

PLEASE BRING THIS AGENDA WITH YOU

1

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



COMMON COUNCIL

SIR/MADAM,

You are desired to be at a Court of Common Council, at **GUILDHALL**, on
THURSDAY next, the **6th day of March, 2025**.

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 26th February 2025*

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 9 January 2025.

For Decision
(Pages 7 - 20)

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 **Appointments**

To consider the following appointments:

Where appropriate:

** Denotes a Member standing for re-appointment by the Court of Common Council.*

(A) One Member on the **Hampstead Heath, Highgate Wood & Queens Park Committee**

(No contest)

Nominations received:-

David Williams

(B) One Member on the **Mitchell City of London Charity and Educational Foundation**

(No contest)

Nominations received:-

Alderwoman Elizabeth King

(C) Three Members on the **Guild Church Council of St Lawrence Jewry**

(No Contest)

Nominations received:-

*Charles Edward Lord OBE JP

*Alderman and Sheriff Gregory Jones KC

*James St John Davis

For Decision

7 **Finance Committee****(A) City Fund 2025/26 Budget and Medium-Term Financial Plan**

To approve the budget for 2025/26.

For Decision
(Pages 21 - 164)

(B) City's Estate 2025/26 Budget and Medium-Term Financial Plan

To approve the budget for 2025/26.

For Decision
(Pages 165 - 190)

8 **City Bridge Foundation Board****(A) City Bridge Foundation – 2025/26 Budget and Financial Forecasts**

To approve the budget for 2025/26.

For Decision
(Pages 191 - 206)

(B) City Bridge Foundation: Annual Report and Financial Statements 2023/24

To receive the Annual Report and Financial Statements City Bridge Foundation for the Year Ended 31 March 2024.

For Information
(Pages 207 - 244)

(C) City Bridge Foundation: Future Funding Policy

To consider proposals relating to the City Bridge Foundation's funding policy.

For Decision
(Pages 245 - 264)

9 **Policy and Resources Committee****(A) Standing Orders**

To approve revisions to the Standing Orders.

NB – Appendices circulated separately.

For Decision
(Pages 265 - 270)

(B) City of London Corporation: Members' Code of Conduct

To consider revisions to the Members' Code of Conduct.

For Decision
(Pages 271 - 288)

(C) Strategic Branding Review outcome and proposals

To consider proposals for the City of London Corporation's brand identity and strategy.

For Decision
(Pages 289 - 306)

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- 10 **Corporate Services Committee**
To consider the 2025/26 Pay Policy Statement.

For Decision
(Pages 307 - 326)

- 11 **Motions**

- 12 **The Freedom of the City**
To consider a circulated list of applications for the Freedom of the City.

For Decision
(Pages 327 - 332)

- 13 **Questions**

- 14 **Policy and Resources Committee**

(A) Markets Food Study

To receive a report relating to the independent research into the wholesale food markets.

For Information
(Pages 333 – 336)

(B) Report of Urgent Action Taken: London Councils Grant Scheme 2025/26 Levy

To receive a report setting out action taken under urgency procedures.

For Information
(Pages 337 - 340)

- 15 **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 341 - 342)

- 16 **Ballot Results**
There were no ballots at the last Court.

- 17 **Resolutions on Retirements, Congratulatory Resolutions, Memorials.**

18 **Docquets for the Hospital Seal**

19 **Awards and Prizes**

MOTION

20 **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 Paragraphs 2 and 3 of Part 1 of Schedule 12A of the Local Government Act, 1972, or they otherwise relate to functions of the Court of Common Council which are not subject to the provisions of Part VA and Schedule 12A of the Local Government Act 1972.

For Decision

21 **Non-Public Minutes**

To agree the non-public minutes of the meeting of the Court held on 9 January 2025.

For Decision
(Pages 343 - 346)

22 **Policy and Resources Committee**

To consider proposals relating to the City of London Academies Trust.

For Decision
(Pages 347 - 352)

23 **City Bridge Foundation Board**

To consider a headlease variation.

For Decision
(Pages 353 - 358)

24 **Civic Affairs Sub-Committee**

(A) Applications for Hospitality

To consider applications for hospitality.

For Decision
(Pages 359 - 360)

(B) City Events Programme

To consider recommendations concerning the annual City Events Programme.

For Decision
(Pages 361 - 368)

6

25

Corporate Services Committee

To receive a report setting out action taken under urgency procedures.

For Information
(Pages 369 - 370)



KING, MAYOR
COURT OF COMMON COUNCIL

9th January 2025
MEMBERS PRESENT

ALDERMEN

Alexander Robertson Martin Barr (Alderman)	Robert Charles Hughes-Penney (Alderman)	Sir Nicholas Stephen Leland Lyons (Alderman)
Sir Peter Estlin (Alderman)	Gregory Jones KC (Alderman & Sheriff)	Christopher Makin (Alderman)
Alison Gowman CBE (Alderman)	Vincent Keaveny CBE (Alderman)	Bronek Masojada (Alderman)
Martha Grekos (Alderwoman)	The Rt Hon. The Lord Mayor, Alastair John Naisbitt King DL (Alderman)	Sir Andrew Charles Parmley, (Alderman)
Timothy Russell Hailes JP (Alderman)	Elizabeth Anne King, BEM JP (Alderwoman)	Simon Pryke (Alderman)
Robert Picton Seymour Howard (Alderman)	Tim Levene (Alderman)	

COMMONERS

George Christopher Abrahams	Helen Lesley Fentimen OBE JP	Paul Nicholas Martinelli, Deputy	David Sales
Munsur Ali	John Foley	Andrew Paul Mayer	Hugh Selka
Rehana Banu Ameer, Deputy	Marianne Bernadette Fredericks, Deputy	Catherine McGuinness CBE	Oliver Sells KC, Deputy
Randall Keith Anderson, Deputy	Steve Goodman OBE	Andrew Stratton McMurtrie JP	Dr Giles Robert Evelyn Shilson, Deputy
Brendan Barns	John Griffiths	Timothy James McNally	Alethea Silk
Matthew Bell	Jason Groves	Wendy Mead OBE	Paul Singh
The Honourable Emily Sophia Wedgwood Benn	Madush Gupta, Deputy	Andrien Gereith Dominic Meyers, Deputy	Sir Michael Snyder, Deputy
Nicholas Michael Bensted-Smith JP	Caroline Wilma Haines	Brian Desmond Francis Mooney, Deputy BEM	Naresh Hari Sonpar
Ian Bishop-Laggett	Christopher Michael Hayward, Deputy	Eamonn James Mullally	James Richard Tumbridge
Christopher Paul Boden, Deputy	Jaspreet Hodgson	Benjamin Daniel Murphy	Jacqueline Roberts Webster
Keith David Forbes Bottomley, Deputy	Ann Holmes, Deputy	Deborah Oliver TD	Mark Raymond Peter Henry
Tijs Broeke	Amy Horscroft	Suzanne Ornsby KC	Delano Wheatley
Timothy Richard Butcher, Deputy	Michael Hudson	Judith Pleasance	Ceri Wilkins, Deputy
Henry Nicholas Almroth	Wendy Hyde	James Henry George Pollard, Deputy	Glen David Witney
Colthurst, Deputy	Shravan Jashvantrai Joshi, Deputy MBE	Henrika Johanna Sofia Priest	Philip Woodhouse
Simon Duckworth, Deputy OBE DL	Natasha Maria Cabrera Lloyd-Owen, Deputy	Nighat Qureishi, Deputy	Dawn Linsey Wright, Deputy
Chief Commoner Peter Gerard Dunphy, Deputy	Charles Edward Lord, OBE JP	Alpa Raja, Deputy	Irem Yerdelen
Mary Durcan JP	Antony Geoffrey Manchester	Anett Rideg	
John Ernest Edwards, Deputy			

1. Apologies The apologies of those Members unable to attend the meeting were noted.
2. Declarations There were no additional declarations.
3. Minutes **(A) 26 November 2024**
Jason Groves's attendance at the meeting on 26 November 2024 had not been

accurately recorded, this was to be corrected to “Present”.

Resolved – That, subject to this amendment, the Minutes of the Court meetings on 26 November 2024 are correctly recorded.

(B) 5 December 2024

A correction to page 19 was proposed.

In the fourth paragraph, Deputy Fredericks moved a procedural Motion, rather than an Amendment. Therefore, the words “an amendment” should be replaced with the words “a procedural Motion”.

The corrected sentence should therefore read: *“She accordingly moved a procedural Motion under Standing Order 2, to suspend Standing Order 13(6) so as to allow for an additional question to be asked.”*

Resolved – That, subject to this correction, the Minutes of the Court meeting on 5 December 2024 are correctly recorded.

4. Mayoral Engagements

The Lord Mayor reported on his recent engagements, including the launch of new City Belonging networks and a visit to Northern Ireland, and on his upcoming engagements including the London Government Dinner.

5. Policy Statement

The Chairman of the Policy and Resources Committee took the opportunity to make a statement in which he congratulated colleagues featured in the New Years Honours list. He also informed the Court of his recent and upcoming engagements and provided updates on several areas of business.

6. Appointments

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

(A) One Member on Bridewell Royal Hospital.

Nominations received:-

Deputy Alpa Raja

Read.

Whereupon the Lord Mayor declared Deputy Alpa Raja appointed to the Bridewell Royal Hospital.

7.

POLICY AND RESOURCES COMMITTEE

(Deputy Christopher Michael Hayward)

17 October 2024

Bill for Act of Common Council – Annual Election of Ward Beadles

The Court considered a report concerning a Bill intended to address issues associated with the overlap of Aldermanic and Beadle terms of office.

Resolved – That the Court approved:

1. Proposals around a reversion to the prior arrangements whereby Beadles are once again elected annually.
2. The draft Bill for an Act of Common Council to effect this change, as set out in Appendix 1 to the report.

8.

FINANCE COMMITTEE

(Deputy Henry Nicholas Almroth Colthurst)

10 December 2024

(A) Procurement Code Review

The Court considered a report relating to the Procurement Code.

Introducing the report, the Chairman of the Finance Committee noted that the Procurement Code had not been reviewed or updated since 2015, and required updating in part to reflect the implementation of new legislation. This also provided an opportunity to address issues with the City Corporation's procurement procedures, such as the lack of involvement of commissioning committees, inflexible tender protocols, last-minute contract extension requests, misuse of contingency provisions in pricing envelopes and approval delays due to low thresholds for Court approval. The Chairman said the City Corporation needed a robust and efficient code.

During debate, a Member said that the review of the Procurement Code ran in parallel with the project governance review, and asked that Members took advantage of any opportunities to engage with the review.

A Member asked that the review considered how to maximise the social value of procurement. The Chairman said that this would be taken into account.

Resolved – That Members:

1. Approve the development of a new Procurement Policy and supporting framework to replace the existing Procurement Code.
2. Authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve changes to the Procurement Code and supporting framework to align with the new Procurement Act 2023.
3. Approve the temporary increase of the threshold for the approval of procurement options and contract awards by the Court of Common Council to £20m until 31 July 2025 whilst the new Procurement Policy is developed.

10 December 2024

(B) Extension of Contract for the Pan-London Sexual Health E-Services Contract

Members considered a report concerning a contract extension.

Resolved – That Members grant approval for the current E-services contract with Preventx Ltd, dated 15 August 2017 and currently due to expire on 15 August 2025, to be extended for a further year to expire on 15 August 2026.

9. PORT HEALTH AND ENVIRONMENTAL SERVICES COMMITTEE

(Mary Durcan)

19 November 2024

Circular Economy Framework for the City of London Corporation

The Court considered a report relating to waste management.

The Chairman of the Port Health and Environmental Services Committee encouraged Members to support the implementation of the Circular Economy Framework and associated action plan.

A Member noted their concern about the issue of litter on the City's streets. In reply, the Chairman said she was working with officers to improve standards.

Resolved – That Members approve the implementation of the Circular Economy Framework and the associated Action Plan 2024-2027.

10. Motions There were none.

11. 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:

Jamie Mildon Angus	a News Channel Chief Operating Officer	Dorset
<i>Ald. Alastair John Naisbitt King, DL</i>	<i>Citizen and Blacksmith</i>	
<i>Deputy Brian Desmond Francis Mooney, BEM</i>	<i>Citizen and Common Councillor</i>	
Samantha Louise Brown	a Therapist	Islington, London
<i>Ian Fagelson</i>	<i>Citizen and Stationer & Newspaper Maker</i>	
<i>Ulrike Murphy</i>	<i>Citizen and Stationer & Newspaper Maker</i>	
Henry Otto Brünjes	a Physician and Opera Company Chairman	Lambeth, London
<i>His Honour Judge Mark Lucraft</i>	<i>Citizen and Founder</i>	
<i>Fiona Josephine Adler</i>	<i>Citizen and Tobacco Pipe Maker & Tobacco Blender</i>	
Jacqueline Mary Brünjes	a Dance Company Chair	Lambeth, London
<i>His Honour Judge Mark Lucraft</i>	<i>Citizen and Founder</i>	
<i>Fiona Josephine Adler</i>	<i>Citizen and Tobacco Pipe Maker & Tobacco Blender</i>	
Louise Jane Fairweather	an Accountancy Practice Manager	Enfield, London

<i>Steven William Tamcken</i>	<i>Citizen and Basketmaker</i>	
<i>Adam John Armsby</i>	<i>Citizen and Basketmaker</i>	
Wenjian Fang	a Bank General Manager and Chief Executive	Hammersmith & Fulham, London
<i>Deputy Christopher Michael Hayward</i>	<i>Citizen and Pattenmaker</i>	
<i>Deputy Keith David Forbes Bottomley</i>	<i>Citizen and Pattenmaker</i>	
Alison Farmery	a Charity Head of Development	Chiswick, London
<i>The Hon. John Charles Michaelson</i>	<i>Citizen and Gardener</i>	
<i>Wendy Mead, OBE, CC</i>	<i>Citizen and Glover</i>	
Prof Dr Aline Gallasch Hall De Beuvink	a University Professor	Cascais, Portugal
<i>Jacqueline Chan</i>	<i>Citizen and Gold & Silver Wyre Drawer</i>	
<i>Rafael Steinmetz Leffa</i>	<i>Citizen and International Banker</i>	
Clare Denise Gibbs, OBE	a Civil Servant	Hampshire
<i>Jeremy Mark Fox</i>	<i>Citizen and Stationer & Newspaper Maker</i>	
<i>Peter James Bottomley</i>	<i>Citizen and Draper</i>	
Stephen Frederick Girling	a Site Service Engineer, retired	Ipswich, Suffolk
<i>Christopher Paul Grant</i>	<i>Citizen and Baker</i>	
<i>Russell Chweidan</i>	<i>Citizen and Baker</i>	
Susan Patricia Gower, MBE JP	a Public Health Programme Manager	Welling, Kent
<i>Kristen James Cottier</i>	<i>Citizen and Spectacle Maker</i>	
<i>Robert George Munson</i>	<i>Citizen and Builders' Merchant</i>	
Janice Lynn Grimsey, JP	a Solicitor, retired	St Albans, Hertfordshire
<i>David Andrew Harry</i>	<i>Citizen and Stationer & Newspaper Maker</i>	
<i>Philip Wright</i>	<i>Citizen and Marketor</i>	
Thomas Antonius Bernhard Gerhard Hall De Beuvink	a Lawyer and Entrepreneur	Cascais, Portugal
<i>Jacqueline Chan</i>	<i>Citizen and Gold & Silver Wyre Drawer</i>	
<i>Rafael Steinmetz Leffa</i>	<i>Citizen and International Banker</i>	
Steven Jeffrey Hartigan	a Firefighter, retired	Bromley, London
<i>Henry Llewellyn Michael Jones, MBE, CC</i>	<i>Citizen and Common Councillor</i>	
<i>Deputy Marianne Bernadette Fredericks</i>	<i>Citizen and Baker</i>	
John Paul Hennessey	an Electrical Design Consultancy Company Director	Bedford, Bedfordshire
<i>Revd. Christopher John Damp</i>	<i>Citizen and Stationer & Newspaper Maker</i>	
<i>James Andrew Lees</i>	<i>Citizen and Maker of Playing Cards</i>	

<p>Clifford John Hewitt <i>James St John Davis, CC</i> <i>Oliver Matthew St John Davis</i></p>	<p>a Musician <i>Citizen and Gardener</i> <i>Citizen and Woolman</i></p>	<p>West Sussex</p>
<p>Sir Christopher Andrew Hoy <i>The Rt. Hon The Lord Mayor</i> <i>Caroline Wilma Haines, CC</i></p>	<p>a Track Cyclist <i>Citizen and Blacksmith</i> <i>Citizen and Educator</i></p>	<p>Scotland</p>
<p>Damon Spencer Humphreys <i>Graham John Peacock</i> <i>David Bullock</i></p>	<p>a Transport Instructor Operator <i>Citizen and Loriner</i> <i>Citizen and Plumber</i></p>	<p>Borehamwood, Hertfordshire</p>
<p>Steven Michael Jackson <i>John Charles Jordan</i> <i>Kathryn Jean Jolley Milton</i></p>	<p>a Telecommunications Supply Company Director <i>Citizen and Glover</i> <i>Citizen and Musician</i></p>	<p>Buckinghamshire</p>
<p>Sarra Kemp, Lady Hoy <i>The Rt. Hon The Lord Mayor</i> <i>Caroline Wilma Haines, CC</i></p>	<p>a Charity Ambassador <i>Citizen and Blacksmith</i> <i>Citizen and Educator</i></p>	<p>Scotland</p>
<p>Suzanne Kianpour <i>Ald. Alastair John Naisbitt King, DL</i> <i>Deputy Brian Desmond Francis Mooney, BEM</i></p>	<p>a Journalist <i>Citizen and Blacksmith</i> <i>Citizen and Common Councillor</i></p>	<p>Washington DC, United States of America</p>
<p>Laura Lanaro <i>Peter Leslie Crispin</i> <i>David John Wilkinson</i></p>	<p>a Governance Adviser <i>Citizen and Glass Seller</i> <i>Citizen and Glass Seller</i></p>	<p>Hove, Sussex</p>
<p>Sir Brandon Kenneth Lewis, CBE <i>Ald. Alastair John Naisbitt King, DL</i> <i>Ald. Sir Andrew Charles Parmley</i></p>	<p>a Primary Education Company Director <i>Citizen and Blacksmith</i> <i>Citizen and Musician</i></p>	<p>Chelmsford, Essex</p>
<p>Jill Lofthouse <i>Wendy Mead, OBE, CC</i> <i>Patricia Agnes Campfield, MBE</i></p>	<p>A Market Researcher, retired <i>Citizen and Glover</i> <i>Citizen and Wheelwright</i></p>	<p>Canterbury, Kent</p>
<p>Eamon Martin Joseph Lynam <i>Vincent Dignam</i> <i>John Paul Tobin</i></p>	<p>a Quantity Surveyor <i>Citizen and Carman</i> <i>Citizen and Carman</i></p>	<p>Watford, Hertfordshire</p>
<p>Captain David Gareth Miles <i>Alan Roy Willis</i> <i>Charles Verriour Marment</i></p>	<p>a British Army Officer <i>Citizen and Baker</i> <i>Citizen and Draper</i></p>	<p>Islington, London</p>

James Summers Osborne-Patterson <i>Philip John Woodhouse, CC</i> <i>Jamel Banda, CC</i>	a Student <i>Citizen and Grocer</i> <i>Citizen and Poulter</i>	Surrey
Jane Elizabeth Owen <i>James St John Davis, CC</i> <i>Oliver Matthew St John Davis</i>	a Writer <i>Citizen and Gardener</i> <i>Citizen and Woolman</i>	West Sussex
Wing Commander Ian Littleton Palmer <i>David Robert White</i> <i>Jane Marietta Palmer</i>	a Royal Air Force Officer, retired <i>Citizen and Tyler & Bricklayer</i> <i>Citizen and Plumber</i>	Westminster, London
Dr Hitesh Dhanji Patel <i>Adewale Oladele-Ajose</i> <i>Lionel Carl Correya</i>	an Engineer <i>Citizen and Poulter</i> <i>Citizen and Poulter</i>	Brent, London
Joseph Gordon Radmore <i>Richard George Turk</i> <i>Claude Andrew Robert Fenemore-Jones</i>	a Ship Trader <i>Citizen and Shipwright</i> <i>Citizen and Scrivener</i>	Islington, London
Eric Bryson Richardson <i>Vincent Dignam</i> <i>John Paul Tobin</i>	a Road Safety and Sustainability Adviser <i>Citizen and Carman</i> <i>Citizen and Carman</i>	Staten Island, New York, United States of America
Abdulhalim Mohammad Sarker <i>Ald. Kawsar Zaman</i> <i>Ald. Prem Babu Goyal, OBE</i>	a Solicitor <i>Citizen</i> <i>Citizen and Goldsmith</i>	Redbridge, London
Grant William Stephens <i>Dr Iain Reid</i> <i>Gina Blair</i>	a Waterman & Lighterman <i>Citizen and Ironmonger</i> <i>Citizen and Master Mariner</i>	Kent
Calliope Tardios <i>Ald. Kawsar Zaman</i> <i>Ald. Prem Babu Goyal, OBE</i>	a Preparatory School Principal <i>Citizen</i> <i>Citizen and Goldsmith</i>	Hertfordshire
Otto Albert Tepassee <i>Vincent Dignam</i> <i>John Paul Tobin</i>	a Hospitality Company Director <i>Citizen and Carman</i> <i>Citizen and Carman</i>	Camden, London
Maria Regina Rosario Tierney <i>Azad Ayub</i> <i>David Lawrence Byron Stringer-Lamarre</i>	a Property Company Director <i>Citizen and Glazier</i> <i>Citizen and Glazier</i>	Enfield, London
Captain Daniel James Oliver Toms <i>Alan Roy Willis</i> <i>Charles Verriour Marment</i>	a British Army Officer <i>Citizen and Baker</i> <i>Citizen and Draper</i>	Kingston-upon-Thames, London

David Frederick Tyler	an Insurance Broker, retired	Bishop's Stortford, Hertfordshire
<i>David James Sales, CC</i>	<i>Citizen and Insurer</i>	
<i>Nicholas James Redgrove</i>	<i>Citizen and Insurer</i>	
James Michael Walker	a Head of Internal Audit	Surbiton, Surrey
<i>Dayne Paulding</i>	<i>Citizen and Constructor</i>	
<i>Stratton George David Richey</i>	<i>Citizen and Air Pilot</i>	
Deborah Jane Worrell	a Furniture Company Director	Bishop's Stortford, Hertfordshire
<i>Gareth Wynford Moore</i>	<i>Citizen and Joiner</i>	
<i>William Frederick Payne</i>	<i>Citizen and Joiner</i>	
Aimin Yang	a Bank General Manager	Westminster, London
<i>Deputy Christopher Michael Hayward</i>	<i>Citizen and Pattenmaker</i>	
<i>Deputy Keith David Forbes</i>	<i>Citizen and Pattenmaker</i>	
<i>Bottomley</i>		

Read.

Resolved - That this Court doth hereby assent to the admission of the said persons to the Freedom of this City by Redemption upon the terms and in the manner mentioned in the several Resolutions of this Court, and it is hereby ordered that the Chamberlain do admit them severally to their Freedom accordingly.

12. Questions
Qureishi, N,
Deputy, to the
Chairman of the
Finance
Committee

Business rates and SMEs

Deputy Nighat Qureishi asked the Chairman of the Finance Committee to provide an update on small business rate reform, alternatives such as online sales tax and any other support which could be given to small and medium-sized enterprises (SMEs).

In reply, the Chairman said that the City Corporation remained fully engaged with the government in relation to Business Rate reform and would be feeding into the Transforming Business Rate Consultation announced at the October budget; this would include suggestions around Business Rates reform. The Chairman was disappointed that the parameters of the consultation appeared more limited than either he or the Member would have liked – not least as they did not include consideration of alternative and more transparent options for local taxation such as local sales tax.

The Chairman continued to list the measures accounted in the October Budget to support small business and the retail and hospitality sector. He also described measures to be introduced in 2026/27.

The Chairman acknowledged that rental values and business rates in the Square Mile reflected its position as one of the most prestigious locations in the country. However, he felt that the City Corporation needed to prioritise its focus in this area to assist these businesses via its SME Strategy. This point had been raised at both Finance and Policy and Resources Committees in recent months.

As a supplementary question, Deputy Qureishi noted that other local authorities received considerable levels of government funding for small business support, and asked the Chairman if a higher priority would be given to lobbying the government for a higher funding settlement which recognised the City's role.

The Chairman replied to say that, having spoken to the Chairman of Policy and Resources, he was happy to give that assurance. The Policy Chairman was already in contact with both the Greater London Authority and London Councils regarding the future allocations of government funding for small business support. Under an existing anomaly, such funding was allocated to boroughs partly on a formula linked to headcount of residential population rather than numbers of small businesses. The Chairman felt that formula warranted review if the nation was to achieve full and proper value from the unique business concentration within the Square Mile.

The Chairman said that if the City Corporation was to have a role, it must act to ensure that Government understood that business brought benefits; and that small business/SMEs represented the little acorns from which great oaks grow.

Green Investments

The question was deferred.

*Tilleria, L, to the
Chairman of the
Policy and
Resources
Committee*

Homelessness and rough sleeping in the Square Mile

David Sales asked a question of the Chairman of the Community and Children's Services Committee, asking what action the City Corporation had undertaken to rectify homelessness in the Square Mile, with particular reference to Castle Baynard Street.

*Sales, D, to the
Chairman of the
Community and
Children's
Services
Committee*

In reply, the Chairman of the Community and Children's Services Committee reminded Members of her comments in October regarding the challenging issue of rising numbers of people sleeping on the streets of the City of London, and the range of interventions that Officers and partners had implemented to tackle this issue. This had included informing Members that work was underway to develop a City Corporation wide policy to address encampments, such as the one that existed at Castle Baynard Street.

Before updating Members on the policy development, the Chairman confirmed that a range of support services regularly targeted people sleeping in the tents on Castle Baynard Street.

The Chairman emphasised that the City Corporation's approach to rough sleeping would always be welfare led. However, there were circumstances in which issues such as antisocial behaviour could impact negatively on those who were homeless, and on the wider community. A policy was being developed to ensure that the City Corporation had an approach that balanced the delivery of support with the need to tackle negative impacts. It would provide clarity and transparency about the approach to interventions, and a clear authorisation process which drove consistency with that approach.

The Chairman confirmed that since the October meeting of the Court, Members of

the Homelessness and Rough Sleeping Sub-Committee had been involved in several meetings with officers to develop a draft policy and provided further feedback at the Sub-Committee's formal meeting on 9 December 2024. The final policy would be submitted to the Community and Children Services Committee for approval on 16 January 2025, and the City of London Police Authority Board on 12 February 2025

In addition to her update on the policy, the Chairman was pleased to confirm that the government had formally approved a further 12-month funding as part of Rough Sleeping Prevention and Recovery Grant, applicable from April 2025 until March 2026.

As a supplementary question, Mr Sales noted that on previous occasions, previous Lady Mayoresses had organised a sleep out to support homelessness and asked if the Chairman would be prepared to attend such an event. The Chairman said that she hoped these events would continue and would be happy to attend.

Deputy Marianne Fredericks asked the Chairman for assurance that she would explore creative solutions and use all leverage to the problem of homelessness, including the use of empty sites in the Square Mile and committing to a pan-London response.

In reply, the Chairman agreed that creative solutions were required, and officers were already focused on creativity and flexibility. As an example, she set out the processes where people had no recourse to public funds. During Severe Weather Emergency Protocol (SWEPE) periods, services immediately acted to help. If there was no recourse officers would try to help people work through the process. The City Corporation always tried to encourage people to stay and move into other accommodation. The Chairman also gave assurance that there was an enormous amount of London-wide work. Officers worked across London throughout the year to try and ensure there were co-operative arrangements, as it was known that people moved across boroughs. She finally committed to explore a more permanent, proactive and creative arrangement for belongings.

Munsur Ali asked for reassurance that the City Corporation was not addressing the issue of homelessness in Square Mile by relocating rough sleepers away from the iconic landmarks in the Square Mile. The Chairman replied to confirm that people were not being moved from one part of the City to the other; the policy would apply across the entire City.

Edward Lord asked the Chairman if she would take advantage of her attendance at the London Government Dinner that evening to draw attention to relevant attendees. In reply, the Chairman confirmed that she would, as she had done at the recent Parliamentary Reception.

Mark Wheatley asked the Chairman if she would work with the City Remembrancer to address the issue of the Vagrancy Act. The Chairman committed to explore the options available.

Holmes, A.
Deputy to the
Chairman of the
Policy and
Resources
Committee

Publication of non-public minutes

Deputy Ann Holmes, noting that any potentially sensitive information was already in the public domain, asked if the non-public minutes from 26 November 2024 could be made public, once agreed.

In reply, the Chairman said that he was happy to confirm that, provided the minutes at Item 20 were approved, then they could and would be made public, except for one sentence deemed to be commercially sensitive.

Benjamin Murphy asked the Chairman if officers could explore the possibility of putting non-public papers into the public realm following their consideration at Committee meetings. In reply, the Chairman said he was happy to talk with officers to progress this matter. He reminded Members that they were guided by the professional advice of officers as to what could and couldn't be made public. He did not think it was for Members, as politicians, to challenge the rationale, unless they had a particular reason.

Benjamin Murphy asked the Chairman if he agreed that a framework should be established to help clarify who would be responsible for making the decision. The Chairman said he would consult with officers and respond to all Members.

Deputy Natasha Lloyd Owen asked if the entire recordings of meetings could be made publicly available, if it was felt appropriate, and for the Chairman to clarify that, in all instances other than where legally impermissible, the City Corporation would always err on the side of transparency. She also asked if the minutes of the informal meetings of the Court of Common Council could also be released. In reply, the Chairman said that he shared the wish to be as transparent as possible, as often as possible. He felt that the only reason to not be transparent was where an item was commercially sensitive or would damage the City Corporation if published. He gave his assurance in principle, but would respond to Members in writing.

Michael Hudson asked the Chairman if he could check that publishing the minutes would not lead to information from the report being published, and redacting the report if necessary. The Chairman replied to give his assurance in principle.

13. **POLICY AND RESOURCES COMMITTEE**

(Deputy Christopher Michael Hayward)

10 December 2024

Report of Urgent Action Taken: Standing Order 64 (Disciplinary Action)

The Court received a report concerning action taken under urgency procedures relating to the Statutory Officer complaint procedure.

A Member asked if the Senior Officer Complaints procedure should be aligned with the process for Members.

In reply, the Chairman said that the adjustments were technical and did represent a change to the substantive process. The City Corporation was required by legislation to incorporate the process in its Standing Orders, and the changes had been

proposed following review by a leading KC.

Resolved – That the Court of Common Council note the report.

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

Statutory Instruments

In Force

Recognition of Professional Qualifications and Implementation of International Recognition Agreements (Amendment) (Extension to Switzerland etc.) Regulations 2024 13 December 2024 and 1 January 2025

Implements provisions of the Switzerland Recognition of Professional Qualifications Agreement. The Agreement provides a framework for the recognition of professional qualifications between the UK and Switzerland. The Agreement applies to professionals (eg auditors, accountants, lawyers) holding qualifications from the UK or Switzerland applying for recognition by a relevant professional authority in the other country, regardless of nationality.

Inspectors of Education, Children’s Services and Skills (No. 4) Order 2024 19 December 2024

Appoints Susan Deborah Hasty as His Majesty’s Inspector of Education, Children’s Services and Skills on 19th December 2024.

Read.

15. Ballot results There were no ballots at the last Court.

16. Resolutions In recognition of a number of Members and Officers of the City Corporation in the New Year’s Honours List:-

*Dunphy, P.G.,
Deputy:
Colthurst, H.N.A.,
Deputy*

Resolved unanimously – That the sincere congratulations of this Court be offered to Deputy James Michael Douglas Thomson, C.B.E on his recent appointment by His Majesty the King as a Commander of the Most Excellent Order of the British Empire, in recognition of his services to Policing and Inclusion.

*Dunphy, P.G.,
Deputy:
Colthurst, H.N.A.,
Deputy*

Resolved unanimously – That the sincere congratulations of this Court be offered to Mark Emmerson, O.B.E, Chief Executive Officer of the City of London Academies Trust and, lately, Principal of the City Academy Hackney, 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 Education.

*Dunphy, P.G.,
Deputy:
Colthurst, H.N.A.,
Deputy*

Resolved unanimously – That the sincere congratulations of this Court be offered to Margaret Elizabeth Green DL, O.B.E., a past Sheriff of this City, on her recent appointment by His Majesty the King as an Officer of the Most Excellent Order of the British Empire, in recognition of her voluntary service and services to Prisoner

Rehabilitation in London and Hertfordshire.

Dunphy, P.G.,
Deputy:
Colthurst, H.N.A.,
Deputy

Resolved unanimously – That the sincere congratulations of this Court be offered to Peter Young, M.B.E., a former Chairman of the Guildhall School of Music and Drama Trust, on his recent appointment by His Majesty the King as a Member of the Most Excellent Order of the British Empire, in recognition of his services to Music and Drama Education in London.

Dunphy, P.G.,
Deputy:
Colthurst, H.N.A.,
Deputy

Resolved unanimously – That the sincere congratulations of this Court be offered to Jackson Gibbons, Basketball Academy Director, City of London Academy Southwark, in recognition of the award by His Majesty the King of the British Empire Medal, in recognition of his services to Young People and to Basketball.

17. Awards and Prizes

There was no report.

18. Docquets for the Hospital Seal.

There were no docquets.

19. Exclusion of the public

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.

20. Non-public minutes

Resolved – That the non-public minutes of the Court meeting on 26 November 2024 are correctly recorded, as amended, and that an updated version be placed into the public domain.

Resolved – That the non-public minutes of the Court meeting on 5 December 2024 are correctly recorded.

21. **FINANCE COMMITTEE**

The Court considered and approved a report relating to a contract extension

22. **GRESHAM COMMITTEE (CITY SIDE)**

The Court considered and approved a report of the Gresham Committee (City Side) concerning Gresham College funding arrangements.

23. **FRAUD AND CYBER CRIME REPORTING AND ANALYSIS PROCUREMENT COMMITTEE**

The Court considered and approved a report concerning a contract award for the implementation phase of the new Fraud and Cyber Crime Reporting and Analysis Service.

24. **INVESTMENT COMMITTEE**

The Court noted a report of action taken under urgency procedures relating to a freehold disposal of a City Fund property asset.

The meeting commenced at 1.00pm and ended at 2.24pm

THOMAS.

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Report – Finance Committee

City Fund 2025/26 Budget and Medium-Term Financial Plan

To be presented on Thursday, 6th March 2025

*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).

Economic Stability and Government Actions:

After a period of significant economic volatility and the effects of high-inflation, the past twelve months have seen a gradual return to stability. However, the high inflation's impact continues to exert pressure as increased costs are now embedded in contracts and wages. Despite stagnation last year, the broader economy is projected to grow annually by no more than 1.8% through to 2028.

Against this backdrop, the new government confirmed its first local government finance settlement on 3rd February 2025. This settlement provided a larger increase in Core Spending Power relative to current inflation rates, but it also indicated an intent to redistribute funding across the country, using comparators such as deprivation more heavily.

Specifically for the Corporation, the planned reset of Business Rates income retention in 2026/27, highlighted in last year's Medium Term Financial Plan (MTFP) paper and reaffirmed by the new government, has the potential to reduce annual City Fund income by £27m, necessitating a strategic and urgent response.

Your Finance Committee noted that the Chamberlain would advocate that proposed transitional relief arrangements over funding reform more generally may partially mitigate the impact, with more information expected to be released in the Spring.

Financial Challenges:

While the City Fund is projected to achieve a balanced budget in 2025/26, significant factors suggest that 2026/27 will fall into a deficit that could only be managed through the use of reserves. Although this approach enables the City Fund to remain balanced within the medium-term financial plan, it is not sustainable and requires urgent action.

Financial modelling on potential transitional relief indicates that the move into deficit could be delayed until 2027/28. Therefore, your Finance Committee advises a focus on developing savings plans through a staged approach over the next two years within the City Fund, to be implemented from 2027/28 with further savings delivered by 2028/29, to address the anticipated loss of business rate income growth. To date, efforts have been more focused on income generation but will also require priority decisions for the Corporation, including difficult decisions about ceasing certain activities.

The Housing Revenue Account is under significant pressure and fiscal sustainability is extremely fragile; and there is a need to address the condition of some part of the housing stock.

In December 2024, approval was granted to proceed with the first phase of the Barbican Renewal works, committing over £290m in resources to the project, including risk budgets. This approval came with the necessity to ensure the long-term financial stability of the Barbican Centre, aiming to reduce future revenue contributions from the City of London Corporation while making future stages of capital works self-funding through partner contributions or disposals.

Although the Final Local Government Financial Settlement includes a welcome increase of £1.2m, this amount only just covers pressures within children's social care, leaving ongoing pressure on adult social care and future homelessness costs. The expectation continues from Government that more will be raised from local taxpayers. The new Governments' approach to allocation of funding alongside the proposed redistribution of Business Rate growth means the City Corporation does not benefit from the same level of funding increases as other local authorities. In fact, the City Corporation is set to see one of the lowest increases in Core Spending Power within London in 2025/26. The same position applies for the Police Funding settlement. To support increased local funding for other forces, Government has increased the flexibility for increasing Precepts by up to £14 without a referendum being required. Following the steer from Resource Allocation Sub Committee in the summer, your Finance Committee recommends income raising proposals for City Fund via Business Rates Premium and Council Tax.

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 £9m. This pool is an extension for one year only. Due to the expected reset of business rate income in April 2026, 2025/26 is expected to be the final year where these pooling arrangements remain financially viable to continue. 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.

To address some of these challenges, Members have endorsed a new Investment Strategy aimed at diversifying investment property to ensure a higher rental yield. Despite this, tough budget decisions are needed to remain within the overall envelope across the medium term to 2028/29.

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

Table 1: City Fund five-year outlook

Surplus/ (Deficit)	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
City Fund surplus/(deficit)	73.4	29.9	(9.7)	(26.6)	(24.5)
City of London Police surplus/(deficit)	0.0	(1.0)	(1.0)	(1.0)	(3.9)
¹ Proposed funding changes	0.0	8.9	8.9	8.9	8.9
Proposed use of BRP to fund SSD/FPEP	0.0	(6.3)	(6.3)	(6.3)	(6.3)
Transfer to and from Police Reserve	0.0	(1.1)	(1.1)	(1.1)	2.8
City Fund incl. Police surplus/(deficit)	73.4	30.4	(9.2)	(26.1)	(22.5)
² <i>General Fund Reserve – working capital</i>	20.0	20.0	20.0	20.0	20.0
³ <i>Business Rates Risk Reserve</i>	5.3	5.3	5.3	5.3	5.3
⁴ <i>Major Project Financing Reserve</i>	135.5	125.9	81.3	37.9	8.4
⁵ <i>Cyclical Works Programme Reserve</i>	64.6	49.0	32.4	21.1	0.0
⁶ <i>Climate Action Reserve</i>	13.7	13.0	12.5	12.5	12.5

¹ Proposed funding changes include tax rises on council tax at 4.99% and Business Rate Premium at 4p

² General fund reserve maintained at minimal prudent amount for working capital.

³ Business Rate Risk Reserve held to mitigate future risks.

⁴ Major project financing reserve includes: adjustments for financing the revenue element of major projects which is not included in the deficit/surplus, plus is used to smooth budget surplus/deficits over the medium-term financial plan.

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

⁶ Climate Action Reserve includes adjustments for financing the revenue element of climate action and savings from climate action and similar programmes.

The Police started 2024 with a balanced MTFP, but new pressures have made this unsustainable. The 2025/26 Police Funding Settlement provided an additional £6.5m, covering 2024 costs, officer pay awards, National Insurance, and more Neighbourhood Policing officers. Despite this support, a funding gap of £1m p.a. remains due to unfunded London Allowance costs and the 2024 staff pay award. The City Corporation is unable to levy taxes in the same way other Police Crime Commissioner Offices through precept on Council Tax – for 2025/26 up to £14 without needing a referendum. Consequently, additional local funding is necessary, as has been the case with other forces, most of whom have increased the precept by £14.

City Fund (including Police) is balanced over the medium-term financial plan (MTFP), taking one year with the next, with a surplus of £35.5m without tax increases (£45.4m with tax increases). Useable reserves are expected to decrease by £193m, as these funds will be necessary to offset future deficits and support the major projects, CWP and climate action programmes. The announcement from the Final Local Government Settlement has already been incorporated into the MTFP and is expected to result in the City Fund losing the benefit of additional Business Rate growth which has been instrumental in generating surpluses used to fund Major Projects. Interest returns have provided short-term relief against inflationary and other pressures. However, significant pressures persist, now looming just a year away. Further measures are required to ensure City Fund remains in balance beyond 2025/26. Previously, business rate growth was earmarked for major projects. However, due to rising inflation, reduced property income, and ongoing pressures in adult and children's services including homelessness, such separation has not been feasible during the current financial year and will continue to be unfeasible in 2025/26 and later years. Without this growth in

Business Rates, and one-off benefit from releasing part of the provision for appeals, the City Fund would face a deficit of £22m in 2025/26. Projected deficits in later years jeopardise the statutory duty to remain balanced across the 5-year medium-term, leaving little room to manage unforeseen financial challenges. Reliance on reserves to balance future years is unsustainable beyond 2028/29.

Projecting the impact of the reset and redistribution of business rates is very difficult due to the complexity of the system and variation of options the government may implement. For MTFP purposes, a prudent approach has been taken, however there is the potential for some kind of transitional period to avoid a ‘cliff edge’ where authorities lose growth income built up over 10 years. An early estimate of this could be worth c£29m of additional business rate income to the City Corporation over the MTFP from a smoothing of the redistribution. More detail is expected to be released in the Spring, so it is not recommended to include these amounts at this point. However, table 2 below demonstrates the potential impact.

Table 2: City Fund position with transitional Business Rate redistribution

CITY FUND	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
City Fund total including Police	73.4	30.4	(9.2)	(26.2)	(23.0)
Potential transitional relief from BR reset			18.5	9.7	1.0
Revised Surplus/(Deficit)	73.4	30.4	9.3	(16.5)	(22.0)

Based on the above modelling savings required could be pushed out by a year of approximately £16m by 2027/28 increasing to £22m p.a. by 2028/29 onwards.

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 2025/26, your Finance Committee recommends the following:

- Increase Adult Social Care precept by 2% which raises £194k p.a. – in response to the ongoing pressures in adult social care of £0.2m.
- Increase in core Council Tax by 2.99% which raises £298k p.a.- to address pressures on children services and other future pressures in homelessness estimated at £2m p.a. from 2026/27 onwards.
- Increase Business Rates Premium by 4p which raises c£8.4m p.a. - to support Police inflationary pressures and rising costs of funding the Future Police Estate Programme.
- Increase rents for social tenants within the Housing Revenue Account by 2.7%. as supported by the Children’s & Community Services Committee on 16th January 2025 to balance the HRA across the MTFP.

Capital - Business as usual

Turning to the capital position, due to the wider financial pressures no new proposals were solicited as part of the 2025/26 process. Instead, it is proposed that £7m be held as contingencies from 2026/27 per annum to address any unforeseen pressures,

however a re-prioritisation of existing allocations is also recommended to identify future capacity and avoid overstretching available resources.

Capital – Major Projects

The budgets for Major Projects have been updated to reflect recent decisions. Additionally, this report recommends measures to fund the tactical firearms training facility and to increase optimism bias for the remainder of the Future Police Estate Programme. For further information please refer to Appendix A, paragraphs 22-30.

Options to stabilise the position

Your Finance Committee recommends a number of measures to stabilise the position in 2025/26 and support the steps that will need to be taken over the medium-term, supported by:

- **One-off spends** addressed within resource envelope/added to MTFP, with exceptional items funded from underspends of approximately £22m projected to be carried forward from 2024/25 (including inflation contingency - paragraph 18).
- **Medium-term savings plans** require ongoing radical thoughts to reduce the future projected annual operating deficit for both City Fund and City's Estate. This will include developing a savings plan under the Town Clerk's Transformation Programme aligned with the Fantastic Five Years vision, designed to support organisational excellence, financial sustainability, and prepare the City Corporation for a digitally focused, AI-driven future (see paragraphs 46 to 54).
- **Tax increases** have been modelled and recommendations made.

Savings programme. While income generation must remain a priority across City Fund, if there is no transitional relief, additional savings of approximately £9m are required by 2026/27, increasing to £26m p.a. by 2027/28 onwards. This will necessitate tough decisions on changes or reductions in existing services and grants.

➤ **For Major Projects:**

- Development opportunities to attract investment must continue to be prioritised as demand is outstripping available resources. The City Corporation is only able to fund the first stage of the Barbican Renewal.
- The initial phase of Barbican Renewal, approved by the Court of Common Council on 5th December 2024, includes a funding gap of £101m to be financed from the disposal of investment assets, plus the identification of £56m funding for optimism bias. It is essential for the City Corporation to focus on mitigating the financial burden. Leveraging the commercialisation of the Exhibition Halls will be crucial in reducing funding requirements. Furthermore, the future estate requirements cannot be supported by the City Fund. This necessitates consideration of long-term ambitions, the operating model, and third-party funding solutions alongside existing revenue funding for the centre.
- Several factors, including high-inflation, an expanded scope of the Salisbury Square Development (SSD), a national decision to increase police officers, and the recent tendering of the 17 Fit Out works packages on Salisbury Square, resulted in significant budget pressures for SSD and the Future Police Estates Programme (FPEP). Alternative funding solutions have been identified. Your Investment Committee has reprioritised use of capital receipts

to the commercial element of the building, and your Finance Committee recommends an increase in the Business Rate Premium to deliver the tactical firearms training facility; this is supported by your Police Authority Board. Additionally, with several projects within the FPEP still in their early stages and existing risks, Members must consider raising the optimism bias for the remaining projects, as the current optimism bias has been depleted. Your Finance Committee recommends that optimism bias be increased by an additional £30m. Without a further increase in the Business Rates Premium of 4p, additional disposals from the investment property will be necessary, adding an additional £1.2m p.a. pressure on City Fund's current deficit.

- Given that ambitions and current commitments exceeds resources priority otherwise continues to be directed towards statutory or health and safety needs, alongside the already approved Cyclical Works Programme.

RECOMMENDATION

Following your Finance Committee's consideration of this City Fund report and appendices, the Court of Common Council is recommended to: -

1.0 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 Net 2% inflation uplift to local risk budgets.
 - 1.1.2 £1.3m p.a. for City Fund Adult Social Care and Children Services.
 - 1.1.3 £232k p.a. City Fund for Health & Safety officers (Environment and Barbican Centre)
 - 1.1.4 £165k p.a. for increased internal control (Internal audit) split across funds.
- 1.2 Following the Government's announcement to increase employers' national insurance from 13.8% to 15%, it is recommended that additional funding be allocated to City Fund (the final Local Government Settlement confirmed £873k of grant).
- 1.3 Ongoing pressures identified through the budget-setting process and supported by Members are addressed through savings made elsewhere, remaining within the overall budget envelope. These pressures are outlined in paragraph 17.
- 1.4 Other one-off pressures and opportunities for transformation in 2025/26 outlined in paragraphs 18 to be funded from forecast carry forward underspends from 2024/25.
- 1.5 Uplift the grant to the London Museum by up to 3% (£170k) pending confirmation that the Greater London Authority (GLA) are matching the uplift; and a provision to uplift the grant to the London Symphony Orchestra by up to 3% (£61k), subject to funding discussions with the Arts Council. Any such additional funding will be funded from savings found.
- 1.6 As in previous years, approve that the recommended earmarked security reserve retains £1m as a minimum and is reviewed annually.

- 1.7 Approve the overall financial framework and the revised Medium-Term Financial Strategy (paragraphs 9 to 84).
- 1.8 Approve the City Fund Net Budget Requirement of £241.8m (Appendix A, paragraph 7).

2.0 **Medium Term Corporate Plan Alignment and Financial Sustainability** – Members are asked to approve the following recommendations:

2.1 **Revenue:**

2.1.1 Additional resource requests and inflationary pressures: Going forward, assumptions include 2% uplift from 2025/26 onwards.

2.1.2 Homelessness £2m p.a. pressure added from 2026/27 (paragraph 82).

2.2 **For Cyclical Works Programme (CWP):**

2.2.1 £7.5m p.a. built in from 2028/29 onwards to support ongoing works and avoid a backlog.

2.2.2 Funding for City Fund has been identified and allocated from reserves for 2028/29 only. Futures years funding will necessitate disposal of assets.

Key decisions:

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

3.0 **Council Tax and Housing and Council Tax Benefits** – paragraph 42

- 3.1 An increase of 2% social care precept, raising c£194k p.a. in response to the ongoing pressures in adult social care totalling £0.2m.
- 3.2 An increase of 2.99% on core Council Tax raising c£298k p.a. to address pressures in children's social care, the gap in pressures from the national insurance increase and other pressures outlined under section 1 i) above.
- 3.3 To note if both increases are approved, the 4.99% increase will result in the Band D rate increasing from £1,051.62 to £1,102.82 (before GLA precept).
- 3.4 To retain a fully funded means tested council tax reduction scheme for those on low incomes who are least able to pay and providing continued support to vulnerable members of society.
- 3.5 Continuing the Local Discretionary discount for Care Leavers between the ages of 18 to 25 for 2025/26.
- 3.6 The current 100% discount awarded to unoccupied and unfurnished and uninhabitable dwellings is continued at zero (0%) for 2025/26.
- 3.7 Continuing the premium levied on long-term empty property of 100%, 200% and 300% on properties that have been empty for 2, 5 and 10 years respectively in 2025/26.
- 3.8 Continue the long-term empty property premium of 100% for properties that have been empty for longer than 12 months in 2025/26.
- 3.9 Introduce the Second Home Premium of 100% in 2025/26.

- 3.10 Determine that pensions received by veterans under the War Pension Scheme or War Compensation scheme are fully disregarded in the calculation of Housing and Council Tax Benefit.
- 3.11 Having regard to the government guidance issued, approve that 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.
- 3.12 Approve that the cost of highways, street cleansing, waste collection and disposal, drains and sewers, and road safety functions for 2025/26 be treated as special expenses to be borne by the City's residents outside the Temples (Appendix B).

4.0 **Business Rates and Business Rate Premium** – paragraphs 43-44

- 4.1 To approve an increase the Standard City Business Rate Premium from 1.8p to 2.2p, setting the overall standard business rate multiplier as 57.7p
- 4.2 To approve an increase the Small Business City Premium from 1.6p to 2p, setting the overall small business multiplier as 51.9p
- 4.3 To note for every 1p increase - this raises c£2.1m, therefore an increase in Business Rates Premium by 4p (as per above) - raises £8.4m p.a.
- 4.4 Award a Discretionary Discount under S47 Local Government Finance Act for qualifying Nursery Schools of up to 100%.
- 4.5 Note that, in addition, the GLA is levying a Business Rate Supplement in 2025/26 of 2.0p in the £ on properties with a rateable value of £75,000 and above (Appendix A, paragraph 11).
- 4.6 Delegate to the Chamberlain the award of discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988 (Appendix A, paragraph 11).

5.0 **HRA Rent**

- 5.1 Approve an increase on rents for social tenants within the Housing Revenue Account by 2.7% for 2025/26, as proposed to the Children's & Community Services Committee on 16th January 2025 in order to balance the HRA across the MTFP.

6.0 **Capital Expenditure**

- 6.1 Approve the Capital Strategy (**Appendix F**).
- 6.2 Approve the Capital budgets for City Fund and the allocation of central funding from the appropriate reserves to meet the cost of 2025/26 – 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 56 to 64)
- 6.3 Approve the continuation of the allocation of central funding in 2025/26 to provide internal loan facilities for the HRA, currently estimated at £11.0m respectively.

- 6.4 Approve the Prudential Code indicators (Appendix D).
- 6.5 Delegate authority to the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.

7.0 Treasury Management Strategy Statement and Annual Investment Strategy 2025/26 (Appendix E)

- 7.1 Approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26, including the treasury indicators – Appendix E.
- 7.2 Approve the authorised limit for external debt (which is the maximum the City Fund may have outstanding by way of external borrowing) at £348.0m for 2025/26; and the Minimum Revenue Provision (MRP) for 2025/26 at £1.4m (MRP policy is included within Appendix E – Treasury Management Strategy Statement and Annual Investment Strategy Statement 2024/25 - Appendix 2).

8.0 Chamberlain's Assessment

- 8.1 Take account of the Chamberlain's assessment of the robustness of estimates and the adequacy of reserves and contingencies (paragraphs 69-73 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 Court of Common Council to approve.
2. Global events continue to create significant uncertainty around the economy and the ongoing impacts of recent high inflationary pressures continue to be significant. Whilst inflation has fallen around 2%, future projections are more uncertain and the potential for future increases remains.
3. The new Government has provided increased political stability on a national level, but global events could still impact the wider economy. Therefore, there are still a significant number of risks which could impact on the MTFP.
4. The autumn 2024 Budget confirmed the commitment to implement a redistribution of funding for local government more aligned to deprivation and tax raising powers from 2026/27. This has the potential to make material changes to the level of funding generated and received by the City Corporation within City Fund. The Final Local Government Settlement released on 3 February 2025 provided some insight into the new government's approach for allocating local government funding. Overall, Core Spending Power (CSP), which measures resources available to local authorities for service delivery, increased by 6% nationally. Within London the average increase was slightly lower, but for the City Corporation, the increase was only c3%. Some of the larger reductions across London included the removal of the Services Grant (£15m across London and £0.1m within CoL) and the end of 2024/25 funding guarantee amounts (£9m across London and £0.4m for CoL).
5. Whilst income generation through CSP is proportionally smaller for the City Corporation due to the income received from Business Rates retention, further consultation on future funding reforms for 2026/27 onwards has reaffirmed the intention to reset business rates baselines, which is expected to have a significant impact on the Corporation as seen in the projections within this report. It is hoped, and will be advocated, that transitional relief as mooted in the Government's consultation on funding reform will partially mitigate the position until we can grow the business ratepayer base again, but until there is further information from government, no predictions can be made on how much this will mitigate the anticipated £27m loss.
6. Despite significant budget reductions over the past decade across City Fund and City's Estate, there continues to be considerable pressures on City Fund. These pressures are attributed to the financing of major projects, inflation increases, projected lost income from business rates and challenges in retaining and recruiting staff under the current salary structure. To address some of these challenges Members have endorsed a new Investment Strategy aimed at diversifying investment property to ensure a higher rental yield.
7. Another significant decision made in 2024 was the approval of phase 1 of the Barbican Renewal Programme. This initiative is to address critical infrastructure issues, ensuring continued operations at the Barbican Centre while modernising its spaces and venues to meet future requirements. The programme introduces additional cost pressures on City Fund amounting to £230.6m in capital and £19.9m in revenue support. Although £90m in capital funds has been allocated from existing

resources, there remains a shortfall of £101m after considering a fundraising effort of £40m. Addressing this funding gap requires asset disposal and leveraging the commercialisation of the Exhibition Halls in the coming years. Third party funding is needed for subsequent phases.

8. While individual budgets have undergone changes, several overarching messages from the 2024/25 MTFP remain consistent, these being:
 - a) City Fund (including Police) is expected to fall into deficit within the MTFP period.
 - b) The scale of the Capital programme and major projects is placing significant pressure on the resources available.
 - c) The HRA remains finely balanced for the next two years, with an anticipated improvement in outlook as additional properties become available upon completion of new developments, but with significant requirements to improve the condition of housing stock.

Overall Financial Strategy

9. 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

Measures to the 2025/26 budget

10. In considering the options Members should be aware of the following:
 - **Ongoing inflationary pressures** impacting pay and prices – inflation has been highly volatile and significantly above the Bank of England's 2% target in recent years, reaching levels over 11% in 2022/23 but currently down to c2%. In 2025/26 this is expected to drop below 2% before rising back to around 2% during 2027. Pay contingencies have been included for 2024/25 uplift through the reprioritisation of existing resources, for future years an uplift of 2% for pay and prices on net local risk budgets has been included.
 - **Notable degree of uncertainty and risk** surrounding the economic forecast for 2025. Several factors influence this outlook. While the labour market has shown signs of softening, significant global events such as geopolitical tensions and economic policies in other countries may contribute to economic instability. There remains a risk on income streams, particularly: rental income from investment properties, event bookings and events at the Barbican needs close monitoring.

