to London's economy and supporting over 800 jobs. It is the City's leading cultural destination, third most visited attraction and has worked with 330 schools, 16,400 school children and 35,000 young people over the past four years.

Much of the Barbican building infrastructure has been in place since the Centre opened and has reached the end of its usable life. It's therefore clear that continuing a programme of remedial works to the building will not be enough, and that a larger scale programme to replace building infrastructure systems is required.

The [Barbican Renewal Programme](#) will ensure the Centre remains operational and can continue to deliver these major benefits, as well as expanding its offer and impact through bringing currently underutilised spaces into creative, civic and entrepreneurial use. There is also a responsibility to care for and maintain the Barbican building, which is a Grade II listed heritage landmark and one of the most iconic and significant post war buildings in the UK.

Early design work has identified major opportunities to invest in the building to deliver on the City Corporation's ambitions including:

- Supercharging the Barbican's position as a major visitor attraction, including through works to the Conservatory, Lakeside and Beech Street. This will increase footfall and generate new income to support Destination City and make the Centre more financially self-sufficient
- Making major improvements to the Barbican's sustainability and energy efficiency, to reduce costs and deliver on the City's net zero commitment
- Transforming the empty Exhibition Halls into a new, income-generating centre for creative enterprise to grow new businesses in the Square Mile
- Future proofing the Barbican's venues and spaces so they meet the expectations of audiences and artists for decades to come

Over the past year, we have held a number of briefings and meetings with representatives from the Barbican Association, as well as the design and project team attending several resident-led tours of the Barbican Estate. The online public consultation survey we ran attracted 750 responses, many of which were from Estate residents, and this group were also well represented at the two collaborative workshops we delivered. Feedback from residents on early proposals has been very positive.

Barbican Young Changemakers

Our creative vision aims to inspire people and identify what they love about art and culture. We aim to attract new audiences and provide innovative, educational and diverse experiences that cannot be replicated anywhere else. Over the past year, we have worked closely with young people to develop better access to the arts, increase representation and



ensure the Barbican uses its unique position and assets for the widest possible artistic and social benefit.

Part of this work has included the [Barbican Young Changemakers pilot Programme](#), which was initiated to put young people from backgrounds or with identities which are often underrepresented within the audiences and workforces of large cultural institutions, at the heart of decision-making processes at the Barbican.

Between November 2022 - August 2023, our seven Barbican Young Changemakers, worked closely with our CEO, Claire Spencer AM and her leadership team to scrutinise our creative vision and provide a series of recommendations for how the Barbican can better engage and work with young people. Their work culminated in the [Barbican Young Changemakers Lift Off Exhibition](#), where they presented their findings and outlined their important work in shaping the future of the Barbican. The Changemakers will continue to support us during the upcoming year and the scheme will re-recruit in September 2024.

Supporting our communities:

Our Creative Collaboration team aims to extend the Barbican's traditional arts boundaries and contribute towards a diverse artistic programme. Across the 2022/2023, our team delivered in-depth development programmes for emerging poets, film programmers, visual artists, and 'changemakers' (young people interested in leadership in the arts sector). Our aims for these programmes included: developing the participants' artistic practice; connecting them with peers and mentors; providing the support of an artist collective of like-minded young people; and developing the participants' collaborative working practice.

We work with neighbours on our doorstep here in the City of London, and other surrounding boroughs, nearer and further afield in London. Our work in these areas helps local communities decide what kind of cultural offer is programmed and supported through our network building and local participatory grant making schemes.

Over the past year, our Communities and Neighbourhoods team has worked extensively with trusts and grant makers to support local people and unincorporated associations in the City of London to create projects that will bring people together, kickstart a new idea or have a go at something they've always wanted to try.

During 2022/2023, the team awarded a total of £45,000 to support community related projects. The [Imagine Fund](#), a scheme funded by the Community Infrastructure Levy Neighbourhood Fund which supports local people to kickstart their ideas and creative enterprises, issued £15,000 to support 10 new local projects in and around the City of London and the [Leytonstone Loves Film Community Fund](#) issued £30,000 to support nine new projects which use film to bring people together.