- **Pressures highlighted by departments** through officer deep dives, business planning and your Finance Committee's Efficiency and Performance Working Party – i.e. HR, the Barbican Centre and Guildhall School Music & Drama (GSMD). It is recommended that the City Corporation either reprioritises current resources or determines which activities can be discontinued to create headroom to support existing/new areas requiring investment or identify opportunities to drive efficiencies. This approach aims to achieve a significant shift in our services, rather than merely delivering substantial savings.
- **Pressures on social care and children's services.** Despite receiving additional funding in 2024/25 additional pressures amounting to £1.3m are expected to persist into 2025/26 for social care and children's services. Efforts have been made to reduce costs in children's social care and implemented targeted interventions to decrease the necessity of residential placements, thereby enabling individuals to remain at home longer. However, these pressures are anticipated to continue to increase in future years. Whilst additional funding is received, not increasing taxes will further exacerbate the financial strain on City Fund finances.
- **Impending rates reset in 2026/27.** As anticipated in last year's MTFP, the government have reaffirmed the intention for reform of local government and business rate funding allocations from 2026/27. This reform is expected to see the income received within City Fund fall by c£27m p.a. Given the statutory duty to set a balanced budget each year for City Fund, this places significant pressure on the financial planning for the next fiscal year. Whilst reserves can be used to mitigate the impact temporarily, relying on them to balance the budget is not a sustainable long-term strategy. The potential of transitional relief may partially mitigate the impact.
- **Ongoing cyclical works programme.** Although the £133m cyclical works backlog for City Fund, City's Estate, and £12.5m for GSMD was approved in March 2024, institutions (who are required to) must set aside suitable funding within their own budgets to manage regular repairs and maintenance to their properties. Sustainable funding for cyclical works has been incorporated into future years from 2028/29 as approved by Court of Common Council on 7 March 2024. This approach is designed to prevent issues like those at the Barbican Centre, where a substantial amount of funding is required to be included in one go to address critical repairs and upgrades. The profile of the original £145.5m backlog works now also covers this period so a decision is required as to whether there is capacity to deliver further works in 2028/29. Members should note that capital programmes have been reduced to accommodate the budgeting of the ongoing cyclical works programme.
- **Housing Revenue Account (HRA)** With previous high inflation and rent caps in place, the increases in costs have not been matched by increases in rent. There is a requirement to balance HRA across the MTFP and a 2.7% increase in rent is permitted and recommended for 2025/26. HRA reserves are forecast to be under significant pressure in the medium term; however, additional properties being completed as part of new developments should enable small surpluses to begin rebuilding resilience. Further cost pressures or loss of income in the coming years would be challenging to absorb with the HRA reserve. There is a large amount of unfunded major works that members are

keen to carry out on existing stock, but these are currently unaffordable within the HRA envelope. Members are asked to note that s106 funds can only be used against new builds and cannot support the future maintenance of existing units. Government has recognised there is an issue nationally for HRA resilience and further flexibilities may be permitted. If not sufficient, there may be potential for a capital grant from City's Estate to be explored (approximately £50m-£60m over 10 years). While new units will increase the income stream, they will also bring future pressures on repairs and maintenance in the long term as well as increase the depreciation charge. Members should note the inability to manage future costs from further new builds within the HRA budgets will continue to place a strain on the HRA.

- **Significant inflationary pressures on Police**, arising from higher than budgeted pay and allowance increases for officers and staff, along with pressures from the Fraud & Cyber Crime Reporting & Analysis Programme, loss of Transport for London (TfL) funding and increased operational demands and cost pressures. While the 2025/26 police funding settlement announced in December has provided £6.5m additional funding over 2024/25, much of this was to cover the increased costs of 2024 and future officer pay awards, employers National Insurance contributions and an uplift in Neighbourhood Policing officers. Without additional local funding, there is likely to be a residual gap of c.£1m pa in the Police budget, linked mainly to unfunded London Allowance costs (if Metropolitan Police Service applies the increased maximum), 2024 staff pay award and future year staff pay awards. Members should note most other forces are looking to maximise use of their additional precept flexibility of £14.
- **Savings programme**. In order to meet the significant future funding challenges, further savings need to be identified and delivered from 2026/27 onwards if no transitional relief is provided. This needs a cross-Corporation approach in order to achieve the budget gap within City Fund.

Corporate Plan

11. When considering the allocation of resources and competing pressures and priorities, the [Corporate Plan](#) provides a framework to ensure decisions are aligned to one or more of the approved six key outcomes.
12. Having been approved in January 2024, the alignment of the MTFP, Corporate Plan and Business Planning is still in a relatively early stage. 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 breaking away from silos. If expenditure cannot be linked to one of the outcomes there should be scrutiny as to why it is being incurred and potentially the need to stop doing it in order to ensure efficient allocation of resources.
13. The Corporate Plan can serve as a useful framework when evaluating activities that the City Corporation may need to discontinue to manage financial resources. It is important to consider that some services are governed by statutory legislation that must be taken into account.

14. The budget setting process for 2025/26 and beyond began in May 2024 with a series of officer led star chamber meetings. These meetings reviewed pressures and potential savings within each service area. Several common pressure areas were identified: London Living Wage increases, ongoing pressures from the 2024/25 period that may contribute, and impact on enabling services due to the scale of demand.
15. Following the star chamber, and steers provided by the Resource Allocation Sub-Committee the budgets were built with the following key principles:
 - i. 2% increase in net local risk budgets;
 - ii. No new bids process for City Fund capital programme, with a reduced contingency budget of £7.5m City Fund within each year;
 - iii. Continued work on workstreams to review operational property utilisation and income generation;
 - iv. All other inflationary pressures to be contained within the budget envelopes.

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

16. As a result, from the budget setting 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 within this report having been supported by the Resource Allocation Sub-Committee:
 - i. Additional funding for Adult & Children's social care City Fund - £1.3m. There has been a notable increase in the number of children with severe complex needs. The demand in this area is highly unpredictable, and even one placement can significantly impact the budget ranging from £250k up to £1m. The increasing needs of children with Early Help Care Plans underscore the persistent challenges of increasing demand. Despite additional funding allocated under the Final Local Government Settlement, your Finance Committee supported the Chamberlains' recommendation to increase taxes to help reduce the ongoing pressures. Provisional figures for the social care grant show an increase of £135k which will help to reduce the pressure, but is not expected to cover the full cost pressure.
 - ii. Additional Health & Safety (H&S) resource for Environment Department & Barbican Centre City Fund - £232k. An audit has recommended strengthening the H&S team to enhance staff capabilities.
 - iii. Funding to strengthen the Corporation's Internal Audit Team and the deliver the extensive audit programme - £165k across funds. This is allocated to reinforce the internal audit team and ensure the successful execution of the comprehensive audit programme

On-going cost pressures or bids for new activities

17. Service Committees have identified cost pressures or new activities that need funding within the overall budget, 2024/25 underspends or increased in income generation. £2.6m savings have been identified during the 2025/26 budget process. Therefore, your Finance Committee recommends that new pressures are reprioritised from these savings to support these cost pressures:

- The following pressures will be shared 50:50 across City Fund and City's Estate:
 - i. Following the project governance review, the Policy and Resources Committee endorsed the proposals for the new Commercial, Change, and Portfolio Delivery (CCPD) at its meeting in December 2023. Therefore, your Finance Committee recommended that the £701k of identified savings be allocated to the CCPD budget starting from the fiscal year 2025/26 to support the progress of income generation.
 - ii. The Court noted in March 2024 that an assessment of EEDI pressures was in progress. A total of £401k (across funds) has been allocated from the identified savings for EEDI and added to their budget for the fiscal year 2025/26.
 - iii. £300k has been added to DiTS budget to realign where savings from the Agilysys contract relating to Police services were formerly received. This cost pressure has been offset against the original Agilysys savings achieved.
- The following pressures fall under City Fund:
 - iv. Your Policy and Resources Committee has directed that £391k for the Electoral Engagement Campaign & Enhanced Political and Strategic Engagement be reallocated from existing resources. Identified savings have been earmarked and will be added to their resource base.
 - v. Additional pressures from London Living Wage inflation have impacted a number of areas, this is still being felt in the Barbican costing £891k. It is recommended additional funding is provided offset by savings delivered.
 - vi. The London Museum requested a 3%/£170k annual uplifts for 2024/25 and the two subsequent years from both the City Corporation and the GLA. Given that funding is approved annually, members are asked to revisit for 2024/25. The Museum has provided a business case and with the London Wall site closed, income loss and cost reduction have been factored in. Pending confirmation that the GLA is matching, your Finance Committee recommends a 3% uplift.
 - vii. London Symphony Orchestra (LSO) received 3% in 2024/25 following flat funding for the previous 3 years. The LSO have requested a three-year funding settlement from both the City Corporation and the Arts Council. However, given that the City Corporation only has a one-year funding settlement from Government, it is recommended that to enter discussions with the LSO and the Arts Council supportive of a three-year settlement, subject to an annual review. Discussions are expected to take place over the Summer; and your Finance Committee recommends that a 3% increase is provided for should it be needed following these negotiations (amounting to £61k).

These are all on-going pressures and have been added in with no impact on the overall envelope as met from savings identified elsewhere.

One-off or time limited funding

18. When setting the budget for 2025/26, the intention has been to capture and consider pressures as part of that process. Therefore, the use of 2024/25 underspends to fund additional pressures has been considered for exceptional and one-off events. The wider intention is that any underspend on 2024/25 go into reserves in order to support the funding of major projects and the capital programme. Q3 forecasts indicate underspends of c£22m on City Fund and c£15m on City's Estate. The below one-off or time limited funding has been requested by Committees or recommended:

- The following pressures will be shared 50:50 across City Fund and City's Estate:
 - i. Your Finance Committee recommends that the current transformation funding agreed for 2024/25 be reviewed and, if necessary, supplemented to continue supporting the shift service delivery and cultural change required. The estimated amount needed is likely to be an additional £2m to £3m in 2025/26, to be funded from 2024/25 underspends.
 - ii. The current budget allocated to the Human Resources department is insufficient to cover essential business operations, let alone advance the new people strategy. Your Corporate Services, Finance, and Policy and Resources Committees have acknowledged that budget cuts in previous years have severely impacted services. Consequently, they have supported temporary funding of £1.8m p.a. for up to three years to assist in revitalising the department. The implementation of the new Enterprise Resource Planning (ERP) system will significantly enhance efficiency and improve service delivery. Your Finance Committee therefore recommended that the temporary funding be supported through the underspend carried forward from the 2024/25 budget.
 - iii. With the Learning & Development Strategy now embedded as a core component of our People Strategy, each element presents essential training demands. Work is underway to review the total training costs being incurred across the Corporation however appreciate that this could take some time to get underway as it involves collating and negotiating with Chief Officers. Your Finance Committee recommends that Transformation funding be explored for the current year and next - £810k.
 - iv. £3m funding is required over three years to bring in a strategic partner to support the Town Clerk's Transformation Programme. This programme aligns with the Five Years vision and aims to promote organisational excellence, financial sustainability, and prepare the City Corporation for a digitally focused, AI-driven future. It is recommended that this be funded through the transformation fund.
 - v. £447k p.a. for the next three years, has been temporarily added to the DITS budget for the ERP Support team and out of hours services, funded by Agilysys savings. Ongoing allocations for the new ERP system will be reviewed and updated post implementation.
 - vi. £300k, As highlighted last year, the current budget for Corporate Communications and External Affairs is insufficient to cover core basic

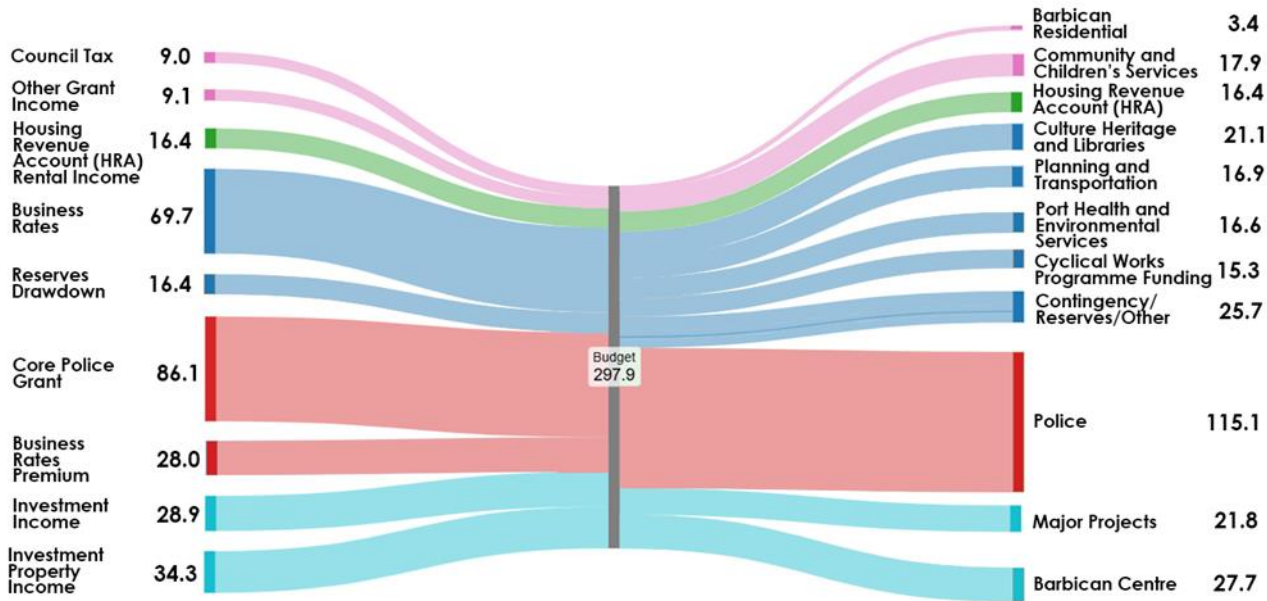
BAU obligations and roles (with even some statutory obligations that are currently unfunded) - the transformation required of the team and across the City Corporation, or key priority areas, such as the Town Clerk's engagement and People Strategy, due to the lack of any operational budget across many areas of the division. In addition to interim Chief Officer arrangements being in place (commencing Oct 2024), there is a focus on greater efficiency and effectiveness seeing a reduction in overspends, wholesale reform is still required. Therefore, your Finance Committee recommends that one-off funding is supported for 2025/26 from 2024/25 underspends with a permanent funding solution addressed under the 2026/27 budget setting process.

19. Although not specifically updated for 2025/26, one-off funding requests are annually made and approved through sources like Policy and Resources and Finance Contingency funds. There will be a greater focus on ensuring these allocations generate a financial return or prevent extra costs. Transformation allocations will also emphasise return on investment and follow a monitoring regime similar to that used for savings.
20. Efforts must be made to avoid additional revenue pressures during 2025/26 fiscal year, and any that do arise should be managed within local risk. **Your Policy and Resources and Finance Committees have provided clear guidance that new on-going pressures should be contained within local risk. Where prioritisation is not feasible, services will need to be reviewed in line with Corporate Priorities or through the Transformational workstreams.**

Latest forecast position

21. 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.
22. The Sankey chart 1 below illustrates the allocation of the 2024/25 net budgets, depicting the sources of funding on the left-hand side and the areas of expenditure on the right-hand side. Certain income streams, such as the HRA rents and £80m of police grants are designated for specific expenditure and cannot be used to subsidise other services.

Chart 1: 2024/25 City Fund



23. Although City Fund (excluding Police) is in surplus in 2025/26, the forecasts indicate a move into deficit from 2027/28 onwards. The surplus in 2025/26 is attributed to an estimated £52m of business rate growth and one-off benefit from releasing appeals. Approximately £27m growth is expected to be lost with the introduction of a planned reset of the business rates system in 2026/27, as forecasted in the MTFP for a number of years. Previously the assumption had been that the surplus business rate income would not be used to subsidise ongoing revenue spend and would 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 in full. Although, the City Fund is overall in surplus by £35.5m (without raising taxes and taking one year with the next over the 5 years), City Fund faces challenges in accommodating on-going pressures, particularly with the deficit pressure in 2026/27 being imminent.

24. The Final Local Government Financial Settlement, released on 3rd February 2025, indicates a shift in approach by the new government. Taxes will still be levied locally to support rising pressures. Core Spending Power (CSP) has only risen by an average of 6% nationally and 5.7% in London, but the City Corporation's CSP has only risen by 2.9% (excluding National Insurance compensation grant), merely keeping in pace with inflation without addressing demographic or demand pressures. Due to the City Corporation's Business Rate income growth, this has less impact in the financial year 2025/26 compared to other local authorities. The Government plans to reset the Business Rates Baseline in 2026/27 will result in the City Corporation losing up to £27m in growth from one year to the next, representing a significant reduction of 8% in gross expenditure budgets (excluding police). If other alternatives were not available, the impact would be a significant cliff-edge which the City Corporation needs to be aware of and potentially act on.

25. The final settlement has extended the '8 Authority Pool' to 2025/26, potentially generating £9m for City Fund. The City Corporation along with Brent, Barnet, Enfield, Hackney, Haringey, Tower Hamlets and Waltham Forest, formed a tactical

pool in 2022/23 with the aim of retaining levy payments made by the City Corporation within London. This is one-off funding and should not be used to support business as usual; it is needed to support the major projects programme, reducing the impact on City Fund deficits in future years. Due to the expected reset of business rate income in April 2026, 2025/26 is expected to be the final year where these pooling arrangements remain financially viable to continue.

26. Police: The Court of Common Council in March 2023 and 2024 approved an increase in Business Rates Premium by 0.2p and 0.4p (in the £) respectively, to move towards parity in local funding allocations and address the structural deficits which have arisen in the Force's finances. From a balanced Police MTFP position in April 2024, significant further pressure and risk has arisen, in particular from the Fraud & Cyber Crime Reporting & Analysis Programme, termination of £1.4m pa TfL funding, higher pay awards and allowances (not fully funded) and increased operational demands and cost pressures. CoLP savings plans over the last 5 years are cumulatively £19.9m (16.9% of Net Revenue Expenditure) which is significantly higher than the national policing average. Also, while local funding (including the Precept Grant and rent-free benefit CoLP receives) has caught up with the national average, it should be noted that Precept flexibility for 2025/26 has been set at a higher than expected £14 – and the City remains well below the local funding % of other Southeast forces (excluding Metropolitan Police Service). While the 2025/26 police funding settlement announced in December has provided £6.5m additional funding over 2024/25, much of this was to cover the increased costs of 2024 and future officer pay awards, employers National Insurance contributions and an uplift in Neighbourhood Policing officers. Without additional local funding, there is likely to be a residual gap of c.£1m p.a. in the Police budget, linked mainly to unfunded London Allowance costs, 2024 staff pay award and future year staff pay awards.
27. Recent events linked to anonymity and accountability of firearms officers has also contributed to a shortage of authorised firearms officers. Ensuring regular and rigorous training is an essential part of attracting and retaining these officers as well as for meeting accreditation requirements. It is vital not only for public confidence but to bolster the morale and competence of the officers who are tasked with these critical and high-risk responsibilities. By prioritising this training, we can work towards rebuilding trust and demonstrating our commitment to maintaining the highest standards of policing. Members have previously supported smaller and regular increases to support security on City Fund and Police inflationary pressures.
28. Looking ahead, there are notable risks and a great deal of uncertainty. The medium-term financial position is shown in table 3 below. Despite the additional income from retained Business Rates growth and additional funding, the medium-term outlook for City Fund finances including Police, are precarious with significant deficits projected across the remainder of the medium-term financial plan:

Table 3: City Fund MTFP overview

CITY FUND	2024/25 Budget £m	2025/26 Budget £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m
Net cost of services (exc. police and security)	(56.9)	(71.8)	(81.3)	(85.6)	(85.3)
Projects					
Supplementary Revenue Projects	(1.8)	(10.1)	(0.1)	0.0	0.0
Cyclical Works Programme (Existing Revenue)	(4.1)	(1.3)	0.0	0.0	0.0
Cyclical Works Programme (Bow Wave & Forward Plan)	(3.4)	(11.7)	(9.3)	(6.1)	(16.9)
Major Projects Revenue Implication	(2.2)	(4.4)	(9.5)	(10.3)	(11.0)
Direct Revenue Financing	(5.5)	(6.2)	(8.7)	(5.6)	(2.2)
Surplus/(Deficit) Before Funding	(74.0)	(105.5)	(108.9)	(107.6)	(115.4)
Financing	132.1	119.2	64.9	63.9	64.4
Surplus/(Deficit) After Funding, before use of reserves	58.2	13.7	(44.0)	(43.8)	(51.0)
Drawdown of Reserves for Revenue	15.28	16.21	34.23	17.14	26.52
Surplus/(Deficit) after Revenue use of reserves	73.4	29.9	(9.7)	(26.6)	(24.5)
<i>Proposed - Adult Social Care 2%</i>	0.0	0.2	0.2	0.2	0.2
<i>Proposed - Council Tax 2.99%</i>	0.0	0.3	0.3	0.3	0.3
Surplus/(Deficit) after the application of potential CT increase	73.4	30.4	(9.2)	(26.1)	(24.0)
City of London Police surplus/(deficit)	0.0	(6.0)	(5.3)	(5.1)	(8.0)
Further Mitigations proposed	0.0	5.0	4.3	4.1	4.1
City of London Police Total	0.0	(1.0)	(1.0)	(1.0)	(3.9)
<i>Proposed - Increase in Business Rate Premium 0.4p to £</i>	0.0	8.4	8.4	8.4	8.4
<i>Proposed - transfers to and from police reserve</i>		(1.1)	(1.1)	(1.1)	2.8
<i>Proposed - use of BRP to support FPEP</i>		(6.3)	(6.3)	(6.3)	(6.3)
City Fund total including Police	73.4	30.4	(9.2)	(26.1)	(22.5)

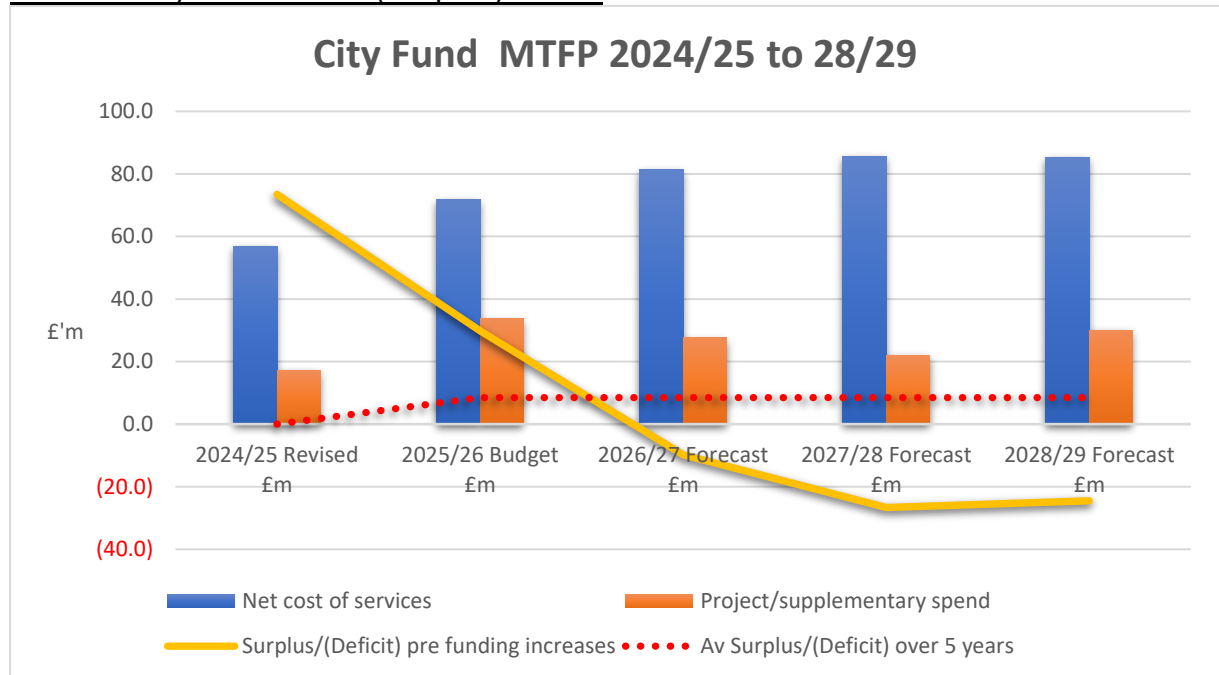
29. The following areas are significant movements from last year's MTFP position for 2025/26:

- i. Increased income from interest on balances and investment property income due to projected higher interest rates (£12.8m)
- ii. Increased financing income through including the one-off surplus business rate income for 2025/26, release of business rate appeals, and investment property income based on latest projections (£41.6m)
- iii. Increase in Supplement Revenue Programme costs £10.6m from reprofiling and the inclusion of the Barbican fire safety works.
- iv. Additional pressures as set out in Appendix A (£2.0m)

30. Looking beyond 2025/26, one of the major income streams within City Fund is investment property. Rents forecasts reduced over the MTFP period from £167m over a five-year period last year, to £155m. A significant contributor to the reduction is the disposal of 5 properties and lease expirations.

31. The projected income and expenditure over the MTFP period are summarised in chart 2 below.

Chart 2: City Fund MTFP (Surplus)/Deficit



32. The HRA position remains precarious over the medium term however additional units coming on stream at the completion of new developments should help ease the situation. For 2025/26 the social rents are to be uplifted by 2.7% which is the cap limit.

City Fund Reserve

33. Reserves are crucial component of financial planning. They serve two primary purposes; to mitigate risks or to invest in the City Corporation's priorities. City Fund holds two categories of reserves, usable and unusable:

- i. Usable reserves are defined as those that the Local Authority could utilise to fund capital or revenue expenditure. Some of these reserves could be applied generally but others will have stipulations attached on their use.
- ii. Unusable reserves hold unrealised gains or losses for assets not yet disposed of and accounting adjustments, which are required by statute. These reserves cannot be used to fund capital or revenue expenditure.

34. City Fund has a statutory requirement to set a balanced budget each year and over the medium-term financial plan after taking account of the use of reserves. As a result, usable reserves are monitored to ensure there are sufficient resources to meet this requirement and also to fund the requirements of the Capital programme. The key useable reserves included are:

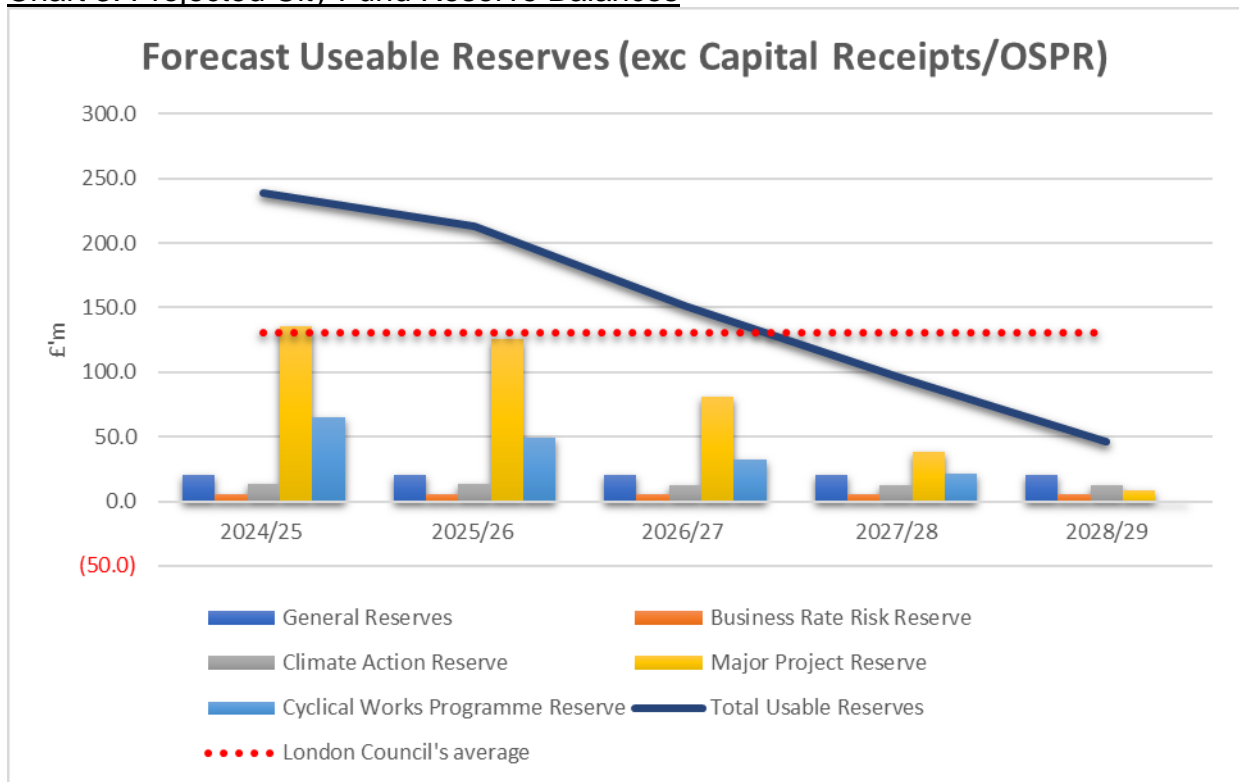
- i. General Reserves – This is the 'General Fund Balance' held at a minimum balance of £20m
- ii. Business Rate Risk Reserve – Held to help smooth the timing differences of business rate income hitting the general fund
- iii. Major Project Reserve – Built up from surpluses on City Fund in previous years and used to support the financing of the Major Projects. In future years amounts are also required to offset projected deficits

- iv. Climate Action Reserve – used to fund the approved Climate Action Strategy
- v. Cyclical Works Programme Reserve – approved in 2024/25 to fund the backlog of CWP works within City Fund.

35. In 2024 two Major Programmes had a significant impact on the projected balances of these reserves. The inclusion of the Barbican Renewal works and increased costs of the Sailsbury Square Development, combined with projected deficits from 2026/27 onwards, indicate that the balance of usable reserves is expected to decrease from the current £240m to £47m by the end of 2028/29. Should this occur, the ability of City Fund to meet unexpected pressures and ongoing demand growth for services would be severely constrained. Whilst there is no mandated level of reserves, general reserves are usually kept at £20m. A target of 10% of annual gross expenditure would require c£40m/£50m excluding/including Police.

36. Chart 3 below sets out the projected balances of City Fund usable reserves up to 2028/29.

Chart 3: Projected City Fund Reserve Balances



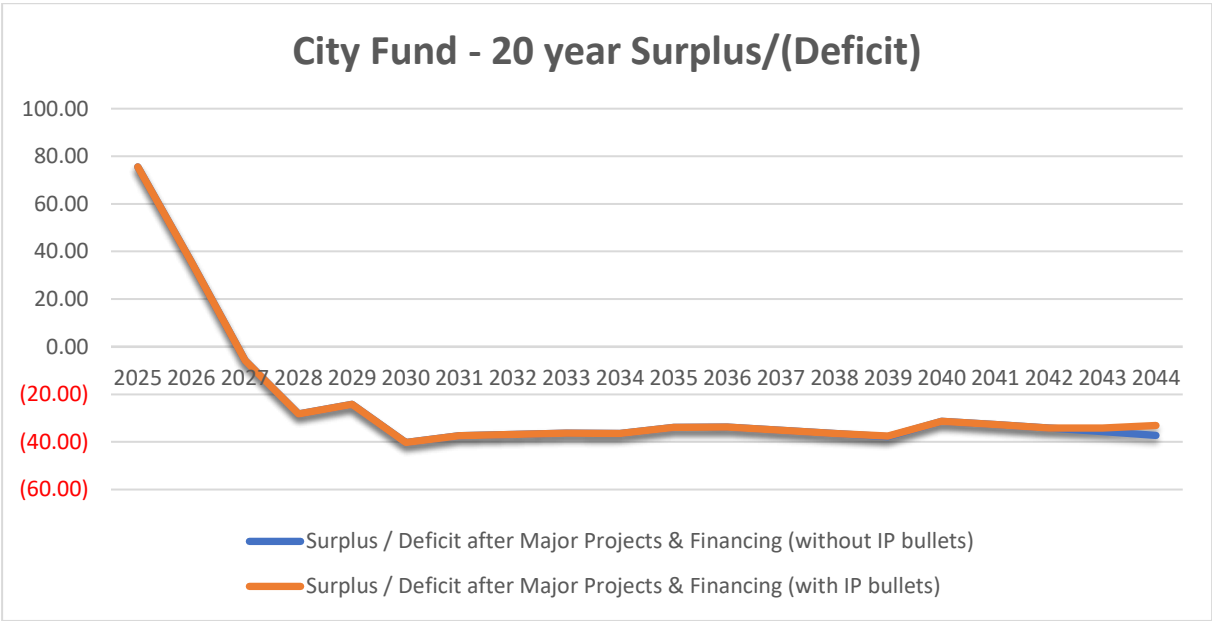
37. In addition to the five-year medium-term projections, work has also been undertaken on the 20-year horizons for City Fund. The funding landscape, in particular around Business Rates, makes this highly subjective and subject to a high level of tolerance but nevertheless provides an insight into future pressures within the Fund.

38. When Members approved the decision to invest in the first phase of Barbican Renewal, they included a condition to bring back a 10-year plan. Understanding the implications and requirements of this plan is essential, and longer-term City Fund financial modelling plays a key role in this process.

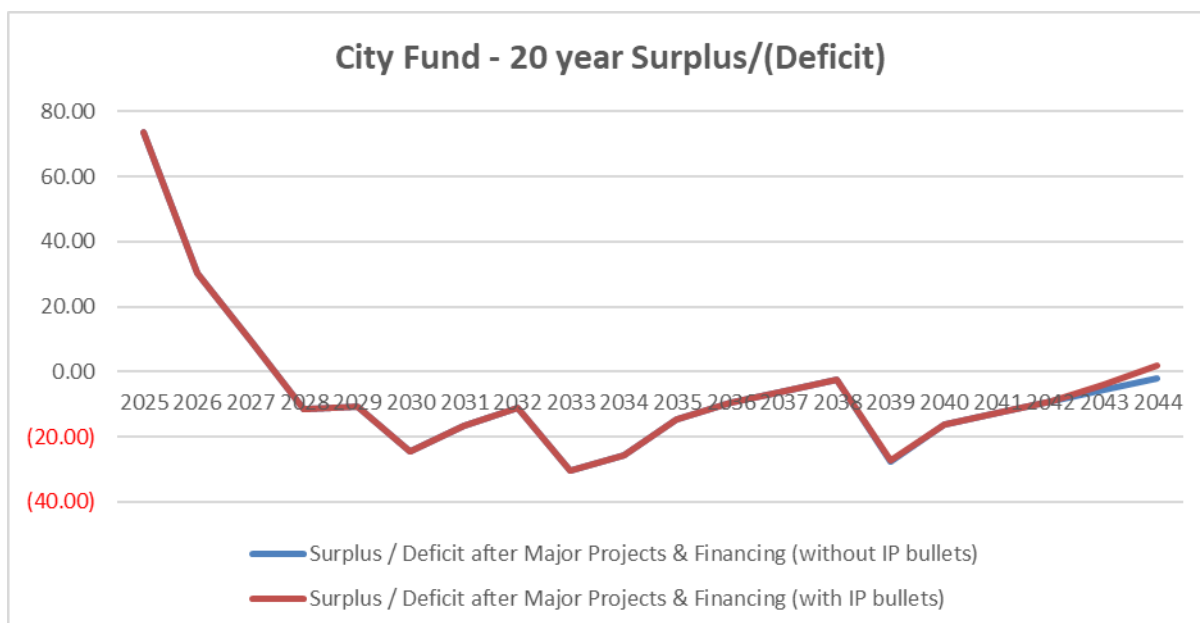
39. Chart 4 below sets out the projections for City Fund surplus/deficit over the next twenty-year period. This demonstrates the impact of a business rates reset in 2026/27 and ongoing expected deficit of between £20m to £40m per year. This is set against a gross budget (exc. police) of c£350m per annum so the deficit would be close to 10% of gross spend.

40. This projection does not include any growth in business rate income over and above inflation. Previous policy has been for growth in business rates income to be used to support major project spend rather than supporting operational business as usual activity so the chart represents the position should this approach be maintained.

Chart 4: City Fund 20-year projection



However, scenario testing early indications of potential transitional relief, as shown in table 2 of the report, along with the steady increase in business rates scheduled for six yearly resets, reduces the impact on future savings to an average of £13m p.a. over the next 20 years. This has not been factored into the MTFP due to significant uncertainty, with more details expected to be released in the Spring.



Consultation

41. The annual resident and Business Rate Payers consultation took place on 3 February 2025 as part of City Question Time, where the Chairman of Policy and Chairman of Finance, alongside the Deputy Commissioner, presented a compelling narrative to ratepayers and residents in support of an increase in Business Rate Premium. The questions and responses from those that attended did not push back on the proposals.
42. As Table 3 in the report demonstrates, income from Council Tax is a relatively small proportion of the overall funding. **However, given the limited options available to increase revenue to counteract inflation and expenditure pressures, Your Finance Committee has considered and recommends council tax increases. Local authorities are permitted to levy a social care precept of 2% and uplift of Council Tax by 2.99% to address funding pressures and this has been modelled in the 2025/26 budget. Local Authorities are permitted these uplifts without a referendum. In this context, your Finance Committee recommends that Members consider the following:**
- i. Increase Adult Social Care precept by 2% - to address £0.2m pressures within Adult Social Care and will also be beneficial to the City Corporation for the Fair Funding Review, as low Council Tax and limited increases in Council Tax will not position us well.
 - ii. Increase in core Council Tax by 2.99% - to address pressures in children’s social care, the gap in pressures from the national insurance increase and other pressures identified throughout the report.
 - iii. 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.
 - iv. The Council Tax for the current year, 2024/25, is £1,217.89, expressed at band D and including the GLA precept of £166.27 for comparative purposes,

Westminster band D including the GLA precept of £471.40 is currently £973.16; Wandsworth, £961.14; and Hammersmith and Fulham is £1,386.77.

- v. Maintaining the Local Discretionary discount for Care Leavers between the ages of 18 to 25 in 2025/26.
 - vi. Maintaining the current 100% discount awarded to unoccupied and unfurnished and uninhabitable dwellings at zero (0%) for 2025/26.
 - vii. Maintaining the premium levied on long-term empty property of 100%, 200% and 300% on properties that have been empty for 2, 5 and 10 years respectively is continued in 2025/26
 - viii. Maintain the long-term empty premium of 100% for properties that have been empty for more than 12 months that was introduced in 2024/25.
 - ix. Introduce the second home premium of 100% for 2025/26.
 - x. Introduce a change to the Housing Benefit and Council Tax Benefit scheme to determine that pensions received by veterans under the War Pension Scheme and other British military compensation schemes are fully disregarded in the calculation of Housing and Council Tax Benefit.
43. At your Finance Committee's meeting on 18 February 2025, Members debated the principle of the second home premium of 100% at ix above. Following a vote, your Committee agreed to support the introduction of the premium as set out in the original report.
44. The other area where the City Corporation retains significant income generating powers is through the setting of Business Rates premium. ***Given the inflationary pressures on City of London Police (CoLP) and a funding gap in the Future Police Estates Programme impacting the City Fund's financial position. Members to consider increasing Business Rate.***
45. Members may also wish to consider:
- i. Due to the very small residential population, the City Corporation is unable to levy taxes in the same way other Police Crime Commissioner Offices do through precept on Council Tax – for 2025/26 flexibility has been increased to £14 without needing a referendum. This restricts the amount that can be raised and means that if the BRP is not increased by 4p for Police inflationary pressures and rising costs of funding the Future Police Estate Programme City Fund could only be balanced across the medium-term due to the retained business rates growth; without this, further aggressive savings and support to Police is required.
 - ii. Members are to note several factors affecting the full delivery of the Future Police Estate programme (FPEP) that necessitate exploring alternative funding sources. Your Police Authority Board supported allocating 1p of the proposed BRP increase towards funding the Tactical Firearms Training Facility. Failure to do so will require further disposals of investment properties within City Fund, thereby impacting rental income and exacerbating existing deficits by £300k p.a.
 - iii. Facing existing risks, members must consider increasing the optimism bias for the remaining projects. Currently, the optimism bias within the Salisbury Square Development cost plans is fully utilised (please refer to paragraph 64).

Without allocating 2p of the proposed BRP increase to top up optimism bias, additional disposals from the investment property will be necessary, incurring a loss of £900k p.a. in rental income within City Fund. Your Finance Committee's recommendation is to increase optimism bias by an additional £30m.

- iv. Members have supported smaller and regular increases. Every 1p increase raises circa £2.1m, therefore an increase of 4p in Business Rates Premium will raise circa £8.4m.
- v. The Government is reforming Business Rates and introducing a number of new multipliers in 2026/27. These reforms could lead to additional uncertainty around business rate bills particularly for larger businesses in the City.
- vi. Continuing to support a Discretionary Discount under S47 Local Government Finance Act for qualifying Nursery Schools of up to 100% for 2025/26. This will cover three nurseries operating in the City. The minimal cost of awarding the relief is split between the City (45%) and the GLA (55%) basis.

46. Key assumptions used in the forecast have been set out in Appendix A.

Savings Programmes

47. Significant progress has been made against the City Corporation's savings programmes. Two main savings programmes have been undertaken 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.

48. 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£4.4m of savings are still unidentified over the MTFP, of which £2.8m savings are planned to be achieved by 2025/26, and £1.6m by 2026/27.

Department	£m	Savings Programme	Fund	Feedback - from Star Chambers
Barbican	2.80	Fundamental Review - due 2025/26	City Fund	Fundamental Review Savings of which £1.5m relate to cross cutting business events, recommended that this is met from income generation
Chamberlains	0.60	Fundamental Review - due 2026/27	Guildhall Admin*	Fundamental Review Savings to be delivered as part of Enterprise Resource Planning (ERP) implementation
Chamberlains	0.50	Fundamental Review - due 2026/27	Guildhall Admin*	Fundamental Review Savings - Income Generation under Commercial
Chamberlains	0.50	12% savings	Guildhall Admin*	Savings initiatives are being worked on and are expected to be delivered in 2026/27
Total	4.40			

49. Ongoing radical thoughts are required to reduce the annual operating deficit for City Fund. While top slicing of budgets can provide short term financial relief, it is important to carefully consider the potential long-term risks and impact on service quality, employee morale, and overall organisation efficiency. Therefore, it is not recommended to top slice budgets unless absolutely necessary. Instead, the Town Clerk has emphasised the need for efficiency and transformation across services. Star Chambers led by the Town Clerk and Chamberlain will take place in early 2025 to focus on key areas that will be presented at the next Resource Allocation Sub Committee away day.
50. While temporary support from major project reserves alleviates the financial pressure from the introduction of the Barbican Renewal Programme in the medium term, it requires a long-term reduction in revenue contributions by £3m p.a to address ongoing losses. Additionally, long-term reductions are necessary to support future deficits. Moreover, while income generation should remain a priority, additional savings of approximately £9m are required for 2026/27, increasing to £26m p.a. in 2027/28 onwards. This will require making decisions on changes or reductions in existing services and grants with the support of the transformation programme.

Transformation Programme

51. The Transformation Programme is aligned with the Town Clerk's Fantastic Five Years vision and is designed to support organisational excellence, financial sustainability, and prepare the City Corporation for a digitally focused, AI-driven future. The programme aims to harness the potential of the City Corporation's unique positionality within the Square Mile and beyond and is focusing on four themes:
- i. Organisational Excellence
 - ii. Entrepreneurial Spirit
 - iii. Innovative Collaboration
 - iv. Future City (Digital Transformation)
52. Beyond the realisation of medium-term financial opportunities, the first phase of the Transformation in the financial year 2025/26 will focus on making the City Corporation a great place to work, bolstering organisational readiness for Transformation. We are preparing the organisation for Transformation by getting the basics right and understanding the current gaps to our ambitious goals.
53. To achieve this, we intend to engage a strategic partner for Transformation delivery over a three-year period, on-boarded in Q2 2025. This partner will initially play a crucial role in bolstering and developing the City Corporation's Transformation capability and accelerate achievement of our financial ambitions. The successful delivery partner will help us bridge the gaps between our current state and our ambitious agenda by providing much-needed specialist Transformation capacity and capability including behavioural science and change management, service design, project management, business analysis, commercial modelling and benefits management and delivery. In Phase 2, the partner will support the City Corporation in designing and delivering a Transformation framework to achieve our ambition to become a modern, efficient organisation. In parallel, the partner will be focused on identifying specified savings to meet in-year challenges and inform the 2026/27 budget setting process and mitigate the medium-term financial situation.

54. The Transformation team are currently launching soft market testing for this opportunity and developing a commercial model for this partnership, including exploration of outcome-based payments and risk and reward models, to align incentives and ensure mutual success. The proposed approach will ensure strong corporate oversight and collaboration between relevant departments and institutions to ensure effective management of the chosen strategic partner as well as realisation of benefits.

55. Other areas already in progress include income generation, implementation of the new investment strategy, review of underutilised operational assets and charities review. An update on these is provided below:

- Income generation - The income generation initiatives have progressed with the appointment of a new commercial programme manager to review, audit and take ownership of the current programme. This work has identified issues with data quality, modelling assumptions, and gaps in outline business across the following areas:
 - (Film Office, Events, Advertising and Fees and Charges). Work is being done to ratify these figures and realise opportunities where relevant. Early indications suggest that the current proposals will generate between £3m and £6m, which is lower than initially expected. The first £3.3m (Barbican £2.8m & Chamberlain £0.5m) raised will offset against the existing Fundamental Review Savings already baked in – paragraph 47, table 4 above.
 - However, as part of the wider Transformation programme, several dependencies have been identified as potential enablers of significant income generation in the medium-term. These dependencies include the successful implementation of a commercial strategy, a holistic fee schedule, a branding review, a sponsorship framework, a flexible advertising policy, a business engagement strategy, a Square Mile digital platform, and an Intellectual Property review and retail policy.
 - Additionally, a pipeline of commercial opportunities are being developed, and future prospects related to the Lord Mayor's Show are also being explored. Some of these initiatives are currently being tested, with the potential for larger-scale expansion post-2025.
- Investment Strategy - The investment strategy, approved by your Investment, Finance and Policy and Resources Committees in March - May 2024, aims to achieve returns of CPI + 3% for the City Fund and CPI + 4% for the City's Estate investment portfolios. The modelling of the implementation of this strategy significantly improves the long-term sustainability of the City Fund and City's Estate finances, with projections indicating implementation from the 2028/29 fiscal year. Ongoing work requires member support to diversify investment assets. It is recommended that no additions be made to the current major projects programme; instead, efforts should focus on development and reinvestment to stabilise the financial position of the City Fund and City's Estate.
- Operational Property – A Combined total of £424.5m receipts over the period 2025/26 - 2029/30 (City Fund £140.5m and City's Estate £284m) are expected from the disposal/anticipated disposal of surplus operational property have been allocated to support major project programmes. It is unlikely that further disposals will be generated beyond those already identified. A review of

underutilised assets is ongoing, with an update provided to the Resource Allocation Sub Committee and Policy and Resources Committee in December, with the aim to continue this process through 2025. Opportunities identified include Epping Forest (in collaboration with the Natural Environment Charity Review), public conveniences, and other assets. These opportunities are being assessed for alternative uses, leasing, or reallocation. In addition, several vacant assets have been identified including: Epping Forest’s Loughton Golf Course and retail/office units on Kennington Road and Lindsey Street, these are actively marketed for lease to generate revenue. Some assets have attracted offers, with negotiations in progress, while others continue to undergo marketing activities.

- Charities Review - The Natural Environment Charities Review (NECR) focuses on ensuring that the eight Natural Environment Charities in scope are well managed, governed, and set up for a sustainable future. Proposals will be taken into consideration in the coming months to progress with implementation during 2025/26.

Capital programme – Business As Usual (BAU)

56. The City of London Corporation 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 expenditure, including forecasts against approved budgets and the indicative cost of schemes awaiting approval is as follows:

Table 5: City Fund Capital Programme

CITY FUND	MTFP Budget 2024/25 £'m	MTFP Budget 2025/26 £'m	MTFP Budget 2026/27 £'m	MTFP Budget 2027/28 £'m	MTFP Budget 2028/29 £'m	MTFP Budget Later Yrs £'m	MTFP Total Budget £'m
BAU Capital	180.8	160.4	94.6	50.1	40.1	13.8	539.8

57. The City Fund capital project budgets are included as part of this budget report and further detail is contained within the Capital Strategy (Appendix F).

58. In setting the Capital Programme for 2025/26, your Policy and Resources Committee approved in principle an envelope of £7m contingency. Due to existing pressures no new bids were invited.

59. Moving forward, due to pressures on the budgets, the current assumption is that there will be no formal new bids in 2025/26 due to the need to the requirement to ensure current programmes are affordable. The focus will shift to reallocation and re-prioritisation of budgets, while maintaining the £7m contingency to provide some small headroom for critical requests. New expenditure will need to be managed within the overall capital envelope through reallocation resources, using the Corporate Plan and potential for generating financial efficiencies as a guide to those conversations. Members are to note that future proposals beyond 2025/26 on capital bids/contingencies will be subject to recommendations at the next Resource Allocation Sub Committee.

60. 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.

Capital Programme – Major Projects

61. The commitment against Major programmes equates to over £1bn of expenditure over the project lifetime. This scale of investment puts significant strain on the balances of City Fund and so consideration of the affordability and alternative funding options of each scheme need to continue to be reviewed. City Fund has expanded the commitment to the Barbican renewal works which remove almost all the headroom over a five-year period.

62. Within City Fund, the Major Projects (further detail within Appendix A and Appendix F) are;

- a) London Museum relocation (inc London Wall West/Bastion House) – joint project with the London Museum and Greater London Authority (GLA) to relocate the London Museum to a new site at the former Poultry Market.
- b) Salisbury Square Development – construction of a new courts building, commercial offices and Police accommodation.
- c) Future Police Estate Programme – the remainder of the Police accommodation.
- d) Barbican Renewal – this relates to the first five years of works required to upgrade and modernise the infrastructure and conservatory.

Table 6: Major Projects City Fund

Major Projects - CITY FUND	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Later Years Budget	Total
	£m	£m	£m	£m	£m	£m	£m
Barbican Renewal	6.3	44.4	50.4	62.5	48.6	37.2	249.4
FPEP	15.7	40.9	35.8	9.5	9.5	32.6	144.0
London Wall West	0.1	5.0	-	-	-	-	5.1
London Museum	130.5	73.8	-	-	-	-	204.3
Salisbury Square	113.2	263.1	88.7	13.7	-	-	478.7
Barbican Risk	-	-	-	-	28.5	28.5	57.0
Total	265.8	427.2	174.9	85.7	86.6	98.3	1,138.5

63. To support the longer-term ambitions within the Barbican Centre, there is the need to attract external financing. This may only be possible alongside an ongoing revenue contribution from the City Corporation in order to be attractive to an external investor. Without the details of any potential scheme, it is very difficult to estimate the potential cost impact. However, the expectation is that this would be in a similar format to an income strip where an investor would be paid an annual fee indexed each year over a fixed time period. Any agreement such as this would reduce the need for capital investment, however it would add to the annual deficit. Any such proposal therefore needs to be considered carefully against this context.

64. It should be noted that the scale of ambition and needs of the current asset portfolio within the City Corporation exceed the resources available. Therefore, a number of pipeline projects are not included within the MTFP assumptions. This includes Guildhall refurbishment and the London Metropolitan archives.

Salisbury Square / FPEP

65. Since inception, the budget has not been re-baselined to accommodate a number of changes and pressures set out in appendix A (paragraphs 28-30). In addition to the original core budget of £656.4m, other funding has been identified as outlined below to address these:

Table 7: Breakdown of Salisbury Square/FPEP Budgets

	£m
Approved Funding	
SSD Original Core Funding	596
FPEP Original Core Funding	60.4
Total	656.4
Additional Funding Identified to date	
Contribution from CoLP for fit out and IT	7.7
Guildhall Yard East CWP contribution	9.6
Major Project Reserve funding for Bastion House strip out	2
Secure City funding from CIL transferred to GYE JCCR	2.2
Police Accommodation funding – Mounted Unit	0.5
Climate Action for SSD Commercial Building BREEAM	3
Contribution from a Joint Venture for TFTF*	10
Investment Committee to fund additional pressures relating to the commercial building	34
Support from Police Authority Board to repurpose revenue funding currently allocated for the New Street lease upon planned conclusion in March 2028	11.3
Total	80.3
Proposed Further Funding	
Support from Police Authority Board to finance the TFTF through an increase in the Business Rate Premium – as outlined in this report.	13.5
Total Funding**	750.2

* Subject to negotiation with third parties – the actual amount may change

** Excluding recommendation to add £30m optimism bias, adding this brings the total funding to £780.2m

A Strategic Response to the Continuing Challenges

66. 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 2025/26 and that will further support the steps that will need to be taken to shore up the medium-term. Potential opportunities are being worked through in relation to the investment strategy and impact on future interest and rental income. There also remains a significant amount of uncertainty around the reset of business rates, and any transitional relief would significantly lessen the pressure on 2026/27 and 2027/28, although at this stage it is too early to include any assumptions around this.

67. Further options to shore up the medium-term through tax rises; development of a savings plan under the Town Clerk's Transformation Programme; ensuring

continuation of permanent year on year savings; building on collaboration breaking silos and increasing efficient ways of working; progressing with existing service transformation workstreams – supporting the change in the operating model which includes a review of underutilised operational property, opportunities for income generation need to be kept as part of the forward planning. This will require a focus on transformation underpinned by a clear communication to all Members and officers, so they are aware of the challenges ahead progressing with service transformation workstreams.

68. Another significant contributing factor to the financial pressures within City Fund is the scale of the major projects programme, further enhanced by the inclusion of Barbican Renewal. Some 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 to avoid the need to borrow to finance these projects has grown. Consideration therefore needs to continue 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 and other capital programmes. External funding where applicable to support the contribution of the City Corporation also needs to be a key part of future strategy.

Robustness of Estimates and Adequacy of Reserves and Contingencies

69. 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.

70. 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;
- the estimates and financial forecast have been prepared at this stage on the basis of the City Corporation remaining debt free until such time as internal borrowing may be needed to bridge the gap for major capital projects (the London Museum relocation and the Salisbury Square Development project);
- prudent assessments have been made regarding key assumptions;
- 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 2024/25;
- 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:
 - the City Surveyor has carried out an in-depth review of rent incomes; and
 - an increase in interest rate on Treasury balances has been very beneficial in countering inflationary and other pressures, whilst recognising this is short term;
- a strong track record in achieving budgets gives confidence on the robustness of estimates;

- on-going cost pressures or new activities aligned to the Corporate Plan have been reprioritised through savings made elsewhere.
- balancing 2025/26 with 'one-off' measures will give more time to move to service transformation and culture shift, plus ensuring permanent year on year savings;
- continuation of workstreams within the transformation programme will realign existing resources to new corporate priorities, where this is not possible to create headroom to reallocate funds through income generation – noting finding sustainable efficiencies will require time, capacity and upfront investment which has been requested under one-off measures.
- 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.
- provision has been made for all known liabilities, together with indicative costs (where identified) of existing major projects and business as usual capital schemes. The financial year 2025/26 will be used to review the current capital programme to ensure they remain a priority, with a contingency allocated to support critical capital programmes during this period. Additionally, provision has been made to support the forward plan of cyclical works on our operational properties through reprioritisation of reserves, provision has been included to support the first phase of the Barbican Renewal works. However, the full cost of essential works at the Barbican Centre exceeds current estimates and therefore requires a fundamental review on how to meet the extensive refurbishment needs at the Barbican Centre supported by a 10-year business plan/operating model.

71. The highest risk is in relation to the Housing Revenue Account- reserves have been depleted to fund necessary improvement works and until additional properties being completed as part of new developments, the financial position is therefore extremely fragile. Further cost pressures or loss of income in the coming years would be challenging to absorb with the HRA reserve. There is a large amount of unfunded major works that members are keen to carry out on existing stock, but these are currently unaffordable within the HRA envelope.

72. 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 in chart 3: although reserve balances are forecast to remain healthy in 2025/26, the potential call on reserves to support revenue and capital expenditure beyond 2025/26 reinforces the need for further efficiencies and income generation. A target of 10% of annual gross expenditure would require c£40m/£50m (excluding/including Police) in reserves. Current forecasts suggests that the reserves will fall within this range.

73. 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

74. Business Rate reforms – Business Rate growth provides c£27m of additional income to City Fund each year. The proposed reform to business rates in 2026/27 will have a fundamental impact on the City Fund budget and the ability to meet the statutory requirement to set a balanced budget. 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.
75. Climate Action – with the current budget envelope expiring at the end of 2026/27, additional funding will be required to support delivery of the 2040 net zero and climate resilience targets between 2027/28 and 2039/40. A paper was approved by your Policy & Resources Committee in January 2025 to develop the next evolution of the Climate Action Strategy. Costed options for the future strategy will be brought to Committee in summer 2025, with initial estimates between £10-22m annually.
76. Inflation and interest rates – over recent years the impact of inflation has been the single biggest external driver of financial pressures. Having peaked at over 10%, inflation has now fallen significantly to reach 2% by Q2 of 2024. However, the price increases incurred are now embedded in a number of areas. The Office for Budget Responsibility are forecasting that inflation will fall further to a level below 2% before stabilising at around 2% from 2027 onwards. Conversely over this period the increase in interest rates has provided additional income which has supported City Fund. Forecasts are again that interest rates will stabilise continue to reduce in 2025 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.
77. 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 can make the amounts flowing through the revenue budget fluctuate significantly. The proposed changes to Business rates make forecasting these income streams very difficult on a year-by-year basis. Work is ongoing with external partners to ensure forecasts are as accurate as possible and updated where new information comes available.
78. Barbican roof works – no provision has been made at this stage for any potential liability resulting from roof repair issues on the Barbican Estate.
79. ERP implementation – The Corporation must adopt best practice processes. Key benefits are to support a more mobile workforce; automate processes and introduce AI capabilities through a modern platform; provide direct access to staff and free up strategic capacity; provide a single source of the truth with enhanced analytics. If the Corporation fails to adopt to new ways of working the consequence will be that the current manually intensive processes with inbuilt failure demand will

continue and the directly planned benefits of £600k pa (which are planned to commence in 2026/27 full finance go live) will not be realised in addition to impact the wider organisation transformation planned benefits of £500k pa.

80. Ongoing operational building upkeep and renewal – whilst the CWP programme address the historic backlog of cyclical works required for those assets within this programme (excludes ringfenced schools, service charged assets and CoLP), a forward look is also needed to consider the financial cost of future building upgrade and fabric refurbishment in line with property lifecycles. Due to the post war age of much of the portfolio and funds available focussed on cyclical works this means a significant proportion of the estate require upgrading works over the next twenty-year period. Consideration of the ongoing costs and benefits of properties and the services delivered from them need to therefore be carefully considered to ensure any such investment is aligned to corporate plans and strategies.
81. IFRS 9 statutory override – as part of the local government funding settlement the current statutory override which excludes gains and losses of pooled investment funds being recognised within budgets is to be removed from 1 April 2025. This could see the Corporation having to realise up to £12m in accumulated losses. Work is therefore underway to understand the implications on historic gains/losses and the potential to create necessary reserves from potential surpluses to mitigate the impact. Only 13% of respondents to the government's consultation supported the proposal to remove the statutory override, as a result the consultation response includes the recognition that "there may be a case for additional transitional support for historic investments", officers will continue to monitor announcements to assess the potential risk and liability to the City Corporation.
82. Homelessness pressures - There has been a significant increase in numbers of rough sleepers at regional and local level along with increased number of people presenting themselves to the City as homeless and the need to provide temporary accommodation. The rough sleeping assessment centre is now operational and has 14 beds and the complex needs hostel in Southwark is also operational with 29 beds. Continued funding is required to support these and without provision the numbers of rough sleepers will continue to rise at a quicker rate than they might otherwise. The homelessness team will continue to attempt to reduce the numbers via implementation of the new Homelessness and Rough Sleeping Strategy along with working with MHCLG / Homeless Link to review our temporary accommodation model with the aim of reducing the numbers of people living on the streets. At present that is estimated at an additional £2m of funding required in 2026/27 which has been built into estimates.
83. Ability to retain / recruit staff under the current salaries structure; the Ambition 25 programme of change will create solutions to address this risk:
- Create a new total reward strategy designed to meet the ambitions of a world class organisation, attracting and retaining the best talent.
 - Create a job family framework that supports the Corporation's Head of Profession approach, tackles existing silos and promotes transferable skills.
 - Implement a proven, robust job evaluation method to enable risk management, equity and fairness.

- Create and implement new pay grading structures that address current challenges regarding market competitiveness and prevalence of allowances, with the appropriate controls to manage risk.

Equalities Implications

84. At the meeting of your Finance Committee on 18 February, Members noted that there had been no return from the consultation with all Chief Officers on 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

85. Despite an overall trend towards a more stable economy given recent global events and high-inflation, there are still significant pressures impacting on the City Corporation. This is combined with uncertainty around the funding position for City Fund with the new government and their approach to the redistribution of local government funding.

86. Additional funding will be required across the medium term for cost pressures within children and community services; to accommodate changes in pay (including national insurance for providers) and price uplift assumptions. Decisions are also required as to the approach to addressing the projected future cyclical works and forward plan on our operational properties following the resolution of the backlog.

87. The scale of the ambition, within City Fund Major Projects in particular continues to put significant pressure on resources and work to ensure programmes deliver longer term benefits and financial sustainability are key.

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

Appendix I – Court Resolution

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

DATED this 18th Day of February 2025.

SIGNED on behalf of the Committee.

Deputy Henry Nicholas Almroth Colthurst
Chairman, Finance Committee

Key assumptions used in the forecast

The following paragraphs detail the key assumptions that have been used in the construction of the 2025/26 budget and Medium-Term Financial Strategy (MTFP) for City Fund and City's Estate:

Income

1. The City Fund has two key income streams outside of core local government funding: 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 2024/25 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 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 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) voted to cut interest rates for the first time since March 2020 at its August 2024 meeting with a reduction to 5.00%, and a further reduction to 4.75% in November 2024. The expectation is for a further 25bps rate cut in Q1 of 2025, reaching 4.50% by March 2025, with further quarterly reductions of 25bps reaching 3.75% by March 2026, with no further changes until December 2026 where it assumed to reach 3.50% and plateau. However, there remains uncertainty surrounding the forecast, particularly following the impact on the UK from the Government's Autumn Budget, slower interest rate cuts, modestly weaker economic growth over the medium term, together with the impact of uncertainties around US domestic and foreign policy, and the ongoing geo-political risks in Europe, the Middle East and Asia. A change of +/-0.25% to the base rate is expected to translate to approximately £1.00m 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 2025/26 budget is a 2% inflationary uplift to local risk budgets. The Final Local Government settlement in February 2025 includes a larger increase in Core Spending Power relative to current inflation rates of c6% on average. However, for the City Corporation the increase was only 3% (excluding National insurance contributions grant), the lowest in London. The final settlement also reiterated the intent to redistribute funding across the country, using comparators such as deprivation more heavily. In addition to the inflation the following specific pressures have been added, £1.3m on adult social care and children services, £0.2m for health & safety officers along with £0.08m for increased internal control.
3. Given the financial position, Policy and Resources Committee and Finance Committee have been clear that cost pressures should be managed within existing resources. Where not possible, additional funding has been provided for as outlined in table 1 below. Where one-off funding/time limited resource is required, this is accommodated through underspends from 2024/25 carried forward.

Table 1: Additional pressures included within the City Fund budget

CITY FUND	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m
Children's Social Care (CSC) placements	(1.19)	(1.19)	(1.19)	(1.19)
Adult Social Care (ASC) placements	(0.11)	(0.11)	(0.11)	(0.13)
Homelessness	(0.00)	(2.09)	(2.22)	(2.22)
Health & Safety Officers	(0.23)	(0.23)	(0.23)	(0.23)
Internal Audit	(0.08)	(0.08)	(0.08)	(0.08)
City Fund additional pressures	(1.61)	(3.70)	(3.83)	(3.85)

Revenue Spending Proposals 2025/26

4. The overall budget requirements have been prepared and the breakdown for 2024/25 and 2025/26 are summarised by Committee in the table below. Explanations for significant variations from year to year were contained in the budget reports submitted to service committees for approval.

Table 2: City Fund Summary Budget

City Fund Summary by Committee	2024/25 Budget £m	2025/26 Original £m
Net (Expenditure)/Income		
Barbican Centre	(29.0)	(31.0)
Barbican Residential	(3.9)	(3.3)
Community and Children's Services	(18.7)	(19.8)
Culture Heritage and Libraries	(22.0)	(22.7)
Finance*	15.2	(4.7)
Licensing	(0.9)	(0.4)
Markets	(0.1)	0.4
Open Space	(2.4)	(2.2)
Planning and Transportation	(18.2)	(18.7)
Police	(114.1)	(122.1)
Police Authority Board	(1.0)	(1.0)
Policy and Resources	(7.4)	(6.9)
Port Health and Environmental Services	(17.4)	(20.6)
Investment Committee	34.0	25.3
City Fund Requirement	(185.9)	(227.7)

*Finance includes changes to: capital revenue expenditure, supplementary revenue programme, The 24/25 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 movements from the original 2024/25 budget are set out below:

	£'m
2024/25 Original Budget	(196.5)
Carry forwards from 2023/24 underspends	(10.8)
Business Rates pooling	(1.0)
Cyclical works programme – transfer from reserves	9.9
Rent income	(1.4)
Interest on cash balances	13.9
2024/25 Revised Budget	(185.9)

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)

		2024/25 Budget £m	2025/26 Budget £m	Para. No.
1	Net expenditure on services	(241.8)	(259.3)	
2	Capital Expenditure funded from Revenue Reserves	(5.5)	(6.2)	
3	Cyclical Works Programme expenditure financed from revenue	(19.1)	(23.1)	
4	Requirement before investment income from the City's Assets	(266.3)	(288.5)	
5	Interest on balances	28.9	27.9	
6	Estate rent income	40.9	32.9	
7	City Fund Requirement	(196.5)	(227.7)	
	Financed by:			
8	Government formula grants	148.7	182.3	
9	City offset	12.8	13.5	
10	Council tax	9.0	10.9	
11	NNDR premium	31.3	35.1	
12	Total Government Grants and Tax Revenues	201.8	241.8	
13	Drawdown on Reserves	16.4*	16.2*	
14	(Deficit)/Surplus transferred (from)/to reserves	21.7	30.3	

**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

	2024/25 Original £m	2025/26 Draft £m	Variance £m	Variance %
Revenue Support Grant	9.1	8.5	(0.6)	(6.6)
Rates Retention: baseline funding	19.0	18.7	(0.3)	(1.6)
Rates Retention: growth	35.2	63.1	27.9	79.3
Subtotal:	63.5	90.3	26.3	30.8
Police	85.4	91.9	6.5	7.6
Total Core Government Grants	148.7	182.2	33.5	22.5%

7. The City Fund budget requirement for 2025/26 is £211.5m plus a contribution to reserves of £30.3m resulting in a net City Fund budget requirement of £241.8m, an increase of £39.9m 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	2024/25 Original £m	2025/26 Original £m
Net Expenditure	(266.3)	(288.5)
Estate Rental Income	40.9	32.9
Interest on balances	28.9	27.9
Budget Requirement	(196.5)	(227.7)
Drawdown from Earmarked reserves	16.4	16.2
Proposed contribution to reserves	(21.8)	(30.3)
Net City Fund Budget Requirement	(201.8)	(241.8)
<u>Financing Sources:</u>		
Business Rates Retention	63.3	90.4
Police Grant	85.4	91.9
City Offset	12.8	13.5
NDR Premium	31.3	35.1
Collection Fund Surplus (CoL share)	0.0	0.3
Council Tax Requirement	(9.0)	(10.6)

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 55.5p and a small business National Non-Domestic Rate multiplier of 49.9p for 2025/26. The increase to the standard multiplier is in line with September CPI. 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 57.7p and a small business National Non-Domestic Rate multiplier of 51.9p for the City for 2025/26.
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:** During 2024/25 businesses in the retail, hospitality and leisure sectors were awarded

business rate relief at 75%, capped at £110,000 per business. This will continue in 2025/26 at the reduced rate of 40% and with the same cap.

- A **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.

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

12. For council tax purposes a property is defined as empty if it is unoccupied and substantially unfurnished.
13. 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.
14. In 2024/25 the City introduced a new long-term empty property premium of 100% for properties that have been empty for longer than 12 months which will continue in 2025/26.
15. Government have also introduced legislation to permit a Local Authority to charge a Second Home Premium of 100% from 2025/26. The City intends to adopt this premium.

Council Tax Reduction Scheme

16. 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.
17. The Council Tax Reduction Scheme will therefore remain broadly the same for 2025/26 as was administered in previous years subject to the annual uprating s was administered in previous years subject to the annual uprating s was administered in previous years subject to the annual uprating as was administered in previous years subject to the annual uprating of amounts in line with Housing Benefit applicable amounts with a minor amendment set out in paragraph 18.
18. Determine that pensions received by veterans under the War Pension Scheme and other British military compensation schemes identified in Schedule 5 (1) of The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Housing Benefit Regulations 2006 Schedule 5 (15) or Housing Benefits (State Pension Credit) Regulations 2006 Schedule 5 (1) are fully disregarded in the calculation of Housing and Council Tax Reduction.

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. Expenditure which is purchasing, developing or extending the useful life of these assets 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. For City Fund, the City has historically not used external loans to finance these schemes, and current plans do not envisage borrowing from third parties. In City's Estate private placement funding has been taken out to support the major projects programme with the first tranche due for repayment in 2044.
21. Appendix F to the main City Fund MTFP report sets out the detail of the Capital programme, funding sources and prudential indicators.

Major Projects

Barbican Renewal

22. It was noted in last year's MTFP that the Barbican renewal programme had reached a critical juncture with decisions needing to be made on the long-term future of the estate. In December 2024, Court formally approved funding of £191m to support the essential works required to support the centre over the next five years. This comes with the commitment of at least £30m of fundraising from the Barbican centre, alongside the use of £10m CIL funding.
23. This level of investment is a significant challenge for City Fund, and it should not be underestimated the impact it will have on reserves and future budget capacity. As a result, the approval in December came with a requirement to bring back an updated long-term strategy for the Barbican centre in January 2026 to consider the long-term options for ensuring the site is sustainable. This will need to consider bringing in external funding and reducing the annual contribution required from City Fund, which is currently c£28m per annum.
24. Within the funding allocations for the Barbican renewal programme is £26.8m for CWP works and costed risk of £57m.

London Museum

25. The total budget of £319m reflects the City of London Corporation's (CoL) contribution as well as that from the GLA (which is received by CoL for the project). The Museum will also be directly fundraising an additional £120m for the scheme. There remains a risk that if Museum fundraising were to fall short of the target that CoL and GLA will be liable for the difference. On the GLA funding, £55m of the total £95m has been received to date, with the balance expected to be received in 2025/26 and 2026/27, subject to the achievement of delivery milestones.
26. There is also a cashflow risk on the project, as the Museum spend will progress ahead of fundraising totals and therefore the Corporation may need to spend up

to £40m at risk by the end of 2026/27. At the current forecast rate of spending, we could start to exceed our intended funding contribution by the end of 2025/26, though could be deferred (or eliminated) if there is slippage.

27. In the event that forward funding does take place, it is proposed to be paid back to the Corporation in 2027/28 (£8m) and 2028/29 (£32m). This could be liable for an interest charge (payable by the Museum to the Corporation, subject to Member agreement (and agreement with the Museum)). Depending on the exact amount borrowed, the term of the loan, and the underlying interest rate, this could equate to a total charge of c£3m. Although such a charge could potentially have a cyclical impact in terms of the Museum's overall costs/fundraising target, leading to a shortfall (which is being underwritten by the Corporation and the GLA).

Salsbury Square / FPEP

28. The Salisbury Square Development programme and Future Police Estates Programme has a combined total forecast of c£750m. Since its inception, the project has been subjected to significant pressures beyond the Corporation's control including:

- a. The increase in scope of SSD by 65,000 sq. ft between March 2018 and January 2021 was applied without an increase in budget or optimism bias (therefore, the optimism bias effectively reduced to 28.5% from the original proposal of 51%).
- b. The decision to amend the scope of the commercial building, in line with the Corporation's Property Investment Strategy (which will be reflected in a higher rental income).
- c. Hyperinflation in the construction sector and its impact; and
- d. The national decision by Government to increase Police Officers, impacting Police requirements that are fit for the future.

29. Most recently a pressure of c£60m has arisen on the main contract in respect of provisional sum fit out packages. In addition, other elements of the programme are still in their preliminary stages (i.e. the Joint Control and Command Room at the Guildhall Yard East, the Tactical Firearms Training Facility, the Mounted Unit, the Property Store and Eastern Base), and there remains a risk that future costs could still increase.

30. Since inception, the budget has not been re-baselined to accommodate these changes, and with the optimism bias now depleted, significant financial pressures have begun to materialise as the programme progresses. Alternative funding sources have been identified to ensure the programme can deliver a fit for purpose future police estate without delaying these elements of the programme and incurring additional costs. It is also recommended Members consider adding in £30m for optimism bias for the remaining projects, through the increase of Business Rate Premium.

Cyclical Works Programme

31. Over a number of years, a significant backlog of works as part of the cyclical works programme (CWP) had built up, also referred to as the "bow wave". In

response to this, in 2024/25 members directed for total funding of £133m to be included within the ongoing MTFP assumptions to address the backlog and provide sufficient resources for the following three-year period. Progress on delivering these projects has been slowed as the delivery team has just been appointed but this is now in place. The funding has been reprofiled over this updated MTFP so remains in place to deliver these works.

32. An additional £12.5m of funding for the Guildhall School of Music (GSMD) was also included, to be spent over the remaining MTFP.

33. Within the approval for the Barbican Arts Centre renewal was an amount of £25m to fund ongoing CWP works as over the MTFP period. This is in addition to any schemes already in progress.

34. This funding provides certainty for planning over the MTFP period. Beyond this point, there is a need to consider the upcoming asset requirements of the operational and investment estate. The MTFP approved in March 2024 included a proposal to add a further £15m p.a. split across both City Fund and City's Estate from 2028/29 onwards. This is now included within 2028/29 years across both funds. The latest projection of spend for the backlog £133m now also covers this period so there is a question of if a further £15m can be delivered in 2028/29 alongside existing plans.

35. 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 Year 1 £m's	2025/26 Year 2 £m's	2026/27 Year 3 £m's	2027/28 Year 4 £m's	2028/29 Year 5 £m's	Totals £m's
City Fund (Rev)	2.4	8.2	5.4	4.2	8.9	29.1
City Fund (Cap)	1.0	4.2	4.4	3.6	1.6	14.8
City Fund - Forward Plan	-	-	-	-	7.5	7.5
City Fund Total	3.4	12.4	9.8	7.8	18.0	51.4
City's Estate (Rev)	2.9	9.2	8.6	12.6	9.5	42.8
City's Estate (Cap)	0.1	1.5	1.5	1.1	0.7	4.9
City's Estate (GSMD)		2.5	2.5	2.5	2.5	10.0
City's Estate - Forward Plan	-	-	-	-	7.5	7.5
City's Estate Total	3.0	13.2	12.6	16.2	20.2	65.2
Guildhall Admin (Rev)	1.4	5.6	5.2	3.2	6.6	22.0

Guildhall Admin (Cap)	0.7	1.7	8.4	6.5	3.0	20.3
Guildhall Admin - Total	2.1	7.3	13.6	9.7	9.6	42.3
<hr/>						
Total	8.5	32.9	36.0	33.7	47.8	158.9
<hr/>						

36. Within City Fund the funding for this phase of work is planned to come from reserves built up from prior year surpluses. Further funding will be required to cover the c£7.5m per annum estimated from 2029/30 and beyond.

Calculating Council Tax

Step One ('B1')

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

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

Where

'B1' is the Basic Amount 'One':

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

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

The above calculation is as follows:

$$'B1' = \frac{\pounds 10,581,635.10}{9,595.07}$$

$$'B1' = \pounds 1,102.82$$

Note: Item R consists of the following components:

	£	£
City Fund Net Budget Requirement		241,812,681
Less:		
Business Rates Retention	(81,800,000)	
Government Grant Funding	(8,552,000)	
Police Grant	(91,940,595)	
City's Offset	(13,496,000)	
Estimated Non-Domestic Rate Premium	(35,163,405)	
Estimated Collection Fund Surplus as at 31 March 2025 (City's share)	(279,046)	(231,231,046)
TOTAL COUNCIL TAX REQUIREMENT ®		10,581,635

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:

$$'B2' = \quad \quad \quad \pounds 1,102.82 - \frac{\pounds 22,495,020.88}{9,595.07}$$

$$'B2' = \quad \quad \quad \pounds 1,241.62 \quad \underline{\text{CR}}$$

Note: Item A consists of the following components:

	£	£
Highways Net Expenditure	10,832,000.00	
Street Cleansing	5,937,000.00	
Waste Collection	2,927,000.00	
Waste Disposal	1,639,000.00	
Road Safety	269,000.00	
Drains and Sewers	475,000.00	
Total City's Special Expenses		22,079,000.00
Inner Temple's Precept	237,444.88	
Middle Temple's Precept	178,576.00	416,020.88
Total Special Items		22,495,020.88

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 Temple 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

$$'B3' = \text{£}1,241.62 \text{ CR} + \frac{\text{£}22,079,000}{9,417.62}$$

$$'B3' = \text{£}1,102.82$$

Inner Temple

$$'B3' = \text{£}1,241.62 \text{ CR} + \frac{\text{£}237,444.88}{101.28}$$

$$'B3' = \text{£}1,102.82$$

Middle Temple

$$'B3' = \text{£}1,241.62 \text{ CR} + \frac{\text{£}178,576.00}{76.17}$$

$$'B3' = \text{£}1,102.82$$

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.

Appendix B

	£							
	A	B	C	D	E	F	G	H
Proportion	6	7	8	9	11	13	15	18
CoL	735.21	857.75	980.29	1,102.82	1,347.89	1,592.96	1,838.03	2,205.64
GLA	114.17	133.19	152.22	171.25	209.31	247.36	285.42	342.50
Total	849.38	990.94	1,132.51	1,274.07	1,557.20	1,840.32	2,123.45	2,548.14

Reserves

Forecast Movements in City Fund Usable Reserves 2025/26				
	Notes	Estimated Opening Balance	Forecast Net Movement in Year	Estimated Closing Balance
		01-Apr-25		31-Mar-26
		£m	£m	£m
Revenue Usable Reserves				
General Reserve	a	20.0	0.0	20.0
Earmarked				
Major Projects Financing Reserve	b	137.4	(11.6)	125.9
Business Rate Equalisation	c	5.3	0.0	5.3
Highways Improvements	d	36.7	(0.6)	36.1
Climate Action Reserve	e	13.7	(0.7)	13.0
Police Future Expenditure	f	9.1	0.0	9.0
VAT Reserve	g	4.2	0.0	4.2
CWP Reserve	h	64.6	(15.6)	49.0
Proceeds of Crime Act	i	7.4	0.0	7.4
Judges Pensions	j	1.1	0.0	1.1
Service Projects	k	8.1	4.2	12.3
Total Revenue Earmarked		287.6	(24.3)	263.4
Housing Revenue Account (HRA)	l	0.4	(0.1)	0.3
Total Revenue Usable Reserves		288.0	(24.4)	263.7
Capital Usable Reserves				
Capital Receipts Reserve	m	36.7	49.0	85.7
Capital Grants Unapplied	n	64.4	(4.0)	60.4
HRA Major Repairs Reserve	o	2.2	0.0	2.2
Total Capital Usable Reserves		103.3	45.0	148.3
Total Usable Reserves		391.3	20.6	412.0

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. Current policy is to maintain a balance of £20m.
- 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 smooth collection fund surpluses and deficits that can occur due to the requirements of collection fund accounting. This is especially relevant during the upcoming reset period.
- 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, currently approved to be used by 2026/27.
- 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 2025/26, 2026/27, 2027/28 and 2028/29 (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

	2024/25	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
HRA	- 0.39	- 0.48	- 0.39	- 0.17	- 0.13
Non-HRA	-	- 0.02	- 0.08	- 0.10	- 0.11
Total	- 0.39	- 0.50	- 0.47	- 0.27	- 0.25
<i>At this time last year</i>	- 0.39	- 0.49	- 0.34	- 0.57	- 0.52

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 2024/25 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 2024/25 to 2028/29
	£m
Gross External Debt*	12.2
Capital Financing Requirement	226.9

*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 2024/25 to 2028/29. 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**

	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Non-HRA	135.5	364.6	516.4	248.1	120.1	101.3
HRA	32.4	64.5	44.2	16.2	11.4	7.1
Total	167.9	429.2	560.6	264.2	131.4	108.4
<i>At this time last year</i>	315.0	393.6	426.4	143.7	44.8	

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**

	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Non-HRA	99.8	224.7	215.8	218.1	223.9	221.7
HRA	0.0	2.1	11.0	8.7	3.0	5.1
Total	99.8	226.8	226.8	226.8	226.9	226.8
<i>At this time last year</i>	150.3	320.2	345.5	359.0	227.2	

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'. The major projects expenditure will also be funded through additional disposals to ensure that the CFR does not exceed the internal borrowing limit.

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

	2024/25	2025/26	2026/27	2027/28
Times cover on unencumbered revenue reserves	3.7	1.5	0.0	0.0
<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 2024/25 and 2025/26 revenue surpluses are forecast but reducing year on year. Deficits are then forecast from 2026/27 as the impact of the governments business rates reset removes the growth built up over the past ten-year period. 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)

2025/26

Issue Date: 17/02/2025
Agreed by Court of Common Council: XX/XX/2025

Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) 2025/26

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. 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 2025/26

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 2025/26 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, MUFG Corporate Markets (previously known as 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 MHCLG (Ministry of Housing, Communities, and Local Government) Minimum Revenue Provision (MRP) Guidance, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.

1.6. Current Portfolio Position

The City's treasury portfolio position at 31 December 2024 compared to the position at 31 March 2024 comprised:

Table 1: Treasury Portfolio				
	Actual 31/03/2024		Current 31/12/2024	
Treasury investments	£m	%	£m	%
Banks	£390.0	43%	£460.0	41%
Building societies (rated)	£0.0	0%	£0.0	0%
Local authorities	£50.0	6%	£100.0	9%
Liquidity funds	£155.2	17%	£247.7	22%
Ultra-short dated bond funds	£147.0	16%	£152.6	14%
Short dated bond funds	£159.0	18%	£161.0	14%
Total treasury investments	£901.2	100%	£1,121.3	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 2025/26 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 2024/25 to 2028/29.

Estimate of Capital Expenditure and Financing (City Fund)

Table 2	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Capital Expenditure:						
Non-HRA	135.5	364.6	516.4	248.1	120.1	101.3
HRA	32.4	64.5	44.2	16.2	11.3	7.1
Total	167.9	429.1	560.6	264.3	131.4	108.4
Financed by:						
Capital grants	107.2	180.7	165.2	115.1	28.5	15.2
Capital reserves	16.8	73.0	200.6	67.7	105.4	43.6
Planned investment property disposals	0.0	38.2	183.0	71.4	-6.9	43.1
Revenue	38.2	10.2	11.8	10.1	4.4	6.5
Total	162.2	302.1	560.6	264.3	131.4	108.4
Net Financing Need	5.7	127.0	0.0	0.0	0.0	0.0

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.

City Fund has an ambitious capital programme, which is intended to be supported by planned investment property disposals as an alternative to any external borrowing, enabling a balanced CFR over the next five year period.

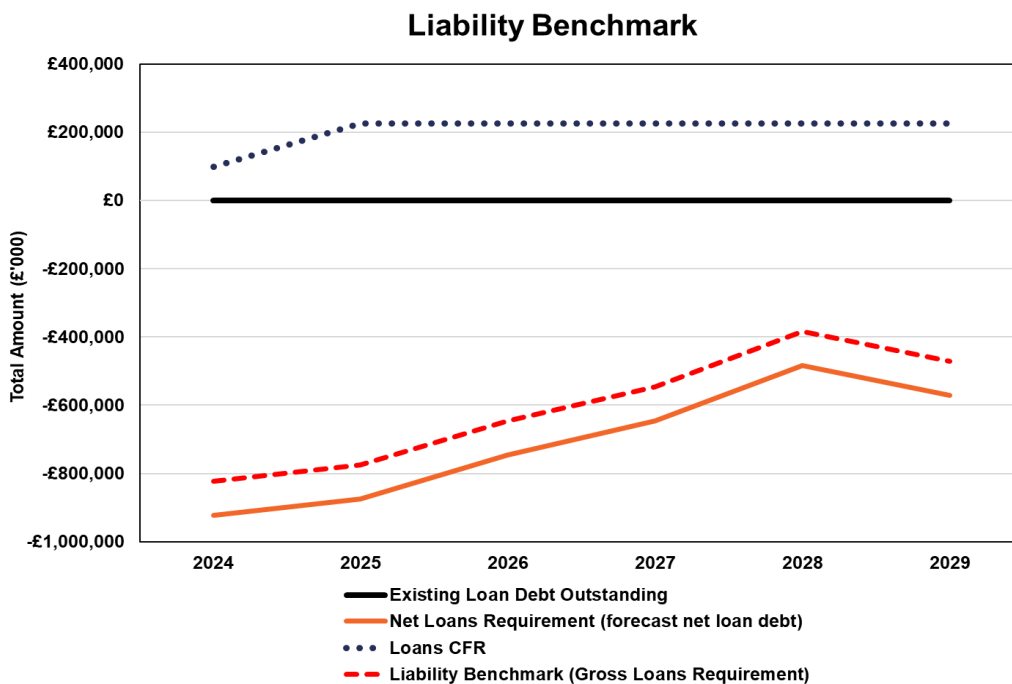
Estimate of the Capital Financing Requirement (City Fund)

Table 3	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Non-HRA	99.8	224.7	215.8	218.1	223.8	221.7
HRA		2.1	11.0	8.7	3.0	5.1
Total	99.8	226.8	226.8	226.8	226.8	226.8

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. **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 2025/26 will be financed from revenue contributions, earmarked reserves, and supported by the liquidation of financial investments and additional property disposals.

Table 4 summarises City's Estate outstanding debt of £450m (£250m was received in 2019/20 and the remaining £200m was received in 2021/22) over the next few years.

Table 4	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£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. Surplus income not required for the primary purpose, as reassessed 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 within the permanent endowment fund.

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 2025/26 – 2027/28

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 MUFG Corporate Markets (previously known as 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 2025	4.50	4.90	5.10	5.50	5.30
Jun 2025	4.25	4.80	5.00	5.40	5.20
Sep 2025	4.00	4.60	4.80	5.30	5.10
Dec 2025	4.00	4.50	4.80	5.20	5.00
Mar 2026	3.75	4.50	4.70	5.10	4.90
Jun 2026	3.75	4.40	4.50	5.00	4.80
Sep 2026	3.75	4.30	4.50	4.90	4.70
Dec 2026	3.50	4.20	4.40	4.80	4.60
Mar 2027	3.50	4.10	4.30	4.70	4.50
Jun 2027	3.50	4.00	4.20	4.60	4.40
Sep 2027	3.50	4.00	4.20	4.50	4.30
Dec 2027	3.50	3.90	4.10	4.50	4.30

MUFG Corporate Market’s central forecast for interest rates was updated on 19 December 2024.

Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, MUFG significantly revised their central forecasts. In Summary, MUFG’s Bank Rate forecast is now 50bps – 75bps higher than was previously forecast in their last significant forecast revision in May 2024, whilst their PWLB forecasts have been materially lifted to not only reflect the increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

Reflecting on the Autumn Budget, MUFG’s view is that the policy announcements will be inflationary, at least in the short term. Their central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent.

For PWLB rates, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.

The result of the US presidential election paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.

3.1. Investment and borrowing rates

- The next reduction in Bank Rate is forecast to be made in February 2025 and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November). Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025.
- The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are to the upsides.
- Link's long-term, i.e. beyond 10 years, forecast for the Bank Rate has been increased to 3.25% (from 3%) and as all PWLB certainty rates are currently significantly above this level, borrowing strategies need to be reviewed in that context. Temporary borrowing rates will, generally, fall in line with bank rate cuts.
- 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.

3.2. 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 stabilise over the next five years (see table 2 in section 2.1) including the proposed Investment Property disposals. 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 2025/26 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 2025/26, 2026/27 and 2027/28. 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 2025/26 are set out in Appendix 2.

International Financial Reporting Standard (IFRS)16: Leases - became effective 1 April 2024 and requires that leases previously expensed through expenditure are now recognised as a right of use asset with an equal value liability, where the lease is longer than 12 months and not insignificant. The estimated balance as at 31 March 2025 includes £11.6 million of leases included as a result of the impact of IFRS16 which has been incorporated into these forecasts, with the *operational boundary* and *authorised limit* debt ceilings set at a level to accommodate these (as 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 2025/26, which is currently planned to be funded from the liquidation of financial investments and investment property disposals, as opposed to additional external borrowing. However, the Chamberlain will keep this position under review and in doing so will have regard for liquidity requirements, interest rate risk and the implications for the revenue budget.

The regulatory framework established through the CIPFA professional codes and MHCLG guidance pertains to the City's local authority function, the City Fund. To facilitate effective management of the City's 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 2025/26 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. Following the Autumn Budget, the availability of this rate has been extended to the end of March 2026. 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 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 MHCLG’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 MHCLG 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 2025/26 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 £510m.

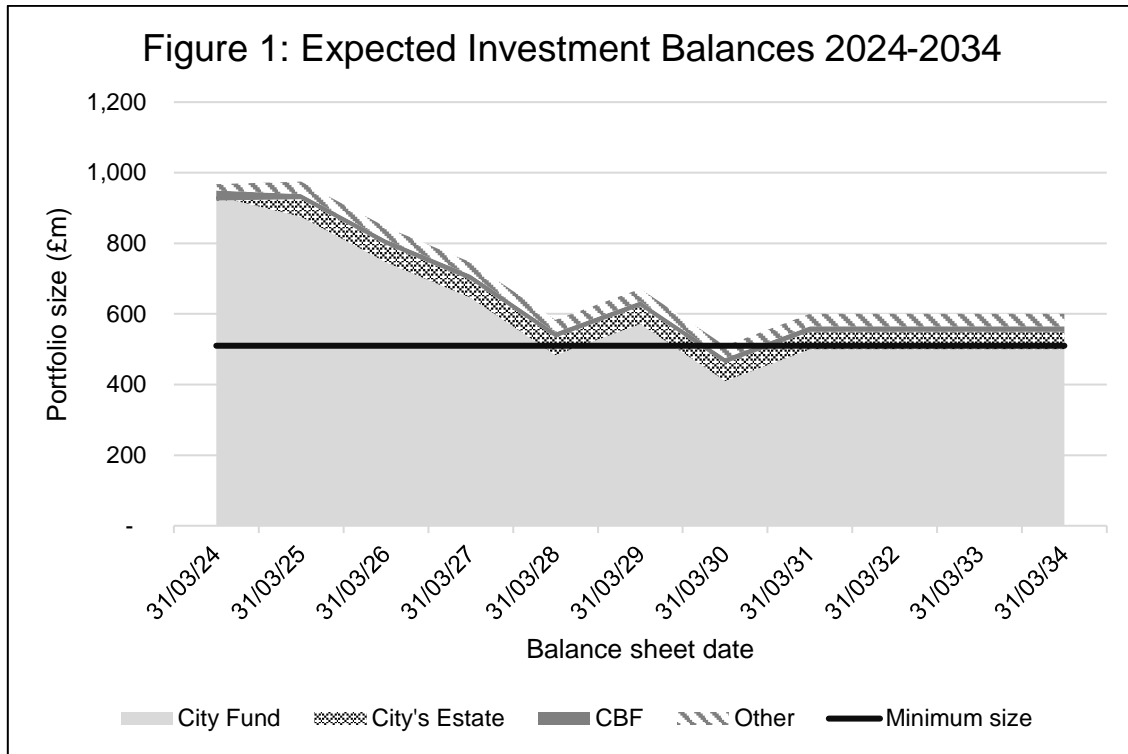


Figure 1 shows projected investment balances across the three funds and others over the coming years as at the end of each financial year.¹ Most of the investment balances relate to City Fund and it should be noted that generally investment balances are expected to be higher between reporting dates.

As the City, and the City Fund in particular, is expected to maintain cash balances over the forecast horizon following financial investment liquidations and investment property disposals, the treasury management strategy will duly consider how best to protect the capital value of resources, particularly during periods 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 MUFG Corporate Markets, 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 – 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 – 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 decrease incrementally in 2025 to 4.00%, with further cuts to 3.50% in 2026. In these circumstances it is likely that investment earnings from money-market related instruments will decrease compared to the earnings in 2024/25, however they remain above the very low levels experienced in previous years. Bank Rate forecasts for financial year ends (March) are:-

- 2024/25 4.50%
- 2025/26 3.75%
- 2026/27 3.50%

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)			
	2024/25 £M	2025/26 £M	2026/27 £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 £561.3m as at 31 December 2024 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.

Since 2018/19, a statutory accounting override ("the override") has been in place that allows councils to disapply part of International Financial Reporting Standard 9 – Financial Instruments (IFRS 9), which would otherwise require councils to

make provision in their budgets for changes in value (gains or losses) of certain types of financial investments (i.e. pooled investment funds).

Due to the current IFRS 9 statutory override, only the income portion of the total return on pooled investment funds (i.e. Bond Funds for the City of London Corporation) impacts the City Fund (i.e. General Fund) revenue outturn, whilst the more volatile capital component (i.e. Fair Value (FV) movement) is absorbed by an unusable reserve. As at 31 December 2024 the City had £313.6M invested in external funds (excluding MMF's), through its allocation to ultra-short dated and short-dated bond funds representing 28% of the portfolio. Whilst market volatility has seen the capital value (FV) fluctuate, they provide an income return and are held with a long term view.

The IFRS 9 Statutory Override, which mandates that fluctuations in the fair value of pooled fund investments are taken to an unusable reserve on the balance sheet may cease on 31 March 2025 pending response to the current '*Local Government Finance Settlement*' consultation. From 1 April 2025, if the statutory override ceases, fluctuations in the fair value will therefore be reflected in the revenue account as at 31 March 2026. To mitigate against any reduction in value, a ringfenced IFRS9 reserve will be created in 2024/25 with funding from the overachievement of investment income - the initial transfer to this reserve will be determined based on the outcome of the consultation and the 2024/25 outturn position in consultation with the Chamberlain.

If the fair value of the funds is below the purchase price at the balance sheet date, funds will be released from the reserve to ensure that there is no/minimal net impact to the revenue account. Similarly, if the fund fair value is above the purchase price at the balance sheet date, any unrealised gain will be transferred to the IFRS9 reserve. It would only be appropriate to release such gains to the revenue account if/when the funds are divested from and gains are crystallised.

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 MUFG Corporate Markets (previously known as 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 2023 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 2023 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 (now known as MUFG Corporate Markets) 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 (as at 11/11/2024 with no change as at 19/12/2024)

MUFG Corporate Markets Interest Rate View 11.11.24													
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

Interest Rate Forecasts									
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
Bank Rate									
MUFG CM	4.50%	4.25%	4.00%	4.00%	3.75%	3.75%	3.75%	3.50%	
Cap Econ	4.50%	4.25%	4.00%	3.75%	3.50%	3.50%	3.50%	3.50%	
5Y PWLB RATE									
MUFG CM	4.90%	4.80%	4.60%	4.50%	4.50%	4.40%	4.30%	4.20%	
Cap Econ	5.10%	4.90%	4.80%	4.60%	4.60%	4.50%	4.50%	4.40%	
10Y PWLB RATE									
MUFG CM	5.10%	5.00%	4.80%	4.80%	4.70%	4.50%	4.50%	4.40%	
Cap Econ	5.30%	5.10%	5.00%	4.80%	4.80%	4.70%	4.60%	4.60%	
25Y PWLB RATE									
MUFG CM	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	
Cap Econ	5.70%	5.50%	5.30%	5.00%	4.90%	4.90%	4.80%	4.70%	
50Y PWLB RATE									
MUFG CM	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.60%	
Cap Econ	5.30%	5.20%	5.20%	5.10%	5.00%	4.90%	4.80%	4.80%	

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 2025/26 – 2028/29 AND MINIMUM REVENUE PROVISION STATEMENT

TABLE 1: TREASURY MANAGEMENT INDICATORS	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Probable Outturn	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Authorised Limit for external debt (City Fund) -						
Borrowing	199.8	326.8	326.8	326.8	326.8	326.8
other long-term liabilities*	12.7	24.2	21.2	18.4	17.6	17.0
TOTAL	212.5	351.0	348.0	345.2	344.4	343.8
Operational Boundary for external debt (City Fund) -						
Borrowing	99.8	226.8	226.8	226.8	226.8	226.8
other long-term liabilities*	12.7	24.2	21.2	18.4	17.6	17.0
TOTAL	112.5	251.0	248.0	245.2	244.4	243.8
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

*Other long term liabilities include the impact of IFRS16

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

TABLE 2: Maturity structure of borrowing during 2025/26	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	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Probable Outturn	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
Estimates of financing costs to net revenue stream	13.1%	14.2%	14.6%	14.2%	14.3%	14.2%
	£m	£m	£m	£m	£m	£m
Overall borrowing limits	450	450	450	450	450	450

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT 2025/26

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 2024/25 is £1.4m and is estimated at £1.4m for 2025/26.

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 2024

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
A+	F1	Standard Chartered Bank	£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	£282Bn	£100M	Up to 3 years
A-	F1	Yorkshire	£64Bn	£20M	Up to 1 year
A-	F1	Coventry	£63Bn	£20M	Up to 1 year
A-	F1	Skipton	£39Bn	£20M	Up to 1 year
A-	F1	Leeds	£30Bn	£20M	Up to 1 year

FOREIGN BANKS

(with a presence in London)

FITCH RATINGS		COUNTRY AND BANK	LIMIT PER GROUP	DURATION
		AUSTRALIA (AAA)		
AA-	F1	Australia and New Zealand Banking Group Ltd	£100M	Up to 3 years
AA-	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 24 January 2025.

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

2024/25 –
2029/30

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

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 8,600 residents, 678,000 workers and millions of domestic and international 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, Epping Forest and West Ham Park
- 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 premium which is added to the national multipliers. The Business Rate Premium is used to support the City of London Police and associated security costs.

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 11,000 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.

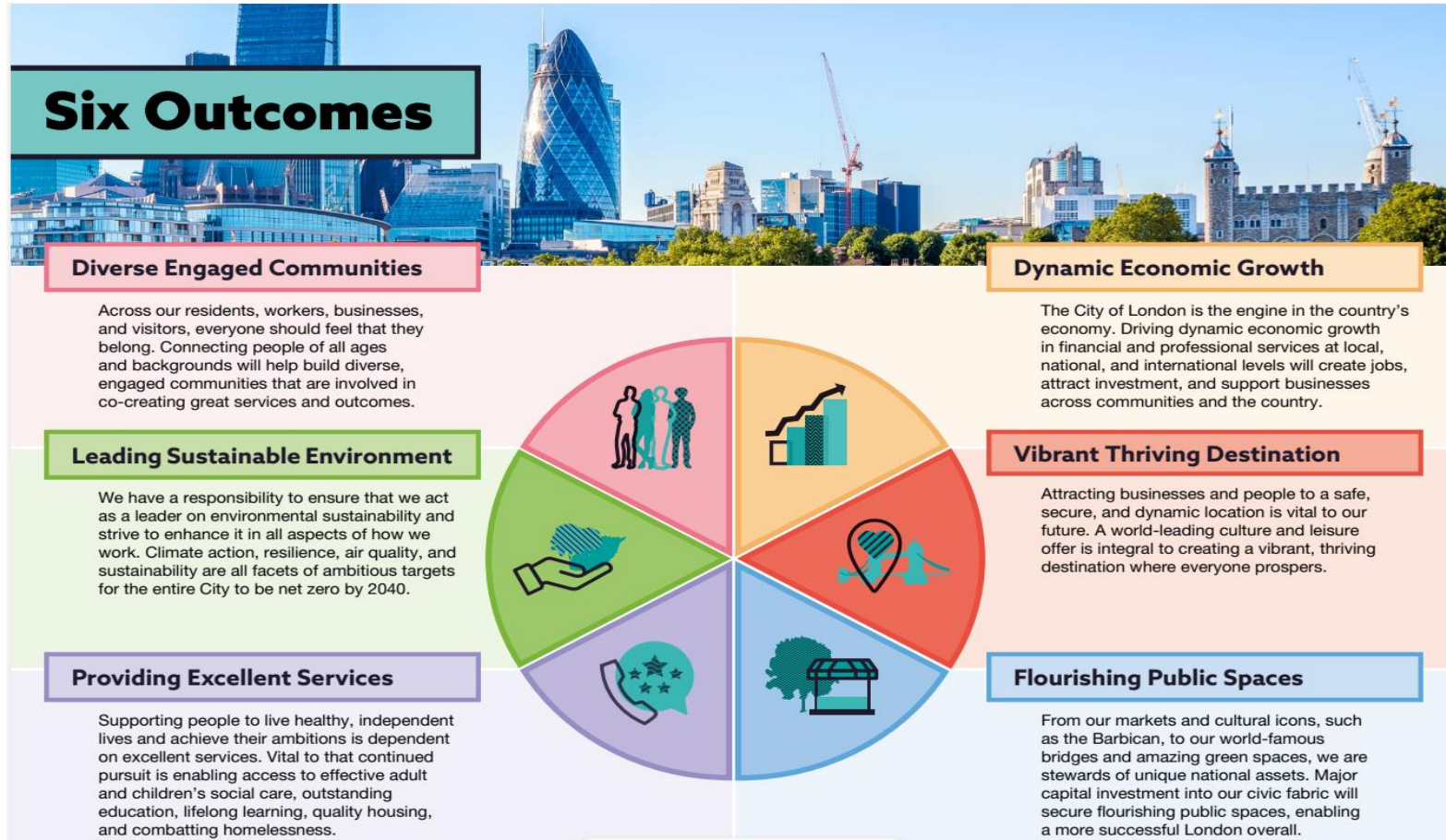
The maintenance and replacement of these bridges is the primary objective of the charity. However, since 1995 the charity's large investment portfolio has also supported an extensive grant-making operation. The charity is now the largest independent funder in London, under the trusteeship of the City 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 2024, 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.



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) as well as its Financial Management Code. These highlight the requirement that all Councils should have a Capital Investment Strategy that aligns capital delivery plans to their organisational objectives and ensures the capital strategy forms part of the revenue, capital, balance sheet and medium- and long-term financial planning. The capital strategy ensures financial sustainability by balancing current needs with future investment requirements, while adhering to principles of prudence, value for money, and affordability.

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 funding sources 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 £2.09bn, summarised by fund that is due to be approved by the Court of Common Council in March 2025. City's Estate amount includes the grant contribution to the Courts element of the build within Salisbury Square Development under City Fund.

CAPITAL PROGRAMME	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
City Fund	446.6	587.6	269.5	135.8	126.7	112.1	1,678.2
City Estate	122.5	185.6	57.6	19.2	20.1	2.0	406.9
Total	569.1	773.2	327.1	154.9	146.8	114.1	2,085.1

Table 1: Summary of Capital Programme by Fund

City Fund Capital Programme

The City Fund capital programme totals £1.6bn over the next six years is summarised in table 2. It comprises £1,138.4m on flagship Major Projects, £539.8m across 'business as usual' capital programmes across the divisional areas and contingency.

CAPITAL PROGRAMME - CITY FUND	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	Total (24/25 – 29/30)
CAPITAL & SRP - BAU	£m	£m	£m	£m	£m	£m	
Environment	27.2	44.5	39.3	21.6	9.5	6.3	148.4
City Surveyor & Property	38.9	12.8	26.6	4.7	11.0	-	94.0
City of London Police	13.4	6.5	5.0	5.0	5.0	-	34.9
Chamberlains & Chief Financial Officer	13.9	24.1	7.5	7.5	7.5	7.5	68.0
Community & Children's Services (Non HRA)	14.8	15.9	-	-	-	-	30.7
Barbican Centre	7.3	12.1	-	-	-	-	19.4
Community Services - HRA	65.2	44.5	16.2	11.4	7.1	-	144.4
Sub-Total	180.8	160.4	94.6	50.1	40.1	13.8	539.8
CAPITAL & SRP - MJR PROJECTS	£m	£m	£m	£m	£m	£m	£m
Barbican Renewal	6.3	44.4	50.4	62.5	48.6	37.2	249.4
Future Police Estate Programme	15.7	40.9	35.8	9.5	9.5	32.6	144.0
London Wall West	0.1	5.0	-	-	-	-	5.1
Museum of London	130.5	73.8	-	-	-	-	204.3
Salisbury Square	113.2	263.1	88.7	13.7	-	-	478.7
Barbican Risk	-	-	-	-	28.5	28.5	57.0
Sub-Total	265.8	427.2	174.9	85.7	86.6	98.3	1,138.5
Total	446.6	587.6	269.5	135.8	126.7	112.1	1,678.2

Table 2: City Fund Capital Programme 2024/25 to 2029/30

Within City Fund, two flagship major projects are currently underway: the Museum of London relocation, and Salisbury Square Development including the Future Police Estate Programme, and a third has been given approval by the Court of Common Council to go ahead – the Barbican Renewal Programme.

Museum of London (MoL)

This programme has a total budget of £439m, with contributions from CoL of £225m, the GLA of £95m, and museum fundraising of £120m. 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 below show an 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

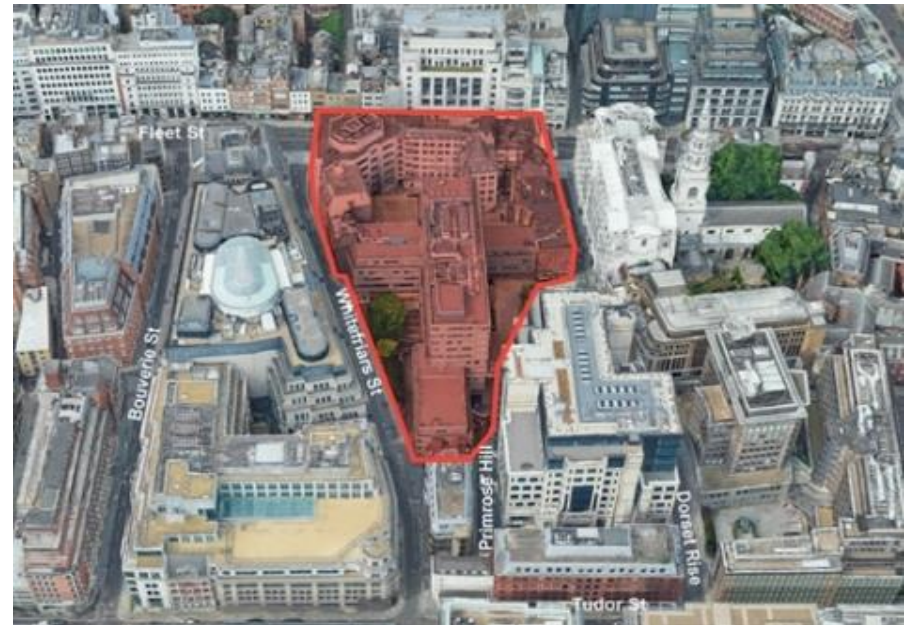
This combined scheme has an original “core” budget of £656.4m. Following approval of additional sums that are proposed in the MTFP, including a potential contribution from a third party, the scheme will have a total budget of £780m. This is a major redevelopment programme and a unique opportunity to 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 £223m from City’s Estate to cover the costs relating to the combined courts element.

Since its inception, the project has been subjected to significant pressures beyond the Corporation’s control as set out below. To date the budget has not been re-baselined to accommodate these changes and is now being done so through the budget setting process.

- a) The increase in scope of SSD by 65,000 sq. ft between March 2018 and January 2021 without an increase in budget or optimism bias;
- b) The decision to amend the scope of the commercial building, in line with the Corporation’s Property Investment Strategy;
- c) Hyperinflation in the construction sector and its impact; and
- d) The national decision by Government to increase Police Officers, impacting Police requirements that are fit for the future.

The Salisbury Square development is expected to create the following benefits for the wider locale. Further detail can be found on our dedicated website: <https://saliburysquaredevelopment.co.uk>.

<p>2,100 jobs</p> <p>Be a civic hub for justice, policing and commercial activity, supporting 2,100 jobs directly;</p>	<p>400 new jobs</p> <p>Create around 400 brand new jobs in the City of London and an estimated 280 more through the supply chain and related economic activity;</p>	<p>150 direct construction jobs</p> <p>Create 150 direct construction jobs through the life of the build and a further 80 jobs through the supply chain;</p>
<p>£51 million</p> <p>Generate around £51 million per year once complete and operational;</p>	<p>£5.4 million</p> <p>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;</p>	<p>Key role in the future of Fleet Street</p> <p>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;</p>
<p>c.£10 million</p> <p>Generate c.£10 million in productivity benefits (GVA) per year during construction;</p>	<p>Enhanced and enlarged</p> <p>An enhanced and enlarged Salisbury Square and creation of new pedestrian routes through the site, providing high quality hard and soft landscaping.</p>	



Barbican Renewal

A funding package of £191m has been approved to repair and upgrade the Barbican Centre (the City of London’s flagship cultural and performing arts centre). The Barbican centre also has a fundraising target of £40m, plus the Corporation is additionally holding £57m central contingency budget for this, leading to a combined budget of £288m. The Corporation approved the package at its Court of Common Council meeting on 5th December 2024; and the project will start in 2025/26.

Barbican Renewal is a transformative programme of capital projects that will enable the Barbican to realise its potential as the greatest cultural centre in the City of London and the UK more broadly. These plans will deliver a site that is truly inclusive, sustainable and operationally resilient. For over 40 years the Barbican has been offering a world-class programme of unique breadth, spanning every possible creative discipline, staged in an iconic site of globally recognised significance. Visits to the Centre reach 1.8 million annually, increasing footfall to and spend within the City, particularly across the quieter weekend days. The Barbican is the City’s third most visited attraction, generating around £80m in annual economic value and supporting 1,100 full-time equivalent jobs.

Since it opened, however, the buildings have deteriorated, compromising their use as public spaces and placing increasing restrictions on the offer for visitors; therefore, there is a need for strategic restoration. The first phase on works will include the replacement and upgrading of key infrastructure; improvements to the lakeside, foyers and catering block; restoration of the conservatory; improvements to the Concert Hall, Art Gallery, and Theatre; and design work and planning approval for the exhibition halls.



“Business As Usual” (BAU) Programme

City Fund’s Capital Programme totals £523.8m; key highlights are set out below.

Within the **Housing Revenue Account (HRA) block of Community & Children’s 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.

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.

City's Estate Capital Programme

City's Estate capital programme totals £406m over the next five years is summarised in table 3. It comprises £225.3m on flagship Major Projects, £181.6m 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. Since last year's capital strategy, the Markets Co-Location Programme (MCP) is no longer contained in the capital programme. The Court of Common Council decided on 26th November to end the interest in co-locating the wholesale food markets of Smithfield and Billingsgate to a new site at Dagenham Dock. Instead, the City Corporation will pursue a new opportunity, agreed in principle with market traders, to provide them with financial support to relocate to new premises; which is contained within the revenue budgets.

CAPITAL PROGRAMME - CITY ESTATE	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	Total 24/25 – 29/30
CAPITAL & SRP - BAU	£m	£m	£m	£m	£m	£m	
City Surveyor & Property	13.3	27.5	10.6	9.1	15.5	-	76.0
Environment	3.1	2.5	0.9	-	-	-	6.5
Barbican Centre	0.0	-	-	-	-	-	0.0
Chamberlains & Chief Financial Officer	30.1	34.8	5.8	2.0	2.0	2.0	76.7
City of London School For Girls	3.7	0.9	1.3	-	-	-	5.9
Community & Children's Services	0.3	-	-	-	-	-	0.3
City of London School	0.3	2.6	2.6	2.6	2.6	-	10.7
City of London Freeman's School	0.8	-	-	-	-	-	0.8
Principal GSMD	1.8	2.1	0.8	-	-	-	4.7
City of London Police	-	-	-	-	-	-	-
Sub-Total	53.4	70.5	22.0	13.7	20.1	2.0	181.6
CAPITAL & SRP - MAJOR PROJECTS	£m	£m	£m	£m	£m	£m	£m
Museum of London	23.8	9.9	0.1	-	-	-	33.8
Grant from City's Estate for SSD	45.3	105.2	35.5	5.5	-	-	191.5
Sub-Total	69.1	115.3	35.6	5.5	-	-	225.3
Total	122.5	185.8	57.6	19.2	20.1	2.0	406.9

Table 3: City's Estate Capital Programme 2024/25 to 2029/30

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

- £140m Museum of London “landlord works” (project lifetime cost), 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;

- £34.5m 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.

Cross-Fund Programmes

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

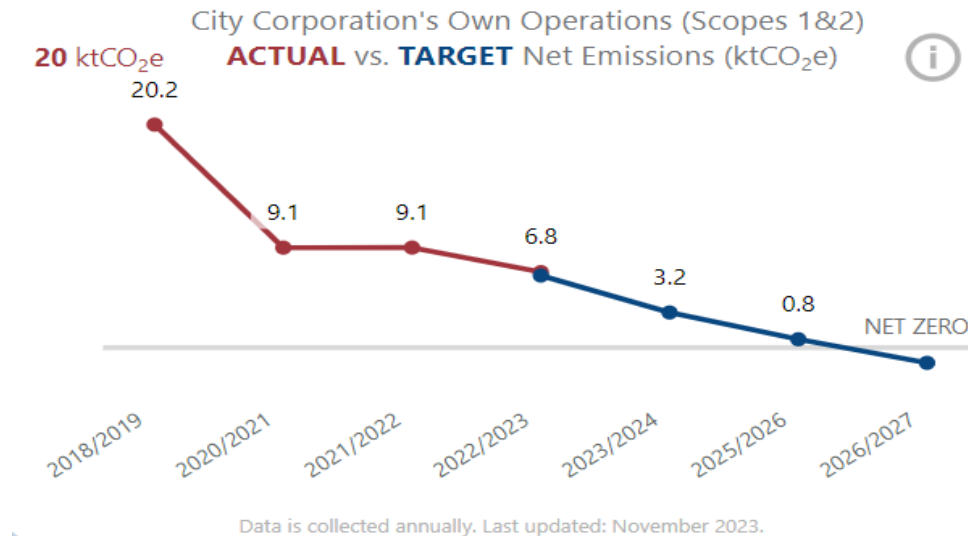
Climate Action Strategy

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 integrated cloud-based platform that can be used across The City, and replace the legacy standalone IT systems currently used for Finance & Procurement, HR and Payroll.

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. It is planned that the full solution will be deployed by April 2026.

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 £159m for the next five years to address the accumulated backlog of maintenance and forward plan, and prevent further dilapidation and degradation of property, and failure to meet statutory compliance requirements. c£40m of the allocated funding is included within the Capital Strategy, pending final approval by the Court of Common Council in March 2025, although classification between Capital and Revenue is subject to review as schemes progress.

5. Capital Financing

Tables 4 & 5 below show how the capital programme is financed across City Fund and City's Estate. NB, the asset disposal line includes application of existing capital receipt balances including lease premiums; it does not represent new disposals in year.