Educational programmes

We're committed to nurturing the talent pipeline, supporting young people and helping to develop the next generation of creatives. In 2022/2023, we ran over 250 learning activities and events to over 49,000 participants, providing the resources needed for more young people to develop their artistic practice and access jobs in the creative industry.



Through our many programmes, we've been able to discount over 82,000 tickets for schools, students, families and young people. This has included 62 schools, 513 teachers and 3,204 pupils engaged across our free learning activities and resources.

Commercial activities

During this period our Business Events Team confirmed just under £4 million from venue hires, filming and conferences. This figure was £1 million more than our taking from pre-Covid levels.

We work with a wide variety of clients and our venue hires last year included many graduation ceremonies, the Greater London Authority's Climate Action Week Launch Event, the BBC's Women Event, London Fashion Week shows and more. Our Conservatory also featured in Daniel Kaluuya's new Netflix's film, The Kitchen, starring British rapper and actor Kano. Additionally, we offer a discounted hire package for all NHS and charitable organisations.

The success of these events directly supports our arts and learning programmes, enabling more people to experience the transformative power of creativity.

Finances:

To see our full 2022/2023 financial report see [here](#).

Ends:

For more information on our annual report 2022/2023, see our website here: <https://www.barbican.org.uk/annual-report-202223>

Report – Planning & Transportation Committee

Annual On-Street Parking Accounts 2022/23 and Related Funding of Highway Improvements and Schemes

To be presented on Thursday, 7th March 2023

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

SUMMARY

The City of London 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 2022/23 was £10.186m;
- a total of (£5.620m) was applied in 2022/23 to fund approved projects; and
- the surplus remaining on the On-Street Parking Reserve at 31st March 2023 was £56.218m, 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 for their information before 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.

2022/23 Outturn

4. The overall financial position for the On-Street Parking Reserve in 2022/23 is summarised below:

	£m
Surplus Balance brought forward at 1st April 2022	51.652
Surplus arising during 2022/23	10.186
Expenditure financed during the year	(5.620)
Funds remaining at 31st March 2023, wholly allocated towards funding future projects	56.218

5. Total expenditure of (£5.620m) in 2022/23 was financed from the On-Street Parking Reserve, covering the following approved projects:

Revenue/SRP Expenditure:	£000
Highway Resurfacing, Maintenance & Enhancements	(2,142)
St Paul's Gyratory	(368)
Climate Action Strategy – Cool Streets & Greening	(318)
Concessionary Fares & Taxi Card Scheme	(277)
Off-Street Car Parking Contribution from Reserves	(171)
Traffic Review Order	(151)
West Smithfield Area Public Realm & Transportation	(78)
Cleaning Maintenance Lord Mayors Show	(59)
Aldgate Maintenance for City Open Spaces	(40)
Special Needs Transport	(29)
City Streets COVID 19 – Phase 3	(23)
Climate Action Strategy – Pedestrian Priority	(18)
Planting Maintenance for City Open Spaces	(10)
London Wall Car Park Waterproofing and Repairs	(6)
Temple Area Traffic Review	(4)
Total Revenue/SRP Expenditure	(3,694)
Capital Expenditure:	
Barbican Podium Waterproofing – Phase 2	(828)
Bank Junction Improvements (All Change at Bank)	(544)
Climate Action Strategy – Pedestrian Priority	(325)
HVM Security Programme	(132)
Climate Action Strategy – Cool Streets & Greening	(43)
Baynard House Fire Safety	(32)
Traffic Enforcement CCTV	(15)
Holborn Viaduct & Snow Hill Pipe-Subways	(7)
Total Capital Expenditure	(1,926)
Total Expenditure Funded in 2022/23	(5,620)

6. The surplus on the On-Street Parking Reserve brought forward from 2021/22 was £51.652m. After expenditure of (£5.620m) funded in 2022/23, a surplus balance of £4.566m was carried forward to future years to give a closing balance at 31st March 2023 of £56.218m.
7. Currently total expenditure of some £102.7m is planned over the medium term from 2023/24 until 2027/28 (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 Improvements (All Change at Bank); Climate Action Strategy Cool Streets & Greening and Pedestrian Priority; Holborn Viaduct & Snow Hill Pipe-Subways Repairs; Traffic

Enforcement CCTV; Minorities Car Park Structural Building Report; West Smithfield Area Public Realm & Transportation Project; St Paul's Gyatory; Dominant House Footbridge Repairs; London Wall Car Park Waterproofing, Joint Replacement & Concrete Repairs; Fire Safety at the Car Parks; Lindsey Street Bridge Strengthening; Enhancing Cheapside; and Beech Street. The progression of each individual scheme is, of course, subject to the City's normal evaluation criteria and Standing Orders.