CAPITAL PROGRAMME - CITY FUND	2024/25 Funding	2025/26 Funding	2026/27 Funding	2027/28 Funding	2028/29 Funding	2029/30 Funding	Total Funding
CAPITAL & SRP - BAU	£m	£m	£m	£m	£m	£m	£m
Revenue/General Reserves	16.8	22.2	26.6	4.7	11.0	-	81.3
External Contributions	34.5	53.3	39.3	21.6	9.5	6.3	164.5
HRA/Police	78.8	50.9	21.2	16.3	12.1	-	179.3
Asset Disposal	50.7	34.0	7.5	7.5	7.5	7.5	114.7
Sub-Total	180.8	160.4	94.6	50.1	40.1	13.8	539.8
CAPITAL & SRP - MAJOR PROJECTS	£m	£m	£m	£m	£m	£m	£m
Revenue/General Reserves	31.3	66.5	28.0	8.0	4.6	40.6	179.0
External Contributions	102.6	122.4	90.5	15.5	10.0	-	341.0
HRA/Police	-	-	-	-	-	-	-
Asset Disposal	131.9	238.3	56.4	62.2	72.0	57.7	618.4
Sub-Total	265.8	427.2	174.9	85.7	86.6	98.3	1,138.4
Total	446.6	587.7	269.5	135.8	126.7	112.1	1,678.2

Table 4: Summary financing schedule for City Fund Capital Programme 2024/5 to 2029/30

CAPITAL PROGRAMME - CITY ESTATE	2024/25 Funding	2025/26 Funding	2026/27 Funding	2027/28 Funding	2028/29 Funding	2029/30 Funding	Total Funding
CAPITAL & SRP - BAU	£m	£m	£m	£m	£m	£m	
Revenue/General Reserves	12.9	28.6	15.4	11.7	18.1	2.0	88.6
External Contributions	0.4	-	-	-	-	-	0.4
Asset Disposal	40.1	41.9	6.6	2.0	2.0	-	92.6
Sub-Total	53.4	70.5	22.0	13.7	20.1	2.0	181.6
CAPITAL & SRP - MAJOR PROJECTS	£m	£m	£m	£m	£m	£m	£m
Revenue/General Reserves	-	9.9	-	-	-	-	9.9
External Contributions	-	6.4	-	-	-	-	6.4
Asset Disposal	69.1	79.0	35.6	5.5	-	-	209.0
Sub-Total	69.1	95.3	35.6	5.5	-	-	225.3
Total	122.5	165.8	57.6	19.2	20.1	2.0	406.9

Table 5: Summary financing schedule for City Estate Capital Programme 2024/5 to 2029/30

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, including the Dedicated Sales Pool which funds City Estate Asset Investment. Capital receipts within City Fund can only be used to fund capital expenditure, and not revenue. There is significant forthcoming expenditure across City Fund and City Estate on major programmes and on BAU that will necessitate the realisation of additional capital through disposal of property and financial investments, as presented to Investment and Finance Committees in February 2025. The assets needed to meet this requirement have now been earmarked.

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. **Table 6** below shows the capital expenditure excluding SRP and the financing for the previous year and the next five years, split between HRA and Non HRA, with the financing requirement for each year. **Table 7** (next page) shows the cumulative CFR per year with the opening balance at the start of 23/24 being £94.1m. Compared to Table 4 previously, the tables below exclude SRP (Supplementary Revenue Projects); the Capital Financing Requirement relates to pure capital expenditure only.

Estimate of Capital expenditure and Financing (City Fund)	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
CAPITAL Expenditure	£m	£m	£m	£m	£m	£m
Non -HRA	135.5	364.6	516.4	248.1	120.1	131.3
HRA	32.4	64.5	44.2	16.2	11.4	7.1
Total	167.9	429.2	560.6	264.2	131.4	138.4
Financed by:						
Capital grants	107.2	180.7	165.2	115.1	28.5	15.2
Capital reserves	16.8	73.0	200.6	67.7	105.4	43.6
Proposed property disposals	0.0	38.2	183.0	71.4	-6.9	73.1
Revenue & MRP	38.2	10.2	11.8	10.1	4.4	6.5
Total	162.2	302.1	560.6	264.2	131.4	138.4
Net Financing Need	5.7	127.0	0	0	0	0
Total	5.7	127.0	0	0	0	0

Table 6: Projected Capital Financing Requirement by Financial Year

City Fund – Cumulative CFR	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
CAPITAL Expenditure	£m	£m	£m	£m	£m	£m
Non -HRA	99.8	224.7	215.8	218.1	223.9	221.7
HRA	0	2.1	11.0	8.7	3.0	5.1
Total	99.8	226.8	226.8	226.8	226.8	226.8

Table 7: 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	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	Actual	Probable Outturn	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m	£m
Authorised Limit for external debt (City Fund) -						
Borrowing	199.8	326.8	326.8	326.8	326.8	326.8
Other long-term liabilities	12.7	24.2	21.2	18.4	17.6	17.0
TOTAL	212.5	351.0	348.0	345.2	344.4	343.8
Operational Boundary for external debt (City Fund) -						
Borrowing	99.8	226.8	226.8	226.8	226.8	226.8
Other long-term liabilities	12.7	24.2	21.2	18.4	17.6	17.0
TOTAL	112.5	251.0	248.0	245.2	244.4	243.8
Actual external debt (City Fund)	0	0	0	0	0	0
Upper limit for total principal sums invested for over 365 days	£300m	£300m	£300m	£300m	£300m	£300m

CITY'S ESTATE BORROWING INDICATORS	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	Actual	Probable Outturn	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
Estimates of financing costs to net revenue stream	<u>13.1%</u>	<u>14.2%</u>	<u>14.6%</u>	<u>14.2%</u>	<u>14.3%</u>	<u>14.2%</u>
	£m	£m	£m	£m	£m	£m
Overall borrowing limits	450	450	450	450	450	450

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 the impact of high inflationary pressures on existing schemes, this was paused during 2023/24 and also 2024/25 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.

Policy and Resources Committee and Finance Committee have recommended a central funding envelope of £7m for City Fund and £2m for City Estate in relation to contingency for 2025/26 and beyond. 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 of the overall 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 (CBF) 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 the Policy & Resources 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.



Portfolio Delivery Assurance

The Commercial, Change and Portfolio Team within the Corporation has been strengthened to provide additional capability and capacity for portfolio and programme assurance. This new team is working to the principles established from the 2022 review:

- The City Corporation is confident project and programmes represent best value and deliver the intended benefits.
- Project governance is risk-based and enables Members to focus on strategic issues and areas of high risk and/or value.
- Members are assured that lower risk/value projects are well managed and that an effective assurance framework exists to identify any potential issues or risks.
- Officers are empowered to effectively manage the projects they are responsible for, to take prompt decisions to manage operational risks and, are enabled by corporate systems and financial processes.

- The Corporation is clear on the role of the PMO ecosystem and its capacity to fulfil this role effectively.
- The project delivery operating model represents value for money with a clearly articulated value proposition.

A new enterprise portfolio management office (EPMO) is now established and will provide portfolio governance and assurance, develop our internal capability for project delivery, establish a community of practice and bring focus upon impact and reporting of projects and programmes. This team will take a strategic view of delivery, provide oversight of project and programme delivery and will reduce risk. In addition, departments and institutions will have a departmental portfolio board which will have oversight of the pipeline of programmes and projects within its own portfolio.

Fundamental to the development of the Corporation's new portfolio management approach is a revised approach to training of project managers and the development of a community of practice. The new

training will update the existing PM Academy as well as provide specific role based training for different learner types including those that need to support project delivery such as project leaders and finance teams.

EPMO System

In order to provide project managers with a best practice toolkit to manage projects as well as to provide enhanced transparency of project status a new EPMO system is currently being developed and will be launched in April 2025. This system will act as the 'single source of truth' for project delivery within the Corporation.

During the first phase of the implementation, the system will provide project managers with scheduling, resourcing, benefits, risk management and reporting capabilities. The system will provide regular portfolio status updates for senior management and members on each of the Corporation's critical programmes. This reporting will enable strategic oversight.

A second phase of the implementation will cover the implementation of new gateways and will manage the process and workflows associated with these. At this stage, new business case templates will also be provided that are proportionate to the size of the project concerned.

New Gateway Process

A new procedure gateway process is currently being finalised and approval will be sought from members in the summer of 2025. The principles of this new procedure are:

- To create governance proportionate to the size and complexity of the project.
- To generate focus on strategic value from the outset.
- To standardise and clarify project governance across the Corporation.
- To define gateways at the right points to enable impactful strategic interventions.

- To learn from the experience of past projects and align to industry standards.
- To generate better quality reporting which provides the right data & analysis to inform decisions.

At the same time as the review of procedure gateways, a further review into financial governance is also being undertaken, with the following ambitions;

- Reduce unnecessary steps that can delay projects and do not improve the control environment.
- Improve visibility and transparency of the approved capital programme and the funding envelope.
- Increase engagement in capital monitoring and forecasting across the Corporation.
- Increased visibility and monitoring of the revenue benefits associated with capital programmes.

- Increase the capacity within the Chamberlain's team to provide strategic challenge.

Inclusion of schemes in the capital programme will continue to 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.

7. New Corporate Property Asset Management Strategy '2024-29

The Corporate Property Asset Management Strategy outlines the overriding objectives for managing the operational estate (excluding housing). Decisions on all operational property assets are guided by this strategy and the objectives within it. This Strategy supports the Corporate Plan and in turn is supported by specific individual property asset management plans. The key objectives contained within are as follows:

Efficiency

- Ensure all operational properties allocated to the relevant departments or Institutions are fit for purpose to deliver the related service objectives and maintained in a safe, statutory and contractually compliant condition.
- Ensure all operational properties are managed to best practice in consultation with the City Surveyor and Executive Director of Property as Head of Profession, continuing to develop asset management on the operational property portfolio through improvements to property processes, sharing of data and consistency of approach. Further operation and optimisation of operational properties to be undertaken with appropriate oversight and input from all relevant Heads of Profession, integrating best practice wherever practical.
- Ensure all acquisitions of new operational property (leasehold or freehold) only proceed where subject to a compelling and robust business case, having previously exhausted all alternative means of service delivery and/or existing underutilised operational property.
- Ensure wherever possible there is appropriate connectivity (financial, operational and business planning) between major renewal/development/placemaking sites across the City.
- Support the Destination City and SME strategies, attracting visitors, workers and businesses alike to a safe, supportive and dynamic location; wherever possible seeking to utilise appropriate vacant or underutilised operational property for the use of occupiers that support Destination City and SMEs including meanwhile use.
- Adherence to the objectives within the Corporate Property Asset Management Strategy to be monitored by the relevant service committee (to whom operational property is allocated) with portfolio oversight of performance by RA subcommittee.
- Support delivery of Major Capital Projects across the operational property portfolio, through effective and coordinated multi-disciplinary support, aligning development, handover, and future maintenance/operation of new operational assets.
- 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 (HARR) within the resources available.
- Maintain Heritage property through further investment and prevent their inclusion on the HARR wherever possible (subject to available budget).

- Ensure all statutory protected property (including landscapes) have up-to-date Conservation Management Plans in place.
- Ensure operational assets benefit from leading digital connectivity including Wi-Fi coverage for the benefit of officers and/or our third-party occupiers.

Financially Sustainable

- Seek to improve the performance and use of the operational estate, through use of (a) annual utilisation assessments and (b) periodic asset challenge on all property allocated to departments and Institutions in accordance with Standing Order 56 and to support the ongoing Operational Property Review to address any underutilisation and assets surplus to business plan and service requirements.
- Seek to ensure all planned capital and revenue investment into the operational property portfolio is fully incorporated into (a) the business planning process and (b) the individual Asset Management Plan process and (c) supports the Capital Strategy 2023/24 to 28/29.
- Ensure all capital and revenue projects directly support the Corporate Plan and are affordable, sustainable, prudent and directed to corporate priorities.
- Develop core property data to drive action, improve reporting to relevant committees on the costs of the operational estate and support decision making that contributes to objective of a financially sustainable operational property portfolio.
- Maximise third party income from leased out operational property and seek to secure maximum receipts or income from underutilised or surplus property, ensuring organisational consistency and implementing best practice and in accordance with the charity objectives where applicable.

Environmentally Sustainable

- Deliver the Climate Action Strategy targets of net zero in operational emissions by March 2027 and building climate resilience into our buildings and spaces. This includes (a) ensuring any projects (including new developments) meet the requirements of the Net Zero Design Standard and (b) engaging and supporting the City’s Climate Action Strategy Resilience Plan.
- Meet departmental energy and carbon targets, through (a) supporting delivery of relevant energy-saving works through collaborative engagement with the City Surveyor’s Energy and Sustainability Team and the Minor Works Team, (b) providing access to any relevant metering information, to accurately track performance, and (c) engaging in energy and carbon saving behaviours.
- To obtain at least EPC C ratings for leased out properties across the operational property portfolio by 2027 and to prepare for at least EPC B by 2030.

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 over the next five-year period. The separate Cashflow and Capital Realisation Strategy paper presented to Investment and Finance Committees in February sets out this requirement and the earmarked properties in more detail. 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 the Investment Committee, which overviews performance, sets strategy, and agrees 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 Committee 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; this continues to be monitored and budgeted for accordingly.

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 Investment Committee, co-opt external members with specific expertise to further inform the decision-making process.

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	City	Disaster	Total
		Estate	Fund	Fund	
		£'000	£'000	£'000	£'000
2024/25	Provision	950	800	100	1,850
	Provision brought forward	855	1,651	0	3,456
	Total Provision	1,805	2,451	100	4,356
	Less Allocations	(1,721)	(2,022)	(100)	(3,843)
	Uncommitted Balance as at 28/01/2025	84	429	0	513
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	(1,521)	(1,830)	(50)	3,401
	Uncommitted Balance	360	20	75	455
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

Policy Initiative Fund – City’s Estate		£’000
2024/25	Provision	1,200
	Provision brought forward for unspent provisions	549
	Provision brought forward for agreed allocations not yet completed	604
	Transferred From P&R Contingency	187
	Total Provision	2,540
	Less Allocation	1,567
	Uncommitted Balance as at 28/01/2025	973
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	(1,720)
	Uncommitted Balance	549
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

Policy and Resources Contingency – City’s Estate		£’000
2024/25	Provision	300
	Provision brought forward for unspent provisions	32
	Provision brought forward for agreed allocations not yet completed	577
	Transferred to Policy Initiative Fund (PIF)	(187)
	Total Provision	722
	Less Allocations	592
Uncommitted Balance as at 28/01/2025		130
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	(746)
Uncommitted Balance		32
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

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City Fund 2025/26 Budget Report and Medium-Term Financial Strategy including Non Domestic Rates and Council Taxes for the Year 2025/26

Resolution by the Court of Common Council

1. It is recommended that for the 2025/26 financial year the Court of Common Council approves:
 - the Premium multiplier on the Non-Domestic Rate multipliers be set at 0.022 (an increase of 0.004 on the present multiplier) and Small Business Rate multipliers be set at 0.020 (an increase of 0.004 on the present multiplier) to enable the City to continue to support the City of London Police, security and contingency planning activity within the Square Mile at an enhanced level;
 - an increase of 4.99% in the 'relevant basic amount' of Council Tax to £1,102.82 based on a 2.99% general increase and a 2% increase for Adult Social Care for a Band D property (excluding the GLA precept);
 - the overall financial framework and the revised Medium-Term Financial Strategy for the City Fund; and
 - the City Fund Net Budget Requirement of £241,812,681.

Council Tax

2. It should be noted that in 2012 the Finance Committee delegated the calculation of the Council Tax Base to the Chamberlain and the Chamberlain has calculated the following amounts for the year 2025/26 in accordance with Section 31B of the Local Government Finance Act 1992:
 - (a) 9,595.07 being the amount calculated by the Chamberlain (as delegated by the Finance Committee), in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the City's Council Tax Base for the year; this amount includes a calculation of the amount of council tax reduction; and
 - (b) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
101.28	76.17	9,417.62

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

3. For the year 2025/26 the Common Council determines, in accordance with Section 35(2)(d) of the Local Government Finance Act 1992, that any expenses incurred by the Common Council in performing in a part of its area a function

performed elsewhere in its area by the Sub-Treasurer of the Inner Temple and the Under Treasurer of the Middle Temple shall not be treated as special expenses, apart from the amount of £22,079,000 being the expenses incurred by the Common Council in performing in the area of the Common Council of the City of London the City highways, street cleansing, waste collection and disposal, road safety, drains and sewer functions.

4. That the following amounts be now calculated by the Common Council for the year 2025/26 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

- | | |
|------------------|--|
| (a) £597,816,000 | Being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act, including the local precepts issued by the Inner and Middle Temples |
| (b) £587,234,365 | Being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act; |
| (c) £10,581,635 | Being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Common Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year; |
| (d) £1,102.82 | Being the amount of 4(c) above, divided by the amount at 2(a) above, calculated by the Common Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year; |
| (e) £22,495,020 | Being the aggregate amount of all special items referred to in Section 34(1) of the Act, including the local precepts issued by the Inner and Middle Temples; |
| (f) £1,241.62 | Being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by the amount at 2(a) above, calculated by the Common Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those |

parts of its area to which no special item relates.

(g) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
£	£	£
1,102.82	1,102.82	1,102.82

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

(h) Council Tax Valuation Bands

Valuation Bands	Inner Temple	Middle Temple	City excluding Temples (special expense area)
	£	£	£
A	735.21	735.21	735.21
B	857.75	857.75	857.75
C	980.29	980.29	980.29
D	1,102.82	1,102.82	1,102.82
E	1,347.89	1,347.89	1,347.89
F	1,592.96	1,592.96	1,592.96
G	1,838.03	1,838.03	1,838.03
H	2,205.64	2,205.64	2,205.64

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

5. It be noted that for the year 2025/26 the Greater London Authority has proposed the following amounts in precepts issued to the Common Council, in accordance

with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<u>Valuation Bands</u>	<u>Precepting Authority</u>
	Greater London Authority
	£
A	114.17
B	133.19
C	152.22
D	171.25
E	209.31
F	247.36
G	285.42
H	342.50

6. Having calculated the aggregate in each case of the amounts at 4(h) and 5 above, the Common Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby proposes the following amounts as the amounts of Council Tax for the year 2025/26 for each of the categories of dwelling as shown below:

Council Tax Valuation Bands Inclusive of GLA Precept

Valuation Bands	Inner Temple	Middle Temple	City excluding Temples (special expense)
	£	£	£
A	849.38	849.38	849.38
B	990.94	990.94	990.94
C	1,132.51	1,132.51	1,132.51
D	1,274.07	1,274.07	1,274.07
E	1,557.20	1,557.20	1,557.20
F	1,840.32	1,840.32	1,840.32
G	2,123.45	2,123.45	2,123.45
H	2,548.14	2,548.14	2,548.14

7. The Common Council of the City of London hereby determines that the following amounts of discount be awarded:
- i. dwellings in Class B as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State

- under the provisions of Section 11A of the Local Government Finance Act 1992 should be nil;
- ii. dwellings in Class C as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992:
 - (a) in the case of a vacant dwelling that has been such for a continuous period of less than 6 months ending immediately before the day in question: should be nil;
 - (b) in the case of a vacant dwelling that has been such for a continuous period of 6 months or more: should be nil;
 - iii. dwellings in Class D as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 should be nil;
 - iv. care leavers within the City up to the age of 25, under Section 13A(1)(c) of the Local Government Finance Act 1992 subject to liability considerations should be 100%; and
 - v. discretionary discounts up to 100% under Section 13A(1)(c) of the Local Government Finance Act 1992 to provide council tax support in exceptional circumstances as agreed by the Finance Committee at its meeting in November 2017.
8. The Common Council of the City of London determines that for 2025/26 a long-term empty property premium is levied under the provisions of Section 11B of the Local Government Finance Act 1992 at the maximum rate in accordance with legislation. (For 2025/26 this will result in an additional levy of 100% i.e. a council tax charge of 200% for applicable vacant dwellings empty over 2 years but empty less than 5 years. An additional levy of 200% i.e. a council tax charge of 300% will be applicable for dwellings empty over 5 years. An additional levy of 300% i.e. a council tax charge of 400% will be applicable for dwellings empty over 10 years)
 9. Under the provisions set out in the Levelling-up and Regeneration Act 2023 determine that a new long-term empty property premium of 100% be charged for properties that have been empty for longer than 12 months in 2025/26.
 10. Introduce the Second Home Premium from 2025/26. This will result in an additional levy of 100% i.e. a council tax charge of 200%, on a second home.
 11. The Common Council of the City of London hereby determines that its relevant basic amount of council tax for 2025/26, calculated in accordance with Section 52ZX of the Local Government Finance Act 1992 is not excessive in accordance with the Referendums Relating to Council Tax Increases (Principles) (England) Report 2023/24.

Council Tax Reduction (formerly Council Tax Benefit)

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

Effectively, therefore, the City's Local Council Tax Reduction Scheme for 2025/26 will remain the same subject to the annual uprating of non-dependent income and deductions, income levels relating to Alternative Council Tax Reduction, or any other uprating as it applies to working age claimants, adjusted in line with inflation levels by reference to relevant annual uprating in the Housing Benefit Scheme or The Prescribed Council Tax Reduction Scheme for Pensioners.

In addition, to determine that pensions received by veterans under the War Pension Scheme and other British military compensation schemes identified in Schedule 5 (1) of The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Housing Benefit Regulations 2006 Schedule 5 (15) or Housing Benefits (State Pension Credit) Regulations 2006 Schedule 5 (1) are fully disregarded in the calculation of Housing and Council Tax Reduction.

Non Domestic Rates

13. The Common Council of the City of London being a special authority in accordance with Section 144(6) of the Local Government Finance Act 1988 hereby sets for the chargeable financial year beginning with 1st April 2025, a Non-Domestic Rating Multiplier of 0.577 and a Small Business Non-Domestic Rating Multiplier of 0.519 in accordance with Part II of the Schedule 7 of the said Act. (Both multipliers are inclusive of the City business rate premium of 0.022 & 0.020 respectively).
14. In addition, the levying by the Greater London Authority of a Business Rate Supplement in 2025/26 of 0.020 (i.e. 2.0p in the £) on hereditaments with a rateable value greater than £75,000, to finance its contribution to Crossrail, be noted.
15. Determine that an award of 100% Discretionary Discount is made under S47 Local Government Finance Act for qualifying Nursery Schools.
16. A copy of the said Council Taxes and the Non-Domestic Rating Multipliers, signed by the Town Clerk, be deposited in the offices of the Town Clerk in the said City, and advertised within 21 days from the date of the Court's decision, in at least one newspaper circulating in the area of the Common Council.

Capital Expenditure and Financing for the Year 2025/26

Having considered the circulated report, we further recommend that the Court passes a resolution in the following terms: -

17. The City Fund capital budget is approved, and its final financing be determined by the Chamberlain, apart from in regard to any possible borrowing options.
18. For the purpose of Section 3(1) of the Local Government Act 2003, for the financial years 2025/26 to 2027/28, the Court of Common Council hereby determines that at this stage the amount of money (referred to as the "Authorised Limit"), which is the maximum amount which the City may have outstanding by way of external borrowing, shall be £458,000,000.
19. For the purpose of Section 21(A) of the Local Government Act 2003, for the financial year 2025/26, the Court of Common Council hereby determines that the prudent amount of Minimum Revenue Provision is £1,400,000 using the asset life method over the useful economic life of the relevant assets and which equals the amount of deferred income released from the premiums received for the sale of long leases in accordance with the Minimum Revenue Provision Policy at Appendix E.
20. Any potential external borrowing requirement and associated implications will be subject to a further report to Finance Committee and the Court of Common Council.
21. The Chamberlain be authorised to lend surplus monies on the basis set out in the Annual Investment Strategy, with an absolute limit of £300m for maturities in excess of 365 days.

22. The following Prudential Indicators be set:

	2025/26	2026/27	2027/28
Estimates of the ratio of financing costs to net revenue stream: HRA Non-HRA Total	(0.48) (0.02)	(0.39) (0.08)	(0.17) (0.10)
	(0.50)	(0.47)	(0.27)
Estimates of Capital Expenditure & External Debt HRA Non-HRA Total	£m 44.2 516.6	£m 16.2 248.1	£m 11.4 120.1
	560.6	264.2	131.4
Estimates of Capital Financing Requirement – underlying need to borrow HRA Non-HRA Total	£m 11.0 215.8	£m 8.7 218.1	£m 3.0 223.9
	226.8	226.9	226.9
Gross Debt	Period 2024/25 to 2028/29 £m 12.2		
Capital Financing Requirement – underlying need to borrow	226.9		

Prudential indicators for affordability, prudence, capital expenditure and external debt:

TREASURY MANAGEMENT INDICATORS	2024/25	2025/26	2026/27	2027/28	2028/29
	Probable Outturn	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Authorised Limit for external debt (City Fund) -					
Borrowing	326.8	326.8	326.8	326.8	326.8
other long-term liabilities	24.2	21.2	18.4	17.6	17.0
TOTAL	351.0	348.0	345.2	344.4	343.8
Operational Boundary for external debt (City Fund) -					
Borrowing	226.8	226.8	226.8	226.8	226.8
other long-term liabilities	24.2	21.2	18.4	17.6	17.0
TOTAL	251.0	248.0	245.2	244.4	243.8
Actual external debt (City Fund)*	-	-	-	-	-
Upper limit for total principal sums invested for over 365 days (per maturity date)	£300m	£300m	£300m	£300m	£300m

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%

	2024/25	2025/26	2026/27	2027/28
Times cover on unencumbered revenue reserves	3.7	1.5	0.0	0.0
<i>At this time last year</i>	3.0	-0.8	-1.2	0.0

Other Recommendations

23. The Treasury Management Strategy Statement and Annual Investment Strategy 2025/26 are endorsed.
24. The Chamberlain's assessment of the robustness of budgets and the adequacy of reserves and contingencies is endorsed.

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Report – Finance Committee

City's Estate 2025/26 Budget and Medium-Term Financial Plan

To be presented on Thursday, 6th March 2025

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

SUMMARY

This report covers the 2025/26 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 on the Court's agenda.

After a period of significant economic volatility and the effects of high-inflation, the past twelve months have seen a gradual return to stability. However, the high inflation's impact continues to exert pressure as increased costs are now embedded in contracts and wages. Despite stagnation last year, the broader economy is projected to grow by only 1-2% through to 2028. Whilst the City Corporation has benefited from higher interest rates, they have not been sufficient to offset embedded cost increases of price inflation.

The overall position of City's Estate has improved this year due to the decision to halt the Markets Co-location Programme. Although significant sums will still be incurred under the revised approach, these are expected to be offset by capital receipts. This decision alleviates some of the previous need for substantial asset disposals to cashflow the capital programme. However, City's Estate continues to rely on the growth of its investment assets to support the annual deficit position. In recent years, due to significant external events, asset values have not kept pace with the annual deficit, necessitating close attention to future projects and the level of capacity available within City's Estate. A new Investment Strategy has been adopted which will be crucial for future sustainability. In the interim, increased focus is needed on the income generation proposals and potentially a new savings programme.

The potential for a recession in 2025 is being examined by experts. There are varying perspectives, with some uncertainty and risk surrounding the economic forecast for that year. This could impact the City's Estate key revenue streams, particularly: rental income from investment properties, event bookings, student intakes at the Guildhall School Music and Drama (GSMD), potentially making City's Estate income streams volatile in 2025/26. Furthermore, the Government's imposition of VAT at 20% on independent school fees may lead to a reduction in income for the four City Corporation fee paying schools. This change comes at a delicate time for City Schools, particularly for those like City of London Girls School (CLGS), which are just recovering their pupil numbers.

Table 1: Summary position of City's Estate

CITY'S ESTATE	2024/25 Budget £m	2025/26 Budget £m	2026/27 Forecas t £m	2027/28 Forecas t £m	2028/29 Forecas t £m
Net cost of services*	6.5	4.5	2.5	0.8	(2.6)
Financing and Capital costs**	(122.7)	(7.9)	(178.5)	2.2	(88.3)
Surplus/(Deficit)	(116.2)	(3.4)	(176.0)	3.1	(90.9)

*Net cost of services includes, business as usual income and expenditure, plus a draw down from financial gain.

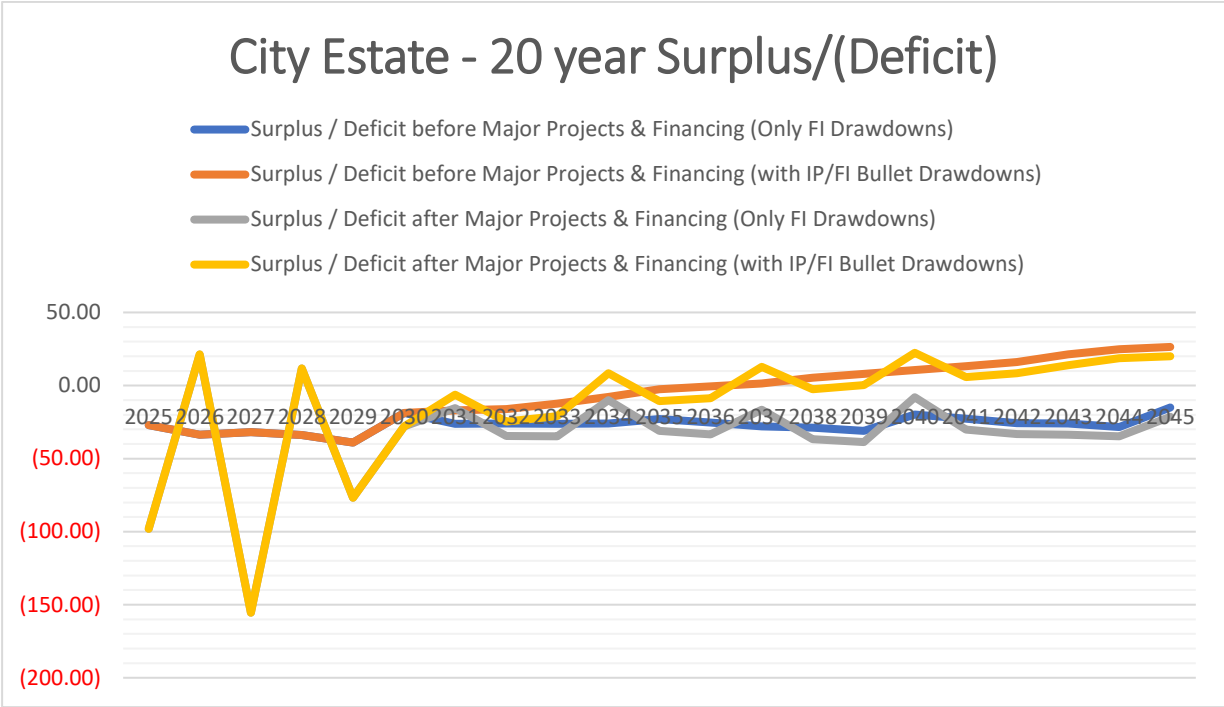
** Financing and capital costs – includes financing costs, loss of rental income from asset disposals, compensation and profit from sale of receipts in relation to the major projects programme. Plus, approved cyclical works programme and business as usual capital programmes. Note, capital expenses for major projects are excluded from the revenue budgets which affects the balance sheet.

Over the five-year financial plan, the net cost of services is anticipated to move into a small deficit from 2028/29 due to additional pressures and assumptions updated to include a 2% increase in net local risk budgets in 2028/29. Financing and capital costs over this period will involve significant expenditures and profits from capital receipts, associated with the completion of the market's co-location programme. This will require additional annual drawdowns beyond the assumed growth in financial assets needed to cover exceptional items, including the capital programme. Over the planning period, the cumulative deficit is forecast to be £383.4m. Balance Sheet forecasting indicates this sum is sustainable over the medium term.

City's Estate heavily relies on the growth in asset values to support the balance sheet, while also requiring the disposal or release of assets to maintain cashflow. This applies to both property and non-property. Stopping the Markets Co-location Programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which, according to longer term modelling, suggests recovery and a transition into surplus in 15 years, which is crucial for future sustainability. In the interim, increased focus is needed on the income generation proposals and not adding any additional pressure on City's Estate investment assets, to allow time for the strategy to be embedded.

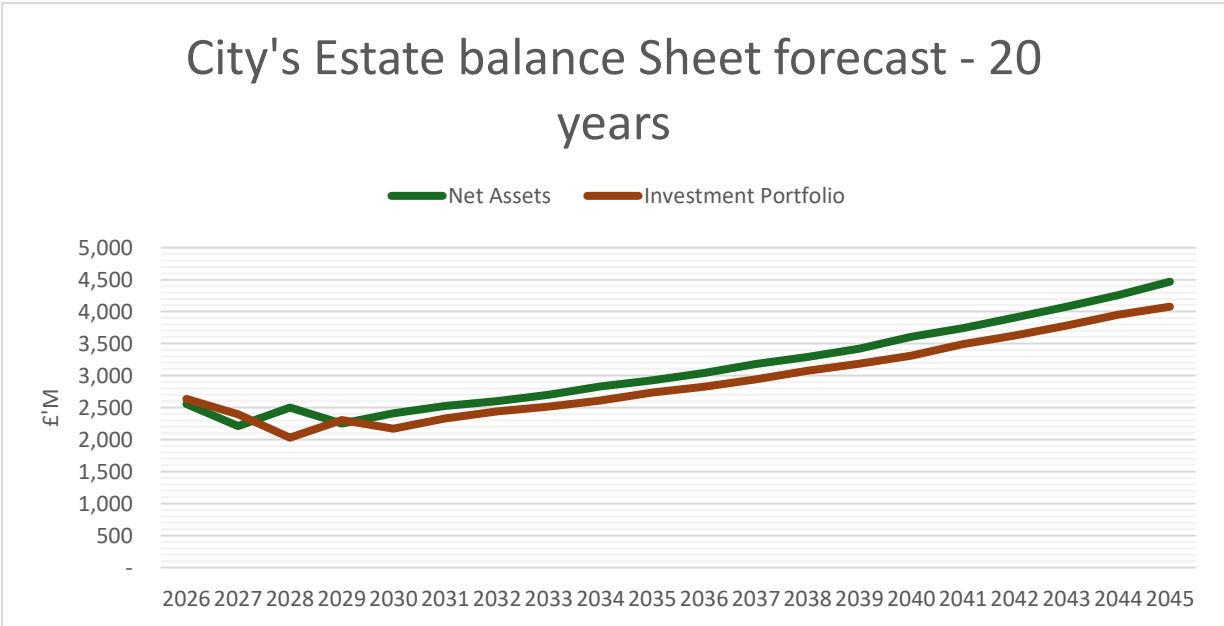
Chart 1 below shows the impact of the revenue position over the next 20 years, both with and without the implementation of the investment strategy (IP – Investment Property; FI – Financial Investments).

Chart 1: City's Estate revenue position over the next 20 years



In relation to the Balance Sheet, while net assets are projected to decline by £386m over the medium term, it is anticipated that the City's Estate will restore its sustainability to current levels by year nine. Based on current assumptions, net assets are expected to exceed £4bn in 20 years, with the first tranche of the private placement loan repayment due in 2044.

Chart 2: City's Estate balance sheet forecast over 20 years



The Resource Allocation Sub Committee has provisionally approved allocations for new capital programmes of £2m in City's Estate. Given the broader financial constraints within City's Estate, no new proposals were solicited as part of the 2026/27 MTFP process, instead, it is recommended that these amounts be maintained as

contingencies to address unforeseen pressures. A re-prioritisation of existing allocations is also recommended to identify future capacity to avoid overstressing available resources.

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. A commercial approach is under review on our operational assets base, ensuring that we maximise operational effectiveness and only retain the buildings really needed to deliver services. While significant decisions have been made this year to cease its involvement in co-locating the markets, thereby improving the long-term sustainability of City's Estates balance sheet, these measures alone are insufficient to address the ongoing deficits. Therefore, it is recommended that no further funding be sanctioned for new major capital projects at least for the next 5 years, allowing time to establish the newly approved Investment Strategy. Continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.

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

- **-off spends** addressed within resource envelope/added to MTFP, with exceptional items funded from underspends of approximately £15m projected to be carried forward from 2024/25 (including inflation contingency - paragraph 12);
- **Medium-term savings plans** – While significant decisions have been made this year to cease its involvement in co-locating the markets, thereby improving the long-term sustainability of City's Estates balance sheet, these measures alone are insufficient to address the ongoing deficits. Therefore, it is recommended that no further funding be sanctioned for new major capital projects at least for the next 5 years, allowing time to establish the newly approved investment strategy. Continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.

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's Estate report, the Court of Common Council is recommended to: -

- 1.0 approve the overall budget envelope for City's Estate 2025/26 revenue budgets.
 - 1.1 Additional funding is required for new on-going cost pressures and have been included as budget uplifts (paragraphs 9 – 10):
 - 1.1.1 Net 2% inflation uplift to local risk budgets.
 - 1.1.2 £165k for increased internal control (split between funds)
 - 1.1.3 £1.93m for increase in employees National Insurance

- 1.2 Other one-off pressures and opportunities for transformation in 2025/26 are outlined in paragraph 12 to be funded from forecast carry forward underspends from 2024/25.
- 1.3 Additional revenue bids (paragraph 11) have been accommodated by savings identified during the 2025/26 budget setting process.
- 1.4 Consideration given to uplift the Mayoralty and Shrievalty allowances by £22k subject to agreement at the Joint Deputation meeting in April 2025.

2.0 Medium Term Corporate Plan Alignment and Financial Sustainability

- 2.1 To address inflationary pressures going forward assumptions include 2% uplift from 2026/27 onwards.
- 2.2 The impact of decisions from the Court of Common Council regarding the conclusion of the markets co-location programme has been updated over the 5 year financial plan.
- 2.3 For Cyclical Works Programme (CWP) (paragraph 19):
 - 2.3.1 £7.5m p.a. built in from 2028/29 onwards to support ongoing works and avoid a further backlog.
 - 2.3.2 Note additional funding requires an additional draw on assets (modelled).
- 3.0 Approve the overall financial framework and the revised 5-year Financial Strategy (paragraphs 4-32).
- 4.0 Approve the Capital and Supplementary Revenue Project Budgets, over the five-year period for City's Estate amounting to £385.1m (paragraphs 20-22).
- 5.0 Approve the allocation of central funding of up to £175.7m for City's Estate to meet the cost of 2025/26 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 £2m in 2025/26 (paragraph 29-30).
- 6.0 Authorise 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 2025/26 for City's Estate, which have all been prepared within agreed policy guidelines and allocations.
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:
 - 2% increase in net local risk budgets.
 - All other inflationary pressures to be contained within the budget envelopes.
 - 2024/25 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.
 - Continued work on workstreams to review operational property utilisation and income generation.
 - While the Court of Common Council approved funding to address the back log of Cyclical Works Programme (CWP), proposal also included to add a further £15m p.a. split across City Fund and City's Estate from 2028/29 onwards. Members should consider whether this is still included to avoid a future backlog of works. 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 2025/26, 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. After a period of significant economic volatility and the effects of high inflation, the past twelve months have seen a gradual return to stability. However, the high inflation's impact continues to exert pressure as increased costs are now embedded in contracts and wages. Despite stagnation last year, the broader economy is projected to grow by only 1-2% through 2028. Inflation has been highly volatile and significantly above the Bank of England's 2% target in recent years, reaching levels over 11% in 2022/23 but currently down to c2%. In 2025/26 this is expected to drop below 2% before rising back to around 2% during 2027.
5. The potential for a recession in 2025 is a subject of considerable discussion among experts. Opinions differ widely, with a notable degree of uncertainty and risk surrounding the economic forecast for that year. Several factors continue to influence this outlook. While the labour market has shown signs of softening, significant global events such as geopolitical tensions and economic policies in other countries may contribute to economic instability. There remains a risk on income streams, particularly: rental income from investment properties, event bookings, student intakes at the Guildhall School Music and Drama (GSMD)

Furthermore, the Government's imposition of VAT at 20% on independent school fees may lead to a reduction in income for the four City Corporation fee paying schools. This change comes at a delicate time for City Schools, particularly for those like City of London Girls School (CLGS), which are just recovering their pupil numbers.

6. The overall position of City's Estate has improved this year due to the decision to halt the Markets Co-location Programme. Although significant sums will still be incurred under the revised approach, these are expected to be offset by capital receipts. This decision alleviates some of the previous need for substantial asset disposals to cashflow the capital programme. However, City's Estate continues to rely on the growth of its investment assets to support the annual deficit position. In recent years, due to significant external events, asset values have not kept pace with the annual deficit, necessitating close attention to future projects and the level of capacity available within City's Estate. A new Investment Strategy has been adopted which will be crucial for future sustainability. In the interim, increased focus is needed on the income generation proposals and potentially a new savings programme.
7. Whilst individual budgets have changed, the overarching messages from the 2024/25 MTFP remain the same. Those being:
 - a. City's Estate runs with an annual operating deficit with planned draw down of assets (property or financial).
 - b. The scale of the Capital programme and major projects for City's Estate continues to place significant pressure on the resources available over the medium term and is reliant on future receipts to cover expenditure.
8. 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 11 to 15 of City Fund Budget report).

Budget Response

9. The budget approach for 2025/26 has been to stabilise the position, acknowledging the headwinds in play, with a net 2% uplift in local risk budget, whilst also looking to review operational property utilisation and income generation.
10. 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:
 - Following the Government's announcement to increase employers **National Insurance** from April 25, an additional £1.93m has been factored into the budget.
 - Funding allocated to strengthen the Corporation's **Internal Audit Team** to deliver the extensive audit programme - £80k. This is allocated to reinforce the internal audit team and ensure the successful execution of the comprehensive audit programme.

11. 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. £1.5m savings have been identified during the 2025/26 budget process and it is recommended that these new pressures be reprioritised from these savings to support the cost pressures:
- As outlined in City Fund budget report, paragraph 17, the following pressures will be shared 50:50 across both funds:
 - i. Following the project governance review, the Policy and Resources Committee endorsed the proposals for the new Commercial, Change, and Portfolio Delivery (CCPD) at its meeting in December 2023. Therefore, it is recommended that the £701k of identified savings be allocated to the CCPD budget starting from the fiscal year 2025/26 to support the progress of income generation.
 - ii. Last year, it was indicated that an assessment of EEDI pressures was in progress. A total of £401k (across funds) has been allocated from the identified savings for EEDI and added to their budget for the fiscal year 2025/26.
 - iii. £300k has been added to DiTS budget to realign where savings from the Agilysys contract relating to Police services were formerly received. This cost pressure has been offset against the original Agilysys savings achieved.
 - The following pressures fall under City's Estate:
 - iv. The Mayoralty and Shrievalty Budget has experienced additional inflationary costs exceeding the planned 2% due to London Living Wage and related catering costs. It is recommended that an increase of £22k p.a., in the budget is approved, from City's Estate, subject to approval at the Joint Deputation Meeting in April 2025.
 - v. The Corporate Charities review has been vital in addressing over 100 years of unresolved governance and understanding charity assets. Temporary funding has been provided over several years to manage this initiative. Given charities are regulated by the Charity Commission, it is recommended that a dedicated charity support hub be established on a permanent basis to support any changes to regulations to ensure compliance and to complete the remaining tasks of the review. The estimated total cost for this endeavour would be £170k, with £130k being recoverable from the charities and the remaining **£40k** is recommended to be funded from City's Estate. This was approved by your Finance and Policy and Resources Committees at their February meetings.
 - vi. There is an increase in Gresham College grant of **£97k** (City's Estate) bringing the total annual grant to £840k. Whilst the figure of £840k represents an uplift from the current level of financial support (£743k), the flat-fee basis over the five-year period represents a diminishing sum in real-terms year on year. Both the City Side (approved by Policy and Resources Committee) and the Mercers' Side are fully aligned entirely in this matter and the Mercers' Company has approved identical proposal through its own governance structures.

- vii. Additional pressures from London Living Wage inflation have impacted a number of areas, this is still being felt in GSMD mainly, **£423k** It is recommended additional funding is provided offset by savings delivered.
12. When setting the budget for 2025/26, the intention has been to capture and consider pressures as part of that process. Therefore, the use of 2024/25 underspends to fund additional pressures has been considered for exceptional and one-off events. The wider intention is that any underspend on 2024/25 go into reserves reducing the amount required on deficit funding. Underspends of c£15m are currently forecast on City's Estate. The below one-off or time limited funding has been requested by Committees or recommended:
- As outlined in the City Fund budget report, paragraph 18 the following pressures will be shared 50:50 across both funds:
 - i. It is recommended that the current transformation funding agreed for 2024/25 be reviewed and, if necessary, supplemented to continue supporting the shift service delivery and cultural change required. The estimated amount needed is likely to be an additional £2m to £3m in 2025/26, to be funded from 2024/25 underspends.
 - ii. The current budget allocated to the Human Resources department is insufficient to cover essential business operations, let alone advance the new people strategy. The Corporate Services Committee, Finance Committee, and Policy and Resources Committee have acknowledged that budget cuts in previous years have severely impacted services. Consequently, they have supported temporary funding of £1.8m p.a. for up to three years to assist in revitalising the department. The implementation of the new Enterprise Resource Planning (ERP) system will significantly enhance efficiency and improve service delivery. It is therefore recommended that the temporary funding be supported through the underspend carried forward from the 2024/25 budget.
 - iii. With the Learning & Development Strategy now embedded as a core component of the People Strategy, each element presents essential training demands. Work is underway to review the total training costs being incurred across the Corporation, however, appreciate that this could take some time to get underway as it involves collating and negotiating with Chief Officers. Recommendation is that Transformation funding be explored for the current year and next - c£810k.
 - iv. £3m funding is required over three years to bring in a strategic partner to support the Town Clerk's Transformation Programme. This programme aligns with the Five Years vision and aims to promote organisational excellence, financial sustainability, and prepare the City Corporation for a digitally focused, AI-driven future. It is recommended that this be funded through the transformation fund.
 - v. £447k p.a. for the next three years has been temporarily added to the DITS budget for the ERP Support team and out of hours services, funded by Agilysys savings. Ongoing allocations for the new ERP system will be reviewed and updated post implementation.

- vi. £300k. As highlighted last year, 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. In addition to interim Chief Officer arrangements being in place (commencing Oct 2024), there is a focus on greater efficiency and effectiveness seeing a reduction in overspends, wholesale reform is still required. Therefore, the recommendation for one-off funding is supported for 2025/26 from 2024/25 underspends with permanent funding solution addressed under the 2026/27 budget setting process.
- The following pressures fall under City's Estate:
- i. The Lord Mayor's Show has historically been profitable, but post-Covid financial challenges have made traditional revenue streams less reliable, and there is a need to establish a more sustainable funding model. This in addition to the 12% budget reduction imposed by the previous savings programme which has meant Corporation departments providing services in support of the Show are no longer able to absorb costs within their own local budgets. This has resulted in significant activity over the last year to provide an evidenced baseline and gap analysis to underpin future commercial opportunities. Funding for the next five years is recommended through transformation funds or carry forwards starting from 2025/26.
 - ii. The Guildhall Club has been operating under a flat cash budget and continues to face financial pressure. There is an upcoming review that will include measures agreed to address wastage, which is anticipated to result in some improvement. Additionally, the contract for the club and catering services is due to go out for tender imminently. In the interim, it is recommended that one-off funding be applied to the 2025/26 period through carry forwards. The pending review aims to align pay and prices and address wastage due to no-shows. The review results are expected to be presented in 2025.
 - iii. The nature of Mansion House involves both political and fiscal decisions. Previous savings programs have required Mansion House to assume costs previously supported by other departments. The ongoing work to commercialise Mansion House will always be restricted by the venue's multiple uses for other national political, City civic, and international efforts to project UK soft power, which result in significant financial and commercial opportunity costs for it. It is therefore recommended that these pressures be addressed. Budget pressure discussions have occurred with both the Chamberlain and Efficiency and Performance Working Party. As work is ongoing, it is recommended that temporary funding between £0.8m to £1m, from 2024/25 carry forwards, be provided to address pressures during 2025/26, with a detailed proposal for a permanent measure to be presented during the 2026/27 budget setting process.
 - iv. Last year, the Court of Common Council approved funding for the Natural Environment Charities Review. Progress has been made in exploring potential improvements, and recommendations will be presented to the

Finance Committee, Resource Allocation Sub Committee and Policy and Resources Committee during its January/February meetings. An additional funding request of £1.57m over two years is proposed to support the implementation of changes in the management, governance, and funding of the Natural Environment Charities, aiming to make them more sustainable in the future. It is recommended this funding is requested from the existing transformation fund.

- v. One off additional funding of £187k required for the Gresham Almshouses for repair works as approved by Finance Committee in October 2024.
- vi. The Guildhall School of Music and Drama (GSMD) has experienced fixed student fees over the past 13 years, while costs have increased with inflation. However, this increase has not been reflected in student fees. Projections indicate an increasing financial pressure amounting to £2.5m for the 2025/26 financial year. Although mitigating strategies are being considered, it is recommended that temporary funding be provided to GSMD from underspends carried forward from 2024/25, The exact amount will be determined during the carry forward process in May 2025.
- vii. The City of London Girls School (CLGS) has made significant changes to its operating model, educational programme and facilities, and increased its pupil roll to close the gap with the experience of boys at City of London School (CLS). However, the recent introduction of VAT may affect progress if this growth cannot continue through recruiting enough sufficiently able pupils to perpetuate results, the principal marketing element of academic schools of this standing. Raising school fees beyond current proposal would have serious consequences and require significant cost savings, which are not feasible. Since the Service Based Review in 2014, the reduction in the Corporation's grant for bursary support has led to a reprioritisation of school fees to maintain bursaries, with approximately 6% - now funded through school fees. While it is common for private schools to allocate fees to supplement bursaries, the extent to which CLGS is doing so is unprecedented. Reducing bursary places could offset financial impacts but contradicts the school's ethos of diversity and accessibility. Though external funding is ongoing, it will take years to sufficiently support this reallocation. Members should note that CLGS was the only school to deliver annual savings of £598k against the Service Based Review. The Schools Board of Governors agreed to these savings with the understanding that they would be reinstated after seven years, following which the Tomlinson review occurred without considering the already delivered savings. Therefore, it is recommended that transitional relief be provided from an equality's perspective. This requires further work and discussions, during January, on the amount and duration of the relief to address financial challenges, noting that the Court of Common Council has already established the level of education funding following the Tomlinson Review.
- viii. Two budget pressures have been identified by the Markets Board for Smithfield Market totalling £698k. These relate to the freeze in service charge cap at Smithfield, which has been in place since 2018/19 and ongoing residual costs following the Poultry market closure. Up to the financial year 2023/24 these pressures have been managed within the Chief

Officer's overall local risk budget but 2024/25 shows an overspend which will significantly worsen in 2025/26. It is, therefore, no longer possible to contain this pressure within the local risk budget without making significant savings in the service, which would be on top of the £334k savings already planned for 2025/26 for Smithfield Market. Given the decisions made in December 2024 around the future of the markets, Members may wish to consider providing temporary funding for the period of three to four years to alleviate the financial strain until the market is formally dissolved.

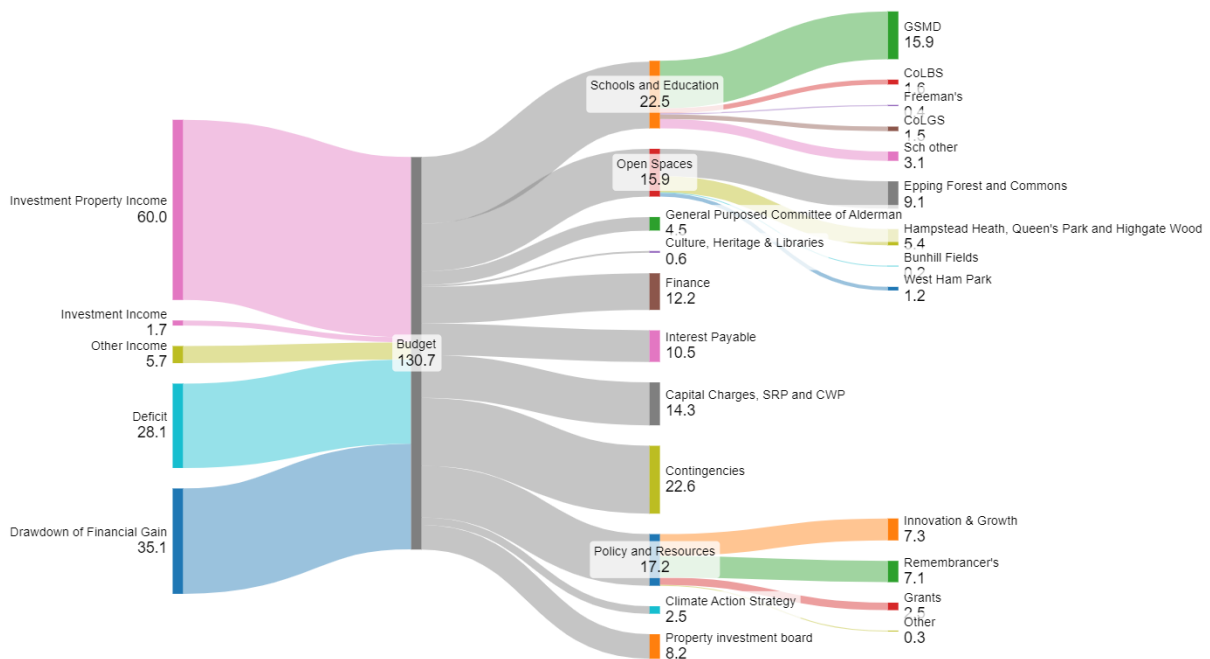
- ix. It is advisable to carry forward an amount from 2024/25 underspends to mitigate inflationary pressures, such as energy costs and unforeseen contract increases due to the rise in London Living Wage. Members should note that a review of energy budgets will be conducted during 2025/26, with proposals to address any budgetary gaps to be presented during the 2026/27 budget setting process.

Latest forecast position

13. 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 3 below, sets out the 2024/25 net budget position for City's Estate, to show in broad terms where the funding comes from on the left-hand side and where it is spent on the right-hand side.

14. 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.

Chart 3: 2024/25 net budget



15. Following the November Court decision to end the Markets Co-location programme, the budgets have been updated to reflect plans agreed upon in

principle to provide market traders with financial support for relocation to new premises. Although there are costs associated with this new approach, they are anticipated to be offset by capital receipts. These costs will impact the revenue budgets, resulting in a notable variance from one year to the next over the five-year financial plan. Chart 4 and table 2 below illustrates that City's Estate income and expenditure (excluding major project financing, CWP and business as usual (BAU) capital programmes), will start to show a small deficit beginning in 2028/29. However, when including major project financing, compensation, CWP and BAU capital costs, significant fluctuations occur over the five-year financial plan, influenced by the timing of expenditure and profits received from existing sites related to the markets programme.

Chart 4: City Estate surplus/deficit

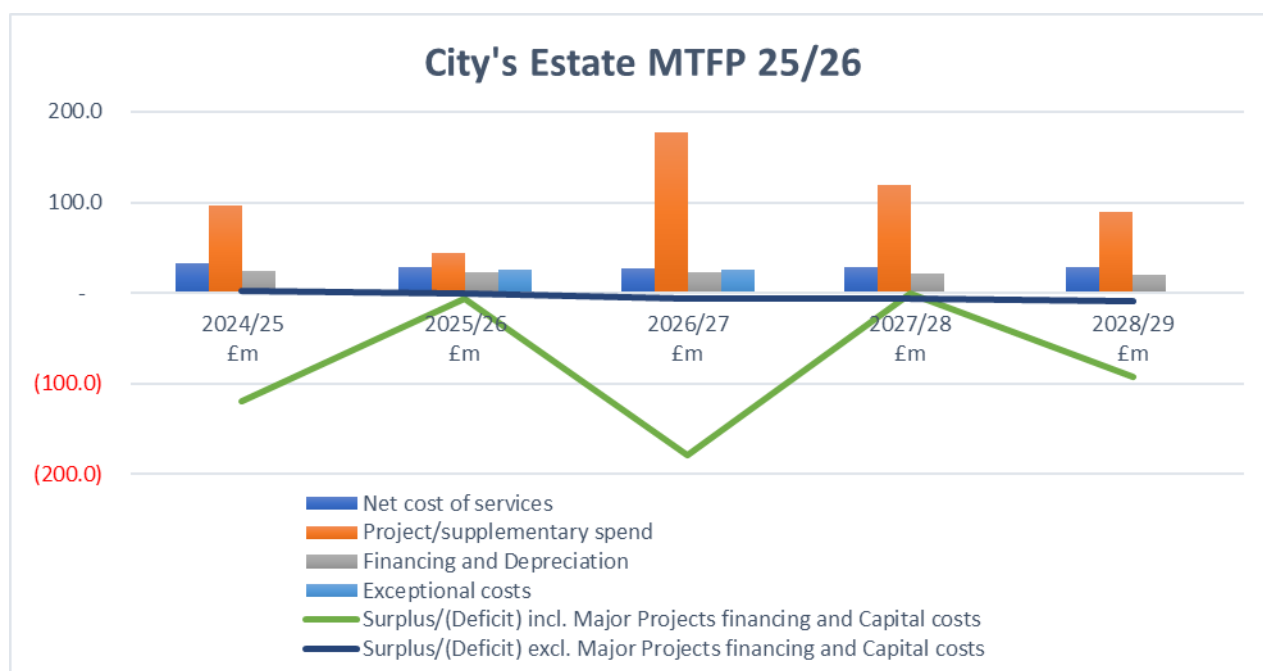


Table 2: City's Estate 5-year financial plan

CITY'S ESTATE	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Net cost of services*	6.5	4.5	2.5	0.8	(2.6)
Projects					
Supplementary Revenue Projects	(5.8)	(5.9)	(0.1)	-	-
Cyclical Works Programme	(10.4)	(17.5)	(22.2)	(23.2)	(26.4)
Climate Action	(2.5)	(1.0)	(0.7)	-	-
Major Projects Revenue Implication	(60.4)	65.4	(112.9)	56.1	(27.2)
Capital Programme Funding	(18.8)	(25.5)	(19.0)	(8.7)	(15.1)
Surplus/(Deficit) before capital financing	(91.3)	20.1	(152.5)	25.0	(71.4)
Depreciation	(14.3)	(12.9)	(12.9)	(11.4)	(9.0)
Loan interest cost	(10.5)	(10.5)	(10.5)	(10.5)	(10.5)
Surplus/(Deficit)**	(116.2)	(3.4)	(176.0)	3.1	(90.9)

*Net cost of services includes, business as usual income and expenditure, plus a draw down from financial gain.

** Note, capital expenses for major projects are excluded from the revenue budgets which affects the balance

sheet.

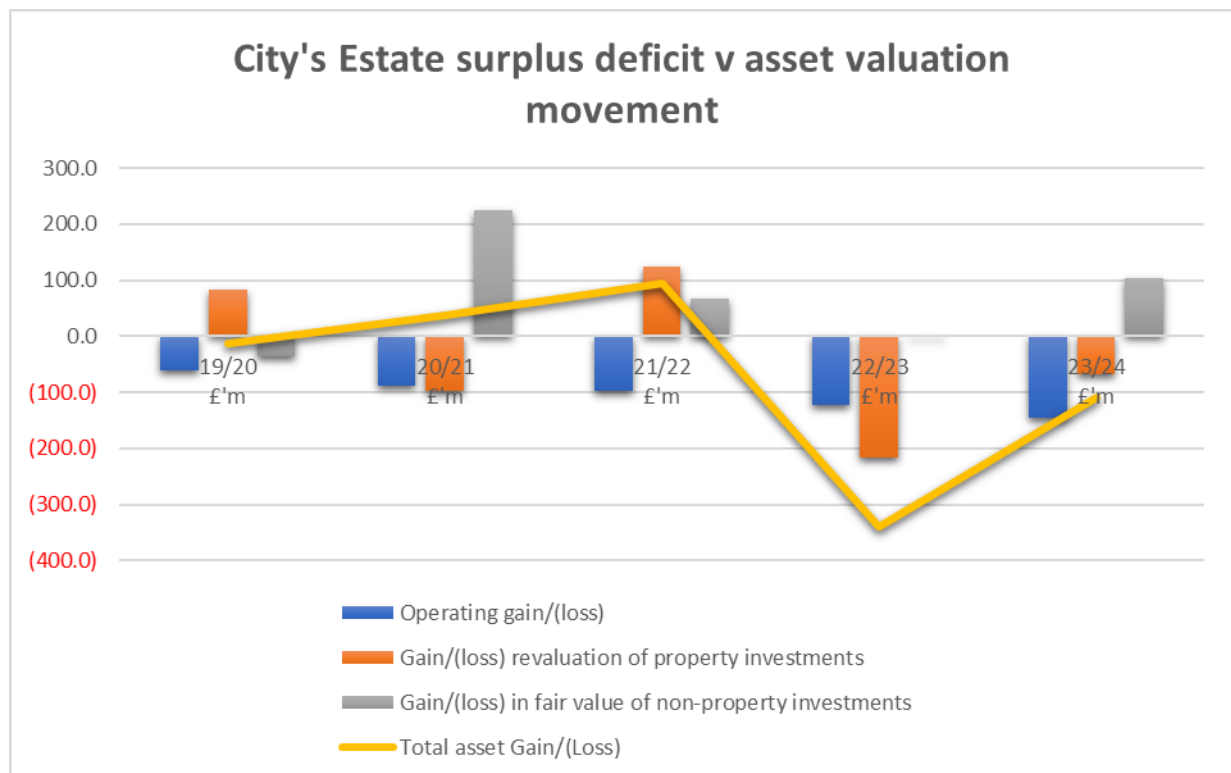
16. The following areas are significant changes from the prior year's 2025/26 MTFP position:

- Change in funding requirements for BAU Capital programme through slippage and reprofiling (£19.8m)
- Decrease in revenue costs for major projects through reprofiling (£4.7m)
- Increase in income (£4m)

17. Over the 5-year financial plan the cumulative deficit is £383.4m. This is in addition to an estimated drawdown on financial asset gain of £177m included within net cost of services. The ongoing annual deficits on City's Estate has a significant cashflow implications over the 5-year financial plan, for which the Corporation will need asset disposals to offset. This is expected to be a combination of both property and non-property investments and is being considered as part of the investment strategy presented to Investment Committee in February 2025.

18. Chart 5 below shows a comparison of the growth in asset values over the past five years. It shows that for the past two years the deficits incurred have not been offset by valuation increases in property and non-property investments. The investment strategy is therefore key to reversing this trend and ensuring the investment growth is sufficient to cover operating deficits. Short term volatility is to be expected in investment asset valuation and the investment strategy requires a return of CPI+4% over a 10-year period. The long-term target is being met by the investment portfolio, but with more challenging market conditions ahead, implementation of the strategy will involve greater diversification in the investment portfolio.

Chart 5: City Estate surplus/deficit v asset valuation movement over the past five years



19. Cyclical Works Programme: 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, Court of Common Council approved funding of £133m and to add a further £15m p.a. split across City Fund and City’s Estate from 2028/29 onwards.as progress on delivering these projects has been slowed as the delivery team has just been appointed but this is now in place. The funding has been reprofiled over this updated MTFP.
20. Capital Business As Usual: The Resource Allocation Sub Committee has provisionally approved allocation of £2m for new capital programmes in City’s Estate. Given the broader financial constraints within City Fund and City’s Estate no new proposals were solicited as part of the 2026/27 MTFP process, instead, it is recommended that these amounts be maintained as contingencies to address unforeseen pressures. A re-prioritisation of existing allocations is also recommended to identify future capacity to avoid overstretching available resources.
21. Table 3 below includes the above contingency and reprofile of the capital programme over 5 years. For further information please refer to Appendix F (City Fund report, page 15 - 16).

Table 3: City’s Estate BAU Capital Programme

CITY’s ESTATE	Budget 2024/25 £’m	Budget 2025/26 £’m	Budget 2026/27 £’m	Budget 2027/28 £’m	Budget 2028/29 £’m	Total Budget £’m
BAU Capital and SRP	53.5	70.5	22.0	13.7	20.1	179.8

22. Major Projects Programmes: The budgets for major projects programmes have been updated to reflect recent decision and presented in Table 4 below. Funding is currently assumed through planned capital receipts from the disposal of investment property; plus, a drawdown on financial investments. The implications of disposal of these investments, which currently support the City’s Estate revenue position, has been included in forecasts. For further information please refer to Appendix F (City Fund report).

Table 4: City’s Estate Major Projects

CITY ESTATE – Gross Exp	F’cast spend 24/25 £’m	Budget 25/26 £’m	Budget 27/28 £’m	Budget 27/28 £’m	Budget 28/29 £’m	Total Budget £’m
Museum of London Landlord works	23.8	(9.9)	(0.1)	-	-	13.8
Grant to CF for SSD	45.3	105.2	35.5	5.5	-	191.5
Total	69.1	105.2	35.5	5.5	-	205.3

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

23. While significant decisions have been made this year thereby improving the long-term sustainability of City’s Estates balance sheet, these measures alone are

insufficient to address ongoing deficits. This report read in conjunction with the City Fund 2025/26 budget report recommends a number of measures to stabilise the position over the medium and longer term. This includes: No further funding be sanctioned for new major capital projects at least for the next 5 years, allowing time to establish the newly approved Investment Strategy; Developing a savings plan under the Town Clerk's Transformation Programme; Reducing deficit funding for charities to ensure the sustainability and future viability of both Charities and City's Estate.

24. The considerable costs required to bring the Markets consolidation programme to a close are anticipated to be offset by capital receipts that have already been factored into the MTFP for City's Estate. Delivering these receipts in line with projected values and timing is key.

Additional Revenue Requests

25. Your Policy and Resources and Finance Committees have messaged clearly that cost pressures should be managed within existing resources. When setting the budget for 2025/26, the intention has been to capture and consider pressures as part of that process. Therefore, the use of 2024/25 underspends to fund additional pressures has been considered for exceptional and one-off events. The wider intention is that any underspend on 2024/25 go into reserves in order to reduce the draw down required to fund the deficit.

GUILDHALL ADMINISTRATION

Overall Budget Position

26. 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, London Museum 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 5 – Guildhall Administration Revenue Budget

Guildhall Administration	2024/25	2025/26
by Committee	Budget	Budget
Net (Expenditure)/Income	£m	£m
Corporate Services	(8.1)	(8.6)
Digital Services	(13.1)	(13.1)
Finance	(55.6)	(60.3)
Total Net Expenditure	(76.8)	(82.0)
Recovery of Costs	76.8	82.0
Total Guildhall Administration	0	0

27. The 2024/25 budget benefits from carry forwards from 2023/24 underspends and transfers from centrally held contingencies. The 2025/26 Budget includes higher CWP budgets due to reprofiling.
28. Appendix 3 shows the Guildhall Administration budgets by committee.

City's Estate Capital

29. Members are asked to **note** that the Resource Allocation Sub Committee has provisionally approved allocations of £2m in City's Estate. Given the broader financial constraints within City Fund and City's Estate no new proposals were solicited as part of the 2026/27 MTFP process, instead, it is recommended that these amounts be maintained as contingencies to address unforeseen pressures. A re-prioritisation of existing allocations is also recommended to identify future capacity to avoid overstretching available resources.
30. 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.

31. 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;
- ERP Implementation - The Corporation must adopt best practice processes. Key benefits are to support a more mobile workforce; automate processes and introduce AI capabilities through a modern platform; provide direct access to staff and free up strategic capacity; provide a single source of the truth with enhanced analytics. If the Corporation fails to adopt to new ways of working the consequence will be that the current manually intensive processes with inbuilt failure demand will continue and the directly planned benefits of £600k pa (which are planned to commence in 2026/27 full finance go live) will not be realised in addition to impact the wider organisation transformation planned benefits of £500k pa.
- Ability to retain / recruit staff under the current salaries structure; Our Ambition 25 programme of change will create solutions to address this risk.
 - Create a new total reward strategy designed to meet the ambitions of a world class organisation, attracting, and retaining the best talent.
 - Create a job family framework that supports the Corporation's Head of Profession approach, tackles existing silos, and promotes transferable skills.
 - Implement a proven, robust job evaluation method to enable risk management, equity, and fairness.
 - Create and implement new pay and grading structures that address current challenges regarding market competitiveness and prevalence of allowances, with the appropriate controls to manage risk.
- Climate Action - with the current budget envelope expiring at the end of 2026/27, additional funding will be required to support delivery of the 2040 net zero and climate resilience targets between 2027/28 and 2039/40. Your Policy

and Resources Committee approved a paper developing the next evolution of the Climate Action Strategy at its January 2025 meeting. Costed options for the future strategy will be presented in summer 2025, with initial estimates between £10-22m annually.

- 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.
- Ongoing operational building upkeep and renewal – whilst the CWP programme address the historic backlog of cyclical works required for those assets within this programme (excludes ringfenced schools, service charged assets and CoLP), a forward look is also needed to consider the financial cost of future building upgrade and fabric refurbishment in line with property lifecycles. Due to the post war age of much of the portfolio and funds available focussed on cyclical works this means a significant proportion of the estate require upgrading works over the next twenty-year period. Consideration of the ongoing costs and benefits of properties and the services delivered from them need to therefore be carefully considered to ensure any such investment is aligned to corporate plans and strategies.

32. Outside the City Corporation's control:

- Inflation and interest rates – over recent years the impact of inflation has been the single biggest external driver of financial pressures. Having peaked at over 10%, inflation has now fallen significantly to reach 2% by Q2 of 2024. However, the price increases incurred are now embedded in a number of areas. The Office for Budget Responsibility (OBR) are forecasting that inflation will fall further to a level below 2% before stabilising at around 2% from 2027 onwards. 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 continue to reduce in 2025 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.
- Economists warning of a UK (global) recession during 2025, impact on income streams is unknown, particularly: rental income, event bookings, and student intakes – this needs close monitoring.
- VAT for schools - the imposition of VAT at 20% on school fees will likely lead to a reduction in income for schools, as VAT will account for 20% of all school fees collected. This change comes at a delicate time for City Schools, particularly for those like City of London Girls School (CLGS), which are just recovering their pupil numbers. Your Finance Committee noted that this had been raised as an equalities implication as it could impact what could be used for bursary funds, and a future report requesting funding would return to the Committee.

Conclusion

33. Despite an overall trend towards a more stable economy given recent global events and high-inflation, there are still significant pressures impacting on the City Corporation.
34. Additional funding will be required across the medium term to accommodate changes in pay (national insurance) and price uplift assumptions. Decisions are also required as to the approach to addressing the projected future cyclical works and forward plan on the City Corporation's operational properties following the resolution of the backlog.
35. The overall position of City's Estate has improved this year due to the decision on the future of the markets and although significant sums will be incurred under the revised approach, these are expected to be offset by capital receipts. This does alleviate some of the need for substantial asset disposals to cashflow the capital programme however City's Estate continues to rely on investment growth to maintain balance sheet stability and support the annual deficit position. A new Investment Strategy has been adopted which will be crucial for future sustainability and in the interim focus is needed on income generation and potentially a new savings programme.

Appendices

- Appendix 1 – Medium Term Financial Strategy/Budget Policy.
- Appendix 2 – City's Estate Budget
- Appendix 3 – Guildhall Administration Budget

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

DATED this 18th Day of February 2025.

SIGNED on behalf of the Committee.

Deputy Henry Nicholas Almroth Colthurst
Chairman, Finance Committee

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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 2024/25 and 2025/26 budgets shown by Committee in the table below:

City's Estate Summary by Committee	2024/25 Budget £m	2025/26 Original £m
Net (Expenditure)/ Income		
Culture, Heritage & Libraries	(0.7)	(0.6)
Education Board	(3.1)	(3.1)
Finance	(54.3)	(47.2)
G. P. Committee of Aldermen	(4.5)	(4.4)
Guildhall School of Music and Drama	(15.9)	(16.6)
Markets	(0.2)	(1.8)
Open Spaces :-		
Open Spaces Directorate		
Epping Forest and Commons	(10.6)	(13.1)
Hampstead, Queen's Pk, Highgate Wd	(6.5)	(8.3)
Bunhill Fields	(0.3)	(0.2)
West Ham Park	(1.2)	(2.3)
Policy and Resources	(20.4)	(18.6)
Property Investment Board	51.6	51.2
Schools :-		
City of London School (1)	(1.6)	(1.4)
City of London Freeman's School (1)	(0.4)	(0.6)
City of London School for Girls (1)	(1.5)	(1.5)
City of London Junior School (1)	0.3	0.2
(Deficit) Surplus (from) to reserves	(69.4)	(68.4)

Approved budget for 2024/25 includes additional allocations as set out below:

Changes	£'m
2024/25 Original Budget	(71.3)
Carry forwards from 2023/24 underspends	(10.6)
Reprofiling of CWP / SRP	5.8
Change in income (rental, investment, interest)	6.8
2024/25 Revised Approved Budget	(69.4)

- 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).

		2024/25 Budget £m	2025/26 Original £m
1	Net expenditure on services	(127.7)	(116.3)
2	Cyclical Works Programme and SRP's	(13.4)	(21.3)
3	Estate rent income	61.8	60.0
4	Non-property investment income	4.8	4.2
5	Interest on balances	1.4	2.1
6	Operating (Deficit) Surplus	(72.6)	(71.8)
7	Profit on asset sales/deferred income	3.2	3.4
8	(Deficit) Surplus funded by drawdown	(69.4)	(68.4)

2. The City's Estate position in the current year is expected to be a deficit of £69.4m compared to £71.3m 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	2024/2 5 £'m	2025/2 6 £'m	2026/2 7 £'m	2027/2 8 £'m	2028/2 9 £'m
Re-profile of existing pressures	0.00	(25.00)	(25.00)	0.00	0.00
Internal Audit	0.00	(0.08)	(0.08)	(0.08)	(0.08)
National Insurance increase	0.00	(1.93)	(1.93)	(1.93)	(1.93)
City's Estate additional pressures	0.00	(27.01)	(27.01)	(27.01)	(27.01)

GUILDHALL ADMINISTRATION

1. Shown by Committee is the table below:

Guildhall Administration by Committee Net (Expenditure)/Income	2024/25 Budget £m	2025/26 Budget £m
Corporate Services	(8.8)	(8.6)
Digital Services	(13.9)	(13.1)
Finance	(55.8)	(60.3)
Total Net Expenditure	(78.5)	(82.0)
Recovery of Costs	78.5	82.0
Total Guildhall Administration	0	0

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

The net expenditure for 2025/26 is £82.0, an increase of £3.5m from the 2024/25 budget.

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Report – City Bridge Foundation Board

City Bridge Foundation – 2025/26 Budget and Financial Forecasts

To be presented on Thursday, 6th March 2025

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

SUMMARY

This report presents the 2025/26 budget, together with forecast funds to 2028/29 for City Bridge Foundation (CBF), the working name for the charity Bridge House Estates.

The charity's proposed revenue budget for 2025/26 is a net expenditure of £77.6m, consisting of income of £42.3m and expenditure of £119.9m. Expenditure includes £36.8m for repair and maintenance of bridges, and charitable funding of £46.8m, of which £15m would be newly allocated, the first under the prospective Future Funding Policy, with an allocation of £28.3m being the final commitments of the March 2020 uplift of £200 million to the charity's designated grant-making fund by this Court. Charitable funding will be funded by estimated surplus once the needs of the primary object have been met.

The proposed budget reflects the CBF Board's strategic review of the delivery of the charity's primary object, shifting from a policy of bridge replacement to one aimed at perpetual repair and maintenance.

During the budget and forecast period, no drawdowns from endowment funds are anticipated as the charity continues to draw on its general income fund (reserves). CBF plans to progress a number of changes over the coming year including an enhanced bridge maintenance schedule, a new funding policy, development of the Tower Bridge Visitor Attraction, and investment reallocation. This is alongside accommodating wider City of London Corporation initiatives, and an ongoing uncertain economic and investment environment. The charity has also seen several years of expansion in overheads and high inflation. Accordingly, to ensure long term financial sustainability, this budget and forecasts aim to stabilise reserve levels.

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, until the launch of the charity's prospective Future Funding Policy. The charity's 2025/26 budget and financial forecasts have been scrutinised by the CBF Board, and the budget is 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:

1. Approve the 2025/26 budget and note the 2026/27-2028/29 forecasts;
2. Authorise the Managing Director of City Bridge Foundation, in consultation with the Chair and Deputy Chair of the CBF Board and in conjunction with the Chamberlain, to revise the charity's expenditure budgets and forecasts in Q1 of 2025/26 to provide for revised central recharges of City Corporation costs and expenditure to the charity (**paragraph 24**) and the finalisation of capital budgets for the City Corporation for its 'cross-fund' projects which involve expenditure of CBF charitable funds (**paragraph 27**); and
3. Approve the level of free reserves to be maintained over and above the agreed minimum policy of £35m due to economic factors and uncertainty, at £90m (**paragraph 37**).

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. Consistent with their wider duties, charity trustees are required to administer their charity with reasonable care and skill, act responsibly and honestly, and demonstrate that they are complying with the law.
3. This report presents the budget for 2025/26 for approval, and financial forecasts for the period 2026/27 to 2028/29. 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 can utilise available surplus, as reassessed on an annual basis, to advance its ancillary purpose by charity funding. The charity must also always ensure that it retains sufficient free reserves to meet its required policy level.

Overview

5. The City Corporation as Trustee has an obligation to ensure the long-term financial sustainability of the charity. CBF plans to implement large-scale changes over the coming years, including an enhanced bridge maintenance schedule, a new funding policy, development of the Tower Bridge Visitor Attraction, and investment reallocation, alongside accommodating wider City of London Corporation initiatives such as Ambition 25 and the Transformation Programme, all in the context of an ongoing uncertain economic and investment environment.
6. The £200m funding uplift allocated to the *Bridging Divides* strategy agreed in 2020, before the establishment of the charity's Board, whilst providing exceptional support for the charitable sector against the backdrop of a pandemic and a cost-of-living crisis, has reduced available reserves. The charity has also seen construction inflation above anticipated levels, increasing the cost of delivering the primary object, as well as expansion in general overheads over recent years.
7. Alongside this, valuation losses have been recorded against investment property, and it should not be expected that future investment returns will be able to accommodate ever-increasing expenditure.
8. Accordingly, to ensure long-term financial sustainability, this budget aims to stabilise reserves levels. It is intended that thereafter reserves are maintained at a level that will generate sufficient returns to allow CBF to continue its desired volume of operations.
9. The budget and associated detailed commentary for 2025/26 and financial forecasts for the period 2026/27 to 2028/29 are set out in Appendix 2. Budget figures reflect long-term investment performance and inflation assumptions are set out in Appendix 1. The charity must ensure it retains sufficient free reserves to meet its required policy level.
10. The CBF Board, in scrutinising the proposals, noted the intention of the proposed budget to be sufficiently prudent and allow time for further modelling, both of the required bridge expenditure and scenario planning for investment returns, to facilitate the Board's strategic direction over the longer-term. It is aimed to achieve this whilst also balancing the charity's priorities and giving due regard to the needs of the charity's beneficiaries, plus the wider context in which the charity was operating.
11. The Board agreed that medium-term financial planning must sufficiently prioritise the protection of the charity's overall asset base, which would in turn keep higher levels of income available for future activities. The Board also agreed that the inevitable reduction in charitable funding following the commitment of the £200 million uplift should be managed appropriately, whilst also being clear that the primary object is the charity's foremost priority. It was noted that as well as the reduction of funding and bridge maintenance commitments, the budget provided caution by assuming a nil return assumed on property as a safeguard, and frontloading the planned bridge maintenance expenditure, which is aimed at increasing cost efficiency in the longer term.

12. In agreeing and recommending the 2025/26 budget for approval by this Court, the Board also recommends that the financial forecasts should be noted at this stage, pending further review in conjunction with officers to consider options for how the charity can best deliver on its commitments, whilst incorporating the Board's concerns regarding protection of the overall asset base. The CBF Board will revisit the longer-term picture over the next 12 months, taking account of expectation management with the charitable funding sector, detailed modelling work in respect of the primary object and investments, and continued observation of the wider economic environment.

13. A summary budget for 2025/26 and financial forecasts to 2028/29 is provided below:

Summary Budget and Forecasts	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29
	Budget	Forecast	Budget	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
Income	39.0	39.2	42.3	46.3	47.2	46.5
Expenditure	(143.7)	(145.4)	(119.9)	(102.1)	(96.6)	(96.8)
Net income/(expenditure)	(104.7)	(106.2)	(77.6)	(55.9)	(49.5)	(50.3)
Net gains/(losses) on investments and pension schemes	52.0	3.8	54.9	49.9	48.0	54.0
Net movement in funds	(52.7)	(102.4)	(22.7)	(5.9)	(1.5)	3.7
Funds brought forward at 01 April	1,531.7	1,531.7	1,429.4	1,406.7	1,400.8	1,399.3
Total funds carried forward	1,479.0	1,429.4	1,406.7	1,400.8	1,399.3	1,403.0
Funds of the charity:						
Endowment funds	927.3	879.5	896.2	916.6	937.5	958.5
Restricted funds	-	-	-	-	-	-
Designated funds	171.0	145.5	223.7	211.5	202.2	202.2
Free reserves	380.7	404.4	286.7	272.5	259.6	242.3
Total charity funds	1,479.0	1,429.4	1,406.7	1,400.8	1,399.3	1,403.0

Table 1: Summary Budget and Forecasts

Income

14. The charity's total income budget for 2025/26 is £42.3m, projected to increase to £46.5m in 2028/29.

15. Investment income accounts for £30.9m in 2025/26 and assumptions reflect the current investment allocation with the majority of investments in the portfolio held for growth rather than income generation. This will be revisited in 2025 through an investment reallocation exercise.

16. Tower Bridge tourism income is assumed to increase gradually and does not yet reflect any impact of the outcomes of the proposed development of the visitor attraction through the *Tower Bridge in Motion* programme.

Expenditure

17. The charity's total expenditure budget for 2025/26 is £119.9m and is projected to reduce to £96.8m in 2028/29. While spend on bridge maintenance is planned to rise, this is outweighed by lower charitable funding, reflecting the end of £200m uplift allocated to the *Bridging Divides* strategy agreed in 2020.
18. Bridges maintenance spend of £36.8m is included for 2025/26 and £33.9m in 2026/27 with an annual target of c.£30m from 2027/28 onwards. This reflects a move towards an enhanced bridges repair and maintenance schedule, rather than a policy of anticipating replacement, as formally agreed by the CBF Board in November 2024. However, the profiling of increased expenditure takes account of capacity restraints. Planned maintenance projects include the introduction of permanent Hostile Vehicle Mitigation (HVM) schemes on three bridges, the repainting of Millenium Bridge, completion of the Blackfriars Bridge Refurbishment Project and Mud Tanks, Fire Suppression, Hydraulic and Power Pack Replacement Projects at Tower Bridge.
19. Charitable funding for 2025/26 is proposed at £46.8m, including grant commitments of £42.2m and Social Investment of £4.6m. This includes both the £200m uplift (of which £28.3m is expected to be committed in 2025/26) and the prospective Future Funding Policy allocation, currently expected to be £15m in 2025/26, the first year of five for which funding has been allocated, and thereafter £26.25m plus grant administration costs (which also reflect the implementation of the new policy).
20. Future surplus returns available for wider funding, philanthropic activity and social investments will be considered through a 2025 modelling and investment allocation exercise, using a forward-looking methodology that takes account of future obligations in relation to the primary object.
21. The Tower Bridge tourism expenditure budget for 2025/26 is £8.3m and forecast to increase over the period to 2028/29, matching anticipated increased retail income and regular required spend on the visitor attraction. However, it is currently too early to fully reflect the impact of development of the visitor attraction on future operational costs, or income.
22. Property and financial investments management costs for 2025/26 are proposed at £14.8m for 2025/26, increasing to an average of £15.1m over the forecast period to 2028/29. Property management costs include significant spend on the property portfolio cyclical repairs programme and on energy costs. Fees for financial investment management remain broadly in line with previous years including an average management fee of 0.46% on average net asset value held.
23. Enabling services costs including contingency are budgeted to be £10.2m. This covers communications, finance, governance and strategy and the people function. CBF will seek to manage these costs over the coming years, including through the use of centrally held contingency. Excluding contingency, enabling services costs are £5.9m.

24. Recharges from the City Corporation from shared corporate functions are budgeted as £7.1m (including Climate Action Strategy revenue costs of £0.1m). A review of the basis of corporate recharges to the charity was undertaken in 2024/25, resulting in a £0.8m reduction in costs chargeable to CBF. However, as the 2025/26 corporate recharges have not yet been finalised, delegated authority is requested to the Managing Director of CBF, in consultation with the Chair and Deputy Chair of the CBF Board and in conjunction with the Chamberlain, to revise the charity's expenditure budgets and forecasts in Q1 of 2025/26, to provide for revised central recharges of City Corporation costs and expenditure to the charity.
25. The charity holds contingency budgets across the budget and forecasts period. These include a £850k central provision, £1.2m revenue expenditure provision for the Tower Bridge long term strategic plan, and £1m for new posts not yet approved.

Capital Expenditure

26. Capital expenditure for 2025/26 is proposed at £8.2m. This includes refurbishments to three of the charity's investment properties of £3.6m and £2.5m capital contribution to CAS.
27. Also included is £0.9m contribution to the City Corporation's 'cross-fund' capital projects. Amounts allocated to CBF for other cross-fund projects are indicative and subject to revisions. Consequently, delegated authority is also requested for the Managing Director of CBF to make such revisions to the 2025/26 capital budget as are required, following the finalisation of the City Corporation's 'cross-fund' capital projects budget.

Investment Movements

28. The budget currently reflects existing investment allocations and annual drawdown to cover expenditure and minimum cash requirements, however an investment allocation review exercise is expected in 2025, which is likely to result in significant changes in allocations over the coming years. Investment allocations and returns will therefore need to be re-budgeted for 2026/27.
29. Property Investment values at the end of 2023/24 were £793.0m, and the forecast 2024/25 value is £754.1m. Net losses are forecast in 2024/25, based on advice from the City Surveyor's valuer with a flat budget in 2025/26, but cannot be accurately predicted.
30. Financial Investment values at the end of 2023/24 were £802.7m. During 2024/25, £29.6m drawdowns from investments have been made to date. Future drawdowns will be required for operations in the years to 2028/29 and beyond however the exact values will be impacted by the investment allocation exercise planned for 2025.

Funds

Total Funds

31. Total funds are expected to decrease by £125.1m from £1,531.7m as at 31 March 2024 to £1,406.7m as at 31 March 2025. The in-year deficit is mainly driven by

£64.5m of grant commitments out of the £200m uplift, and a downward revaluation on investment property. Investment returns will affect this figure but will only be known once year-end procedures are complete. Anticipated fund movements are shown in Appendix 2.

Endowment Funds

32. The charity adopted a Total Return Accounting approach in June 2023. Income, expenditure, and gains/losses on endowment investments held are recognised within the Unapplied Total Return (UTR) element of the endowment fund. No withdrawals from the UTR are anticipated in 2025/26 or within the period to 2028/29.

Designated Funds

33. The charity has several designated funds for specified purposes.

Bridges Repairs ¹	funds required to maintain the bridges for the next 5 years.
Grant-making	surplus income for future grant-making activities.
Climate Action	funds set aside to further progress and potentially accelerate delivery of the charity's Climate Action Strategy.
Social Investments	surplus income set aside for social investments.
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.

34. The CBF Board has agreed the following transfers to designated funds:

- a. Bridge repairs: based on anticipated costs of maintaining the bridges for the next 5 years as forecast within the 50-year bridges maintenance plan, which is being reviewed following the agreed move towards an enhanced maintenance approach. Pending finalisation of this, assuming £30m annual spend from 2027/28, a £137m transfer to the designated fund would be needed in 2025/26.
- b. Grant-making: Subject to availability, a transfer of £26.5m granting with administration costs for 2025/26. Expected designations over the forecast period will be subject to availability of surplus, which should be reassessed annually and will be subject to modelling analysis through 2025.
- c. Climate Action: in the year it is expected that costs for further investment property refurbishment and Tower Bridge projects that aim to reduce CO₂ emissions will be incurred, and these and similar projects should be reflected against the Climate Action designated fund.

35. The charity also maintains a Pension Reserve Fund, representing the net liability owed.

¹ The Bridges Replacement fund was closed and the balance released to General Funds in 2023/24.

Free Reserves

36. The charity's reserves policy is subject to annual review. Based on assumptions set out in Appendix 1, it is estimated that sufficient unrestricted income funds would be available to meet the needs of the charity until approximately 2037/38. No transfers to income from the UTR are anticipated until this time under current assumptions, however it should be noted this is subject to change in 2025/26, as the investment allocation exercise will impact investment income generation and growth and affordability assumptions.
37. For 2024/25, the target level of free reserves was retained at £90m. This was based on a minimum policy requirement of £35m agreed by this 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 2025, with future consideration to take place, given the period of change that the charity will be undergoing. 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.

Conclusion

38. The 2025/26 budget and forecasts for the period 2026/27 to 2028/29 reflect the intersection of a challenging and changing economic environment with a period of change for the charity in relation to delivery of its primary and ancillary purposes. The CBF Board has considered the charity's financial position and recommends this revenue and capital budget for 2025/26, as well as the related recommendations outlined, for the Court's approval in the best interests of the charity. 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.
39. Further to recommending the budget for 2025/26, the CBF Board provides ongoing financial forecasts for the period 2026/27 to 2028/29, which will be the subject of further review by the Board and CBF officers, to ensure these achieve an appropriate balance between safeguarding the charity's overall asset base, realigning the delivery of the charity's primary and ancillary charitable objects, and furthering the vision and mission of the *Bridging London 2020-2045* strategy.

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

DATED this 5th day of February 2025.

SIGNED on behalf of the Board.

Deputy Paul Martinelli
Chair, City Bridge Foundation Board

Appendices

- Appendix 1 – Key Assumptions

Appendix 1 – Key Assumptions

	2024/25	2025/26	2026/27	2027/28	2028/29
Returns on cash held	4.70%	3.35%	3.10%	3.25%	3.25%
Securities growth	7.50%	7.50%	7.50%	7.50%	7.50%
Securities fees	0.48%	0.48%	0.48%	0.48%	0.48%
Property growth - Ground lease	0.00%	0.00%	0.00%	0.00%	3.00%
Property growth - Directly managed	0.00%	0.00%	0.00%	0.00%	3.00%
Property yields	as calculated				3.00%

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 2026/27, before marginal rises from 2027/28.
- ii. Securities growth is based on the investment consultant's annualised average returns over a 20-year rolling period and currently forecasted to be flat at 7.5% over the forecasts period to 2028/29.
- 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. Due to challenging market conditions, market values are estimated to decline with a net loss in Investment Properties in 2024/25 and be flat from 2025/26 onwards.
- 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 2% for 2025/26 budgets and the forecasts period 2026/27 to 2028/29. Further provision has been made in contingency.
- 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 2% across the 2025/26 budget and the 2026/27 to 2028/29 forecasts period.
- 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 2025/26 and 2026/27 based on available information on the specific pricing for planned projects. Bridge maintenance costs for 2027/28 and 2028/29 are set at a target of £30m per year reflecting the pivot to enhanced maintenance model for the charity's bridges instead of the previous replacement model.

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CBF BUDGETS & FORECASTS - STATEMENT OF FINANCIAL ACTIVITIES (SOFA)	2023/24 full year	2024/25 full year			2025/26	2026/27	2027/28	2028/29	2025/26
	£m	original budget	latest approved budget	forecast	Budget	Forecast	Forecast	Forecast	budget vs 2024/25 forecast variance
		£m	£m	£m	£m	£m	£m	£m	£m
Charitable activities - Tower Bridge	10.5	9.7	9.7	10.3	11.1	11.3	11.7	12.1	0.8
Investment income:									
- Property investments	24.1	25.0	25.0	24.1	26.3	30.0	30.5	30.7	2.2
- Financial investments	3.6	3.1	3.1	4.5	4.2	4.3	4.3	3.0	(0.3)
- Interest receivable	-	0.7	0.7	-	0.4	0.4	0.4	0.4	0.4
- Social Investment income	-	0.3	0.3	0.1	0.0	0.0	0.0	0.0	(0.1)
Total Investment income	28.8	29.0	29.0	28.6	30.9	34.7	35.2	34.1	2.2
Other income	0.7	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0
Total income	40.0	39.0	39.0	39.2	42.3	46.3	47.2	46.5	3.0
Raising funds:									
- Property Investments	(9.9)	(11.5)	(11.5)	(10.6)	(9.5)	(9.6)	(9.6)	(9.7)	1.1
- Financial Investments	(5.2)	(5.2)	(5.2)	(5.5)	(5.3)	(5.4)	(5.5)	(5.5)	0.2
Total expenditure on raising funds	(15.0)	(16.7)	(16.7)	(16.1)	(14.8)	(15.0)	(15.2)	(15.2)	1.3
Charitable activities:									
- Repair & maintenance of bridges	(12.5)	(20.6)	(20.6)	(12.2)	(36.8)	(33.9)	(30.0)	(30.0)	(24.6)
- Tower Bridge tourism	(8.1)	(7.3)	(7.6)	(7.8)	(8.3)	(8.3)	(8.5)	(8.7)	(0.5)
- Grants to voluntary organisations	(78.6)	(80.6)	(80.6)	(92.9)	(42.2)	(28.0)	(26.3)	(26.3)	50.7
- Grant & social investment costs	(4.5)	(4.0)	(4.2)	(4.0)	(4.6)	(3.9)	(3.6)	(3.3)	(0.6)
Total expenditure on charitable activities	(103.6)	(112.5)	(113.0)	(116.9)	(91.9)	(74.0)	(68.4)	(68.3)	25.0
Other expenditure - pension costs	(0.1)	(3.0)	(3.0)	(3.0)	(3.0)	(3.1)	(3.1)	(3.2)	-
Other expenditure - enabling services	-	(7.3)	(8.0)	(6.3)	(5.9)	(5.8)	(5.8)	(5.8)	0.4
Other expenditure - uncommitted contingency	-	(4.0)	(3.1)	(3.1)	(4.3)	(4.3)	(4.3)	(4.3)	(1.2)
Total expenditure	(118.8)	(143.5)	(143.7)	(145.4)	(119.9)	(102.1)	(96.6)	(96.8)	25.5
Net income/(expenditure)	(78.8)	(104.5)	(104.7)	(106.2)	(77.6)	(55.9)	(49.5)	(50.3)	28.6
Gains/(losses) on property investments	(73.8)	1.6	1.6	(46.4)	-	-	-	-	46.4
Gains/(losses) on financial investments	68.0	50.4	50.4	50.4	54.4	49.4	47.5	53.5	4.0
Gains/(losses) on pension scheme	2.9	-	-	-	0.5	0.5	0.5	0.5	0.5
Social Investments	-	-	-	(0.2)	-	-	-	-	0.2
Net movement in funds	(81.7)	(52.5)	(52.7)	(102.4)	(22.7)	(5.9)	(1.5)	3.6	79.7
Funds brought forward at 01 April	1,613.4	1,531.7	1,531.7	1,531.7	1,429.4	1,406.7	1,400.8	1,399.3	(102.4)
Total funds carried forward	1,531.7	1,479.3	1,479.0	1,429.4	1,406.7	1,400.8	1,399.3	1,403.0	(22.7)
Funds of the charity:									
Endowment funds	904.3	927.3	927.3	879.5	896.2	916.6	937.5	958.5	
Restricted funds	-	-	-	-	-	-	-	-	
Designated funds:									
- Bridges repairs	52.8	41.7	60.0	60.6	160.7	150.0	150.0	150.0	
- Bridges replacement	-	-	-	-	-	-	-	-	
- Grant-making	130.1	65.9	73.3	48.4	28.9	29.3	29.0	29.0	
- Social investment fund	22.1	22.1	22.3	22.3	22.3	21.0	15.0	15.0	
- Climate action	15.0	14.0	15.0	13.6	11.2	10.5	7.5	7.5	
- Property dilapidations/service charges	0.7	0.7	0.4	0.6	0.6	0.7	0.7	0.7	
Total designated funds	220.7	144.3	171.0	145.5	223.6	211.5	202.2	202.2	
General funds	408.2	417.0	390.1	408.5	293.3	281.8	271.4	256.6	
Pension reserve	(1.5)	(9.3)	(9.3)	(4.1)	(6.6)	(9.2)	(11.8)	(14.4)	
Total general funds	406.7	407.6	380.7	404.4	286.7	272.5	259.6	242.2	
Total charity funds	1,531.7	1,479.3	1,479.0	1,429.4	1,406.7	1,400.8	1,399.3	1,403.0	

CBF: By Team 25/26 Budget and Forecasts		2023/24 Full year £'000	2024/25		2024/25 Forecast £'000	2025/26 Budget £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 Forecast £'000
			2024/25 Original Budget £'000	2024/25 Latest Approved Budget £'000					
Tower Bridge tourism Income	[1]	10,509	9,708	9,708	10,308	11,071	11,292	11,673	12,069
Tower Bridge tourism Expenditure	[2]	(6,917)	(7,257)	(7,558)	(7,751)	(8,283)	(8,271)	(8,486)	(8,708)
		3,591	2,451	2,150	2,557	2,788	3,021	3,187	3,360
Property investments Income	[3]	24,062	24,971	24,971	24,120	26,272	29,956	30,478	30,694
Property investments Expenditure	[4]	(8,466)	(11,508)	(11,510)	(10,642)	(9,526)	(9,573)	(9,620)	(9,668)
		15,596	13,463	13,461	13,478	16,746	20,384	20,858	21,025
Financial investments Income	[5]	4,494	3,768	3,768	4,230	4,400	4,488	4,577	3,274
Financial investments Expenditure	[6]	(5,163)	(5,210)	(5,165)	(5,484)	(5,319)	(5,426)	(5,534)	(5,481)
		(670)	(1,442)	(1,396)	(1,254)	(920)	(938)	(957)	(2,207)
Social Investments Income	[7]	257	280	280	279	236	215	171	155
Social Investments Expenditure	[8]	-	(67)	(67)	(26)	(34)	(33)	(33)	(34)
		257	213	213	252	202	183	137	121
Philanthropy & Corporate Volunteering Income	[9]	702	270	270	270	271	331	338	344
Philanthropy & Corporate Volunteering Expenditure	[10]	(463)	(527)	(527)	(511)	(331)	(349)	(356)	(363)
		239	(257)	(257)	(241)	(60)	(18)	(18)	(18)
Tower Bridge operational Expenditure	[11]	(4,323)	(5,657)	(5,667)	(4,001)	(5,346)	(4,712)	(4,805)	(4,901)
Bridges	[12]	(7,584)	(14,970)	(14,970)	(8,224)	(31,494)	(29,167)	(25,195)	(25,099)
Funding Expenditure	[13]	(81,766)	(84,572)	(84,718)	(96,911)	(46,726)	(31,825)	(29,864)	(29,548)
Managing Director/COO	[14]	(1,875)	(2,055)	(2,444)	(2,093)	(2,657)	(2,446)	(2,493)	(2,542)
CBF & Charities Finance Team	[15]	(1,125)	(765)	(961)	(959)	(862)	(878)	(900)	(923)
Communications	[16]	(761)	(794)	(895)	(779)	(942)	(963)	(993)	(942)
CBF central recharges *	[17]	(245)	(1,614)	(1,614)	(1,616)	(999)	(1,019)	(1,039)	(1,060)
Uncommitted Contingency	[18]	-	(3,963)	(3,089)	(3,089)	(4,256)	(4,256)	(4,256)	(4,256)
Climate Action Strategy	[19]	(201)	(1,534)	(1,534)	(316)	(110)	(165)	-	-
Net pension scheme costs	[20]	(42)	(3,000)	(3,000)	(3,000)	(3,000)	(3,060)	(3,121)	(3,184)
Income		40,023	38,997	38,997	39,207	42,250	46,282	47,237	46,536
Expenditure		(118,932)	(143,493)	(143,719)	(145,402)	(119,885)	(102,142)	(96,697)	(96,708)
Net gains/(losses) on property investments		(73,799)	1,600	1,600	(46,397)	-	-	-	-
Net gains/(losses) on financial investments		67,824	50,400	50,400	50,400	54,440	49,430	47,480	53,485
Net gains/(losses) on pension scheme assets		91	-	-	-	500	510	520	531
Net gain/(loss) on social investments		-	-	-	(161)	-	-	-	-
Total gains/(losses)		(5,883)	52,000	52,000	3,842	54,940	49,940	48,000	54,015
Net Movements in Funds		(84,793)	(52,496)	(52,722)	(102,354)	(22,695)	(5,920)	(1,460)	3,843

By Team Variance Commentary

- [1] Tower Bridge tourism income in 2025/26 reflects the new pricing strategy and is based on average visitor numbers from the prior 12 months, with a 50% yield. The potential impact of TBIM on visitor numbers is not currently reflected in the future year forecast income.
- [2] The increase in the Tower Bridge expenditure budget is mainly due to utilities cost increases (the contract is subject to negotiation but the budget reflects the current estimate) and cleaning budgets not included in 2024/25, together with the Tower Bridge website upgrade. TBIM costs not yet approved are reflected within the Contingency budget below.
- [3] Property Investment Income is expected to increase by £1.3m in 2025/26 reflecting higher expected rents following the letting of vacant space at 120 Cannon Street and end of the rent free period in the lease for 84 Moorgate 2025/26. This is partly offset by a decrease in the rental estimate for 36/38 New Bridge St where additional space will become vacant.
- [4] The budgeted decrease in Property expenditure of £2m reflects lower business rates expenditure of £1.4m due to the letting of vacant space at 120 Cannon St and 30 New Bridge St, partly offset by vacancies at 35/38 New Bridge St & 24-25 New Bond St.
- [5] Financial Investment Income yields are expected to decline in 2025/26 following the decline in investment balances due to drawdowns needed to support cashflow requirements for the charity. Future income estimates reflect fund manager projections.
- [6] Within financial investments costs, fund management charges are based on net average value over the past 3 years, meaning a delay in the decline in management costs. Internal recharges reflect higher staffing costs.
- [7] Social investment income reflects the changes in classification of certain assets to Impact Investments. Future investments not yet approved have not been reflected in the budget, although we should expect social investments to increase.
- [8] Lower social investment expenditure reflects legal fees moving to the COO budget and a decrease in professional fees. Social investment costs allocation and reporting will be revisited within 2025/26 as certain costs are currently reflected in the grants administration line.
- [9] Philanthropy recharge income reflects new arrangements for Charities and Natural Environment support.
- [10] Philanthropy budgeted costs are budgeted to reduce following staffing changes within Philanthropy, and the likely movement of climate / responsible business activity out of this cost centre (currently these costs have been moved to Contingency).
- [11] The Tower Bridge operational expenditure budget for 2025/26 reflects spend on operational properties (BMH, Engine Rooms & HJH), mainly for services provided by City Surveyors. The main areas of spend expected in 2025/26 are the yard roof replacement, fire sprinklers, and safety and access works to the Engine Rooms Accumulator Tower.
- [12] The increase in the Bridges maintenance budget request is due to deferred activity on major projects including repainting of both Blackfriars and Millennium Bridges and operating systems upgrade, fire suppression and mud tanks projects at Tower Bridge, together with estimated HVM costs.
- [13] The variance in the funding expenditure budget is mainly due to the decrease in grants expenditure; most of the £200m uplifts has been committed, £27.2m of the remainder is expected to be spent in 2025/26 and £1.7m in 2026/27, alongside future funding policy allocations expected to be £15m (plus administration cost) in the first partial year 2025/26 and £26.25m thereafter.
- [14] The COO cost centre reflects an increase in budgeted expenditure in HR to deliver the CBF People Plan in 2025/26.
- [15] Finance function costs reflects expanded capacity to better support the needs of the charity including investments analysis.
- [16] The 2025//26 Comms and engagement budget increase includes additional Comms activity associated with the implementation of the Future Funding Policy, including website updates.
- [17] The balance of central recharges not allocated to one of main activities of the charity is budgeted to reduce by £0.6m as CBF provides most of these support services within the charity itself.
- [18] Uncommitted contingency includes a £850k central provision, £1.2m revenue expenditure provision for the Tower Bridge long term strategic plan, and £1m for new posts not yet approved. Certain consultancy budgets have also been moved from enabling service departments to be accessed subject to need, business case approval and financial sustainability considerations.
- [19] Climate Action Strategy revenue expenditure of £0.1m is CBF's allocation for CoL's CAS work.
- [20] Net pension scheme costs are budgeted at £3m for both 2024/25 and 2025/26 with 2% inflation increases for the remainder of the forecast period to 2028/29.

Capital Projects

		2024/25 Latest Approved Budget £'000	2025/26 Budget £'000	2026/27 Forecast £'000	2027/28 Forecast £'000
Investment Property Refurbishment					
4/5 Chiswell Street - £1.1m		-	1,100	-	-
35/38 New Bridge Street - £2m		-	2,000	-	-
24/25 New Bond Street - £0.5m		-	500	-	-
		-	3,600	-	-
Climate Action Strategy (CBF Contribution)					
Capital Projects (Design Standards)		-	17	-	-
Financial Investments		-	-	-	-
Investment Properties		-	1,823	1,710	-
Purchased Goods and Services		-	-	-	-
Resilient Buildings		-	610	408	-
Strategic Implementation Support		-	-	-	-
		-	2,450	2,118	-
Contribution to COLC-wide projects					
LAN Refresh City of London	8%	45	-	-	-
Personal Device Replacement	8%	1	-	-	-
HR, Payroll, Finance ERP (Sapphire)	5%	203	638	421	-
IT Security	8%	1	-	-	-
IT - BMS Wired Network.	8%	5	-	-	-
IT - HR System Portal for ERP.	8%	2	-	-	-
IT Member Device Refresh 2022	8%	16	-	-	-
JNRP (Cap) - CoL Recharge	8%	45	-	-	-
OPN Replacement	15%	92	-	-	-
IT - BMS Wired Network	8%	5	-	-	-
IT - HR System Portal for ERP	8%	2	-	-	-
Guildhall Cooling Plant Repl	8%	173	-	-	-
Guildhall Complex Fire Alarm Replacement	8%	3	-	-	-
Corporate Device Stock Replacement	8%	20	40	-	-
Network Contract - Support and Refresh	3%	128	122	-	-
Audio Visual Equipment	8%	11	-	-	-
Public Switched Telephone Network (PSTN) Replace	5%	25	100	-	-
		777	900	421	-
Tower Bridge in Motion (TBIM) - Capital elements					
Education Centre		-	250	-	-
Changing Places		-	17	-	-
3b Fit Out		-	100	-	-
North Tower Mezzanine Level		-	500	-	-
Ticket Office Refurbishment/Location Change		-	400	-	-
		-	1,267	-	-
Total Capital Spend		777	8,217	2,539	-
Funding					
Permanent Endowment Fund (UTR)		-	3,600	-	-
Unrestricted Income fund		777	2,167	421	-
Designated Fund (Climate)		-	2,450	2,118	-
		777	8,217	2,539	-

[1] Where in-year Tourism surplus is generated, it will fund TBIM capital and revenue project spend with the balance from reserves. TBIM capital spend is subject to approval of Gateway 2 paper.

[2] Investment Property Spend against the Climate Designated Fund will need a further adjustment in the Endowment.

Funds Movements

	2024/25 Forecast Closing Balance £'000	2025/26 Budget Income £'000	2025/26 Budget Expenditure £'000	2025/26 Budget Gains/(Los ses) £'000	2025/26 Budget Transfers £'000	2025/26 Budget Closing Balance £'000
Endowment funds	879,503	26,272	(9,526)	-	-	896,249
Restricted funds	-	-	-	-	-	-
Designated funds:						
- Bridges repairs	60,600	-	(36,840)	-	136,959	160,719
- Grant-making	48,370	-	(45,974)	-	26,516	28,912
- Social investment fund	22,300	-	(34)	-	-	22,266
- Climate action	13,600	-	-	-	(2,450)	11,150
- Property dilapidations/service charges	600	-	-	-	-	600
Total designated funds	145,470	-	(82,848)	-	161,025	223,647
Unrestricted Income	408,521	15,978	(27,511)	54,940	(158,525)	293,403
Pension reserve	(4,100)	-	-	-	(2,500)	(6,600)
Total general funds	404,421	15,978	(27,511)	54,940	(161,025)	286,803
Total charity funds	1,429,394	42,250	(119,885)	54,940	-	1,406,699

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Report – City Bridge Foundation Board

City Bridge Foundation: Annual Report and Financial Statements 2023/24

To be presented on Thursday, 6th March 2025

*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 2024. 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 2023/24 were scrutinised and approved by the CBF Board, the City Corporation's 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 the Court of Common Council, 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 2024.

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 2023/24 Annual Report and Financial Statements for CBF for the year ended 31 March 2024 are presented for information and are attached at **Appendix 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 2025) and the 2023/24 Annual Report and Financial Statements for CBF were submitted in advance of this deadline, on 8 January 2025.

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 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 4 September 2024. The CBF Board then sought comments from the City Corporation's Audit & Risk Management Committee on the Annual Report and Financial Statements at its meeting on 23 September 2024, 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, pending the incorporation of suggested amendments from the Board and completion of the audit. The Chair and Deputy Chair of the CBF Board subsequently signed the Annual Report, on behalf of the Trustee.

Appendices

Appendix 1: Annual Report and Financial Statements for City Bridge Foundation, 2023/24

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

DATED this 8th day of January 2025.

SIGNED on behalf of the Board.

Deputy Paul Martinelli
Chair, City Bridge Foundation Board

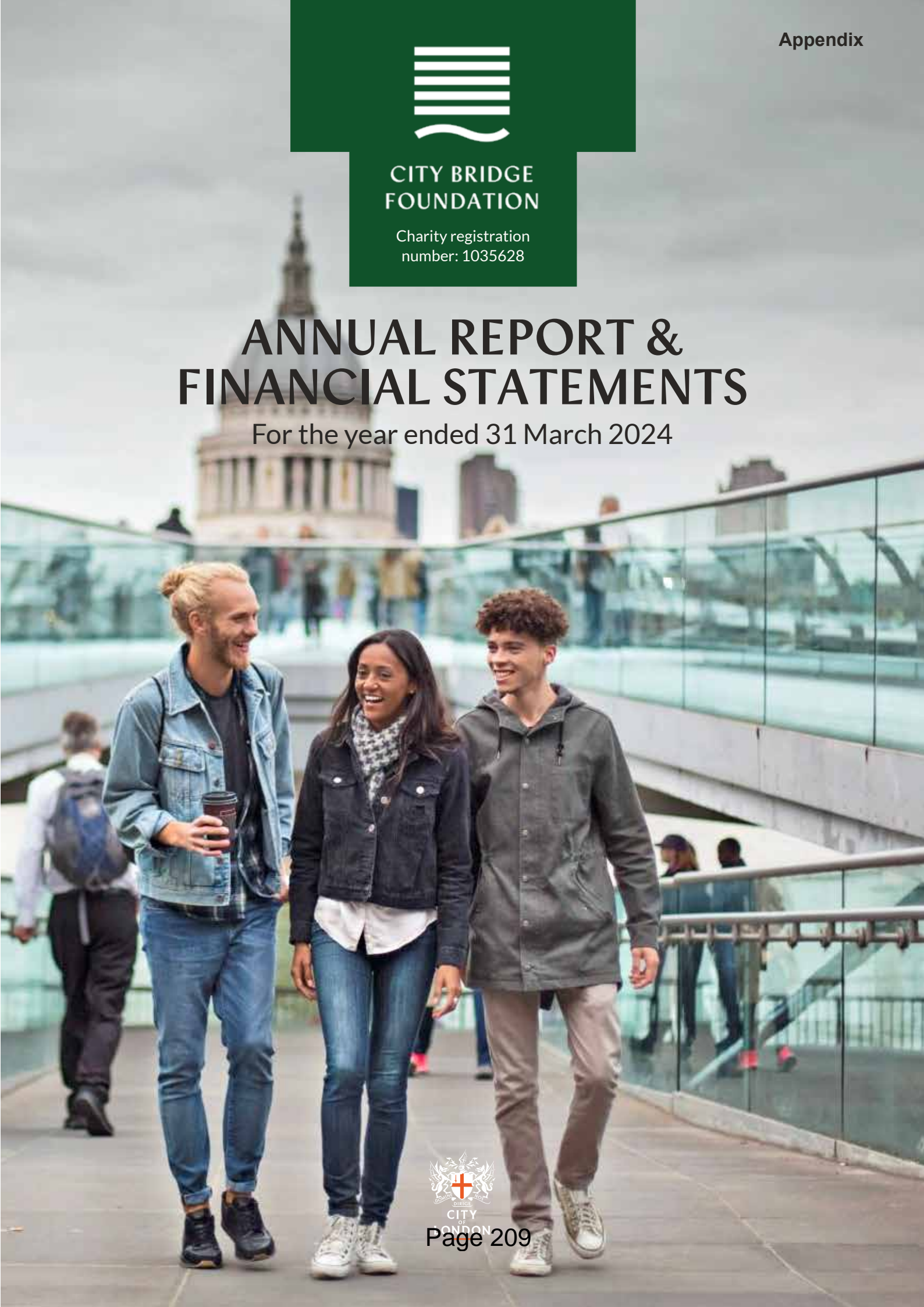


CITY BRIDGE
FOUNDATION

Charity registration
number: 1035628

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 March 2024





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CHAIR'S STATEMENT

This year has seen our 900-year-old charity continue to take giant steps forward in our ambition to power a connected capital in our capacity as a world class bridge owner and London's biggest independent charity funder.

A new supplemental Royal Charter was signed by His Majesty the King and became legally effective in June 2023, modernising the charity's governance powers. The supplemental Charter gives the charity more modern, flexible powers, while still reflecting good governance practice. We now have greater flexibility in the application of our funds, with safeguards still set to protect the charity's primary object, namely the maintenance and support of the five Thames bridges that the charity owns: London Bridge, Blackfriars Bridge, Southwark Bridge, Tower Bridge and Millennium Bridge.

It was also a year in which our primary and secondary objectives – relating, respectively, to the five bridges and our charitable funding work – were unified under a new brand, 'City Bridge Foundation'. This has been the culmination of years of work to improve the charity's governance, in particular to simplify and improve the Trustee's governance arrangements for the running of the charity, while also

boosting awareness of the charity, allowing us to have more influence and impact in the charity work.

This year has seen some important – and dramatic – work on the bridges, including replacing the bearing pads used to support Tower Bridge's pawls, which support its famous bascules, and the nose bolts which lock the bascules together when lowered.

The former project was carried out over the August Bank Holiday weekend and the latter during one of the bridge's routine quarterly overnight closures, to minimise the impact on road users and pedestrians.

Elsewhere, our contractor worked around the clock to replace the separation membrane between the aluminium bridge deck and steel structure of Millennium Bridge, work that required every one of the bridge's 1,800 deck panels to be carefully lifted.

The work was completed on time and on budget, and indirectly led to possibly the biggest media and social media story in our history, due to the bundle of straw hung from the bridge in accordance with an ancient bylaw, which

captured the imagination of people around the world and provided a timely boost to our newly launched brand.

Tower Bridge has continued its post-pandemic resurgence, achieving record visitor numbers which came within a hair's breadth of reaching the one million mark, and income that surpassed the previous record by 30 percent.

These achievements will stand the bridge in good stead as it celebrates its 130th birthday and help the Foundation look to the future with its long-term development plan, which will help it achieve the ambition for Tower Bridge to be a world-leading visitor attraction driven by values and impact. The plan, the first phase of which is being delivered under the name 'Tower Bridge in Motion', will see the visitor attraction expanded into currently unused spaces and its cultural offering brought out onto the bridge deck itself to be enjoyed by some of the 40,000 people who cross between the Middlesex and Surrey shores every day.