9. The programme also covers ongoing funding of future revenue projects, the main ones being Highway Resurfacing, Enhancements & Road Maintenance Projects; Concessionary Fares & Taxi Cards; Traffic Review Order; Contributions to the Costs of Off-Street Car Parks (including CWP works); Special Needs Transport; Cleansing Maintenance for the Lord Mayors Show; Annual Maintenance of Aldgate; Secure City CCTV system; street cleansing contract; City Gardens highways & cleansing maintenance; Highways ground penetrating radar system; Highways street furniture ASB protection measures; and streets decluttering.
10. Following Member requests to allocate On-Street Parking surplus monies, a newly formed Priorities Board chaired by the Town Clerk now considers all new eligible bids for surplus funds before recommending successful bids to Members of RASC and P&R Committees for decision. This new mechanism has been designed to ensure surplus monies are allocated to eligible projects in an efficient and speedy process to meet spending priorities, a number of which schemes are now included in paragraphs 8 and 9 above to be spent in the medium term.
11. 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 surplus, over the medium-term financial planning period, is shown overleaf:

Table 1 On-Street Parking Account Reserve Projections 2022/23 to 2027/28	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	
	£m	£m	£m	£m	£m	£m	£m
Income	13.8	12.6	13.1	13.5	13.9	14.3	81.2
Expenditure (<i>Note 1</i>)	(3.6)	(4.1)	(4.0)	(4.1)	(4.3)	(4.4)	(24.5)
Net Surplus arising in year	10.2	8.5	9.1	9.4	9.6	9.9	56.7
Capital, SRP and Revenue Commitments	(5.6)	(36.5)	(28.4)	(17.0)	(9.3)	(11.5)	(108. 3)
Net in year contribution (from)/ to surplus	4.6	(28.0)	(19.3)	(7.6)	0.3	(1.6)	(51.6)
(Deficit) / Surplus cfwd at 1 st April	51.6	56.2	28.2	8.9	1.3	1.6	
(Deficit) / Surplus cfwd at 31st March	56.2	28.2	8.9	1.3	1.6	0.0	

Note 1: On-Street operating expenditure relates to direct staffing costs, current enforcement contractor costs, fees & services (covering bank charges, postage, printing & 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 2022/23 onwards for a number of years, mainly due to ongoing long term works and changes to Bank Junction and future projections of motorist's compliance.

Conclusion

13. So that the City of London 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, which will then be submitted to the Mayor of London.

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

DATED this 31st day of January 2024.

SIGNED on behalf of the Committee.

Deputy Shравan Joshi
Chairman, Planning and Transportation Committee

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Report – Policy & Resources Committee

Report of Urgent Action Taken: Amendment to Standing Orders to reflect repeal of Section 618 of the Housing Act 1985.

To be presented on 7th March 2024

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

SUMMARY

This report sets out action taken in accordance with Standing Order No. 19, to make editorial changes to the Court of Common Council's Standing Orders to reflect the repeal of provisions within Section 618 of the 1985 Housing Act.

MAIN REPORT

1. Section 618 of the 1985 Housing Act, which applied uniquely to the City of London Corporation, provided that the Common Council may establish a Committee to discharge its functions under the Act consisting of such persons as it sees fit. Subsections (3) and (4), however, provided:-

“(3) A person is not, by reason only of the fact that he occupies a house at a rental from the Common Council, disqualified from being elected or being a member of that Council or any committee of that Council; but no person shall vote as a member of that Council, or any such committee, on a resolution or question which is proposed or arises in pursuance of this Act or the Housing Associations Act 1985 and relates to land in which he is beneficially interested.