City Bridge Foundation's primary objective is the support and maintenance of its five Thames bridges, but our ancillary purpose of charitable funding is also a vital component of our work. Over the last year we awarded £23 million to support strategic funding work, not least the £14 million awarded under the first phase of the Anchor Programme, which provides long-term core funding for up to ten years to organisations operating within Greater London tackling systemic change, giving them the time and space they need to collaborate, take risks and make London a fairer place.

Meanwhile, we awarded over £400,000 in inflationary payments to help our funded organisations cope with the demands of the cost-of-living crisis and reopened our small grants programme after a five-year hiatus, with new criteria specific to LGBTQIA+ communities and for refugees, migrants and asylum seekers.

The vast majority of our funding comes from the element of our work that tends to be less newsworthy – our investments, which, despite the impact of inflation and other economic pressures, continue to provide secure returns for our bridge maintenance and an excess of funds for our funding activities.

One of the key developments of the year was the implementation of our new investment strategy which means that, for the first time, considerations other than financial ones – such as societal or environmental impact – can be considered when making investments. It means that while continuing to provide a financial return that powers the work we do across London, our investments can in and of themselves deliver a positive impact.

This ethical approach to everything we do is embodied in our refreshed Bridging London Strategy, approved by the Board in February 2024 and by the Court of Common Council – the primary decision-making body of our Trustee, the City of London Corporation – in March 2024.

It sets out an ambitious vision to be world class in our bridge maintenance, our charitable funding and our responsible business practices, guided by newly defined values of service, collaboration, inclusion, innovation and ambition; underpinned by our strategic ambitions of promoting equity, diversity and inclusion and delivering climate action in everything we do.

These values will come to the fore as we continue to develop our future funding policy, aimed at ensuring we can meet the needs of Londoners in the years ahead. Work is well underway on consulting with key stakeholders, not least through the Envisioning London: 2035 event, which brought together an extraordinary group of people and organisations at the Barbican Centre in March.

Work taking place in the year ahead includes the second phase of the Anchor Programme, with an additional £15 million available, and our £10 million Suicide Prevention Programme, aimed at achieving systemic change, funding community projects that support people vulnerable to suicide and hoping to reduce the statistic that ten people in London take their own lives every week.

Through our bridge maintenance work, our charitable funding activities and, increasingly, through our social investments, City Bridge Foundation continues to do what it does best – connecting communities and making a positive impact for London and the people who live in, work in, and visit our great capital city.



ORIGINS OF THE CHARITY

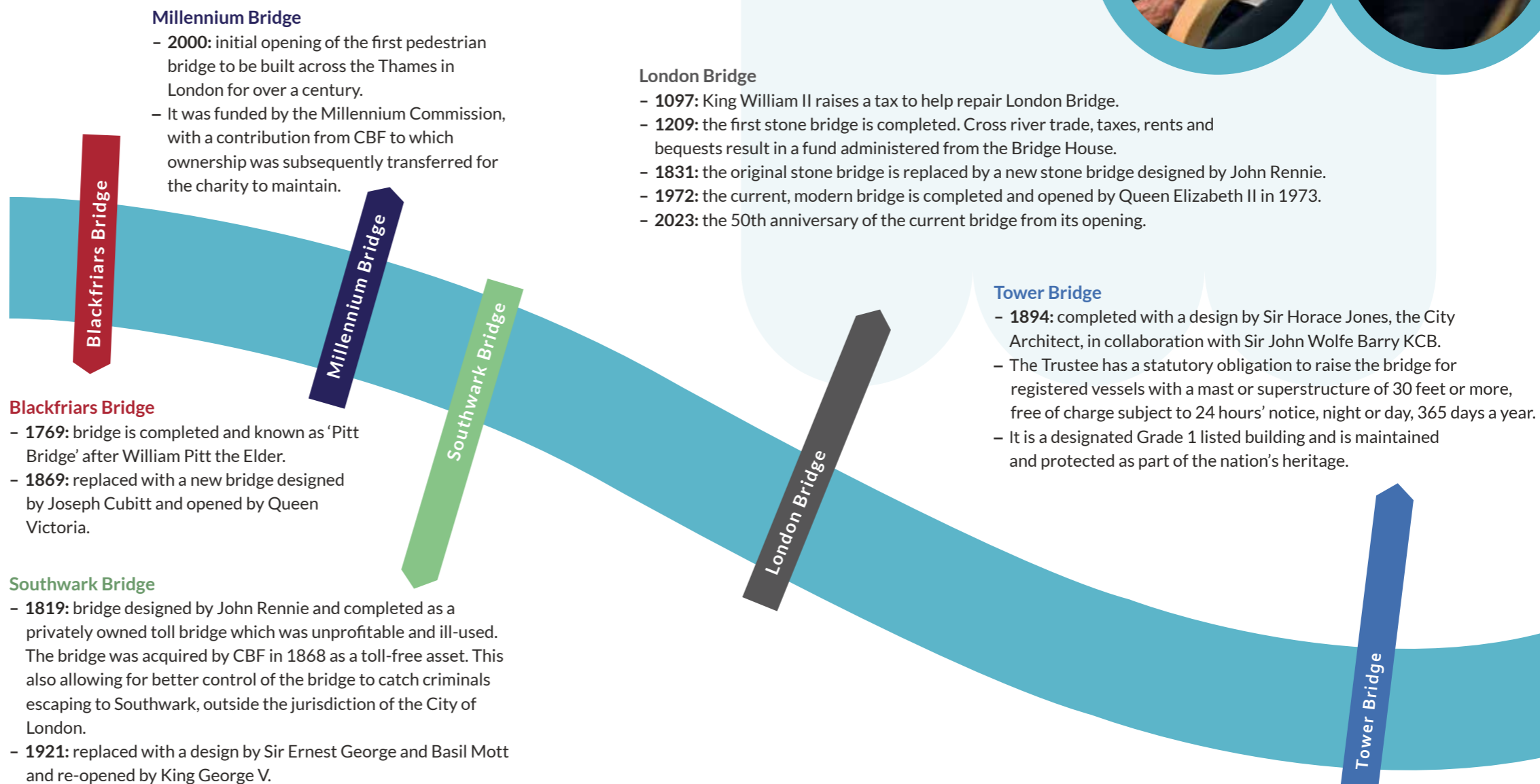
City Bridge Foundation's roots can be traced back more than 900 years. In 1122, funds were raised to maintain the early wooden London Bridge, before the first stone bridge was built in 1209.

By the end of the twelfth century, the shops and houses surrounding 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.



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 (as amended). 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





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's (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 was 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

A supplemental Royal Charter of 01 June 2023

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.

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 independently for the charity in its best interests.

In considering ongoing and effective administration and governance, the CBF Board has established two Committees (in effect sub-committees) of the Board: the Funding Committee and the Investment Committee. The Funding Committee of the Board is responsible for discharging operational functions in advancing the charity's ancillary object. The Investment Committee of the Board is responsible for the strategic oversight and monitoring of the performance of the charity's investment portfolio.

As with the exercise of any delegated authority, the CBF Board retains responsibility and accountability for all decisions taken by its Funding Committee and Investment 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 its Committees, 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.

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 from the Court, and to better inform the Board's decision-making on certain matters. The



following Committees' advice was sought on matters as described below in the year 2023/24:

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 Committee is ultimately responsible to the Court of Common Council.

Good governance is considered by the Trustee to be fundamental to the success of the charity. The charity regularly reviews its governance arrangements throughout the year and the CBF Board receives an annual report at its February meeting setting out matters for decision to support the Board in the ongoing effective administration and governance of CBF, consistent with the City Corporation's legal obligations as Trustee of the charity. All decisions taken relating to the governance of the charity are developed in line with principles of charity governance best practice, as set out in the Charity Governance Code and Charity Commission Guidance, alongside learnings from the comprehensive governance review undertaken by the charity between 2018 – 2023.

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, etc). These City Corporation governance documents can be obtained via a request to the email address stated on page 67.

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 2023. 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 on 01 June 2023.

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. In 2023/24, CBF developed its own Member Induction Programme and continues to monitor engagement with all CBF training. All Members of the Board (including external appointees) undertake training on Equity, Diversity and Inclusion as relevant to the charity's activities.

Purposes and activities

The primary 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 ancillary 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.

CBF published a refreshed version of its long-term strategy, *Bridging London 2020 - 2045* in March 2024. This followed four years of considerable change, both internally and externally, which prompted a need to update the strategy ahead of schedule.

The strategy sets a clear and ambitious vision for a connected capital, which will be delivered 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 will be fundamental to everything the charity does.

Equity, Diversity and Inclusion (EDI): As a public-facing charity CBF has a strong impetus to become a truly equitable, diverse and inclusive charity, and will invest time and resources to embed EDI within the design and delivery of all activities. CBF will be more successful with a greater diversity of people, ideas and perspectives, reflecting the wider environment in which it operates. The charity will focus on learning and development; integrating lived and learned experience into its practices; encouraging greater diversity amongst its people and Board; being accountable by collecting, tracking and publishing EDI data; using its power and networks to advance EDI; and listening to and amplifying the voices of marginalised and underrepresented groups.

Climate Action and sustainability: CBF can play a pivotal role in the transition to net zero and building climate resilience, both by reducing the environmental impact of the charity's activities and by using its convening power to lead change across our sector and the capital. CBF has adopted the Climate Action Strategy of its Trustee, the City of London Corporation, which commits the charity to net zero in our operations by 2027 and in investments and supply chain by latest 2040. CBF is also signed up to the Funder Commitment on Climate Change, managed by the Association of Charitable Funders.

The strategy sets out a new set of values for the charity – recognising that everyone who works for the charity has an important role to play in delivering the strategy and shaping CBF's culture. The new values are outlined below:

- 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)

Public benefit statement

The five river bridges maintained and supported by the charity are available to the general public on an open access basis at no cost to the taxpayer. Regarding the funding activities of the charity and other support provided for the charitable sector, the Trustee awards grants in line with its

approved policy 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. Regard has been had to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

Reference and administrative details

The administrative details of the charity are stated on pages 66-67.



ACHIEVEMENTS AND PERFORMANCE

The Bridges

City Bridge Foundation maintains and promotes world class bridges. The charity maintains and supports five of the main river bridges in central London: Tower Bridge, London Bridge, Southwark Bridge, Millennium Bridge and Blackfriars Bridge – at zero cost to the taxpayer.

Our bridges 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.



In October 2023 we closed the Millennium Bridge for three weeks in order to replace a separation layer between the main structure and the aluminium deck panels. This was an original part of the bridge and had degraded over time, resulting in a less even, noisier walkway across the bridge. To replace this, each of the 1,800 deck panels on the bridge had to be carefully lifted so that a new separation membrane could be installed underneath it. Work was carried out day and night to minimise disruption to users of the bridge. The bridge also had a clean whilst it was closed to pedestrians.

Work on the significant refurbishment of Blackfriars Bridge had to pause after completion of two of the five arches. Due to other work in the vicinity, the contractor was unable to gain consent to temporarily close the bridge's central arches to river traffic, to allow overhead works. Once the adjacent work has moved from the river, the project will resume, and the remaining arches rejuvenated to the same high standard as the rest of the bridge.

Tower Bridge had two different structural maintenance projects completed during the year. First, bearing pads

at the back of the bascules were replaced as they were developing cracks. These are used by the Pawls, which lift the bascules up while river traffic passes below the bridge. These were replaced by specialist contractors over the August 2023 bank holiday weekend. The bridge had to be closed during this period as the bascules had to remain in the upright position throughout.

Second, the nose bolts, which lock the bascules together in the down position, were replaced. These giant bolts had been in operation for several decades and had worn down over the years. These were replaced during routine, quarterly nighttime closures of the bridge, keeping disruption to traffic to a minimum.

The Engineering Team has continued to work with Tideway and the Thames Tideway Tunnel, most notably at the large Blackfriars Foreshore Site. This new public area will fall partially under Blackfriars Bridge and will be physically connected with a new staircase. Remedial works, from the tunnelling work which went underneath all five bridges, is all complete and monitoring has now been removed from the bridges.





Tourism at Tower Bridge

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

The year saw Tower Bridge moving beyond post-Covid business recovery and into sustained growth, achieving its highest ever visitor figure (verging on one million, with 998,155 people welcomed through its doors) and a 38% increase on the previous record level of income generated for the charity within a single year.

	23/24	22/23	21/22*	20/21**
Visitor numbers to Tower Bridge	998,155	746,895	261,815	45,127
No. of pupils participating in education programme	5,357	3,721	2,604	1,429
Admissions Income	£6,892,289	£4,373,918	£1,867,911	£320,625
Retail Income	£2,708,716	£2,161,087	£703,458	£147,512
Venue Hire Income	£875,436	£995,400	£529,502	£10,448

*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.

The retail business at Tower Bridge, both onsite and online, also experienced strong levels of growth with income 38% above the previous financial year. Along with growing levels of international visitors, focussed engagement on local audiences also increased footfall, encouraged by £1 Community Tickets and family activities promoted to residents in the Bridge's neighbouring boroughs of Southwark, Tower Hamlets and City of London.

Business-critical development projects included the procurement and launch of a new ticketing, booking, point of sale and back of house system. This puts the attraction in excellent stead in the context of technology, enabling flexibilities such as timed ticketing and dynamic pricing, as well as integrating with the systems of trade partners to create a seamless experience for visitors.

The Bridge's learning programme saw continuing growth in pupil numbers engaging with facilitated education sessions, and the Bridge's Relaxed Openings, specifically designed for those wanting to visit in a tranquil atmosphere (including people living with neurodiverse needs) were doubled to accommodate demand.

New experiences included displays and content relating to the Bridge's social history and the diversity of its modern-day workforce. These included a family-focused trail activity and the launch of a free audio and digital tour using the sector-leading Smartify app, a key development for the attraction's access and inclusion credentials. The Bridge also celebrated the coronation of King Charles III in May 2023 with a special weekend of events. Commemorative tickets were issued and visitors were invited to take part in themed family activities. A specially designed commemorative emblem was displayed across all marketing materials and bespoke retail items.

The events business at Tower Bridge continued to facilitate receptions, weddings, dinners and community events across the year. A new events management and catering company, Social Pantry Ltd, was appointed in December 2023. This partnership harnesses Social Pantry's expertise as a leader in the events industry alongside the important social values at the core of their business model – including the company's sustainability innovations and the training and employment of ex-offenders.

Tower Bridge achieved an overall score of 91% for its annual Visit England quality assessment in June 2023, with an increase on the previous year for arrival experience and customer service. A Trip Advisor 'Best of the Best' Award was awarded to the Bridge in September, with Tower Bridge rated as one of the top attractions in London. At year end, the Bridge was ranked in third place on a list of over 2,500

'Things to Do in London' and as the top visitor-ranked paid attraction on the same list.

Strategic planning included a new vision and mission statement to support the Bridge's long-term development plan: Tower Bridge in Motion. The vision is 'to be an exemplar visitor attraction driven by social values, that excites, inspires, connects and educates everyone we reach and encounter'. This is supported by the mission statement that 'as a functioning bridge and a global icon, we tell the stories of London past and present and celebrate the engineering and people that keep this landmark in motion. Everything we do is done with purpose, to create positive impacts for our visitors and communities now and in the future'.

The new vision and mission, alongside input from staff and stakeholders, has formed the starting point for realising and communicating a full strategic framework. This has subsequently defined Tower Bridge in Motion's key areas of impact as Equity, Diversity and Inclusion (EDI), sustainability and environmental responsibility, and Pathways into Science, Technology, Engineering, Arts and Maths (STEAM), aligning with CBF's commitment to EDI and Climate Action. At year end, key strategic workstreams had commenced relating to audience development, resource levels and workforce structure reviews, and the start of an activity plan to realise a refreshed visitor attraction within the next three to five years.

Tower Bridge continued to fulfil the Trustee's statutory obligation to raise the Bridge for river vessels throughout the last year. The Bridge's around-the-clock security provision remains vigilant in the context of the protection and care of the charity's workforce undertaking duties onsite, road users and pedestrians (insofar as the charity's responsibilities extend) and the Bridge itself.



City Bridge Foundation's Funding and Philanthropic Activities

CBF develops and delivers world-class charitable funding. As London's largest independent charitable funder, the charity awards over £30 million a year to charitable organisations across the capital, with the aim of London being a city where all individuals and communities can thrive, especially those experiencing disadvantage and marginalisation.

Through funding programmes and collaborations, CBF supports London's civil society organisations and connects them with each other and the communities they serve. The charity bridges divides in society and supports organisations working to tackle inequality and make London a fairer, more equitable place.

Adopting a flexible, pragmatic approach, CBF helps bridge the funding gap many charities face, including offering long-term funding and grants to cover day-to-day running costs and to mitigate cost pressures such as inflation.

Responsive, relational and flexible funding

The year saw CBF award its highest ever annual amount of £83.7m to tackle inequality across the capital. Within this total, the charity awarded £11.5m to support strategic, forward-looking work that focuses on building the future of London's civil society through collaboration and innovation, with a focus on tackling systemic issues across the capital.

Having recognised the devastating impact of the cost-of-living crisis on London's civil society in the previous financial year, CBF made a series of inflationary payments to charities receiving funding in late 2022. Although inflation had fallen from 11.1% in October 2022 to 4.6% by October 2023, this continued to erode the true value of some multi-year grants. In response, the charity awarded over £400k of additional inflationary payments in the current financial year, to help organisations manage ongoing cost pressures.

CBF, following close consultation with the sector, also reviewed its Small Grants Programme, expanding both the thematic areas and the types of organisations it will fund. The charity introduced its first funding criteria specifically focused on the LGBTQIA+ community, taking note of the large number of small, grass roots organisations in this part of the sector, as well as a new criteria focused on migrants, refugees, and asylum seekers. Previously only registered charities and other non-profit entities could apply, but in response to a recognised need in the sector, CBF can now fund constituted voluntary organisations through the Small Grants Programme.

The charity continued to be a signatory and funder of the Institute for Voluntary Action Research's Open and Trusting grant-making principles, a funder and participant of the Foundation Practice Rating, and a member of the Funders for Race Equality Alliance. During the year, CBF undertook a review of its processes to understand the experience of applying for funding, from the moment that an applicant first looks at its website, right through to receiving and managing a grant. The results of this work have been taken forward in a series of actions which the charity aims to implement over the course of the next year and beyond.

CBF was a founder funder of the capital's place based giving (PBG) movement and of London's Giving, the umbrella body which supports the movement in London. This year, the charity continued this commitment by spending £615k on a



new London's Giving Resource Hub which will, over the next ten years, build, amplify, increase, and develop the range and depth of support currently available under the London's Giving initiative. CBF also awarded grants of more than £350k to PBG schemes across the capital for development work in individual boroughs.

CBF's funder plus programme, the Bridge Programme, continued to offer free additional support to funded organisations, with 47 taking advantage of the programme during the year. Support covered a range of areas such as safeguarding practices, improving financial and governance structures, support with business planning and advice on navigating tenancy agreements for office space.

Funding collaboration and systems change

CBF continued its dedication to collaboration through its £18m Alliance Partnerships by awarding two final grants, one of £500k to the Vision Foundation for a programme tackling poor mental health, loneliness and isolation among blind and partially sighted people, and one of £1m to Children in Need for the Child Poverty Impact Model, which will create a unified strategy to tackle child poverty.

A further contribution of £5m was made to support LocalMotion, a collaboration between six major funders and six local places to tackle community issues upstream and build a social, economic and environmental justice movement, by communities, for communities. CBF awarded 19 grants worth £1.4m to tackle inequality through systemic cross-sectoral change via Round One of the Propel programme, a collaboration between ten of London's largest funders and equity infrastructure bodies, co-ordinated by London Funders. This brings the total

awarded in Propel Round One by CBF to over £7m. One hundred percent of grant holders are organisations led by and for the communities they serve (where at least 75% of the board and at least 50% of staff are representative of the community/ies being supported). CBF has committed £30m towards Propel over the course of ten years. Adopting a relational approach to grant management, plans are underway to offer two-year extension grants to some Round One grant holders. The application process will minimise required documentation, reducing the burden of reapplication for organisations.

As well as continuing its commitment to Propel, CBF has worked closely with two other key funders in London, the Greater London Authority and The National Lottery Community Fund, to further develop joint aspirations to pool funds, create efficiencies and deliver more impactful funding through a longer-term collaborative model. This Vehicle for Collaboration will be delivered via a subsidiary of London Funders, and CBF will continue to support the development.

Impact and Learning

To begin consultation work into CBF's future funding policy, the Impact and Learning team held a roundtable with 17 London-based funders in February 2024, exploring their current funding priorities and strategies.

This was followed up in March 2024, when CBF hosted 'Envisioning London 2035' event at the Barbican. More than 120 stakeholders attended, bringing a diverse range of expertise and experience. Together, they shared their visions of London in 2035 and how CBF's future funding policy could help achieve this. A subsequent online event was held for stakeholders who were unable to attend the in-person event.

The Impact and Learning team initiated a new interview series called Spotlight Talks, in response to feedback from funded organisations, requesting a platform to share their work and expertise. Experts in their field are invited to share their knowledge with a wider audience via an online session, supported by social media. The team support selected speakers to facilitate useful and engaging sessions. The first Spotlight Talk celebrated International Women's Day in March 2024.

The team also facilitates biannual welcome sessions for organisations in their first year of funding. It's an opportunity to hear more about the charity's work, how the funding relationship works, and the type of support CBF can offer. It's also an opportunity for funded organisations to meet each other and ask questions about the grant management process. Typical attendance is over 100.

Through its one-off Anchor Programme, CBF awarded £14m of long-term (up to ten year) core grants to equity focused infrastructure bodies across London. The funding will provide long term sustainability to organisations which underpin London's civil society by providing advocacy, leadership, convening, training and development support to service delivery charities and other community bodies across the sector. Grants included £1.4m to both Action for Race Equality and the LGBTQIA+ group Consortium.

Other notable strategic work

In our other strategic work, CBF awarded £788k to Responsible Finance to help increase the availability of ethical credit to Londoners facing financial insecurity, and to build the policy case for Government support to the community lending sector. Trust for London was awarded £295k, to support their Better Temporary Accommodation for Londoners fund, which aims to strengthen the voice, connections, and influence of people in temporary accommodation. The Centre for Accessible Environments, a long term partner of CBF, was awarded £303k for the delivery of their Pathways Programme, which gives disabled people in London the confidence, skills and support needed to kick start a career in inclusive design and access. Since its start in 2020, over 70% of trainees now work in inclusion and access related roles.

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





CBF Investments

The Investment Strategy Statement (ISS), adopted in June 2023, provides the framework for managing the charity's investment portfolio. The ISS was shaped by the new Supplemental Royal Charter, which gives CBF the ability to deliver a 'total returns' approach to investments representing the permanent endowment, in which we can use capital growth – such as the gains from selling one of our investment properties – to fund our bridge or charitable funding activities, rather than having to reinvest it, as was previously the case. The new Charter also provides the charity with bespoke investment and social investment powers.

The ISS incorporates the objectives approved within CBF's overarching strategy, Bridging London 2020 – 2045, helping to ensure that all investment decisions support the furtherance of the objects of the charity. The ISS reflects the ambitious Climate Action Strategy adopted in 2020 by CBF's Trustee, the City Corporation, for itself and the charity.

Investment strategy

Under the Trusteeship of the City Corporation, CBF is committed to fulfilling a positive and sustained role in bridging and connecting London, for the benefit of Londoners today and generations to come. Where appropriate, CBF seeks to use its permanent endowment and other investments held as a way to advance its vision and aims. CBF believes that the purpose of the charity's investments should be to achieve suitable financial returns whilst integrating impact considerations. In doing this, the CBF investment portfolio should enhance the charity's vision, increase its overall impact and minimise reputational risk.

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 charity's Supplemental Charters of 1957 and 2023, the Trustee Act 1925 and the Trustee Act 2000; and in accordance with its ISS.

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, and setting aside provisions for the future. 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 objectives of the portfolio are to:

- a. Apply a targeted return of CPI +4% on a rolling 10 year period net of fees, with a minimum targeted income return of CPI to the Social Investment Fund.
- b. Annually reduce carbon emissions in all areas of the portfolio to enable CBF to achieve net zero by 2040 at the latest.
- c. Reflect the approved impact considerations alongside financial considerations to generate the best financial return for CBF.

CBF has balanced the potential for conflict and reputational damage, as well as the expectations of key stakeholders that it will act as a leader in responsible investment. In the process of integrating this approach, a materiality assessment was undertaken to identify which UN

Sustainable Development Goals (SDGs) had a direct impact on the charity and its activities. The four identified are:

- SDG 9: Industry, innovation and infrastructure
- SDG 10: Reduced inequalities
- SDG 11: Sustainable Cities and communities
- SDG 13: Climate action

Where possible, CBF will aim, within the scope of the ISS, to align its approach to investment with these goals. In doing this assessment, the charity referred to the updated guidance provided by the Charity Commission within CC14 – Investing charity money: a guide for Trustees in setting its Strategy.

The new Supplemental Royal Charter, which came into effect on 01 June 2023, enabled the charity to adopt the power to take a total return approach to the investment of its permanent endowment. This now enables the charity to invest for the best overall return (whether capital gains or income) and to decide how much of this overall return to spend each year, subject to specific duties which apply.

The Investment Committee of the CBF Board was established during the year, with specialist external co-opted members appointed. The focus during 2023/24 has been on implementation of the ISS, commencing with a review of the allocation of investment assets held. Performance of the charity's investments during the year is stated on pages 20-24 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 89.9% of the permanent endowment funds of the charity. There are now 60 assets (2022/23: 62 assets) within the portfolio of which 55.8% 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 £40.6m (4.8%) to £800.5m as of 31 March 2024. The fall in values across the CBF property investment portfolio mainly reflects the economic background of high interest rates and high, albeit reducing, 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 2023/24 and the financial target is to achieve a minimum portfolio return of CPI plus 4% on a rolling 10 year period net of fees. A review is being undertaken to implement this revised target. In terms of performance against peers the aim is 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.

	31 March 2024	31 March 2023
Capital Value*	£800.5m	£841.1m
Gross Rental Income **	£24.1m	£24.9m
5-year annualised Total Return	1.21%	5.22%
MSCI Benchmark 5-year annualised Total Return	0.02%	1.71%
MSCI Universe (All UK Property) 5-year annualised Total Return	0.45%	1.32%

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

Review of key activities from 2023/24:

- Sale of the freehold interests in two assets for £4.04m. The major refurbishment of 84 Moorgate has progressed, with the certificate of practical completion being issued in April 2024. Similarly, the refurbishment of 30 New Bridge Street has progressed with practical completion in April 2024. Both schemes remain on target to achieve EPC B and BREEAM ratings of Excellent, while reducing carbon emissions. The impacts of high inflation and delays on these projects have, however, continued to be felt.
- In respect of letting of vacant office space, at 120 Cannon Street a further floor was let, but seven have proved difficult to let due to market conditions. Fitting out works, something a tenant would ordinarily undertake, have been implemented, with two floors completed and the remaining to be progressed in 2024/25. There has been a notable increase in viewings as a result. Heads of terms have been agreed for the letting of the whole of the office space at 30 New Bridge Street.
- Refurbishment of an office floor at 38 New Bridge Street has been completed, with an EPC rating of B. The refurbishment of two floors at 4-5 Chiswell Street also completed, with an EPC of C. Ongoing works to install air source heat pumps at this address are due to be completed in 2024/25 and should improve the whole building's EPC rating to B.
- The planned refurbishment of two assets has been stopped due to viability issues with alternative strategies being developed.
- There have continued to be 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 as planned.

Financial Investments

The CBF financial investment portfolio primarily represents the unrestricted income funds of the charity with approximately 10% of the portfolio representing the permanent endowment fund. The aim of the portfolio is to apply a targeted return of CPI +4% on a rolling 10 year period net of fees. A review is being undertaken across all fund managers held to implement this revised target.

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 2024	31 March 2023
Financial Investments	£850.2m	£855.4m
Portfolio Value*	9.41%	-0.24%
One-year total return	7.23%	14.11%
Absolute return target	13.66%	6.43%
Asset Allocation Benchmark		

*The Portfolio Value includes £794.9m long term investments (2022/23: £819.7m), £47.5m short term investments (2022/23: £35.7m) and £7.8m of impact investments (2022/23: nil). It should be noted that the charity withdrew £80.2m from the financial investment portfolio during the year to 31 March 2024 to support cashflow requirements.

The year to 31 March 2024 has been defined by a marked recovery in global financial markets, albeit uneven, following the worst year in over a decade in 2022/23, precipitated by high inflation, and the aggressive monetary policy tightening by central banks to combat it, alongside fears of a global recession.

Throughout 2023/24 the dominant theme was the rise and subsequent fall of inflation, and corresponding shifts in interest rate expectations and government bond yields. Global equity markets performed strongly at the start of the reporting period, driven by surging technology stocks amidst innovations in areas such as artificial intelligence, supported by moderating inflation, a strong labour market and further signs of a resilient economy despite the backdrop of steadily increasing interest rates.

However, during the summer of 2023 concerns mounted that major central banks would keep increasing interest rates in order to quell inflation, with the prospect of a "higher for longer" interest rate environment, which caused equity and bond markets to both suffer. This sentiment shifted in autumn 2023, despite geo-politics casting a shadow over financial markets, as inflation rates fell back sharply, fostering optimism that inflation was cooling. This led to a pivot in policy expectations towards significant interest rates cuts in 2024 which spurred a powerful rally across all asset classes, including bonds, which witnessed a sharp drop in yields across the curve, culminating in a robust end to 2023. The first quarter of 2024 was characterised by a repricing of interest rate expectations, with the timing of

potential rate cuts pushed back to the second half of 2024 as inflation again turned 'sticky', which resulted in negative returns for bonds as major central banks kept interest rates on hold. Nevertheless, the rally in global equities witnessed at the end of 2023 was sustained into the first quarter of 2024, supported by a resilient and generally solid economy, despite on-going geo-political tensions, and continued enthusiasm for developments in artificial intelligence.

Under these conditions the charity's financial investments generated an annual return of 9.41% in the year to 31 March 2024 which compares favourably to an absolute return target of 7.23%. Events described above are a reminder of the risks inherent in investing and highlight the importance of the charity's diversified asset allocation strategy, designed to mitigate volatility in financial markets.

The charity's Climate Action Strategy (CAS) includes the Financial Investments workstream with a net zero target of 2040 at the latest, with interim emission reduction targets of 24% by 2025 and 55% by 2030. During 2023/24 the charity continued to monitor and engage with its Fund Managers to ensure that the transition to net-zero remained on target.

During the year CBF reviewed the investments historically described as social investments following the grant of new powers in its Supplemental Royal Charter and the adoption of associated policy criteria. A reclassification exercise was consequently undertaken against the new criteria, with investments held being allocated between financial and social investments. As at 31 March 2024 these investments had a total value of £9m. Based on the above review, £1.2m have been reclassified as social investments with the remainder classified as impact-driven investments, being those which have significant impact on the charity's social and environmental goals, but which do not directly advance the ancillary purpose of the charity.

Social Investments

The new Supplementary Royal Charter included an express bespoke power to make social investments in advancing the ancillary object of the charity. During the year, the Investment Committee approved a Social Investment Policy to encompass CBF's future activity in this market



The charity will work collaboratively to achieve its vision and will use its status and escalating brand recognition to provide leverage and influence for positive change, with the aim of London and Londoners being truly connected. The vision for the next year across the activities of the charity includes:

The Bridges:

Having completed the initial phase of maintenance works on the Millennium Bridge, it has become clear that the textured surface of the walkway has become worn by years of footfall. A project to refurbish the deck is being planned to ensure that the surface of this extremely popular bridge is kept in the best possible condition. The Engineering Team are reviewing how these works and other maintenance plans could be implemented whilst minimising the length of additional closures in future.

Having last been repainted just before the London 2012 Olympics, both Southwark and Tower Bridge will soon be due a repaint. As with the Millennium Bridge, the team will consider other maintenance items which could be completed as part of these projects. For example, options are being investigated as to how the Tower Bridge architectural lighting could be updated.

Tower Bridge Tourism:

The Bridge's 130th anniversary will be celebrated with a free, summer-long exhibition, opening in June 2024. The exhibition will feature photographs from the Bridge's public opening in 1894, unseen by the public for over a century.

The Tower Bridge in Motion programme will be implemented, embedding CBF's long-term development plan for the Tower Bridge Visitor Attraction, including new areas of social impact and a comprehensive Audience Development Plan.

A plan of activities and capital works will be established for the next three years, including the redesign of existing spaces, expansion of the attraction's footprint, and activating the public realm.

The new events management contract will be mobilised, embedded and continuously reviewed, and a forward-looking plan for further enhancing the Bridge's social impact will be agreed, in association with Social Pantry Ltd.

Funding:

CBF's Suicide Prevention programme was developed throughout the year and will be launched in early 2024/25, with an expected spend of £10m. This programme aims to

support people who are vulnerable to suicide and achieve systemic change in the area of suicide prevention in London. It has been developed following extensive consultation with the sector through a series of roundtables, an advisory panel consisting of people with lived experience of suicidal ideation and behaviour or bereavement by suicide, and one-to-one conversations with cross-sector leaders.

A second and final phase of the Anchor Programme will also open to applications in 2024, with the aim of providing long-term, core funding to the second-tier organisations which provide support to London's frontline groups. There will be a funding pot of nearly £15m and it is estimated that between 13-15 organisations will receive funding. Wide consultation, supported by the cross-party think tank Demos, will continue to inform and shape the charity's Future Funding Policy. Planned activities include a series of face-to-face and online consultations, an online survey of a representative sample of 1,000 Londoners, and engagement with young people and with equity partners. There will be internal engagement, especially with the funding team, and a full evaluation of CBF's Bridging Divides funding strategy.

Investments

Activities surrounding the implementation of the ISS continue, incorporating the future liabilities of the charity within plans that review the allocation of investment assets held.

Property Investments: A focus for the year ahead will be to meet the requirements of the ISS, working closely with the Investment Committee on the future structure of the portfolio. Completing tenant fit out works to vacant space at 120 Cannon Street and its subsequent letting and completing the pre letting of 30 New Bridge Street is a priority. Progressing approved strategies for the vacancies at 23 Finsbury Circus and 74 Moorgate.

Financial Investments: Throughout 2024/25 the Investment Committee will monitor the performance of the financial investments, which with effect from 1 April 2024 will be monitored at CPI +4% on a rolling 10 year basis, managing the performance of appointed investment managers whilst supporting the changes that result from the ongoing 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.

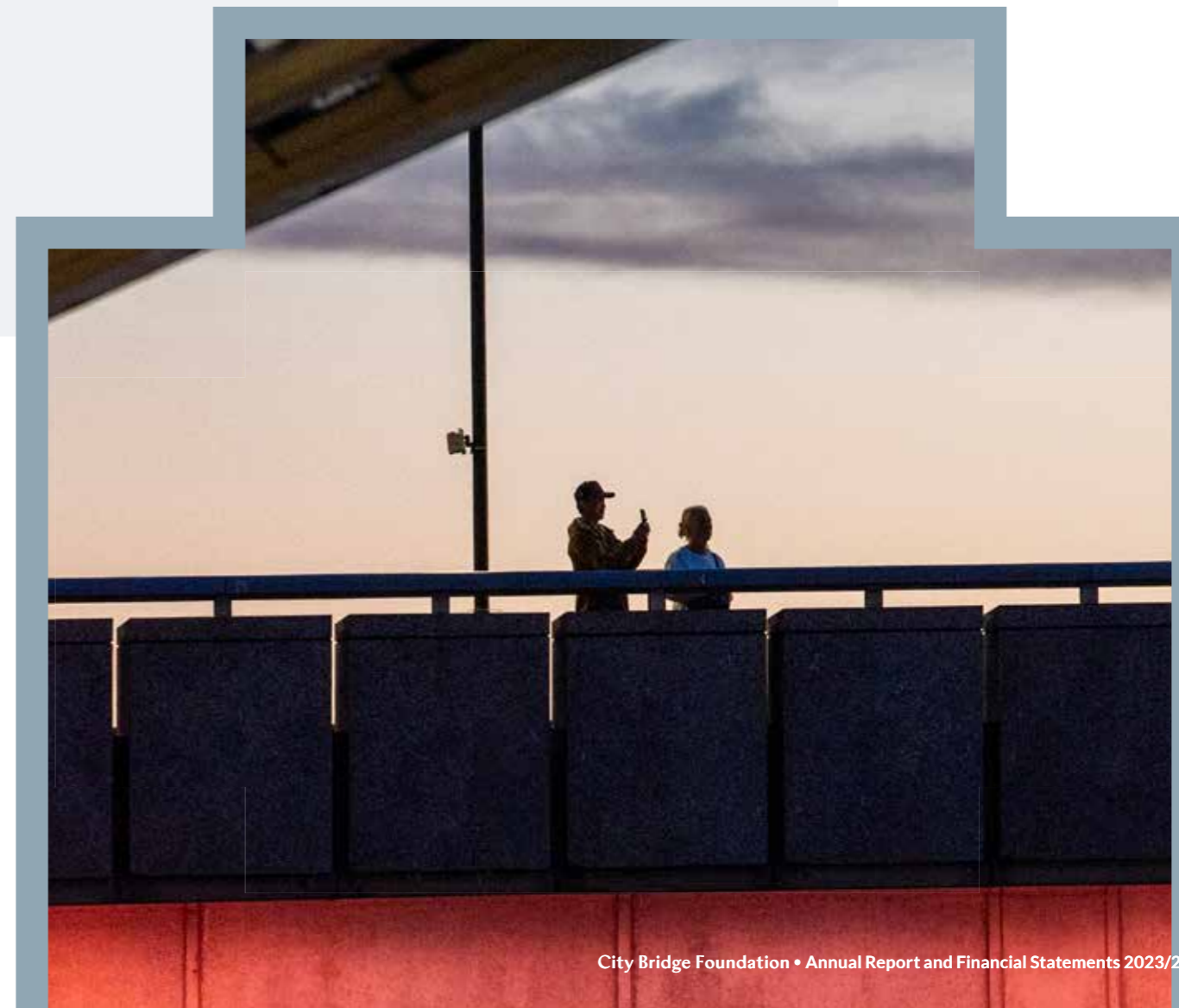
which is governed by both the ISS and the Bridging Divides policy for the furtherance of the ancillary object. CBF's new Social Investment Policy and legal criteria in the exercise of the bespoke social investment power mean that social investments should be made with a view to both:

- directly furthering the charity's ancillary object; and
- achieving a financial return for the charity.

As at 31 March 2024, CBF holds £1.2m as social investments.

Plans for future periods

With a newly refreshed strategy, CBF has 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. CBF's cross-cutting strategic ambitions of Equity, Diversity and Inclusion and Climate Action will be fundamental to the charity's endeavours in this and future years.





FINANCIAL REVIEW

Overview of financial performance

The charity continued with its plans in the refurbishment and maintenance of its bridges as well as having a record year in Tower Bridge tourism income with the increasing number of visitors. This year's grant giving surpassed the previous year's record high amount. This was against a backdrop of a continued challenging economic environment and uncertainties within investment markets. The prudent management of investment assets has ensured that the charity remains financially resilient and has 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.

Income

Total income for 2023/24 was £40.1m, up by £4.4m on the previous year (£35.3m).

Tower Bridge income moved beyond post-Covid business recovery and into sustained growth in 2023/24. Tower Bridge recorded approximately 1m visitors the highest ever number. Income from visitor admissions, retail and events increased from £7.6m to £10.5m. The increase in visitor numbers is attributed to continued growing levels of international visitors along with focussed engagement on local audiences, encouraged by £1 Community Tickets and family activities promoted to residents in the Bridge's neighbouring boroughs of Southwark, Tower Hamlets and City of London.

Investment income comprising of the property portfolio and the financial investment holdings of the charity, totalled £27.7m, an increase of £0.6m compared to previous year. Within this total, property rental income reduced due to properties undergoing refurbishment. The increase in financial investments income was driven by higher private equity distributions compared to the previous year.

The remainder of the charity's investment income is derived from interest earned from treasury deposits and social investments held, at £1.2m (2022/23: £0.1m).

Other income of £0.3m 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

Expenditure for the year totalled £118.9m, being up by £15.2m from 2022/23. Bridge related expenditure was £12.5m (2022/23: £18.0m). The reduction in spend is driven by the pause of significant refurbishment work on Blackfriars Bridge due to the intensity of other work being completed in the vicinity creating access issues, with work expected to continue in October 2024. Millennium Bridge was closed for three weeks in October 2023 to carry out work on the deck. Structural maintenance projects were carried out in the year over at Tower Bridge. Further increases in footfall at Tower Bridge, have further increased expenditure levels to meet demand.

Spend on funding activities has reported the highest ever grant commitments in the year, totalling £83.1m (including linked operational spend), an increase of £17.8m on prior year. The additional £200m that was allocated by the Trustee in March 2020 to further the ancillary object as

being surplus income (to that required for the bridges, the charity's primary object) continues to support high levels of commitments.

Expenditure on raising funds increased to £15.1m (2022/23: £12m). Property investment expenditure increase is due to repairs, maintenance and refurbishments as well as rates on vacant properties.

Overall performance

Overall performance has led to a planned deficit of £78.8m (2022/23: £68.4m), prior to movements on investments held. As at 31 March 2024, the charity has reported total losses on investments of £5.8m (2022/23: £60.9m). The charity's financial investments had a strong recovery this year, resulting in a gain of £68m compared to £1.8m last year. Opposing this was a loss on property investments of £73.8m (2022/23: £62.5m). The losses are attributed to the economic background of high interest rates and high, albeit reducing, inflation. Further details on the performance of investments is stated on pages 22-23.

There was nil movement on social investments held (2022/23: loss of £0.2m).

Funds held

Total funds held by the charity as at 31 March 2024, decreased by £81.7m to £1,531.7m (2023: £1,613.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Within total funds, £904.3m represent the permanent endowment fund (2022/23: £969.2m). The charity adopted the Total Return approach to investment of the permanent endowment fund from 01 June 2023. As a result, all income, expenditure, and gains/losses arising from the investments representing the endowment are accounted for within this fund, which is available to be spent on the charity's purposes. In the year no distributions were made from the endowment fund to fund unrestricted activities of the charity, details of endowment fund can be found on pages 59-60.

There were no restricted funds held as at year-end (2023: nil).

The unrestricted income funds of the charity totalled £627.4m (2023: £ 644.2m) being net of £1.5m held to cover the pension deficit (2023: £4.3m). Within the unrestricted income funds, designations have been made for specific purposes. As at 31 March 2024, these designations totalled £220.7m (2023: £489m). Detail of designated funds is within Note 22, with key changes in the year being:

- Release of the bridge replacement fund, with provision for future expenditure now held within the endowment fund
- Establishment of a social investment fund, to represent income funds identified as available for the ancillary purpose to be utilised for this purpose
- Transfer of surplus income funds of £30m to the grant-making designation
- Additional funds of £13m designated for repair and maintenance of bridges over the next 5 year-period

Details of all funds held, including their purposes, is set out within Note 22 to the financial statements.

Reserves policy

The charity holds a substantial permanent endowment fund. 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 whilst also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges in perpetuity. 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.

As at 1 June 2023, the Trustee resolved to exercise the express power to adopt a total return approach to the investment of the charity's permanent endowment fund. This fund is now invested without the need to maintain a balance between capital and income returns. Details relating to the adoption of this power are set out in Note 22. The policy adopted for determining the use of returns from the permanent endowment fund requires an annual assessment of the ability to transfer returns to the trust for application (income fund). This considers the current value of future rebuild and major project costs of the bridges by notionally identifying part of the unapplied total return (UTR) for this purpose alongside those funds that are held in perpetuity. Due to this policy, the charity is required to maintain substantial amounts within the UTR.

The free reserves of the charity, within its unrestricted income funds, are held to cover working capital needs and a provision for unplanned urgent activities. In 2023/24, 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.

Reserve levels held as at 31 March 2024 are set out in Note 22. The charity holds free reserves of £406.7m (2023: £155.2m), which is £316.7m above the current policy. The increase in free reserves has been driven by the adoption of total return, with the provision for future major bridge costs now held within the endowment fund with the release of the previously held designated fund for this purpose. The Trustee will utilise available income funds prior to drawing down from the UTR. 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 is 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 (2022/23: 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.

The charity has in place an established Risk Management Protocol which sets out the arrangements for the effective management of risk. Through the effective application of the risk management process, the Protocol supports effective corporate governance and internal control within CBF as well as furthering the charity's primary and ancillary objects. The charity has in place a Principal Risk Register (covering the top risks for the charity) and four Operational Risk Registers for the following areas: Bridge Management, Tower Bridge operations, Funding and Investments. In 2024/25, an informal Audit & Risk Working Group is being established for the charity, comprised of Members and Officers, which will review the charity's risk management arrangements.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risk
<p>Structural damage to Bridges/ Maintenance of the Bridges Major structural damage to one of the bridges may cause it to become non-operational, caused by terrorism, natural disasters, large vessel strikes, or engineering failures; or ineffective, incomplete or faulty maintenance of bridges and related infrastructure, potentially leading to poor management of maintenance obligations.</p>	<p>To manage potential structural damage, key actions include ongoing threat assessments and counter-terrorism activities in collaboration with City and MET Police, as well as the enhancement of security measures through the Protect Bridges Strategy. Additionally, the Charity is improving asset management clarity and maintaining a broad insurance policy to cover significant impacts such as vessel strikes. These measures are coordinated internally and involve continuous engagement with stakeholders to ensure rapid response and mitigation of reputational risks. For maintenance, the charity maintains strict monitoring and oversight of a 50-year maintenance plan, ensuring accountability and clarity in maintenance responsibilities among stakeholders. This includes developing and implementing updated service level agreements (SLAs) with relevant departments and considering the Bridge Replacement Strategy. Regular reporting to the Board helps maintain transparency and proactive management of maintenance activities, reducing potential public harm, operational disruptions, and associated costs.</p>
<p>Reputation Management A range of potential incidents that could adversely impact the reputation of the charity. This includes failures in communication or action that might result in negative perceptions from stakeholders or the public.</p>	<p>To address reputational risks, the charity has implemented several key actions. A proactive strategic communications approach, including the successful launch of the new brand, has significantly improved stakeholder engagement and media coverage. The Principal Risks Register is regularly reviewed, and horizon scanning is conducted to anticipate and mitigate potential issues. The newly established Audit & Risk Working Group (2024/25) is tasked with holistically considering risks to ensure effective reputation management. Coordination has been enhanced between the Tower Bridge management team, the Bridges management team, and the Communications team to improve early risk detection and response times. The charity has a robust crisis response plan, including the appointment of a media manager for crisis management and the provision of media training for senior staff.</p>
<p>Insufficient investment returns Insufficient investment returns due to a lack of a balanced investment portfolio, economic changes, or rising inflation, which could lead to increased costs and reduced income. This could impair the charity's ability to fund its primary objectives, such as bridge maintenance and support, and fulfil its other commitments.</p>	<p>The charity has implemented a new Investment Strategy Statement (ISS) as a framework for managing its investments. The charity regularly monitors and reviews investment performance and conducts annual assessments of the ISS to ensure it aligns with financial goals and market conditions. There is ongoing accountability for investment managers, ensuring their performance is aligned with the strategic objectives set out in the ISS. The charity also provides regular financial updates to the Board, ensuring informed decision-making and proper financial oversight to maintain adequate returns and financial stability.</p>

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Risk	Actions to manage risk
<p>Failure to deliver CBF's strategy and organisational change Potential failure to effectively deliver the charity's strategy and implement necessary organisational changes. This includes challenges such as lack of support for the strategic vision, insufficient resources, poor communication, and lack of collaboration across teams.</p>	<p>The charity has refreshed its strategic vision through the Bridging London Strategy, ensuring alignment of objectives and priorities across all activities. The charity has developed a comprehensive business plan and is working to foster a unified "One Charity culture" through staff engagement initiatives and cultural change programmes. The charity is also focused on enhancing collaboration and communication within and between teams to support effective implementation of its strategy. Regular reviews and updates of policies and strategies ensure they remain relevant and effective in guiding the charity's activities and achieving its goals.</p>
<p>Safeguarding Potential failure to embed safeguarding requirements into all of the charity's activities, including lack of regular and effective training and monitoring. This could lead to an increased risk to the safety of beneficiaries, especially vulnerable individuals, and may result in legal or regulatory scrutiny, compensation claims, and damage to the charity's reputation.</p>	<p>The charity is completing the development of a comprehensive safeguarding policy, with a Safeguarding Group established that meets regularly to review and enhance safeguarding practices. The charity also engages with relevant stakeholders to align safeguarding efforts and maintain up-to-date policies that address emerging risks, ensuring a safe environment for all beneficiaries and compliance with regulatory requirements.</p>
<p>Lack of diversity of skills, knowledge and experience within the charity Risk that the lack of diversity in skills, knowledge, and experience within the charity, could impede its ability to effectively serve its beneficiaries and fulfil its mission. A non-diverse board and workforce may lead to uninformed decision-making and may not reflect the communities served by the charity.</p>	<p>The charity is actively embedding Equity, Diversity, and Inclusion (EDI) principles into its operations and has articulated EDI as a cross-cutting priority in the Bridging London Strategy. A new senior EDI lead is being recruited to promote best practices within CBF and engage externally. The charity conducts regular skills audits of its Board to ensure a diverse range of perspectives is represented. Ongoing engagement with the City Corporation's EDI team ensures alignment with broader diversity goals. Additionally, the charity is developing a comprehensive People Plan that acknowledges the EDI lens into recruitment, retention, and professional development processes to build a more diverse and inclusive institution.</p>

Going concern

Financial resources are well placed to manage the business risks. The planning processes of the charity take into account the current uncertain economic climate and its potential impact on both income, investment returns and expenditure – both now and in the future – with a focus on the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment values with no impact on its ability to continue as a going concern due to the substantial size of its endowment fund. 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 ancillary purpose of CBF is undertaken only where surplus income is available in any year after responsibilities relating to the Bridges have been met. Should it be required, this method of operation provides flexibility to the charity when approving future plans. As such, the Trustee considers that all appropriate steps have been taken to effectively manage risk and that overall, there are no material uncertainties that affect the financial position of the charity. Therefore, the financial statements have been prepared on a going concern basis.

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.

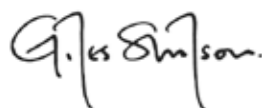
As far as the Trustee is aware:

- 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



Chair of CBF Board
Guildhall, London

Paul Martinelli



Deputy Chair of CBF Board
27 November 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 2024 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 2024 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

3 December 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 2024

	NOTES	Unrestricted Funds £m	Endowment Funds £m	2023/24 Total Funds £m	2022/23 Total Funds £m
Income and Endowments from:					
Voluntary income	2	-	-	-	0.1
Charitable activities	3	10.5	-	10.5	7.6
Investments	4	7.6	21.3	28.9	27.2
Other income	5	0.3	0.4	0.7	0.4
Total income		18.4	21.7	40.1	35.3
Expenditure on:					
Raising funds	6	6.2	8.9	15.1	12.0
Charitable activities:					
Repair and maintenance of bridges		12.5	-	12.5	18.0
Tower Bridge tourism		8.1	-	8.1	6.6
Charitable funding		83.1	-	83.1	65.3
Total charitable activities:	7	103.7	-	103.7	89.9
Other					
Net pension scheme costs	19	0.1	-	0.1	1.8
Total expenditure		110.0	8.9	118.9	103.7
Net (expenditure) before (losses)/gains on investments		(91.6)	12.8	(78.8)	(68.4)
Net (losses) on property investments	13	-	(73.8)	(73.8)	(62.5)
Net gains/(losses) on financial investments	14	71.9	(3.9)	68.0	1.8
Net (losses) on social investments	15	-	-	-	(0.2)
Total gains/(losses) on investments		71.9	(77.7)	(5.8)	(60.9)
Net (expenditure)/income after (losses)/gains on investments		(19.7)	(64.9)	(84.6)	(129.3)
Other recognised gains:					
Actuarial gains on defined benefit pension scheme	19	2.9	-	2.9	20.3
Net movement in funds		(16.8)	(64.9)	(81.7)	(109.0)
Reconciliation of funds:					
Fund balances brought forward at 1 April 2023		644.2	969.2	1,613.4	1,722.4
Total funds carried forward	21	627.4	904.3	1,531.7	1,613.4

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All of the above results are derived from continuing activities.
There were no other recognised gains and losses other than those shown above.
The notes on pages 39 to 65 form part of these financial statements.

BALANCE SHEET

As at
31 March 2024

	NOTES	2024 Total £m	2023 Total £m
Fixed assets:			
Tangible assets	12	2.9	3.0
Investment properties	13	800.5	841.1
Financial investments	14	802.7	819.7
Social investments	15	1.2	8.9
Total fixed assets		1,607.3	1,672.7
Current assets			
Stock		0.4	0.3
Debtors	16	13.1	14.8
Short term investments and deposits	14	47.5	35.7
Cash at bank and in hand		10.4	7.6
Total current assets		71.4	58.4
Creditors: Amounts falling due within one year	17	(80.5)	(67.7)
Net current (liabilities)		(9.1)	(9.3)
Total assets less current liabilities		1,598.2	1,663.4
Creditors: Amounts falling due after more than one year	18	(65.0)	(45.7)
Net assets excluding pension scheme liability		1,533.2	1,617.7
Defined benefit pension scheme liability	20	(1.5)	(4.3)
Total net assets	21	1,531.7	1,613.4
The funds of the charity:			
Permanent endowment funds		904.3	969.2
Designated funds		220.7	489.0
General funds		406.7	155.2
Total funds	21	1,531.7	1,613.4

The notes on pages 39 to 65 form part of these financial statements.
Approved and signed on behalf of the Trustee.



Caroline Al-Beyerty
Chamberlain and Chief Financial Officer
2nd December 2024

STATEMENT OF CASH FLOWS

For the year ended
31 March 2024

	Notes	2023/24 Total £m	2022/23 Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	23	(73.6)	(60.3)
Cash flows from investing activities:			
Dividends, interests and rents from investments		28.9	27.2
Additions to short term deposits		(117.4)	(89.8)
Proceeds from sale of short term deposits		105.6	81.0
Sale of investment property		4.0	7.9
Purchases and improvements of property		(37.2)	(23.4)
Additions to tangible fixed assets		(0.2)	(0.2)
Additions to social investments		(0.1)	(0.9)
Social investments repayments		0.5	0.4
Additions to financial investments		(138.0)	(208.3)
Proceeds from sale of financial investments		230.3	269.9
Net cash provided by investing activities		76.4	63.8
Increase in cash in the year		2.8	3.5
Change in cash and cash equivalents in the reporting period		2.8	3.5
Cash and cash equivalents at the beginning of the reporting period		7.6	4.1
Cash and cash equivalents at the end of the year	24	10.4	7.6

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NOTES TO FINANCIAL STATEMENTS

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 investment returns 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 investment return levels, expenditure requirements and the liquidity of the charity, taking into account the 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 31, 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.

Inflationary pressures continued during the year but as at the valuation date the picture was becoming more positive with a downward trend in the headline rate of inflation with base rate retained at 5.25% for a fifth consecutive month. Whilst the financial markets are now pricing in an anticipated reduction in interest rates, commercial transactional volumes, coupled with the decline in liquidity over the last few years, has led to a scarcity of comparable evidence to inform the valuation process. The investment market recorded significantly reduced volumes with the UK commercial real estate market in 2023 recording investment volumes of broadly 45.0% of the long-term average whilst in Central London investment volumes were down almost 60.0%.

Market sentiment has gained increased importance in making informed assessments, given the limited availability of data. Notably, a divided market has emerged, differentiating “best in class” properties from those facing challenges due to locational factors and the overall quality of the real estate. Stakeholders in the market, including occupiers, investors, and lenders, have also heightened significance to environmental, social, and governance (ESG) considerations and the associated costs, in their decision making.

While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges, and the cost and accessibility of debt finance continue to impact pricing. As a result, the potential for future value erosion cannot be discounted, particularly for secondary properties and those outside prime markets. We anticipate that market sentiment will continue to improve during the course of 2024, however the change in government and geopolitical factors may impact the prospect for a sustained return to growth this year.

It is important to recognise that the valuation has been prepared against the backdrop outlined above. In the interests of clarity, the valuations were not reported as being subject to ‘material valuation uncertainty’ as defined in the RICS Valuation – Global Standards.

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 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. For multi-year grants where payment is planned over more than one year from the date awarded, the charity reviews the present value of future payments for materiality. In 2023/24, the present value of future payments is material, and the liability is recognised at present value. The discount rate of 4.3% used is considered as the most current available estimate of the opportunity cost of money and is based on the expected real rate of return on the investment portfolio.

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 2024 was £1,256.7m (2023: £1,143.5m). 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 investments

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 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 City 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 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. The total return approach has been adopted by the Trustee during 2023/24, with all relevant income, expenditure and gains/losses being accounted for with the unapplied total return element of the endowment. The Trustee has adopted a policy to determine use of the unapplied total return.

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 transferred from the permanent endowment fund and returns generated by investments representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which has been held 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 2023/24 £m	Restricted Income Funds 2022/23 £m
Grant income	-	0.1
	-	0.1

3. Income from charitable activities

	Unrestricted Income Funds 2023/24 £m	Unrestricted Income Funds 2022/23 £m
Tower Bridge tourism fees and charges	10.5	7.6
	10.5	7.6

4. Income from investments

	Unrestricted Income Funds	Endowment Fund	Total 2023/24 £m	Unrestricted Income Funds £m	Total 2022/23 £m
Investment property	4.2	19.9	24.1	24.9	24.9
Financial investments	2.2	1.4	3.6	2.2	2.2
Interest receivable	1.2	-	1.2	0.1	0.1
Total investment income	7.6	21.3	28.9	27.2	27.2

All investments are held to provide an investment return to the charity. Where relevant income is now recognised within the endowment fund following the adoption of Total Return from 01 June 2023.

5. Other income

	Unrestricted Income Funds £m	Endowment Fund £m	Total 2023/24 £m	Unrestricted Income Funds 2022/23 £m	Total 2022/23 £m
Other income	0.3	0.4	0.7	0.4	0.4
	0.3	0.4	0.7	0.4	0.4

6. Expenditure on raising funds

	Unrestricted Expenditure 2023/24		Endowment Fund 2023/24		Total 2023/24 £m	Unrestricted Expenditure 2022/23		Endowment Fund 2022/23		Total 2022/23 £m
	Direct costs £m	Support costs £m	Direct costs	Support costs		Direct costs £m	Support costs £m	Direct costs	Support costs	
Investment property expenses	1.2	0.4	6.7	1.6	9.9	4.3	2.5	0.1	-	6.9
Financial investment expenses	4.2	0.4	0.5	0.1	5.2	4.6	0.2	0.3	-	5.1
	5.4	0.8	7.2	1.7	15.1	8.9	2.7	0.4	-	12.0

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 2023/24 £m	Direct costs £m	Support costs £m	Total 2023/24 £m
Repair and maintenance of bridges	11.0	1.5	12.5	17.0	1.0	18.0
Tower Bridge tourism	6.2	1.9	8.1	6.0	0.6	6.6
Charitable funding	81.4	1.7	83.1	63.4	1.9	65.3
	98.6	5.1	103.7	86.4	3.5	89.9

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 £83.0m (2022/23: £60m) and costs of administering the grants process of £3.4m (2022/23: £3.4m).

8. Charitable funding

During the year ended 31 March 2024, grants were awarded to institutions under the following programmes:

	2023/24 £m	2022/23 £m
Bridging Divides:		
Core Activities	70.8	34.6
Strategic Initiatives	11.5	19.7
Stepping Stones Fund	-	0.2
Propel	1.4	5.7
Charitable funding	83.7	60.2
Charitable funding adjustments and cancellations	(0.8)	(0.2)
Net charitable funding	82.9	60.0
Other charitable funding related activities	3.4	3.4
Effect of discounting of grant liability	(4.8)	-
	81.5	63.4

Grants were made to 705 organisations in the year (2022/23: 665), supporting 765 projects (2022/23: 733). The average amount of grant equalled £109k (2022/23: £82k).

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:

	2023/24 £m	2022/23 £m
Commitments at 1 April	80.7	48.1
Commitments made in the year	83.7	60.2
Charitable funding adjustments and cancellations	(0.8)	(0.2)
Charitable funding paid during the year	(45.4)	(27.4)
Discounting of grant liabilities	(4.8)	-
Commitments at 31 March	113.4	80.7

Outstanding grant commitments at 31 March 2024 are payable as follows:

	2023/24 £m	2022/23 £m
Within one year (note 17)	62.0	48.6
After more than one year (note 18)	51.4	32.1
Commitments at 31 March	113.4	80.7

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:

	2023/24 £	2022/23 £
Auditors' remuneration for the audit of the financial statements	93,500	89,050
Depreciation	414,722	298,492

10. Support costs

Support costs include activities undertaken by the City Corporation on behalf of the charity as well as activities directly undertaken by the charity. Costs incurred by City Corporation departments outside the charity are recovered from the Charity's funds on an appropriate basis such as by head count or floor space.

	Tourism £m	Investment Property £m	Financial Investments £m	Bridges £m	Grants £m	Governance £m	2023/24 £m	2022/23 £m
Finance	0.3	0.2	0.1	0.1	0.2	0.1	1.0	0.6
Legal	0.1	0.1	0.1	0.1	0.2	-	0.6	0.1
City Surveyor	0.1	1.6	0.1	0.2	-	-	2.0	2.1
Governance & Strategy	0.1	-	-	-	0.2	0.2	0.5	0.5
People	0.1	-	-	0.1	0.1	-	0.3	-
Communications & Public Relations	0.3	-	0.1	0.1	0.2	-	0.7	-
Digital Services	0.3	-	-	0.2	0.2	-	0.7	0.5
Premises	0.1	-	-	-	0.1	-	0.2	0.3
CBF Operations & MD Office	0.3	0.1	0.1	0.5	0.2	-	1.2	1.6
Other	0.1	-	-	0.1	0.2	-	0.4	0.4
Sub-total	1.8	2.0	0.5	1.4	1.6	0.3	7.6	6.1
Relocation of governance costs	0.1	-	-	0.1	0.1	(0.3)	-	-
Total Support costs	1.9	2.0	0.5	1.5	1.7	-	7.6	6.1

All support costs are allocated between the endowment and unrestricted income funds, as shown in the expenditure notes. Governance costs are allocated on the basis of FTE staff within each activity.

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:

	2023/24 Number	2022/23 Number
Investments	6	6
Tower Bridge tourism	56	51
Tower Bridge Operations	30	24
Funding	47	35
Enabling services	20	13
	159	129

The repair and maintenance of bridges is undertaken by City Corporation staff based within the Environment Department and are included within support staff. The heading Tower Bridge Operations includes staff directly responsible for the operations and security of that bridge.

Enabling services includes staff providing direct support and management to the charity in communications, governance and strategy, finance and human resources.

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 for 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 staff charged is 38.2 (2022/23: 51.9).

Amounts paid in respect of employees directly undertaking activities for the charity were as follows:

	2023/24 £m	2022/23 £m
Salaries and wages	7.4	6.2
National Insurance costs	0.8	0.7
Employer's pension contributions	1.4	1.2
Total emoluments of employees	9.6	8.1

The number of directly charged employees whose emoluments for the year were over £60,000 was:

	2023/24	2022/23
£60,000 - £69,999	9	6
£70,000 - £79,999	5	4
£80,000 - £89,999	1	-
£90,000 - £99,999	1	4
£100,000 - £109,999	3	-
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
	20	15

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, Chief Funding Director, 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 2023/24 was £1.1m (2022/23: £927k).

The highest paid role is the Managing Director of CBF, with total employment benefits, including employer pension contributions and employer national insurance contributions being £193k (2022/23: £183k).

No Members received any remuneration for time spent on CBF matters with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2023/24 from the charity (2022/23: Nil).

12. Tangible fixed assets

	Computers & other equipment £m	Fixtures & fittings £m	Leasehold Improvements £m	Total £m
Cost				
At 1 April 2023	0.8	2.6	4.3	7.7
Additions	-	0.1	0.2	0.3
Disposals	-	-	-	-
At 31 March 2024	0.8	2.7	4.5	8.0
Depreciation				
At 1 April 2023	0.6	1.5	2.6	4.7
Charge for the year	0.1	0.1	0.2	0.4
Disposals	-	-	-	-
At 31 March 2024	0.7	1.6	2.8	5.1
Net book value				
At 31 March 2024	0.1	1.1	1.7	2.9
At 31 March 2023	0.2	1.1	1.7	3.0

13. Investment properties

	2024 £m	2023 £m
Market value at 1 April	841.1	888.1
Purchases and improvements	37.2	23.4
Book value of disposed assets	(3.4)	(0.9)
Total unrealised (losses)/gains*	(74.4)	(69.5)
Market value at 31 March	800.5	841.1

*Includes rent free adjustment of £4.0m (2022/23: £4.5m).

The net gain on property investments is arrived at as follows:

	2024 £m	2023 £m
Total unrealised (losses)/gains	(74.4)	(69.5)
Realised gains on disposal	0.6	7.0
	(73.8)	(62.5)

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:

	2024 £m	2023 £m
Long term investments held by fund managers	794.9	819.7
Impact investments	7.8	-
Financial investments at 31 March	802.7	819.7
Short term investments	47.5	35.7
Total investments at 31 March	850.2	855.4

Movement in total investments

	2024 £m	2023 £m
Financial investments held by fund managers		
Market value 1 April	819.7	879.5
Additions to investments at cost	137.7	208.3
Disposals at market value	(230.3)	(269.9)
Gain from change in fair value	67.8	1.8
Long term investments at 31 March	794.9	819.7

Impact investments

Analysis of movement in impact investments

	2024 £m	2023 £m
Market value 1 April	-	-
Reallocation from social investments	7.3	-
Additions to investments at cost	0.3	-
Disposals at market value	-	-
Gain from change in fair value	0.2	-
Impact investments at 31 March	7.8	-
Financial investments at 31 March	802.7	819.7

Short term investments and deposits

	2024 £m	2023 £m
Investments at 1 April	35.7	26.9
Additions to investments at costs	117.4	89.8
Disposals at market value	(105.6)	(81.0)
Movement in cash investments		
Short term investments and deposits at 31 March	47.5	35.7
Total investments at 31 March	850.2	855.4

At the year-end £4.8m (2022/23: £4.5m) had been committed in private equity investments and yet to be paid out by the charity. During the year £80.2m (2022/23: £40m) was withdrawn from fund managers to support the operational activities of the charity.

The geographical spread of financial and short term investments at 31 March was as follows:

	Held in the UK £m	Held outside the UK £m	Total at 31 March 2024 £m	Total at 31 March 2023 £m
Fixed interest	43.7	63.2	106.9	78.7
Index linked	16.2	-	16.2	31.1
Pooled units	116.6	474.8	591.4	618.9
Listed equities	7.8	15.9	23.7	27.9
Managed funds	25.7	-	25.7	18.9
Private equity	3.2	15.2	18.4	21.7
Infrastructure	-	60.1	60.1	58.2
Investment fund	3.0	0.2	3.2	-
Loan	0.2	-	0.2	-
Bond	1.3	-	1.3	-
Property fund	3.1	-	3.1	-
	220.8	629.4	850.2	855.4

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.

Impact investments as at 31 March 2024 are split as follows:

	Value as at 1 April 2023 £m	Reallocation	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2024 £m
Investment fund	-	3.0	-	-	0.2	3.2
Loan	-	0.2	-	-	-	0.2
Bond	-	1.3	-	-	-	1.3
Property fund	-	2.8	0.3	-	-	3.1
	-	7.3	0.3	-	0.2	7.8

During the year £7.3m was reallocated from social investments to impact investments, which forms part of financial investments.

15. Social Investment Fund

	Value as at 1 April 2023 £m	Reallocation	Drawn down £m	Repaid £m	Investment (loss)/gain £m	Value as at 31 March 2024 £m
Investment fund	3.1	(3.0)	-	-	-	0.1
Loan	0.7	(0.2)	0.1	(0.1)	-	0.5
Bond	1.3	(1.3)	-	-	-	-
Property fund	3.8	(2.8)	-	(0.4)	-	0.6
	8.9	(7.3)	0.1	(0.5)	-	1.2

At the year-end nil (2022/23: £nil) had been committed but remained undrawn. Details of all investments placed are shown on the City Bridge Foundation website www.citybridgefoundation.org.uk.

16. Debtors

	2024 £m	2023 £m
Trade debtors	0.3	0.4
Rental debtors	3.7	2.9
Prepayments & accrued income	4.9	6.5
Sundry debtors	0.2	0.5
	9.1	10.3

Debtors - amounts due in more than one year

	2024 £m	2023 £m
Rental debtors	4.0	4.5
	4.0	4.5
Total debtors	13.1	14.8

17. Creditors – amounts falling due within one year

	2024 £m	2023 £m
Grants payable (note 8)	62.0	48.6
Trade creditors	3.2	3.1
Accruals	6.8	6.8
Deferred income	5.5	6.1
Rent deposits	3.0	3.1
	80.5	67.7

Deferred income comprises property rental income and lease premiums received in advance.

	2024 £m	2023 £m
Deferred income analysis within creditors:		
Balance at 1 April	6.1	6.0
Amounts released to income	(5.9)	(5.7)
Amounts deferred in the year	5.3	5.8
Balance at 31 March	5.5	6.1

18. Creditors – amounts due after more than one year

	2024 £m	2023 £m
Grants payable (note 8)	51.4	32.1
Deferred income	11.8	11.8
Other creditors	1.8	1.8
	65.0	45.7

Deferred income relates to lease premiums that will be released over periods of up to 162 years.

	2024 £m	2023 £m
Deferred income – due after more than one year:		
Balance at 1 April	11.8	11.9
Amounts transferred to less than one year	(1.6)	(1.7)
Amounts deferred in the year	1.6	1.6
Balance at 31 March	11.8	11.8

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 City 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 £987,000 (2022/23 actual: £969,000). 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.

a) Major assumptions by the actuary

Financial

The financial assumptions used for the purposes of the FRS102 calculations are as follows:

Assumptions as at:	2024 % p.a.	2023 % p.a.	2022 % p.a. Restated	2021 % p.a.
CPI increases	2.9	2.9	3.3	2.9
Salary increases	3.9	3.9	4.2	3.9
Pension increases	2.9	2.9	3.2	2.9
Discount rate	4.9	4.8	2.6	2.0

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)		2024	2023
Age 65 retiring today	Males	20.8	21.1
	Females	23.3	23.5
Retiring in 20 years	Males	22.0	22.3
	Females	24.7	25.0

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	-	0.2
Life expectancy	+/- 0.1	1.7	-
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:

	2024 £m	2023 £m	2022 £m Restated
Fair value of assets (bid value)	41.3	37.9	38.2
Fair value of liabilities	42.8	42.2	61.0
Net liability in balance sheet	1.5	4.3	22.8

The net pension fund liability represents 3% (2022/23: 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:

	2024 £m	2023 £m
Current service cost	0.9	2.1
Past service cost	-	0.1
Settlements and curtailments	0.1	-
Interest cost	0.2	0.6
Contributions	(1.1)	(1.0)
Total expense	0.1	1.8

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2022/23: 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	2024		2023	
	£m	% p.a.	£m	% p.a.
Equity investments	23.0	56	22.2	59
Cash	0.4	1	0.3	1
Infrastructure	5.4	13	5.1	13
Absolute return portfolio	6.6	16	10.3	27
Bonds	5.9	14	-	-
Total assets	41.3	100	37.9	100

The charity's share of pension scheme assets at 31 March 2024 represents 3% (2022/23: 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:

	2024 £m	2023 £m
(Deficit) at beginning of the year	(42.2)	(61.0)
Current service cost	(0.9)	(2.1)
Interest cost	(2.0)	(1.6)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in demographic assumptions	0.6	-
Actuarial gains arising from changes in financial assumptions	0.7	26.4
Other actuarial (losses)	(0.1)	(5.0)
Past service cost, including curtailments	-	(0.1)
Liabilities extinguished on settlements	(0.1)	-
Benefits paid	1.6	1.5
Contributions from scheme participants	(0.4)	(0.3)
(Deficit) at the end of the year	(42.8)	(42.2)

The charity's share of the closing value of the pension scheme liabilities represents 3% (2022/23: 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:

	2024 £m	2023 £m
(Deficit) at beginning of the year	(4.3)	(22.8)
Current service cost	(0.9)	(2.1)
Net interest	(0.2)	(0.6)
Employer contributions	1.1	1.0
Past service cost	-	(0.1)
Actuarial gains/(losses)	2.9	20.3
Other (losses)	-	-
(Deficit) at the end of the year	(1.4)	(4.3)

g) Movement in the present value of scheme assets

Changes in the fair value of the scheme assets over the year are as follows:

	2024 £m	2023 £m
As at 1 April	37.9	38.2
Interest on assets	1.8	1.0
Remeasurement gains/(losses):		
Return on assets less interest	1.6	(1.2)
Contributions by employer including unfunded	1.1	1.1
Contributions by scheme participants	0.4	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.6)	(1.5)
Settlement prices received	0.1	-
Closing value of scheme assets	41.3	37.9

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 31/03/2025 £m	Year to 31/03/2024 £m	Year to 31/03/2023 £m
Service cost	0.9	0.8	-
Interest cost	-	0.2	0.6
Total expense	0.9	1.0	0.6
Employer contribution	1.1	1.0	1.0

20. Analysis of net assets between funds

At 31 March 2024	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2024 £m	Total at 31 March 2023 £m
	General Funds £m	Designated Funds £m	Endowment Funds £m		
Fixed assets – Investment properties	-	-	800.5	800.5	841.1
Fixed assets – Financial investments	479.5	219.4	103.8	802.7	819.7
Other fixed assets	2.8	1.3	-	4.1	11.9
Current assets & liabilities	(9.1)	-	-	(9.1)	(9.2)
Long-term liabilities	(65.0)	-	-	(65.0)	(45.8)
Pension liability	(1.5)	-	-	(1.5)	(4.3)
	406.7	220.7	904.3	1,531.7	1,613.4

At 31 March 2023	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2023 £m	Total at 31 March 2022 £m
	General Funds £m	Designated Funds £m	Endowment Funds £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	969.2	1,613.4	1,722.4

21. Permanent Endowment fund – total return approach

On 01 June 2023, the charity adopted the Total Return approach for its permanent endowment fund, a bespoke power having been granted by the Supplemental Royal Charter which came into legal effect on that date. The charity selected 31 March 1994 as the reference date from which the permanently endowed funds have been analysed between the trust for investment and the unapplied total return, the two components of a permanent endowment specified in the bespoke powers as stated within the Charter. Following the resolution to adopt total return taking effect, the Trustee approved a resolution to accumulate in the trust for investment an amount from the unapplied total return, to reflect increases in the real value of the trust for investment between 31 March 1994 and 31 March 2022 in line with the Consumer Price Index (CPI). The original value of the permanent endowment was established as being £340.3m, including the inflationary uplift.

Under the total return approach, the charity is permitted to allocate from the unapplied total return element of permanent endowment to the trust for application (income) such sums as it thinks appropriate in furtherance of its work providing it is satisfied that this will not prejudice the ability of the Trustee to further the purposes of the permanent endowment fund now and in the future and, in particular, that it will not prejudice the ability of the Trustee to further the Primary Object now and in the future.

The charity's strategy is to manage the permanent endowment effectively in order to maximise the amount available for distribution whilst maintaining the real value of the permanent endowment fund, subject to the overriding duty of the Trustee to further the primary object now and in the future. A policy is in place for determining how the unapplied total return is to be allocated.

	Trust for Investment £m	Unapplied Total Return £m	Total Endowment £m
Original value with inflationary uplift	340.3	-	340.3
Unapplied total return	-	613.7	613.7
Total as at 1st June 2023	340.3	613.7	954.0
Movements in 2023-24			
Property Investments			
Income		20.2	20.2
Realised and unrealised losses		(61.3)	(61.3)
Less: Property investments cost		(8.3)	(8.3)
		(49.4)	(49.4)
Financial Investments			
Income		1.4	1.4
Realised and unrealised losses		(1.1)	(1.1)
Less: Investment management costs		(0.6)	(0.6)
Total		(0.3)	(0.3)
Unapplied total return allocated to income in the reporting period		-	-
Net movements in reporting period	-	(49.7)	(49.7)
At end of the reporting period:			
Original value with inflationary uplift	340.3	-	340.3
Total unapplied return	-	564.0	564.0
Endowment as at 31 March 2024	340.3	564.0	904.3

22. Movement in funds

At 31 March 2024	Total as at 1 April 2023 £m	Income £m	Expenditure £m	Gains & Losses £m	Transfers £m	Total as at 31 March 2024 £m
Endowment funds	969.2	21.7	(8.9)	(77.7)	-	904.3
Endowment Funds	969.2	21.7	(8.9)	(77.7)	-	904.3
General funds	159.5	18.2	(19.1)	71.9	177.7	408.2
Pension Reserve	(4.3)	-	(0.1)	2.9	-	(1.5)
Total General Funds	155.2	18.2	(19.2)	74.8	177.7	406.7
Property Dilapidations	0.7	-	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	50.8	-	(11.0)	-	13.0	52.8
Bridges Replacement	242.6	-	-	-	(242.6)	-
Grant-making	179.9	-	(79.8)	-	30.0	130.1
Social Investment Fund	-	0.2	-	-	21.9	22.1
Total Designated Funds	489.0	0.2	(90.8)	-	(177.7)	220.7
Total Unrestricted Income Funds	644.2	18.4	(110.0)	74.8	-	627.4
Total Funds	1,613.4	40.1	(118.9)	(2.9)	-	1,531.7

At 31 March 2023	Total as at 1 April 2022 £m	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
Endowment Funds	1,030.1	-	(0.4)	(60.5)	-	969.2
London Community 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

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. The fund is managed on a total return basis, with an approved policy in place to determine the use of returns. 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.
Grant-making	represents surplus income which has been designated for future grant-making activities in the name of CBF.
Social Investments	represents surplus income available for the ancillary object which has been set aside to be utilised as social investments.

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. During the year, the funds previously designated for bridge replacement were released back to unrestricted income funds, with the unapplied total return element of the permanent endowment fund holding a notional amount for future major project costs for the bridges. A new designation was approved by the Trustee for social investments placed from funds available for the ancillary object.

When reconstituting the permanent endowment fund in 2018/19, it was noted that there may be a small number of properties which were acquired under specific statutory powers and therefore may not be part of the permanent endowment fund. Research relating to this matter remains ongoing being both complex and lengthy due to the historic nature of these transactions, and the various Acts that applied across the years. Due to the complexity involved no financial impacts have been identified with sufficient certainty as yet to enable the financial statements to be amended.

23. Note to the statement of cash flows

Reconciliation of net income/(expenditure) to net cash inflow from operating activities.

	2023/24 £m	2022/23 £m
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(84.6)	(129.3)
Adjustments for:		
Interest and income from investments	(28.9)	(27.2)
Depreciation charges	0.4	0.3
(Gains) on financial investments	(68.0)	(1.8)
Losses/(gains) on property investments	73.8	62.5
Losses on social investments	-	0.2
(Increase)/decrease in stock	(0.1)	(0.1)
(Increase)/decrease in debtors	1.6	(3.5)
Increase in creditors falling due within one year	12.8	20.2
Increase in long terms creditors	19.3	16.6
Net pension scheme costs	0.1	1.8
Net cash (used in) operating activities	(73.6)	(60.3)

24. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2023 £m	Cash flows £m	Total as at 31 March 2024 £m
Cash and cash equivalents			
Cash	7.6	2.8	10.4
Total	7.6	2.8	10.4

Other non-cash changes are detailed in Note 23.

25. Operating Leases

Minimum lease payments receivable under operating leases:

	31 March 2024 £m	31 March 2023 £m
Not later than one year	22	22
Later than one year and not later than five years	79	80
Later than five years	1,187	1,096
	1,288	1,198

26. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2024 £m	2023 £m
Works to bridges	6.2	6.8
Investments properties	-	10.2
	6.2	17.0

27. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 8. The City Corporation makes its resources available to the charity, the costs of which are recovered from the charity's funds as permitted under section 31(1) of the Trustee Act 2000. These costs include those relating to banking services, with all transactions to the charity being recovered at cost and crediting or charging interest at a commercial rate. These costs are 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 personal 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. Any amount with an asterisk indicates it is owed to the charity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transaction
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF.	619 (1,110)	796 (781)	LF received grant funding of CBF.
		4 (-)	4 (-)	The charity paid a membership fee to LF.
Trust for London (TL)	The City Corporation nominates three Members to TL.	510 (2,708)	25 (3,945)	TL received grant funding from CBF.
		- (-)	100 (-)	CBF received a grant as contribution to the Cornerstone fund.
		127 (-)	264 (-)	TL paid rent, service charges & insurance.
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL.	- (266)	373 (318)	PYL received grant funding from CBF.
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF.	- (250)	269 (390)	CF received grant funding from CBF.

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transaction
Heart of the City (HoTC)	An Officer and a Member of the City Corporation are Trustees of HoTC.	- (-)	- (24)	HoTC received grant funding from CBF.
Bankside Open Spaces Trust (BOST)	An Officer of the City Corporation is a Trustee of BOST.	380 (351)	- (-)	BOST received grant funding from CBF.
Cambridge House and Talbot (CHT)	An Officer of the City Corporation is a Trustee of CHT.	- (51)	100 (100)	CHT received grant funding from CBF.
Baring Foundation (BF)	A Co-opted Member of the City Corporation is an employee of BF.	- (1,310)	- (-)	BF received grant funding from CBF.
Augmentum Capital Limited (AC)	A Member of the City Corporation is a Director of AC Ltd.	174 (-)	131 (-)	AC paid rent, service charges & insurance to the Charity.
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE.	1,292 183*	4,169 (328)	CBRE provided surveys, consultancy and development, and property purchase advisory services and rent reviews to the Charity.
WSP Group plc (WSP)	A Member of the City Corporation is a Consultant at WSP.	- (-)	23 (-)	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 a statutory Fund held by the City Corporation in the discharge of its functions as a local authority, police authority and port health authority).

During the year CBF contributed £114k towards Corporate IT projects (2022/23: £138k) and £91k towards the 'Secure City' project, relating to CCTV and telecommunications.. The balance owed to City Fund at year end was nil (2022/23: nil).

Related Party Transactions with City's Estate (City's Estate is a corporate Fund held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City's Estate holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2022/23: £24k). The balance owed to CBF at year end was £78k (2022/23: nil).

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

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)

Deputy Paul Martinelli (Deputy Chair)

Deputy Henry Colthurst

Colonel Simon Duckworth OBE DL

Alderman Professor Emma Edhem

Alderman Alison Gowman CBE

John Griffiths (from 27/04/2023)

Campbell Middleton (from 12/10/2023)

Deborah Oliver (from 27/04/2023)

Judith Pleasance (to 27/04/2023)

Deputy Henry Pollard (to 27/04/2023)

Deputy Nighat Qureishi

Deputy James Thomson

Sue Threader (from 12/10/2023)

City Corporation - Senior officers:

Chief Executive Ian Thomas – The Town Clerk and Chief Executive of the City of London Corporation

Chief Financial Officer Caroline Al-Beyerty – The Chamberlain and Chief Financial Officer

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 (to 10/06/2024)

David Farnsworth OBE

Finance Director (to 30/09/2024)

Karen Atkinson

Interim Finance Director (from 16/09/2024)

Henrietta Martin- Fisher

Chief Operating Officer and Acting Managing Director (from 11/06/2024)

Simon Latham

Chief Funding Director

Sacha Rose Smith

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, Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for City Bridge Foundation, to request copies of governance documents – CBF@cityoflondon.gov.uk

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Live Well Now

We Are Grow



CITY BRIDGE FOUNDATION

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London EC2P 2EJ
www.cityoflondon.gov.uk
Telephone: 020 7606 3030
Registered Charity 1035628



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Report – City Bridge Foundation Board

City Bridge Foundation: Future Funding Policy

To be presented on Thursday, 6th March 2025

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 draft Future Funding Policy 2025-2035 (FFP) in furthering City Bridge Foundation's 'ancillary object'. The charity's ancillary object, established in 1995 by cy-près scheme, requires the allocation of income surplus to that required for the primary object (the maintenance and support of the charity's five Thames bridges) in any year for broad charitable purposes for the general benefit of the inhabitants of Greater London, in accordance with an agreed policy – the charity's 'funding policy'.

Since 1995, the funding arm of City Bridge Foundation (CBF) has distributed over £840m to over 5,500 funded organisations across London in furthering the charity's ancillary object. The charity has funded a broad range of projects that reflect the diversity of the voluntary and community sector and changing needs in London over the years.

The context for both CBF and the charitable funding sector in London has changed considerably in the seven years since the current funding policy, *Bridging Divides*, was adopted. The CBF Board recommends that *Bridging Divides* is concluded and replaced with a new funding policy, evolving CBF's activities and approach as a world-class funder, as set out in the charity's overall strategy *Bridging London 2020-2045*.

The report therefore sets out the funding policy development process to date, key elements of the proposed policy approach, and seeks approval of the FFP by the Court of Common Council.

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:

1. Approve the draft Future Funding Policy 2025-2035 for City Bridge Foundation to succeed *Bridging Divides*; and
2. Subject to Recommendation 1 being agreed, delegate authority to the City Bridge Foundation Board to adapt and enhance the draft policy in response to any lessons learned and user feedback ahead of the formal launch of the policy later this year.

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 charity's funding policy. For the purposes of this report, the term "funding" encompasses grant-making, collaboration, social investment and other activity to further the charity's ancillary object.
2. The primary charitable object of CBF is 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 may be applied for the charity's ancillary object; namely (without priority):
 - (a) for the provision of transport for elderly and disabled people in Greater London; and/or
 - (b) for other charitable purposes for the general benefit of the inhabitants of Greater London, in accordance with a policy settled by the Trustee.
3. Implementing and refining the charity's funding policy is essential, and the Trustee has a duty in administering CBF to keep the charity's administration under review *inter alia*, to keep its policies under review to ensure the charity's funds are applied impactfully to further the ancillary object.
4. In recent years, the funding policy has been agreed and delivered in a quinquennial cycle. The current policy, *Bridging Divides*, was originally agreed for the period 2018 to 2023, but extended by this Court in May 2022 following an interim review. The extension was also agreed in the context of the release of £200 million from the charity's unrestricted income funds, allocated to the *Bridging Divides* policy in March 2020, and to provide certainty during an exceptionally challenging period for London's charitable sector and civil society organisations, encompassing both the Covid-19 pandemic and a cost-of-living crisis.
5. Taking account of the evolving context for the charity following the implementation of the Strategic Governance Review of BHE, including the appointment of a Chief Funding Director, the grant of a new Supplemental Royal Charter, establishment of the charity's new brand and working name, and with the inherited plans for distribution of the £200 million uplift due to conclude in 2026, in September 2023 the CBF Board agreed that the *Bridging Divides* strategy should be brought to a conclusion within an agreed timeframe and, following consultation, replaced with a new funding policy more in line with the current London context and the charity's overarching strategy, *Bridging London 2020-2045*.

6. In developing a new funding policy, the Board agreed CBF should take the opportunity afforded by the *Bridging London* strategy refresh agreed by the Court in March 2024 to further integrate and reflect the ancillary object, consult widely to inform the new funding policy, consider reducing the breadth of the funding focus areas to have a deeper impact, and realise CBF's 'total assets' to help achieve more substantive change through the charity's operation and activities.

Current Position

7. The extended *Bridging Divides* funding policy, bolstered by the £200 million uplift in expenditure, has enabled an exceptional, albeit temporary, volume of delivery in activity to further the ancillary object, and has significantly increased support for the charitable sector during a time of unprecedented need. However, the current policy is complex, having had up to nineteen funding streams, and requires significant resource to administer. Further, whilst this has enabled CBF to fund a breadth of issues across London, as a high-volume funder this has also made it difficult to articulate the overarching narrative and impact.
8. With the conclusion of the £200 million uplift, the new strategic aims of CBF's overarching *Bridging London* strategy and shifting priorities of the CBF Board having regard to the priority of the primary object, funding at current levels of volume and breadth of focus cannot be sustained. CBF will therefore shift toward a more collaborative and relational approach with its funded partner organisations (building on this work under the current funding policy), funding for depth and impact across fewer strategic focus areas, in particular longer-term preventative work tackling root causes, which could not be achieved through the current policy.
9. To renew the charity's funding offer and meet the charity's strategic ambitions, the CBF Board and its Funding Committee have overseen a review of CBF's funding policy, including the methodology, timeline and progress reports, an End-to-End review of CBF's funding practices, and the development of a Framework for Change outlining how the charity will deliver impact, which underpin the draft policy.
10. In line with and in addition to Charity Commission requirements as reflected in the charity's governing document, CBF have engaged in extensive evidence gathering, analysis and consultation to refine the proposed focus areas in the new policy, helping to deliver 'world-class charitable funding' as set out in CBF's strategy, *Bridging London 2020-2045*. The resulting recommendations are informed by data, evidence and strategic analysis of:
 - The needs of London's most marginalised communities, aligned to Equity, Diversity and Inclusion (EDI) considerations;
 - Systemic issues and drivers;
 - CBF's primary and ancillary objects, its values, and the aims of the *Bridging London* strategy;
 - CBF's funding track record;
 - Opportunities for collaboration and impact and to leverage CBF's resources and assets.

Proposal

11. The draft policy can be viewed at **Appendix 1**. This document articulates the Board's high level, strategic direction of travel, outlining how CBF, together with London's civil society and key stakeholders, will develop the charity's funding programmes over the course of 2025-26. Key elements of the FFP include asserting CBF's identity as a social justice funder, emerging thinking on the funding programmes, the proposed funding model and approach to impact and learning.
12. For CBF, being a 'social justice funder' means prioritising the empowerment of people and communities in London directly affected by inequality and injustice, playing a central role in shaping the future we all want to see. It also means recognising the need to tackle the root causes of inequality, so that ultimately no interventions (allocating resources or opportunities) are necessary for the achievement of equal outcomes.
13. CBF will prioritise resources toward delivering social justice for marginalised Londoners experiencing the most disadvantage, as outlined in *Bridging London 2020-2045*. This includes consideration of how power and privilege operate, how certain groups are excluded from resources, opportunities and rights, and the role institutions, policies and systems play in excluding, harming and under-resourcing certain groups in society. CBF aims to recognise the structural barriers that maintain inequalities whilst highlighting the resilience and agency of those impacted.
14. Marginalised Londoners are communities or individuals who face systemic inequalities e.g. people on low incomes, racialised communities, people seeking asylum and refugees, Deaf and disabled people, people identifying as LGBTQ+ and survivors of abuse, exploitation and hatred. The use of these terms in the context of the FFP seeks to reflect the complex dynamics of power across various contexts, including systems of exclusion like institutional racism and other forms of systemic injustice.
15. Equity, diversity and inclusion (EDI) is fundamental to CBF's approach towards tackling inequality and delivering social justice for marginalised Londoners. EDI practices will be implemented across our funding activities to help address intersecting structural inequalities, including through our programme design, application processes, criteria, funding conditions and monitoring.

Funding Priorities and Main Programmes

16. It is proposed that CBF will have four main funding programmes, with additional support provided to funded partners through its 'Funder Plus' offer. A Crisis and Emergency Fund will also be established for timebound initiatives in response to new or significantly escalating crises affecting Londoners; and in the first year a Legacy and Transition Fund will facilitate a responsible transition between *Bridging Divides* and the FFP.
17. Based on the consultation, research, strategic analysis of the existing portfolio and London's funding landscape, CBF has identified four visions for a fairer London:

- **Climate Justice**
- **Access to Justice**

- **Racial Justice**
- **Economic Justice**

18. The programmes will be developed further in 2025 in consultation with the CBF Board and Funding Committee, CBF colleagues and wider sector stakeholders, informed by regular reviews of the latest data and needs analysis. CBF are also committed to working across the charity to embed a 'total assets' approach and identify opportunities for collaboration, both with the City of London Corporation and with external partners. As part of programme development, external support will be commissioned to engage with the wider sector, funders and key partners.

Other Programmes and Resources

19. In addition to the four main funding programmes, the FFP makes provision for allocations to a Legacy and Transition Fund and Crisis and Emergency Funding, where funds will be applied proactively.

Funder Plus

20. CBF's Funder Plus offer, (previously known as the 'Bridge Programme'), has been a vital element of non-financial support provided for funded organisations, helping them build resilience and adapt to changing circumstances. This offer will help address London's most pressing challenges and embed CBF's cross-cutting themes of EDI and climate action, while maintaining a focus on critical areas such as suicide prevention training. This evolution of Funder Plus reflects CBF's commitment to being a world-class funder by enhancing equity and accessibility by prioritising user-led organisations, learning and adapting to ensure the approach remains relevant and effective, and supporting transformational change by providing organisations with the tools, skills and connections needed to influence positive change.

Impact and Learning

21. Impact and learning will be a fundamental element of the FFP, drawing on best practice for systems change approaches. The FFP impact and learning framework will cover all aspects of the policy, including CBF funding practice, the four emerging justice areas, legacy and transition funding, crisis interventions and Funder Plus. Impact and learning principles will be developed to inform all aspects of the approach, based on external quality standards such as the *Foundation Practise Rating* and *IVAR's Open and Trusting Grant making*.

Next Steps

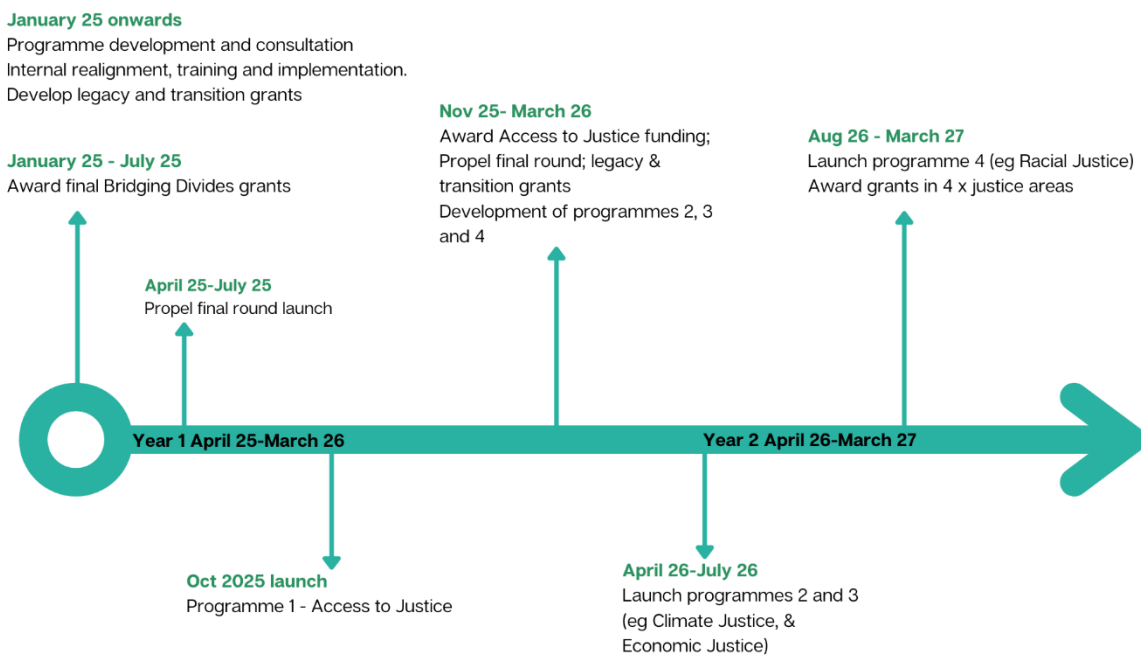
22. Pending approval from the Court of Common Council, formal implementation of the FFP is scheduled to commence in April 2025, in accordance with the schedule below, each with an assigned staff lead(s), delivery plan and budget.

- a. Programme Development: Consultation and design process to launch first programme in Autumn 2025, with phased rollout in 2026.

- b. Impact and learning: Development of impact frameworks and processes across the four programmes, linking this to the overall CBF impact framework currently in development.
- c. Legacy and transition: Implementation of transition arrangements.
- d. Funding processes reviewed and updated: Review and update all funding processes including application forms, assessment processes, Salesforce data management, grants manual, monitoring and evaluation reporting and more.
- e. Team alignment and training: Develop learning and development plan for the FFP, with support for the new portfolio approach and processes.
- f. Communications: Internal and external communications plan agreed and implemented in Q3/Q4, including the policy launch, internal communications, updates to the website and media engagement.

23. The timeline below acknowledges the significant resource required in the short term to develop and launch the new programmes, including revising internal policies, processes and accompanying IT infrastructure. This has been budgeted for as part of 2025/2026 corporate planning. Subject to further development work, it is intended that CBF will launch one programme first in October 2025, followed by the other three justice areas in 2026.

Launch timeline



Implications

24. Strategic Implications – The FFP aligns with the ambition and goals set out in the *Bridging London 2020-2045* strategy, while building on our longstanding commitment to support civil society infrastructure, connecting communities and addressing inequality. Officers will collaborate closely with colleagues across the charity to ensure alignment with CBF’s strategy as we move toward implementation.

25. Resource Implications – The CBF Board and Corporate Services Committee at their meetings in February 2025 have approved a resourcing model to allow for the realignment of internal resourcing and structure to support the implementation and delivery of the FFP.
26. Legal Implications – The charity’s funding policy to further the charity’s ancillary object must be set following consultation and the process for that consultation is required to be notified to the Charity Commission. This has been done in preparing the draft FFP.

Conclusion

27. The Court are asked to approve the policy approach set out in the draft FFP 2025-2035, and delegate authority to the CBF Board to adapt and enhance the policy as it is taken forward for programme development and implementation. Building on *Bridging Divides* and anchored in the vision of *Bridging London 2020-2045*, the FFP outlines CBF’s focus for the next decade: driving systems change while addressing immediate needs, setting out a progressive and ambitious path based on learning from almost thirty years of funding. CBF will seek to catalyse change on key social issues to develop and deliver world-class charitable funding in accordance with our values of service, ambition, collaboration, inclusion and innovation. With bold ambitions, CBF will learn and adapt during delivery of the new policy to better advance equity and the effectiveness of its funding.
28. The policy represents a significant evolution in CBF’s journey as a charitable funder, and a key facet of the charity’s continuing drive to be a catalytic and progressive force for good in London. The CBF Board has scrutinised and commends the work undertaken in the holistic review of the charity’s ancillary object, and recommends the draft FFP to this Court in the best interests of the charity.

Appendices

- Appendix 1 – Future Funding Policy 2025-2035

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

DATED this 5th day of February 2025.

SIGNED on behalf of the Board.

Deputy Paul Martinelli
Chair, City Bridge Foundation Board

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City Bridge Foundation
Draft Funding Policy, 2025-2035
(January 2025)

This section is included to provide context to the Draft Future Funding Policy for readers who may not be reviewing alongside the Board Report.

About this document:

1. This is an **internal document** setting out City Bridge Foundation's (CBF) draft 10 year funding policy.
2. This draft policy is recommended to the CBF Board for sign-off and onward approval by the Court of Common Council in March 2025 – with a request to delegate authority to adapt and enhance the policy in response to lessons learned and user feedback during programme development and implementation.
3. The foundations of the policy draw significantly from CBF's strategy, Bridging London 2020-2045.
4. This draft policy, the funding approach and priorities sets out the charity's ten year funding policy to specifically further its 'ancillary object'.
5. Within this document:
 - the term "funding" encompasses grant-making, collaboration, social investment and other activity to further the charity's ancillary object.
 - references to 'London' and the 'Capital' refer to 'Greater London'
6. City Bridge Foundation will launch its new funding policy in autumn 2025, with an adapted version of this document and language, appropriate for external audiences.

Developing a new funding policy:

7. In early 2024, CBF started the process of developing a new funding policy to replace our existing one, Bridging Divides.
8. We have reflected deeply on the effects of multiple crises over the last five years and the reduction of available resources from independent and statutory bodies, against a backdrop of growing need among London's most marginalised communities. Bridging Divides was written for a significantly different external context to the one that has emerged since its launch in 2018, which places even greater responsibility on us to put in place a new policy that can maximise the impact of the resources we have available to us.
9. Development of the policy has been informed by a review of CBF's past funding practice, research, evidence-gathering and a wide-ranging consultation — which has included funded organisations, funders, civil society, local government, young Londoners, policy and research specialists, businesses and a cross section of the public.
10. This document will be the basis on which CBF, in collaboration with London's charitable sector, develops the details of funding programmes over the course of 2025 and 2026. During that period, we will also produce a theory of change and implementation plan.

(January 2025)

1. Context

Introduction

City Bridge Foundation was set up around 900 years ago for the maintenance of the old London Bridge. Our primary aim as a charity remains the maintenance of our five bridges – Tower, London, Southwark, Millennium and Blackfriars. Whilst much has changed over the centuries since we were established, the focus on London and Londoners has always been central to our work.

Through bridge tolls, rents, bequests and charitable donations, along with sensible investment and management, our endowment has grown over the years. Since 1995 we have allocated our surplus income for the benefit of disadvantaged and marginalised communities in London.

As London's largest independent charitable funder, over the next decade we will continue and evolve our approach, harnessing the Foundation's resources, assets and networks to catalyse lasting social change.

This Future Funding Policy is guided by CBF's overarching strategy, Bridging London 2020-2045, which sets out an ambitious vision for a connected capital - delivered through our world-class bridges, charitable funding and responsible business practices.

Bridging London 2020-2045

Our vision: For London and Londoners to be truly connected

Outcomes:

1. We maintain and promote world-class bridges
2. We develop and deliver world-class charitable funding
3. We embed and encourage world-class responsible business practices

Our values:

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

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 these outcomes, Bridging London sets out commitments to:

- 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.

Embedded across our work is a commitment to Equity, Diversity and Inclusion (EDI) and climate action, which are fundamental to what we do.

2. Our role as a social justice funder

Bridging London's vision is of a Capital that is truly connected, a city where all individuals and communities can thrive, particularly those experiencing disadvantage and marginalisation. This is a vision of social justice that infuses everything CBF does – guiding the world-class charitable funding we deliver, aligned with our values of service, collaboration, inclusion, innovation and ambition.

For CBF, being a social justice funder means prioritising the empowerment of people and communities in the Capital directly affected by inequality and injustice, to play a central role in shaping the future we all want to see. It also means recognising the need to tackle the root causes of inequality, so that ultimately no intervention (allocating resources or opportunities) is necessary for the achievement of equal outcomes.

For CBF, social justice involves both the process and the impact related to the pursuit of **equity** (the distribution of resources and equality of outcomes), **empowerment** (equal access to systems of power), and **rights** (access to dignity and rights). For us, it means supporting efforts to tackle the underlying systems that cause injustice.

CBF recognises that systems change is a complex and long-term process. As a funder, it is vital we offer support to people and communities impacted by injustices who need help now, balancing this with funding toward long-term prevention and solutions.

Achieving impact and change at scale, requires meaningful, intentional coordination across a field's actors — by 'field' we mean all the stakeholders working to address common social justice issues. We want to play our part, through our funding, our investments and our activities, to support the field's mission and movements. We will do this by **Meeting needs, connecting communities** and **catalysing change**. Activities funded in each of these areas, form part of a continuum of effort towards social justice.

For the next decade, we will work on four priority areas – **climate justice, racial justice, economic justice** and **access to justice**. Within and across these four areas are some of the most critical issues facing London's most disadvantaged and marginalised communities. They are vital entry points to combat inequality and achieve social justice.

Our funding processes and practices will adapt to the needs of those whose work we seek to support. We will listen more, deepen our relationships and work alongside our strategic partners in London's communities, funded organisations and the wider sector.

3. Our funding priorities

City Bridge Foundation commits to playing its part, through our funding, our investments and our activities, in building the fields, missions and movements that drive both the impact and scale of change.

Framework for Change

We will deploy resources through grants, 'funder plus', social investment and enterprise support, to support the following activities:

- **Connecting Communities**, through funding civil society infrastructure, building capacity, networks and convening;
- **Meeting Needs**, through funding advice, support and crisis interventions;
- **Catalysing Change**, funding advocacy, campaigns and community organising.

Across City Bridge Foundation, we will also **Stand with Londoners** by using our voice, assets and networks to advocate for social justice across our priority areas. We have a unique trustee in the City of London Corporation which will strengthen our ability to influence key stakeholders and mobilise resources across the capital to support those we fund to achieve their goals.

A fairer London

City Bridge Foundation has identified four visions for a fairer London around which we will shape and develop our future funding programmes; **climate justice, racial justice, economic justice and access to justice.**

Climate justice seeks to create fair and equitable opportunities for all communities to thrive in a changing climate. It recognises the interconnectedness of social, economic, and environmental issues, advocating for sustainable solutions that benefit everyone.

Climate justice highlights how communities already facing systemic inequalities are hit hardest by climate change, environmental hazards and pollution. These impacts deepen existing disparities, particularly affecting minoritised groups, children in deprived areas, older adults, disabled people and low-income households.

Climate justice means delivering equitable solutions that not only address the immediate impacts of climate change but also tackle the root causes of environmental harm and social inequality. It emphasises the importance of empowering communities to organise and advocate for a just transition as London works towards sustainability and net-zero goals.

Access to justice ensures that everyone, particularly disadvantaged and marginalised communities, can seek support and redress to access their rights, through formal and informal means.

People should be supported to find solutions to issues whether through civil, legal or community-based processes without facing barriers like cost, discrimination or complexity.

Access to justice supports people by helping them navigate systems that should offer protection, freedom and rights on a range of issues, for example, housing, social security, employment, immigration and criminal justice.

It includes empowering organisations and communities to organise and advocate for approaches to address systemic barriers and tackle the root causes of these issues to prevent them from arising in the first place.

Racial justice* is about creating a society where systemic and historical inequalities based on 'race' are not only addressed but transformed. It goes

beyond simply opposing racism and processes of racialisation — it is a core part of social justice, focusing on collective action to dismantle systemic racial inequalities. It promotes policies that address disparities in areas such as employment, housing, education, mental health and the criminal justice system.

Achieving racial justice also requires understanding that race is a social construct and experiences of racialisation intersect with other identities, such as gender and class, creating different forms of oppression. Addressing these intersecting inequalities is essential to creating a racially just society.

City Bridge Foundation will explore opportunities to address historic barriers and underfunding of racial justice work in London.

Economic justice refers to the fair and equitable distribution of resources, opportunities and economic benefits, ensuring that all Londoners — regardless of their background or circumstances — can thrive.

Achieving economic justice in London requires targeted policies that dismantle systemic inequalities and barriers rooted in race, gender, class, disability, and other intersecting identities.

This could include approaches to tackle poverty, reduce income gaps and wealth inequalities such as ensuring the real living wage, protecting workers' rights and guaranteeing access to social security, housing, and social protections.

** Race and racial justice is a contested term. Whilst we will consult and engage on all our funding policy programmes, we are particularly mindful of the need to work closely with partners and experts in the field to define our goals, funding practice and programmes in relation to racial justice.*

We will deploy our Framework for Change to deliver this – **Connecting Communities, Meeting Needs, Catalysing Change and Standing with Londoners.**



Implementation and iteration of our funding policy is key. City Bridge Foundation will continue to build its knowledge and networks to focus on finding solutions to tackle inequality in London at a systemic level. To achieve lasting change, we will work closely with communities, civil society, funders and key partners to co-produce and adapt our programmes over the next ten years.

Our cross-cutting priorities

Bridging London 2020 – 2045 commits CBF to Equity, Diversity and Inclusion (EDI) and climate action.

Equity, Diversity and Inclusion (EDI) is fundamental to our approach in tackling inequality and delivering social justice for marginalised Londoners. This includes identities such as race, disability, religion, socioeconomic background, gender and sexuality. Intersectionality is also taken into account, recognising a range of intersecting identities including factors such as migration status, disability or age, which can affect the types of discrimination or unfair treatment faced by communities and individuals.

We are working to embed EDI in the design and delivery of all our activities, promoting the representation and participation of marginalised and underrepresented groups. This includes embedding an inclusion and equity lens across our funding practice. Where appropriate, we will build on the work of Anchor and Suicide Prevention programmes to co-produce with experts by experience, ensuring lived experience informs how we work and what we fund.

EDI is not just a moral imperative—it's a strategic necessity that strengthens our role as a funder and drives us closer to achieving our mission to create lasting, transformative change.

Climate action and sustainability is embedded across all our work, including bridge management, funding and investments. We want to play a leading role in the transition to net zero and in building climate resilience for London and Londoners.

We have signed up to the ambitious Climate Action Strategy of our trustee, the City of London Corporation, which commits us to reaching net zero in our operations by 2027 and across our investments by 2040. We are also a signatory to the Funder Commitment on Climate Change, managed by the Association of Charitable Foundations.

4. Impact and learning

Impact and learning are fundamental elements of the Future Funding Policy, ensuring CBF measures and understands the impact of its funding. We have bold ambitions as a social justice funder and will put in place processes to help us continue to learn and adapt over the next ten years to serve London and Londoners.

Our impact and learning framework will cover all aspects of this policy, including how we fund and the impact of our funding practice, the four emerging justice areas, legacy and transition arrangements, crisis interventions and funder plus.

Key elements of our approach:

- **Theory of change:** Tendering sector partners to develop theories of change for the FFP, including each justice area, defining clear impact goals, outcomes, measures and data collection approaches so we can understand the change we want to make and how we will achieve this.
- **Sharing our learning:** Openly share and learn from our successes and challenges along the way, evolving our offer and approaches to learning which complement our systems change focus.
- **Insight and analysis:** Baseline and continuously improve the funding team culture, by making better use of the insights we capture using external quality standards such as the Foundation Practise Rating and IVAR's Open and Trusting Grant making.
- **Learning and networking for funded groups:** Deliver high-quality learning and networking activities for funded organisations and London's civil society. These will be carefully devised to meet the support and skills needs of groups so they can strengthen their capacity and achieve the best outcomes for Londoners.
- **Maintaining a learning ethos:** Develop the funding team's learning ethos, making learning everybody's business and sharing knowledge better. This will include a comprehensive learning programme prioritising skills and knowledge needed for the initial stages of the FFP, building understanding of systems change, field building, the new assessment and support approach, as well as ongoing learning about the emerging justice areas. Elements of the programme will be extended to other CBF teams and Members.

5. Our funding offer

CBF will offer a range of funding and support options designed to enhance the capacity and resilience of funded organisations. We will prioritise organisations led by and for members of the communities they serve, that are experiencing specific forms of disadvantage and marginalisation; and efforts that deliver impactful outcomes for Londoners.

Our practice and processes will continue to evolve over the lifetime of this policy, responding to feedback, learning, best practice and needs.

- **Our grants:** We will prioritise long-term, core and unrestricted funding wherever possible and appropriate. The majority of our grants will be 3-5 years in length, with some longer grants. Micro-grants and project-based funding will also be

available, recognising that some activities or groups will find short-term or targeted support more appropriate.

- **A more equitable funder:** Our funding will accommodate the needs of marginalised groups by directing more of our time and resource towards their support, through differentiated application and grant management pathways. We will introduce greater flexibility in how we receive applications, e.g. accepting non-written formats for those with disabilities or for whom English is not a first language. We will also engage in proactive outreach to ensure we reach communities and organisations that have been overlooked historically, targeting equity-led groups and grassroots organisations.
- **Our approach to risk:** We are developing how we assess and manage risk in our funding practice, realising the values of CBF's overarching strategy, Bridging London.
- **High service standards:** We are committed to building effective relationships with the organisations and sectors with which we work. CBF will engage more proactively with the sector through outreach; we will offer pre-application calls, and constructive feedback to groups that are unsuccessful. We aim to be responsive to feedback, applicants' needs and sector developments.
- **Assessment process:** We will streamline our application and assessment processes to be faster, more efficient and inclusive. As part of our journey to adopting a more equitable approach to funding, we will move to a two-stage application process. We will also explore opportunities to integrate lived experience into our grant-making practice.
- **Improved service levels, transparency and accountability:** We will continue to consult widely with our stakeholders, regularly reviewing and refining our funding offer, ensuring our priorities respond to the needs of London's communities. We will publish data about our funding activity, and we will introduce a regular applicant and grantee satisfaction survey.
- **Collaborations:** We will build, sustain and leverage partnerships across different sectors, working collaboratively with other funders, joining or leading funding initiatives that draw on our collective strengths and assets to work together.

Social investments and social enterprise

CBF's social investment work falls under the new funding policy. Our offer will align with the proposed four justice areas and ambitions, as well as the framework for change.

We will apply relevant commitments from our broader funding offer where appropriate, recognising that it is likely different organisations at different stages of their development will seek repayable as opposed to grant finance. As we have to date, CBF will continue to work closely with other funders in its social investment activities.

Funder plus

City Bridge Foundation's Funder Plus offer (previously called the Bridge Programme), has long provided essential support to help organisations build resilience and adapt to changing circumstances. Funder Plus will evolve to align with our justice priorities and reflect the skills, capabilities, and systemic approaches

needed to address London's most pressing challenges. This transformation will embed CBF's cross-cutting themes of Equity, Diversity, and Inclusion and Climate, while maintaining a focus on critical areas such as suicide prevention training. Our Funder Plus offer will continue to adapt to meet the needs of funded organisations and the wider sector:

- **Future-focused skills development:** Expanding support to include skills in advocacy, storytelling, policy engagement systems thinking empowering organisations to amplify their impact and address systemic challenges.
- **Enhanced peer-based learning:** Building peer networks and communities of practice to encourage collaboration, shared learning, and co-creation.
- **Embedding environmental sustainability:** Retaining eco audit principles as a key component, alongside initiatives to help organisations integrate sustainable practices into their work.
- **Strengthening connections:** Empower the team to play a pivotal role in connecting organisations with tailored support and resources, enabling them to thrive and contribute to systemic change.
- **Field building:** Place greater emphasis on strengthening connections across organisations, funders and communities to catalyse collective action and systemic change.

Crisis and Emergency

During times of crisis and emergency CBF will build on its extensive reputation as an agile and responsive funder. We will allocate a ring-fenced budget for a Crisis and Emergency Fund, to allow for timely and effective responses to crisis and emergencies that impact Londoners and/or London's voluntary sector.

Applying our learning from previous crises including the Grenfell fire, Covid-19 pandemic and the cost-of-living crisis, CBF will:

- Work closely with other funders and the sector to enable collaboration and, where appropriate, pool funds, to ensure resources are deployed effectively.
- Support one-off timebound initiatives in support of communities and organisations prioritised or funded under our funding policy. Funding will be used where there is an urgent need and where immediate funding is essential to Londoners or the voluntary sector.
- Allocate funds proactively as emergencies develop for new or significantly escalating situations that pose substantial risks to the well-being of Londoners and the sustainability of London's voluntary sector. These could be London specific, national or international but must be affecting Londoners significantly.