(4) A person who votes in contravention of subsection (3) commits a summary offence and is liable on conviction to a fine not exceeding level 4 on the standard scale; but the fact of his giving the vote does not invalidate any resolution or proceeding of the authority.”

2. Members of the then Standards Committee and the Policy and Resources Committee initially instructed the Remembrancer in March 2020 to look into the possibility and implications of pursuing a repeal of these provisions. Legislation was finally passed in December 2023 repealing the relevant part of section 618 of the Housing Act 1985 and, as such, the Governance and Member Services Team, following correspondence with the Comptroller & City Solicitor and the Remembrancer, wrote to all Members to set out the new legal position.
3. Members were also informed that, as a result of this change in legislation, our own governance document entitled 'Policy and Guidance on the Granting of Dispensations' which can be found on our public webpages would require a

minor editorial change through the deletion of paragraphs 22 and 23, which referred to the now repealed provisions of section 618. The permission of the Comptroller & City Solicitor, in consultation with the Chief Commoner (as Chair of MDSSC) and the Chairman of Policy & Resources Committee, was duly sought to make this minor editorial change without further delay. Permission was granted and the amended version is now publicly available to all.

4. Members were further informed that amendments would be required to the Court of Common Council's Standing Orders, to delete the restriction on voting that mirrored Section 618 (at SO44(2)). Standing Order 44(2) stated that:-

“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.”

Under SO44(1) Members would still be required to act in accordance with the provisions of the Localism Act 2011 and the Members’ Code of Conduct where they have an interest. SO44(2) was, therefore, determined to be excess to requirement as the S618 restrictions were no longer in force. It was therefore proposed that SO44(2) be deleted.

5. Any proposal to amend Standing Orders must be considered by the Policy & Resources Committee whose recommendations shall be reported to the Court of Common Council for approval. Thereafter, the Town Clerk is authorised to make the necessary amendments. In accordance with Standing Order 41, the proposal for amending the Standing Orders was first approved by the Town Clerk in consultation with the Chair and Deputy Chair of both your Member Development and Standards Sub-Committee and Policy and Resources Committee under urgency procedures. Then, in accordance with Standing Order No. 19, the Court of Common Council’s approval was also sought, and approved, under urgency procedures.
6. Officers considered that the use of urgency procedures in this case would provide for timely amendment of our relevant, internal, governance documents in order to provide consistency and clarity to all in terms of the new legal position on this matter.

RECOMMENDATION

We **recommend** that the action taken be noted.

DATED this 1st day of February 2024.

SIGNED on behalf of the Committee.

Deputy Christopher Hayward
Chairman, Policy & Resources Committee

Report – Policy & Resources Committee

Report of Urgent Action Taken: London Councils Grant Scheme 2024/24 Levy

To be presented on 7th March 2024

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 is responsible for issuing the annual levies for subscriptions to all the constituent councils of the London Councils Grant Scheme. 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 Local Government Act 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 Court was then sought under the urgency procedures to issue the levies before the statutory deadline of 15 February 2024.

We therefore report that, on 7 February 2024, 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 18 January 2024, the Committee considered and approved the overall level of expenditure to be incurred in 2024/25 (£6.732m, with the proposed expenditure being made up of £6.668m in contributions from London local authorities (the amount to be levied)), as well as the City Corporation's subscription to it (£8,158).
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 2024.

3. Following receipt of confirmation from London Councils that over two-thirds of constituent councils had agreed the expenditure to be incurred for 2024/25 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 2024/25, as set out in the appendix to this report.

RECOMMENDATION

We **recommend** that the action taken be noted.

APPENDIX – Borough Subscriptions 2024/25

DATED this 7th day of February 2024.

SIGNED on behalf of the Committee.

Deputy Christopher Hayward
Chairman, Policy & Resources Committee

Borough Subscriptions 2024/25

ONS Mid-2020 Estimate of Population ('000)	%	2023/24 Base Borough Contribution (£)		ONS Mid-2022 Estimate of Population ('000)	%	2024/25 Base Borough Contribution (£)	Base Difference from 2023/24 (£)
214.11	2.38%	158,589	Barking and Dagenham	219.99	2.48%	165,453	6,864
399.01	4.43%	295,545	Barnet	389.10	4.39%	292,638	-2,907
249.30	2.77%	184,658	Bexley	247.84	2.80%	186,394	1,736
327.75	3.64%	242,767	Brent	341.22	3.85%	256,628	13,861
332.75	3.70%	246,470	Bromley	329.58	3.72%	247,872	1,402
279.52	3.10%	207,038	Camden	218.05	2.46%	163,992	-43,046
10.94	0.12%	8,102	City of London	10.85	0.12%	8,158	56
388.56	4.32%	287,809	Croydon	392.22	4.42%	294,987	7,178
340.34	3.78%	252,091	Ealing	369.94	4.17%	278,225	26,134
333.59	3.71%	247,088	Enfield	327.22	3.69%	246,101	-987
289.03	3.21%	214,088	Greenwich	291.08	3.28%	218,918	4,830
280.94	3.12%	208,093	Hackney	261.49	2.95%	196,664	-11,429
183.54	2.04%	135,951	Hammersmith and Fulham	185.24	2.09%	139,315	3,364
266.36	2.96%	197,291	Haringey	261.81	2.95%	196,905	-386
252.34	2.80%	186,907	Harrow	261.19	2.95%	196,434	9,527
260.65	2.90%	193,064	Havering	264.70	2.99%	199,080	6,016
309.01	3.43%	228,887	Hillingdon	310.68	3.50%	233,660	4,773
271.77	3.02%	201,298	Hounslow	290.49	3.28%	218,473	17,175
248.12	2.76%	183,779	Islington	220.37	2.49%	165,740	-18,039
156.86	1.74%	116,189	Kensington and Chelsea	146.15	1.65%	109,921	-6,269
179.14	1.99%	132,691	Kingston upon Thames	168.30	1.90%	126,578	-6,113
321.81	3.57%	238,367	Lambeth	316.81	3.57%	238,271	-97
305.31	3.39%	226,143	Lewisham	298.65	3.37%	224,613	-1,529
206.45	2.29%	152,920	Merton	214.71	2.42%	161,480	8,560
355.27	3.95%	263,146	Newham	358.65	4.05%	269,733	6,587
305.66	3.40%	226,401	Redbridge	310.91	3.51%	233,833	7,431
198.14	2.20%	146,763	Richmond upon Thames	194.89	2.20%	146,578	-186
320.02	3.55%	237,037	Southwark	311.91	3.52%	234,586	-2,451
207.71	2.31%	153,849	Sutton	210.05	2.37%	157,978	4,130
331.97	3.69%	245,890	Tower Hamlets	325.79	3.67%	245,022	-868
276.94	3.08%	205,130	Waltham Forest	275.89	3.11%	207,491	2,362
329.74	3.66%	244,235	Wandsworth	329.04	3.71%	247,463	3,228
269.85	3.00%	199,877	Westminster	211.37	2.38%	158,965	-40,912
9,002.49	100.00%	6,668,152	Totals	8,866.18	100.00%	6,668,152	0

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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 Thursday 7th March 2024

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

Statutory Instruments

Date In Force

The Levelling-up and Regeneration Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2024

31 January 2024

Brings into force many provisions of the Act, including that the Secretary of State may intervene to address excessive financial risk to a local authority, requiring a local authority to obtain local support before altering a street name, setting out the publicity requirements for documents and notices issued as part of the compulsory purchase order (for instance a power to prescribe the form of notice to be published online), and about the valuation of the pre-development biodiversity value of an onsite habitat and of the enhancement of the biodiversity of a habitat*.

*this element only, 12 February 2024

The Online Safety Act 2023 (Commencement No. 3) Regulations 2024

31 January 2024

Brings into force provisions of Part 10 of the Act, namely those relating to threatening communications, sending or showing flashing images electronically (epilepsy trolling) and sending photographs or films of genitals (cyberflashing).

The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2024

11 March 2024

Specifies that operating a pensions dashboard service which connects to the Money and Pensions Service dashboards is a “regulated activity” for the purposes of the Financial Services and Markets Act 2000.

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

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

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