6. Conclusion

City Bridge Foundation has long supported infrastructure and connection in London – both through our bridges and over the last three decades, our charitable funding. With thirty years' experience as a funder, we know our funding alone will not achieve the change we want to see. Such change will need concerted effort and collaboration

across London's civil society, charities, communities, funders, government and business.

This funding policy marks a critical step forward in City Bridge Foundation's journey as a social justice funder. Building upon the work of our previous funding policy, *Bridging Divides*, and guided by the charity's vision in *Bridging London 2020 - 2045*, it sets a clear direction for the next decade. Our focus will be on systems change, while also meeting needs, in order to address key social justice issues. We will deliver this through collaboration and coordination across London's civil society, charities, communities, funders, government and business.

Our Framework for Change will ensure that our approach is aligned with the evolving needs of the communities we serve. By supporting them and the wider social justice movement, we will play our part in delivering greater impact towards the vision of London we have committed to.

We have bold ambitions as a social justice funder and will continue to learn and adapt over the next ten years to serve London and Londoners. As we move into the implementation phase of this funding policy - pending approval from the Funding Committee, CBF's Board and the Court of Common Council - we will continue to refine our strategies to ensure equity and effectiveness in our funding.

This marks an exciting new chapter in our mission to drive lasting change and support organisations and communities working on the frontlines of social justice in London. City Bridge Foundation will stand shoulder to shoulder with London's communities, its change-makers and visionaries.

Report – Policy and Resources Committee

Standing Order Review

To be presented on Thursday, 6th March 2025

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

SUMMARY

Following the commission of a review in the Standing Orders, with prescribed scope (agreed by Policy and Resources Committee in July 2024), your Policy and Resources Committee presents a series of amendments to the Standing Orders, for Members approval.

The amendments contained within the proposals predominantly sit within three categories: clarifications to existing practice; changes to how business is conducted (or no change where it was felt there was insufficient appetite to do so); and areas that require further review/consultation before recommendations can be brought forward.

RECOMMENDATION

That Members:

1. Approve the Standing Order revisions set out in Appendix 1 (and Addendums), summarised in Appendix 2, for adoption from 25 April 2025;
2. Note that, upon adoption by the Court of Common Council, the Town Clerk will develop a suite of supplementary guidance documents to the Standing Orders (e.g. Frequently Asked Questions, Glossary of Terms etc.);
3. Note that any consequential formatting changes (e.g. numbering) will be overseen by the Town Clerk, upon final approval; and
4. Note the matters where further review is required.

MAIN REPORT

Background

1. As prescribed by the Local Government Act 1972 and the Local Authorities (Standing Orders) Regulations 1993, local authorities (and the City of London Corporation acting in its capacity as a local authority, police authority and port health authority) must have Standing Orders which set out how formal business, including decision making, is to be transacted.

2. Whilst there are some explicit variations within the Court of Common Council's Standing Orders for non-Local Authority activities (e.g. for the City Bridge Foundation), they apply across all of the Court's responsibilities and powers.
3. The Court of Aldermen have distinct, separate, Standing Orders. It is also worth noting that there are some committees which are not within the purview of the Court. For example, the Livery Committee, which is a committee of Common Hall; the House Committee of the Guildhall Club; and other outside bodies.
4. The Court of Common Council's Standing Orders should be reviewed regularly. In July 2024, the Policy and Resources Committee agreed to a review with a defined scope (available in the background report), with the intention of ensuring that changes were made and implemented in time for the April 2025, the first formal meeting after the all-out Common Councillor elections.

Current Position

5. In broad terms, the scope for the Standing Order review commissioned by your Policy and Resources Committee focussed on those Standing Orders relating to the conduct of business at meetings of the Court, its Committees and their Sub-Committees.
6. As part of the agreed consultation exercise, Members were invited to submit written submissions. There were also ten informal briefing sessions held over the course of September and October 2024. Whilst discussion at each session largely focussed on a specific theme, Members were encouraged at every opportunity to make any other observations that they felt were relevant to the wider review.
7. Following these ten sessions, which elicited a wide range of comments and suggestions, officers sought to respond to all the observations and presented draft amendments to an informal meeting of the Court of Common Council in November 2024. The meeting of the Informal Court was an extremely valuable exercise. There was general support for the changes, with some matters that, if pursued, would warrant further consideration and consultation.
8. At its meeting in January 2025, your Policy and Resources Committee discussed proposals and agreed to the revisions presented, subject to some amendments. In addition, further work was commissioned in respect of Sub-Committee appointments, which was subsequently presented back to the Committee in February. A delegated authority was granted to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Committee, to make any necessary revisions to the draft Standing Orders to give rise to any amendments proposed from these debates. These amendments have now been approved and feature within the Appendices.
9. Chief Officers were also written to, and their teams were invited to make suggestions.

10. It is important to note in the consideration of this report that there are some Standing Orders that are limited by legislation. Whilst the Court is sovereign over matters under its control, national legislation and common law positions must be considered and adhered to. Conversely, there are some areas where an individual authority has a significant amount of flexibility in how it wishes to discharge its responsibilities.
11. Given the breadth of changes proposed, in-keeping with how recent Standing Order revisions have been managed, proposals have been categorised in order to help facilitate debate. These categories are set out below.

Clarification of Existing Practice

12. The Table in Appendix 2 features amendments which, in principle, are considered more straightforward insofar as there did not appear to be any dissent, only an appetite to clarify existing processes so they were clearer for Members to understand. This also includes and correction of typographical errors. The detail of each amendment, and why it is proposed, can be found in that same Appendix.
13. A predominant theme from the various consultation sessions was how some Members found the document hard to digest, particularly when attempting to establish how they might exercise a function within the Standing Orders whilst in a live committee/Court setting.
14. It became clear that the document in its current form assumes a lot of knowledge on historic City practices. For example, SO10(5) references that, in the event that there is no contest for multiple vacancies on a committee with varying term lengths, these vacancies be allocated by 'seniority' (unless otherwise agreed by the individuals concerned). Upon discussion, it became apparent that many Members were uncertain as to how seniority of Membership was determined. Footnotes have been added and, subject to adoption, the Town Clerk will produce supplementary guidance documents that will help facilitate Members in their understanding of the Standing Orders and how they work in practice.
15. There were a number of other observations along a similar vein. There has been significant confusion caused by the inconsistent approach to the nomenclature around Grand Committees, Committees, Boards and Sub-Committees; how these translate through to the Standing Orders, and the clear need to debunk common misapprehensions that have arisen from this confusion.
16. Beyond this, there were a few areas where, for whatever reason, the Standing Orders were silent. For example, there was no reference to how amendments were to be managed within Committee or Sub-Committee setting. Again, the proposed amendments today simply seek to establish the existing "status quo".
17. There are some changes that are entirely presentational, such as the re-ordering of Standing Orders, to help with the readability of the document.

Matters for consideration: “Change” and “No Change”

18. There were a series of proposed changes where there was a divergence of opinion amongst wider Members and/or multiple solutions to the same concerns (and where the Court has more flexibility in its own arrangements). Your Committee has sought to recommend changes that balance various positions whilst adhering to general principles of good governance.

Further Review Required

19. As part of the various consultation exercises, there were a few areas of interest that arose that were, inherently, more complex. These matters are set out below, in brief – and again are summarised in the Table at Appendix 2.

20. Further work and consultation would have been required to bring forward a recommendation in these areas, which would have inevitably delayed progress on the proposals brought forward this day. As such, if Members wish for these matters to be pursued, further work will need to be undertaken in time for the next civic year.

21. Areas that Members identified as requiring a separate review are:

- Ward Committee composition and appointments;
- Composition of the Policy and Resources Committee;
- Role of the Chair of the Policy and Resources Committee;
- Appointments process for the Chair, Deputy Chair and Vice Chairs of the Policy and Resources Committee

22. Members may not feel that any of these require further attention. However, if they do, then it is proposed that a review be delivered in time for adoption for the 2026/27 civic year.

Corporate & Strategic Implications

Strategic implications – This review seeks to introduce revisions to the City Corporation’s Standing Orders to provide efficiencies in the running of Court and Committee meetings; and improve transparency. As proposed, it is hoped that the amendments will help “Build on Brilliant Basics” and the provision of statutory duties to deliver for people; contributing to civic life both in the City and further afield; and delivering social mobility for all.

Financial implications – There are no direct financial implications in relation to this report.

Resource implications – Some of the changes will have minor additional resource implications, mainly for the Governance and Member Services Team, whereas others should seek to reduce resource implications. These are detailed in Appendix 2, where relevant. Overall, it is considered that proposals (as presented) can be absorbed into “business as usual”.

Legal implications – There is considerable case law in respect of how Local Authorities should transact its business (and thus some limitations on what changes can or cannot be introduced to the Standing Orders). Proposals have been checked alongside “Knowles on Local Authority Meetings, 8th Edition”; proposals have also been reviewed by the Comptroller & City Solicitor. Should Members seek to introduce amendments at the Policy & Resources Committee meeting, officers will need to confer to ensure that they comply with case law. Members are, therefore, strongly encouraged to contact the Town Clerk to discuss

any amendments ahead of the meeting, so these implications can be properly considered ahead of debate.

Risk implications – There are no considerable risks associated with proposals. However, if amendments are proposed without notice, it may not be possible to fully inform Members of the wider implications of the change.

Equalities implications – Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.

Climate implications – none.

Security implications – none.

Conclusion

23. Following six months of consultation, including opportunity to make written submissions, ten dedicated consultation sessions (in person and online), officer consultation, and a full discussion at Informal Court, this report presents amendments to the Standing Orders that, on balance, your Policy and Resources Committee believes to represent the majority position. They seek to provide improvements to the efficiency and transparency of the conduct of business of the Court of Common Council, its committees and sub-committees. If approved, these will take effect from April 2025, allowing officers and Members to familiarise themselves with the changes ahead of the new civic year.

Appendices

Appendix 1 (and Addendums): Draft Revisions to the Standing Orders

Appendix 2: A Summary of changes to the Standing Orders

Background Papers

[Standing Order Review 2024 – Policy and Resources Committee \(July 2024\)](#)

[Standing Order Review 2025 – Policy and Resources Committee \(January 2025\)](#)

[Draft Minutes of the Policy and Resources Committee \(January 2025\)](#)

[Standing Order Review 2025 \(Sub-Committees\) – Policy and Resources Committee \(February 2025\)](#)

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

DATED this 26th Day of January 2025.

SIGNED on behalf of the Committee.

Deputy Christopher Michael Hayward
Chairman, Policy and Resources Committee

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DRAFT**Standing Orders of the Court of Common Council (February 2025)****Contents**

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PART 1 – Introduction

1. Application and Interpretation

1. Unless otherwise specified, these Standing Orders shall govern the proceedings of: -
 - (a) the Court of Common Council¹;
 - (b) Committees and Sub-Committees of the Court of Common Council
2. The person presiding at a meeting of the Court of Common Council (the Lord Mayor) or of a Committee or Sub-Committee (the Chair/Chairman) is the final authority as to the interpretation of Standing Orders.
3. For the purposes of these Standing Orders: -
 - (a) the term “Lord Mayor”, in the absence of the Lord Mayor, applies to the Locum Tenens;
 - (b) the term “Chair” or “Chairman”, in the absence of the elected Chair/Chairman, applies to the person taking the Chair of a Committee, Sub-Committee ~~or Working Party~~ meeting;
 - (c) the term “Member” refers to an elected Member of the Court of Common Council (including Aldermen);
 - ~~(d) references to Committees include Sub-Committees;~~
 - (e) where there are references to “the Town Clerk”, the Deputy or Assistant Town Clerk or other properly appointed Officer shall be authorised to act in the absence of the Town Clerk or where there is a vacancy in the office of Town Clerk.
4. Working Parties of the Court and its committees are, by definition, non-decision making bodies, appointed to study and report on a particular question, making recommendations based on its findings. Whilst informal in nature, where appropriate, the conduct of business of Working Parties should be managed in accordance with these Standing Orders.

2. Suspension

1. The Court shall have the power to suspend, alter or abrogate Standing Orders by resolution carried by a ~~two-thirds~~ simple majority of the Members present and voting.
2. No Committee, Sub-Committee or Officer may suspend, alter or abrogate a

¹ The Court of Aldermen has its own Standing Orders

Standing Order unless given authority by the Court to do so.

3. Amendment

1. Any proposal to amend these Standing Orders shall **first** be considered by the Policy & Resources Committee (as the committee responsible for oversight of the Court's governance arrangements) whose recommendations shall be reported to the Court for approval. Thereafter, the Town Clerk is authorised to make the necessary amendments.
2. The Town Clerk is authorised, after consultation with the Chamberlain,
 - (a) to adjust the financial limits specified in these Standing Orders in line with changes in the value of money, and must do so on an annual basis;
 - (b) to make any consequential amendments to the relevant Standing Orders and report such amendments to the Policy & Resources Committee.

PART 2 – Court of Common Council Meetings

4. Access to Meetings

1. All meetings are open to the public unless: -
 - (a) confidential information as defined in Section 100A(3) of the Local Government Act 1972 is to be discussed; or,
 - (b) a resolution has been passed to exclude the public as there is likely to be disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972;
2. In respect of non-local authority and non-police authority functions this Standing Order is not applied unless the Court of Common Council determines otherwise.

5. Notice of Meetings

Public notice of the time and place of meetings of the Court of Common Council shall be posted in an appropriate place at least five working days before the meeting, or if a meeting is convened at shorter notice, then at the time it is convened.

6. Summons

1. The Town Clerk will issue a Summons, on behalf of the Lord Mayor, for each meeting stating the time at which the Court will meet and the time at which, or after which, any ballots will be conducted.
2. Except in cases of urgency or where circumstances make it impracticable, the Summons and accompanying papers will be sent to Members five clear working days in advance of the meeting.
3. The Town Clerk has discretion, having regard to the convenience of the Court, to settle the order in which items of business appear on the Summons and, if necessary, during a meeting with the consent of the Lord Mayor and the agreement of the Court to amend the published order of business.
4. When an Address, Memorial, Petition or Remonstrance to the Throne, or to any Member of the Royal Family, is to be considered, on the advice of the Policy & Resources Committee when appropriate, the item shall be taken immediately after the opening of the Court, following the confirmation of the Minutes and the introduction of any new Members, unless the matter is to be considered with the public excluded when it shall be considered at an appropriate time. No such Address, Memorial, Petition or Remonstrance shall be reconsidered or altered after having been agreed to by the Court.
5. On the occasion of the Lord Mayor taking their seat for the first time, an instruction to Members to wear their gowns will be included in the Summons.

6. The Chair/Chairman of the Policy & Resources Committee shall be given the opportunity to provide the Court with a brief statement at each meeting concerning the key and strategic issues affecting the City and the work of the City of London Corporation. A maximum of three Members may ask one question in direct response to the Chair/Chairman's statement.

7. Quorum

1. The quorum for meetings of the Court is 40 Members, one of whom must be the Lord Mayor and two of whom must be Aldermen.
2. If a quorum is not established within five minutes of the time stated on the Summons, the meeting will be dissolved and all business will be adjourned to the next meeting and those present may depart.
3. If, during a meeting of the Court, it is the opinion of the Lord Mayor that a quorum has ceased to exist, business will be suspended whilst the number of Members present is counted and the result announced.
 - (a) If a quorum exists the business will proceed.
 - (b) If a quorum does not exist, the meeting will be dissolved and all remaining business will be adjourned to the next meeting.

8. Attendance

1. The names of Members attending the Court shall be recorded as they enter the Court and printed in the Minutes of the meeting.
2. A ~~Member~~ Common Councillor² attending the Court for the first time shall:
 - (a) before taking their seat, be called formally into the Court by the Town Clerk and introduced to the Lord Mayor by the Deputy or another Member of their Ward;
 - (b) be clothed in a mazarine gown by the Remembrancer's representative and conducted to their seat.

² Aldermen will be welcomed by the Chief Commoner (or their representative) from their seat.

9. Reports

1. When submitting any proposal to the Court, Committees have discretion to circulate a printed report to every Member of the Court as part of the agenda for the meeting at which it is to be considered.
2. A Sub-Committee ~~or Working Party~~ is not entitled to submit a report to the Court unless it has Terms of Reference approved by the Court which confer the requisite authority on it to do so.
3. A minority of either a Committee or Sub-Committee is not entitled to submit a report to the Court.
4. A report or decision of a Committee or Sub-Committee may be referred to the Court providing that notice of the referral by not less than 20 Members of the Court is submitted to the Town Clerk by no later than 12 noon, nine working days before the meeting of the Court for inclusion in the Summons.
 - (a) A Member seeking to submit a referral on grounds of urgency, notice of which has not been included in the Summons, must inform the Town Clerk of the terms of that referral not less than 12noon the day before the Court so that the Lord Mayor may rule on the need for urgency.
 - (b) No action shall be taken to implement any decision pertaining to the subject of the referral until such time as the Court shall have considered the matter, subject to the proviso that: such referral would not preclude a decision being taken and/or implemented that, in the opinion of the Town Clerk, was necessary for legal reasons or for the efficient conduct of the City Corporation's business.

10. Ballots

1. Ballots will be held when: -
 - (a) there is more than one Member seeking appointment to a vacancy on a Committee or to represent the City of London Corporation on an outside body. Members may nominate themselves. Members nominated by others shall be advised by the Town Clerk and requested to confirm or not such nomination. If no response is received, such Member(s) will be considered to be in nomination;
 - (b) a recommendation is made to appoint an Officer whose appointment is in the gift of the Court³;
 - (c) there is more than one Member seeking appointment to the role of Chief Commoner.
2. Before the votes on a matter to be decided by ballot are counted, the Lord Mayor

³ Officers whose appointment is in the gift of the Court is set out at Standing Order 63(1)

will nominate two Scrutineers who will supervise the counting of votes.

3. For the purpose of casting their votes, Members must be present in Court when a ballot is called.
4. When one vacancy has to be filled on a Committee or Sub-Committee and there are more than two candidates, voters shall mark numbers against candidates' names on ballot papers in order of preference.
 - (a) Upon the absence of any candidate achieving 50% of first preference votes, the candidate with the fewest first preference votes will be eliminated and their votes reallocated according to their second preference therein.
 - (b) Procedure in 10.4(a) is repeated until one candidate has obtained 50% of the votes cast.
 - (c) Without prejudice to the foregoing 10.4(a) and (b), the successful candidate will be the first candidate to obtain 50% of the votes cast in the ballot.
5. When two or more vacancies have to be filled, the candidates with the highest number of votes shall be declared to be elected. Where the available terms are of differing lengths, the longest term shall be awarded to the candidate with the highest number of votes, the next longest term to the candidate with the second highest number of votes, and so on. In the event of an equality of votes, or in the event of no contest, terms shall be allocated according to seniority (the longer term to the more senior Member). Practice can diverge from this only in the event that all parties are in agreement, to be facilitated by the Town Clerk.

11. Conduct of Debate for Motions and Amendments

1. This Standing Order applies to the conduct of debate on Motions brought forward to Court by Committee (via a Report pursuant to SO9) and by Members (pursuant to SO12), as well as Amendments.
2. Members must stand in their places (if able to do so) or otherwise ~~to~~ indicate clearly their wish to speak, and if two or more Members wish to speak rise, the Lord Mayor may select one of them to speak, in which case all other Members must be seated.
3. No Member may speak more than twice on the same question other than the Chair/Chairman of the Policy & Resources Committee (or, in their absence, the Deputy Chair/Chairman) to provide a clarification of policy if such be required.
4. The Mover of a Motion⁴ or Amendment, may not speak for longer than ~~seven~~ five minutes, plus a further ~~seven~~ five minutes in reply to the debate, and any subsequent speaker must not speak for more than ~~five~~ three minutes on the first occasion and two minutes on the second occasion except with the consent of the Court (such times to include the putting of the Motion or Amendment).

⁴ For the purposes of Standing Order 11, the Mover and Seconder of a Motion brought forward by a Committee, shall be the Chair and Deputy Chair of the Committee (or other appropriate Senior Member, in their absence).

5. Any Amendment so moved shall relate to the subject matter of the Motion and shall not have the effect of negating the Motion.
6. To ensure the efficient management of the Court business and in the best interests of the conduct of debate (including any concerns of legal implications or consequences) Members are encouraged to submit advanced notice of any amendments, by no later than 12noon on the day of the meeting. In these instances, if possible, hard copies of the proposed amendments will be provided upon entry to the Court and published (if appropriate).
7. Upon ~~the~~ an amendment being moved on the floor of Court without prior notice, there shall be a pause of no more than five minutes to allow for these amendments to be handed to the Town Clerk in writing, to provide absolute clarity on what is being debated and voted on.
8. Should the Mover of an Amendment to a Motion choose to speak for a second time on the Amendment, they shall be the penultimate speaker (the Mover of the original Motion, being the final speaker on the Amendment). In such circumstances, the Mover of the Amendment must not speak for more than five minutes and the Mover of the original Motion must also not speak for more than ~~ten~~ five minutes.
9. Every Member must confine their speech strictly to the Motion, Report or Amendment under discussion or to a point of order or explanation⁵, and must not be repetitious. The ruling of the Lord Mayor on issues of relevance or repetition is final.
10. At any time, a Member may raise a point of order or make a personal explanation necessitated by the statement of another Member. Any Member speaking at the time must give way when a point of order or personal explanation is made. The ruling of the Lord Mayor on a point of order or the admissibility of a personal explanation is final.
11. Discussion will not be allowed on: -
 - (a) a Motion to extend the time allowed for the: -
 - i) length of the meeting of the Court;
 - ii) length of time allowed for consideration of Motions;
 - (b) the Mover and Seconder of a Motion or Amendment seeking permission to withdraw or amend that Motion or Amendment;
 - (c) a Motion to adjourn a debate in progress.
12. At any time other than when a Motion in the name of a committee is under discussion, a Member who has not spoken on the original Motion may move '*That the Court proceed to the next item of business*'. If this is seconded, the Motion to proceed to the next item of business shall be put forthwith and without debate unless the Lord Mayor is of the opinion that the Motion is premature or is in any sense an abuse of the rules of the Court. If the Motion is carried, the item of

⁵ See definitions of Points of Order and Points of Explanation at Addendum 3A and 3B)

business which was before the Court when the Motion was moved shall not be re-introduced during the same meeting without the consent of the Court.

13. If a Member, who has not spoken on the current question, stands (if able) or otherwise indicates, either while another Member is addressing the Court or, if there is a Motion before the Court, at the conclusion of a speech and moves '*That the question be now put*', and this is seconded and carried, that question shall be put forthwith and without debate unless the Lord Mayor is of the opinion that the Motion is premature or in any sense is an abuse of the rules of the Court. In no case shall the Mover be precluded from a right to reply should they elect to exercise it.
14. A debate may take place upon a Motion for adjournment of the Court, but will be confined to that subject except for instances when the adjournment has been called for emergency purposes (e.g. building evacuation). In these instances, the Lord Mayor will be permitted to adjourn the Court immediately, without opportunity for debate.
15. No Member shall make derogatory personal references or use offensive expressions or improper language to any other Member of the Court or Officers.

12. Members' Motions

1. All Motions must relate to matters that are within the powers or duties of the City of London Corporation.
2. All Notices of Motion (other than procedural, those relating to changes of membership of Committees and those to which Standing Order Number 12 (7) applies) must be signed by no fewer than ten Members and be submitted to the Town Clerk by no later than 12 noon, nine working days before the meeting of the Court for inclusion in the Summons.
3. Notices of Motions set out in the Summons shall include the names of the signatories thereto.
4. A Member seeking to move a Motion (other than procedural, those relating to changes of membership of Committees and those to which Standing Order Number 12 (7) applies) on grounds of urgency, notice of which has not been included in the Summons, must inform the Town Clerk, in writing, of the terms of that Motion not less than 9.00am on the day of Court so that the Lord Mayor may rule on the need for urgency.
5. The Mover may, with the consent of the Seconder, at any time, withdraw a Motion of which they have given notice, at which time discussion of that Motion shall cease.
6. A time limit of not more than 60 minutes will be allowed for the discussion of all Motions put forward by Members. When a Mover rises to move a Motion at the commencement of a debate they shall be advised of the remaining time allotted for motions and asked whether they wish to proceed or to have the debate

adjourned and carried over to the next meeting. Any Motion so adjourned will be placed first under the item for Motions included on the Summons for the next meeting after any procedural Motions and preceding any Motions not reached within the allotted time.

7.

- (a) No Motion to rescind or amend any resolution passed within the preceding six months, and no Motion or Amendment to the same effect as one that has been rejected in the preceding six months, or any Motion or Amendment that has been passed over by virtue of Standing Order Number 11 (9), can be proposed unless notice thereof appears on the Summons and bears the names of at least 40 Members.
- (b) Once a Motion proposed under Standing Order Number 12 (7)(a) has been dealt with by the Court, it shall not be open to any Member to propose a similar Motion or Amendment within a further period of six months.
- (c) However, the provisions of Standing Orders 7(a) and 7(b) will not apply to Motions or Amendments appearing on the Summons in pursuance of a recommendation of a Committee nor to resolutions made under the urgency procedures in Standing Order Number 19.

13. Questions

1. A Member may ask the Chair/Chairman of a Committee any question: -
 - (a) on an item of the Committee's business that is included in the Summons;
 - (b) on a matter that is not included in the Summons but in relation to which the Court has powers or duties and which affects the City or the City of London Corporation;
 - (c) provided that, except in cases of urgency, notice of the question has been given to the Town Clerk in writing not later than 12 noon, two working days before the meeting.
 - (d) That is no more than ~~250~~ 150 words in length.

NB: A Member may ask no more than one ~~two~~ question (excluding supplementaries) at any meeting of the Court, unless one is carried over from the previous meeting of the Court, in which case the Member will be permitted to ask two.

2. The Town Clerk will, ~~with the consent of the questioner~~, re-direct a question if they consider it to have been addressed to the Chair/Chairman of an inappropriate Committee. In the event of a dispute, the Lord Mayor's ruling will be final.
3. A Member seeking to ask a question without due notice as a matter of urgency must inform the Town Clerk in writing of the terms of the question not less than 60 minutes before the time scheduled for the start of the meeting so that the Lord Mayor may rule on the need for urgency.
4. Every question shall be put and answered without discussion, although Chair/Chairmen may decline to answer. Questions are to be circulated, in writing, to all Members upon arrival at the Court meeting. Questions will normally only be answered if the Member giving notice is present to put their question in person. In exceptional circumstances, the Lord Mayor may direct that the Town Clerk puts the question on behalf of a Member who is unavoidably absent and where they consider it would be in the interests of the Corporation that the Court hear the Chair/Chairman's answer.
5. A Chair/Chairman (including the Chairs/Chairmen of any sub-committees which are empowered to report directly to the Court) may not speak for longer than three ~~five~~ minutes in response to any question or supplementary question except with the consent of the Court.
6. A Member asking a question may ask one supplementary question, and six ~~four~~ other Members may each ask two ~~one~~ supplementary questions provided that the supplementary questions arise naturally out of the original question and the answer to it.
7. Any supplementary questions that the Town Clerk considers do not relate to

matters in which the Court has powers or duties and which do not affect the City or the City of London Corporation will not be allowed.

8. A Member asking a supplementary question may speak for no longer than two minutes.
9. A time limit of not more than 40 minutes will be allowed for the putting and answering of questions, including supplementary questions, and it shall not be in order to move for an extension of that time.
10. Questions not dealt with owing to the expiration of the 40 minutes time limit shall be deferred for consideration at the following meeting and shall be put in advance of other questions, or may, with the consent of the questioner, be answered in writing within two working days, a copy of the answer being placed in the Members' Reading Room, circulated by email and published on the City Corporation website.

14. Divisions

1. A Member demanding a Division must stand for that purpose (if able to do so), or otherwise indicate. A Division will not be allowed unless another 11 Members (i.e. 12 in total) stand in their places (if able to do so) to support the demand.
2. If a Division is allowed, the Lord Mayor should instruct the Town Clerk to input the question into the electronic voting software.
3. The Town Clerk will repeat the Motion and every Member then present and wishing to vote will cast their vote either for the affirmative or the negative, using the electronic voting device provided (the Lord Mayor having the right to a second, casting vote). An option on the device will also allow Members to abstain, should they wish.
4. Once every Member has placed their vote, polling will close and the result will appear immediately, on a screen visible to all Members.
5. Members will have an opportunity to scrutinise the votes and will stand if they wish to contest the vote recorded in their name.
6. The Town Clerk will then declare the result.
7. If it appears to the Lord Mayor that the electronic voting system cannot be used for any reason a vote should be taken through the following non-electronic mechanism:
 - (a) The Lord Mayor will ensure that two Tellers for the affirmative and two for the negative are appointed. If there are insufficient Members of the Court willing to act as Tellers, no Division will take place.
 - (b) If a Division is allowed, the Town Clerk will ring the Division bell and at the expiration of three minutes they will ascertain whether a Division is still demanded. If so, the Bar of the Court will be closed after which no Member

may enter or leave the Court except for the purpose of recording their vote until the Division has been declared closed.

- (c) The Town Clerk will repeat the Motion and every Member then present and wishing to vote will cast their vote either for the affirmative or the negative (the Lord Mayor voting without leaving the Chair and having the right to a second, casting vote).

The Ayes for the question will go through the Bar of the Court to the right of the Lord Mayor and the Noes through the Bar to the left, the votes being recorded at the respective exits.

- (d) Members wishing to abstain should remain seated and the Lord Mayor will seek confirmation of their intention before accepting a declaration from the Tellers that every Member wishing to vote has done so, after which the Bar of the Court will be re-opened and Members will return to their seats through the central entrance.

- (e) The Town Clerk will call for the Tellers' reports and declare the result.

15. Disorder

1. In the event of disorder or a persistent disregard of the authority of the Lord Mayor Chair, and if they consider it necessary in the interests of the Court and the City of London Corporation, the Lord Mayor will ask that there be no further interruption. If the interruption continues, they may: -
 - (a) direct the Member(s) of the Court they consider to be abusing the Court to retire for the remainder of the sitting or for such lesser period as they may decide, any such decision to be final;
 - (b) require that a member(s) of the public be removed from the public gallery;
 - (c) at any time if they consider it desirable in the interest of order, suspend a sitting or adjourn a meeting of the Court for such time as they may decide.

16. Duration

If, after three hours from the time appointed for the start of the meeting, the business has not been concluded, the meeting will close, any debate being suspended, and all unfinished business will stand adjourned to the next meeting unless a two-thirds majority of the Members present wish the meeting to continue, and subject to there being a quorum. Items that are so adjourned and which, in the opinion of the Town Clerk, require a decision before the next meeting will be considered in accordance with Standing Order Number 19.

17. Minutes

1. The minutes of the Court will be printed and circulated and will include: -

- (a) All Motions and Amendments together with the names of the Movers and Seconders and including the names of Movers of reports.
 - (b) The results of any Ballot (pursuant to Standing Order Number 10).
 - (c) The results of any Division (pursuant to Standing Order Number 14).
 - (d) The names of any Members presented to Royal and other Distinguished Persons received at Guildhall.
2. The correctness of the minutes will be verified at the beginning of the following regular meeting of the Court. No discussion shall take place upon the minutes, except upon their accuracy and any question of their accuracy shall be raised by motion.

18. Chief Commoner

1. The holder of the Office of Chief Commoner shall be a Common Councillor⁶.
2. The Chief Commoner shall be elected by the Court of Common Council at the October meeting each year.
3. The term of office of the Chief Commoner shall be for a period commencing and ending on the date of the first Court of Common Council after the wardmotes each year.
4. A Member is ineligible to seek election as Chief Commoner if they have previously served the Office of Chief Commoner.
5. Candidates for election to the Office of Chief Commoner shall be nominated by exactly ten other Members, nominations to be submitted to the Town Clerk by no later than nine working days before the meeting of the Court for inclusion in the Summons. Submissions must be made in writing and accompanied by the signatures of the ten Members supporting the candidate's nomination.
6. The Chief Commoner shall be:
 - (a) an ex-officio Member of the Policy & Resources Committee.
 - (b) ineligible to chair any City Corporation Grand Committee.
7. In the event of a casual vacancy for the Office of Chief Commoner, responsibility for the Office shall fall to the immediate past Chief Commoner until such a time as a new Chief Commoner (or Chief Commoner designate) is elected by the Court.

19. Decisions between Meetings

⁶ Aldermen are not eligible to stand for the position of Chief Commoner.

1. Between regular meetings of the Court of Common Council, if, in the opinion of the Town Clerk, it is urgently necessary for a decision to be made, then the powers of the Court may, where lawfully possible, be exercised by the Town Clerk. Before exercising this power, they must obtain the comments of:
 - the Lord Mayor
 - the Chief Commoner
 - the Chair/Chairman of the Policy & Resources Committee
 - the Chair/Chairman of the Finance Committee

or a nominee of each who shall be, respectively,

 - an Alderman
 - a Past Chief Commoner still in Common Council
 - a Member of the Policy & Resources Committee
 - a Member of the Finance Committee
2. Where the recommendation is made by the Policy & Resources Committee or the Finance Committee then the fourth person shall be the Chair/Chairman of the Planning & Transportation Committee or their nominee from that Committee.
3. Where the recommendation is made jointly by two of the aforementioned committees, then the fourth person shall be the Chair/Chairman of the Port Health and Environmental Services Committee or, if they are also conflicted, another senior Chair/Chairman, to be determined by the Town Clerk.
4. The Town Clerk's powers only extend to the approval or non-approval of the recommendation placed before them, not its amendment.
5. Each decision of approval shall be reported to the next regular meeting of the Court with an explanation of the need for the use of this procedure.
6. Each decision of non-approval shall be submitted to the next meeting of the Committee or Sub-Committee making the recommendation and that Committee or Sub-Committee may submit the matter for decision by the full Court if this is still feasible. Where a decision of non-approval is in prospect, the Chair/Chairman of the recommending Committee or their representative shall be informed and allowed to make representations in support of their Committee's decision.

20. Petitions

1. Any Petition (other than for grants of money) intended to be presented to the Court must be lodged at the Town Clerk's office, duly endorsed by the Member presenting, not later than 12 noon ten working days before the meeting of the Court at which it is proposed to present the Petition, which from the time of being lodged shall remain in the custody of the Town Clerk. The wording of the Petition or a summary thereof shall be printed on the Summons for the Court.
2. No Petitioner shall be permitted to address the Court except in reply to questions.

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3. Petitions are to be referred by the Court to the relevant Committee(s) for further consideration.

PART 3 – Committees and Sub-Committees

21. Appointment

The annual appointment of Committees of the City of London Corporation will take place at the first regular meeting of the Court of the ~~civic municipal~~-year, which will normally follow the annual Wardmotes and be held in April.

22. Committee Limit

1. Subject to (3) below no Member shall serve on more than six Committees, be they Ward or Non-Ward Committees;
2. For the purposes of this Standing Order, the following exemptions are to be made:
 - Natural Environment Board and the West Ham Park Committee shall count as one Committee.
 - Crime and Disorder Scrutiny Committee
 - Local Government Pensions Board
 - Health & Social Care Scrutiny Committee
 - Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee⁷
3. This limit shall not apply:
 - (a) If a vacancy on a committee has been advertised on at least two occasions and remains unfilled. In such circumstances, a Member may serve on that committee even though it may cause the limit to be exceeded for the remainder of the ~~civic municipal~~-year.
 - (b) Where service on Committees is in an ex-officio capacity.

23. Ward Committees

1. Ward Committees comprise at least two Aldermen together with a number of Commoners as detailed in Standing Order No. 23(3).
2. The Aldermen shall be appointed on the basis of nominations by the Court of Aldermen (notwithstanding SO 23(5)).
3. The Commoners shall be appointed on the basis of:
 - (a) one Member from each Ward (regardless of whether the Ward has sides) having five or fewer Members;

⁷ The FCCRASP Committee is time limited – this Standing Order is to be deleted upon the expiration of the Committee.

- (b) two Members from each Ward (regardless of whether the Ward has sides) having six or more Members;
 - (c) one Member representing a Ward or Side of Ward that has agreed to pair with another Ward, which is geographically nearby, for the purpose of representation on one or more Ward Committees;
 - (d) up to two Members on the Community and Children's Services Committee from Wards with 200 or more residents (as determined by the Ward Lists).
4. Wards shall choose whether to nominate a Member(s) to serve on each of the several Ward Committees.
 5. In the event that a Ward's Common Councillor/s does not wish, for whatever reason, to be nominated to serve on a Ward Committee, the appointment can, if the Ward so chooses and the Alderman is in agreement, be taken by the Alderman of the Ward.
 6. After consultation with the Members of their Wards, the Deputies of the Ward shall submit the nominations to the Town Clerk subject to the following: -
 - (a) the term of office of a Member on a Ward Committee is one year;
 - (b) a Member who has served four terms on a Ward Committee, separately or consecutively, is not eligible for appointment for a further term whilst there is a Member of the Ward who has not served and wishes to do so, unless the majority of the Members of the Ward so decide.
 - (c) If a Member does not believe Standing Orders 23(6) a-b have been followed, said Member may write to the Ward Deputy and Town Clerk requesting an opportunity to review the nomination.
 7. If a Ward chooses not to nominate a Member(s) (Common Councillors or the Alderman of the Ward) to serve on a Ward Committee, the Town Clerk shall notify the vacancy to all Members and seek nominations prior to the appointment being made by the Court.

24. Non-Ward Committees

1. Non-Ward Committees comprise Members elected by the Court for either: -
 - (a) a specific term at the end of which, if eligible, the Member must seek re-election; or,
 - (b) an indefinite term subject to annual re-appointment by the Court.
2. Any Member wishing to serve must notify the Town Clerk in writing and all applications received will be listed on the Summons for the meeting of the Court at which the appointment is to be made. If necessary, a ballot will take place in accordance with Standing Order Number 10.

25. Vacancies

1. When a vacancy occurs in any Committee or Sub-Committee (where appointed by the Court), the Member elected to fill it will continue for the remainder of the term of the Member creating the vacancy, and such part of the term will count as a full term for the purposes of Standing Orders Numbers 23 (5).
2. Prior to the expiry of a completed term of office on a Non-Ward Committee, or when vacancies arise, all Members will be notified by the Town Clerk no less than two weeks before the meeting of the Court. In the event that the Member does not respond, it shall be assumed that they wish to re-stand, unless they are otherwise ineligible to do so. Members may be permitted to withdraw their nomination at any time.

~~26. [Not used].~~

27. Sub-Committees

1. The Committees of the City of London Corporation may at any time: -
 - (a) constitute, dissolve, or alter the membership of a Sub-Committee set up by them;
 - (b) within its terms of reference from the Court, authorise a Sub-Committee to act on behalf of the main Committee;
 - (c) appoint a Working Party to consider and report on particular matters but such Working Party shall have no delegated powers.

N.B. The constitution of any new Sub-Committee or Working Party shall be subject to the approval of the Policy & Resources Committee (as the committee responsible for oversight of the Court's governance arrangements).
2. The role of Chair of a Sub-Committee is to be elected from and by the membership of the Appointing Committee unless otherwise prescribed within that Sub-Committee's constitution. The process for the appointment of Sub-Committees and their Chairs is set out in Addendum 2A.
3. In order to be eligible to stand as Chair of a Sub-Committee the Member must be a Member of the Appointing Committee. This includes Ex-Officio Members. External Members may stand, providing there is no other reason by which they must be precluded from doing so⁸.

⁸ For a Sub-Committee Local Authority Functions with decision making powers, it may not be legitimate for an External Member to hold the position of Chair or Deputy Chair, due to restrictions set out within s. 13 of the Local Government and Housing Act 1989.

4. A Member who has served three consecutive terms as Chair of a Sub-Committee, is not eligible for appointment for a further term in that office whilst there is an eligible Member that has not served and wishes to do so.
5. Ex-Officio Members of the Appointing Committee are eligible to vote in these appointments; External Members may only vote if they have voting rights conferred unto them by the Court of Common Council.
6. The role of Deputy Chair of a Sub-Committee is to be determined from and by the membership of Sub-Committee itself. The election of Deputy Chair will take place in accordance with Addendum 2B.
7. In order to be eligible to stand as Deputy of a Sub-Committee the Member must be a Member of the Sub-Committee. This includes Ex-Officio Members. External Members may stand, providing there is no other reason by which they must be precluded from doing so⁹.
8. In the event that the Chair is unable to be present at the first meeting of the Sub-Committee, the immediate past Chair, or the most senior Member present, should be moved into the Chair until such a time that the Deputy Chair is elected.
9. In the event that there are no nominees for the positions of either Chair or Deputy Chair of a given Sub-Committee, the Chair and/or Deputy Chair of the Appointing Committee will automatically assume the position(s), to be determined between themselves.
10. Expressions of interest for membership on Sub-Committees, and their Chairship, must be no more than 150 words in length and be received by the Town Clerk not later than one full working day prior to the scheduled date of the meeting of the Appointing Committee.
11. Expressions of interest to act as Deputy Chair of a Sub-Committee, must be no more than 150 words in length and be received by the Town Clerk not later than one full working day prior to the scheduled date of the meeting of the Appointing Committee.

~~the Chair and Deputy Chair of the appointing Committee, or their nominee(s), subject to the support of the wider Committee Membership. Policy & Resources Committee can approve exceptions to this practice.~~

12. The proposed composition of Sub-Committees shall not be increased solely to avoid a ballot for contested vacancies without the consent of the appointing Committee.
13. In instances where the Court of Common Council has appointment rights to a Sub-Committee, these will be made for terms of up to four years (to be determined by the Appointing Committee).

⁹ For a Sub-Committee Local Authority Functions with decision making powers, it may not be legitimate for an External Member to hold the position of Chair or Deputy Chair, due to restrictions set out within s. 13 of the Local Government and Housing Act 1989.

14. The quorum for a Sub-Committee shall be any three of its Members, unless otherwise specified by the appointing Committee or the Court.

15. The Chair of a Sub-Committee shall have the same powers over that Sub-Committee, as prescribed unto Committee Chairs¹⁰.

28. Joint Meetings of Committees

In the event of a reference to a Joint Meeting of any of the Committees and/or Sub-Committees of the Court, the quorum shall be nine, comprising no fewer than three Members of each participating Committee or Sub-Committees.

29. Chairs/Chairmen

1. Each Committee shall have a Chair/Chairman who will: -

- (a) preside at every meeting of the relevant Committee at which they are present;
- (b) sign the minutes of proceedings of the previous meeting when approved as a correct record;
- (c) in case of an equality of votes, have a second casting or casting vote. If the Chair/Chairman is unwilling to exercise a second or casting vote the decision shall be taken by lot;
- (d) determine all questions of order;
- (e) have power, after consultation with the Deputy Chair/Chairman, and subject to consultation with the Town Clerk and necessary Chief Officers to:-
 - convene an additional meeting;
 - vary the ~~date and/or time and/or~~ place of a scheduled meeting before the Summons has been issued, providing it meets accessibility requirements;
 - cancel a meeting if, in their opinion, there is insufficient business to warrant the holding of such a meeting or for other reasons.
 - Reschedule a meeting if ~~both they and their Deputy Chair/Chairman are no longer able to be in attendance at that meeting and, upon review of the nature of the business intended for the meeting,~~ believed to be it is in the best interests of the Corporation to do so and providing the committee has also been consulted, if less than three months' notice is given.¹¹

2. The term of service of Chairs/Chairmen, subject to annual re-election, is limited as follows: -

¹⁰ See Standing Order 29(1)

¹¹ In the event that neither the Chair nor Deputy Chair are able to attend at the agreed time, the meeting can be chaired by an alternate Member for that one meeting (to be appointed by the Committee on the day).

Policy & Resources Committee	5 years*
Finance Committee	5 years*
City of London Police Authority Board	4 years*
Barbican Centre Board	4 years*
City Bridge Foundation Board	4 years*
Boards of Governors of the three	
City of London Independent Schools	6 years*
Other Committees	3 years*

*The years to run consecutively.

(For the purpose of this Standing Order, if a Member is elected to the Chair during the course of the year, a period of service commencing before 1 October shall count as one year; a period of service commencing on or after 1 October shall not count as one year).

3. A Member is ineligible to seek election as Chair/Chairman of a Ward or Non-Ward Committee (other than a specifically appointed Reception Committee) in the following circumstances: -

(a) If they are already a Chair/Chairman of another Committee (Ward or non-Ward), other than in the case of the following Committees: -

- Gresham (City Side)
- Health & Social Care Scrutiny Committee
- Crime and Disorder Scrutiny Committee
- Health & Wellbeing Board
- Local Government Pensions Board
- ~~Natural Environment Board~~
- ~~West Ham Park Committee~~
- Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee¹²

NB for the purposes of this Standing Order, the Natural Environment Board and West Ham Park Committee will count as one Committee.

(b) If they are resident in, or a tenant of, any property owned by the City of London Corporation they may not be Chair/Chairman of the Committee or Sub-Committee having control of such property (with the exception of the Community & Children's Services Committee);

(c) If they are an ex-officio Member of a Committee;

(d) If they are the Deputy Chair/Chairman of the Audit & Risk Management Committee for the time being.

(e) External Members may not stand as Chairs of Committees.

¹² The FCCRASP Committee is time limited – this Standing Order is to be deleted upon the expiration of the Committee.

4. Ahead of the first meeting of each Committee following the annual appointment, the Town Clerk will seek written expressions of interest from Members who are willing and eligible to take the Chair. Such expressions of interest must be received by the Town Clerk not later than one full working day prior to the scheduled date of the meeting.
5. In the event that no expressions of interest have been received by the deadline stated in Standing Order 29(4), the Town Clerk will seek expressions of interest under the relevant agenda item at the meeting of the Committee.
6. The names of those who are willing to serve will be voted on by Ballot. The successful candidate will require a majority of the votes cast. In the absence of any candidate achieving a majority of votes in the first round of voting:
 - (a) the candidate with the fewest votes will be eliminated;
 - (b) if there is more than one candidate securing the fewest but identical number of votes, then a ballot will be held between those candidates to determine which will drop out;
 - (c) candidates may also elect to withdraw at this stage;
 - (d) a further ballot will be held amongst the remaining candidates and the procedure in (a) to (c) repeated until one candidate has obtained a majority of the votes cast.
8. Ex-officio Members of a Committee are not eligible to vote in the election of Chair/Chairman of that Committee other than in the case of the Policy & Resources Committee.

30. Deputy Chairs/Chairmen

1. Each Committee, with the exception of the Policy and Resources Committee, shall have a Deputy Chair/Chairman who will, in the absence of the Chair/Chairman, have the powers, duties and rights of the Chair/Chairman.
2. With the exception of the first and fifth year of a chairmanship, the Policy and Resources Committee shall have three Deputies, one of whom shall be designated the Deputy Chair/Chairman to exercise the formal responsibilities of that role, with the remaining two Vice Chairs/Chairmen.
3. In the case of all Committees: -
 - (a) the immediate past Chair/Chairman, if ~~in Common Council~~ on the Committee and if willing to serve, will be eligible to serve as Deputy Chair/Chairman for the first year upon the election of a new Chair/Chairman, subject to election by the Committee in the usual way;
 - ~~(b) if the immediate past Chair/Chairman is not in Common Council or is not willing to serve in the office, the Deputy Chair/Chairman (or Deputy/Vice~~

~~Chairs/Chairmen in the case of the Policy and Resources Committee) will be elected in accordance with Standing Order Number 30 (5);~~

- (c) ~~when the immediate past Chair/Chairman has completed their year of office as Deputy Chair/Chairman, all the Members of the Committee with the exception of the said Deputy Chair/Chairman and those who are ineligible by virtue of Standing Order Number 30 (4), are eligible to seek election as Deputy Chair/Chairman.~~

4. A Member is ineligible to seek election as Deputy Chair/Chairman of a Ward or Non-Ward Committee (other than a specially appointed Reception Committee) in the following circumstances: -

- (a) if they are resident in, or a tenant of, any property owned by the City of London Corporation they may not be Deputy Chair/Chairman of the Committee or Sub-Committee having control of such property;
- (b) if they are an ex-officio Member of a Committee they may not be Deputy Chair/Chairman of that Committee except in the case of the immediate past Chair/Chairman for the first year upon election of a new Chair/Chairman.
- (c) External Members may stand as Deputy Chairs of Committees, if set out explicitly in the Court Order (i.e. where there is express provision for an External Deputy Chair).

5. Ahead of the first meeting of each Committee following the annual appointment, the Town Clerk will seek written expressions of interest from Members eligible for election as Deputy Chair/Chairman (or Deputy/Vice Chairs/Chairmen in the case of the Policy and Resources Committee) and who are willing to serve. Such expressions of interest must be received by the Town Clerk not later than one full working day prior to the scheduled date of the meeting.

6. In the event that no expressions of interest have been received by the deadline stated in Standing Order 30(5), the Town Clerk will seek expressions of interest under the relevant agenda item at the meeting of the Committee.

7. The names of those who are willing to serve will be voted on by ballot. The successful candidate will require a majority of the votes cast. In the absence of any candidate achieving a majority of votes in the first round of voting:

- (a) the candidate with the fewest votes will be eliminated;
- (b) if there is more than one candidate securing the fewest but identical number of votes, then a ballot will be held between those candidates to determine which will drop out;
- (c) candidates may also elect to withdraw at this stage;
- (d) a further ballot will be held amongst the remaining candidates and the procedure in (a) to (c) repeated until one candidate has obtained a majority of the votes cast.

8. The election of the three Deputy/Vice Chairs/Chairmen of the Policy and Resources Committee shall be undertaken as follows: -

(a) The election of a Deputy Chair shall be undertaken first, as follows: -

- i. Where the number of candidates is less than or matches the number of vacancies (i.e., one) the candidate will automatically be treated as being elected to office.
- ii. In the event of a contest, the names of those who are willing to serve will be voted on by ballot. The successful candidate will require a majority of the votes cast. In the absence of any candidate achieving a majority of votes in the first round of voting:
 - the candidate with the fewest votes will be eliminated;
 - if there is more than one candidate securing the fewest but identical number of votes, then a ballot will be held between those candidates to determine which will drop out;
 - candidates may also elect to withdraw at this stage;
 - a further ballot will be held amongst the remaining candidates and the procedure above repeated until one candidate has obtained a majority of the votes cast.

(b) For the election of two Vice Chairs: -

- i. Where the number of candidates is less than or matches the number of vacancies (i.e., two) the candidates will automatically be treated as being elected to office.
- ii. Where there are more candidates than vacancies, a ballot will be undertaken with Members indicating their preferred candidate(s). Members can choose not to vote for the maximum number of candidates.
- iii. Once votes have been cast and counted, any candidate having 50% or more of the number of votes will be elected.
- iv. Unless the candidates each secure 50% of the vote, the candidate with the least number of votes will drop-out automatically. If there is more than one candidate securing the least but identical number of votes then a ballot will be held between those candidates to determine which one will drop-out. Other candidates may also elect to withdraw at this stage.
- v. A further ballot will be held amongst the remaining candidates and any candidate securing 50% or more of the vote will be elected. This process will be repeated until all vacancies are filled.

- vi. There may come a point in the process where a candidate or candidates with the least number of votes drops out, leaving a number of candidates that matches the number of vacancies. In those circumstances, no further ballot is necessary as the candidates will automatically be treated as being elected to office (without having to secure 50% of the vote).
9. Ex-officio Members of a Committee are not eligible to vote in the election of Deputy Chair/Chairman of that Committee other than in the case of the Policy & Resources Committees.

31. Ward Reception Committees

1. Unless there are specific reasons for the arrangements for any hospitality relating to a visiting Head of Government or State (or other guest of the sovereign to whom official hospitality is to be extended) being referred to a Standing Committee, responsibility will be referred to a Ward Reception Committee appointed by the Court.
2. The Town Clerk is authorised to summon the first meeting of the Committee.
3. The appointment of Commoners shall be by rotation within the total membership of the Common Council, and before the appointment of a Ward Reception Committee, the Town Clerk shall notify each Member next on the rota for appointment. If a Member does not wish to serve on the next Ward Reception Committee, the Town Clerk shall liaise with the next Member on the rota to fill the vacancy.
4. The appointment of Aldermen shall also be by rotation, comprising two Aldermen above the Chair and four Aldermen below the Chair.
5. In the event of an entertainment for which a Ward Reception Committee has been appointed, not taking place, the Aldermen and Commoners serving on that Committee shall be re-appointed on the next available Ward Reception Committee.
6. A Member is eligible to seek election as Chair/Chairman of a Ward Reception Committee in the following circumstances: -
 - (a) provided they have completed two years' service on the Court;
 - (b) provided they are not an ex-officio Member of the Committee;
7. A Member may chair one Royal or State Ward Reception Committee and one Non-Royal or Non-State Ward Reception Committee, in either order. A Member may serve as chair of more than one Ward Reception Committee only where there is specific justification to do so, such as exceedingly close connections with the proposed state. This will be up to the Ward Reception Committee to determine by majority vote.

8. The provisions of Standing Order Number 29 as regards the election of a Chair/Chairman shall be applied at the first meeting of the Committee. Thereafter, the Member elected as Chair/Chairman will, subject to being in Common Council, continue in that office until the function has taken place.
9. If, after the list of Members eligible to serve as Chair/Chairman of a Ward Reception Committee has been read, no Member has sought election, a second list shall be read in which all Members of the Committee are eligible.
10. The Chief Commoner for the time being will serve as the Deputy Chair/Chairman.

32. Access to Meetings

1. All meetings of Committees and Sub-Committees are open to the public unless: -
 - (a) confidential information as defined in Section 100A(3) of the Local Government Act 1972 is to be discussed; or,
 - (b) a resolution has been passed to exclude the public as there is likely to be disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972;

In respect of non-local authority and non-police authority functions this Standing Order is not applied unless the Court of Common Council (in relation to Committees) or a Committee (in relation to ~~or~~ Sub-Committees) determines otherwise.

2. The filming, photographing or making of audio recordings of meetings will be allowed in accordance with the City of London Protocol on the filming/recording of meetings adopted by the Court in May 2014.

33. Notice of Meetings

1. Public notice of the time and place of meetings of Committees and Sub-Committees will be posted in an appropriate place at least five clear working days before the meeting, or if a meeting is convened at shorter notice, then at the time it is convened.
2. Where public notice is not required for Committees and Sub-Committees discharging solely non-local authority and non-police authority functions, Members will be issued notice of the time and place of meetings of Committees and Sub-Committees five clear working days before the meeting, or if a meeting is convened at shorter notice, then at the time it is convened.

34. Summons

1. The Town Clerk will issue a Summons for each meeting stating the time and place at which the Committee or Sub-Committee will meet and setting out the order of

business.

2. Any Committee or Sub-Committee may be summoned upon the written requisition of a number of its Members not less than the quorum of the Committee or Sub-Committee, provided they have business to lay before the Committee or Sub-Committee. Such business will be set out in detail together with the reason(s) why the matter(s) to be raised could not wait until the next regular meeting.
3. A special meeting of a Committee or Sub-Committee shall not, except in the case of absolute necessity, be called on the same morning or afternoon as that appointed for the regular meeting or another Committee, and under any circumstances the special meeting shall be called at a different time from that of the other Committee.
4. Except in cases of urgency or where circumstances make it impracticable, the Summons and accompanying papers will be sent to Members five clear working days in advance of the meeting.
5. A limit to the number of Committees to consider a specific item of business shall be limited to no more than three (a sub-committee, a Service Committee and a Corporate Committee). The most appropriate Committee(s) in each instance shall be determined by the Town Clerk and relevant Chairs notified to provide an opportunity for objection and reappraisal. In the event of an objection, the final judgement of the Lord Mayor and Chief Commoner shall be sought. It shall not be permitted for this decision to be overturned on the appointment of their respective successors.

35. Attendance

1. Members are entitled to attend meetings of Committees and Sub-Committees of which they are not Members, but must not vote or, without the permission of the Chair/Chairman of the meeting, speak on any matter.
2. If a question is referred by the Court to any Committee to examine and report, the Member moving the reference shall be invited to attend the Committee in the event that they are not a Member of that Committee and shall be permitted to take part in any discussion that may arise therefrom, but not vote on the matter.
3. Consistent with the principles set out in Standing Order 45, in exceptional circumstances¹³ in non-public session ~~(including when the Independent Appeals Panel are considering the conduct of a Member of the Court or an co-opted Member in relation to the City of London Corporation's Code of Conduct for Members, deliberations for licensing applications, specific staffing matters or where information has been conferred to the Corporation in confidence by the~~

¹³ Such as (but not limited to) when the Panel of Independent Persons are considering the conduct of an elected Member or a co-opted Member in relation to the City of London Corporation's Code of Conduct for Members, deliberations for licensing applications, specific staffing matters of significant commercial interest, or where information has been conferred to the Corporation in confidence by the Royal Household or His Majesty's Government.

Royal Household or His Majesty's Government), no Member, or co-opted Member, who is not a Member of that Committee or Sub-Committee, is permitted to attend the proceedings other than those who have been requested or allowed to attend by the Chair or Panel.

36. Quorum

1. The quorum for each Committee shall be set annually by the Court when the Committees are appointed in accordance with Standing Order Number 21.
2. If the quorum is not established within five ten minutes of the time stated on the Summons, the formal meeting will be dissolved and formal consideration of the business adjourned to the next regular meeting unless, in the opinion of the Chair/Chairman, a special meeting should be called before that date.
3. If, during a meeting of a Committee or Sub-Committee, a quorum ceases to exist the meeting shall adjourn until a quorum is re-established. If there is no reasonable likelihood that it will be re-established within 15 minutes, the meeting will be dissolved and all remaining business adjourned to the next meeting. Any items that have not been considered by the meeting before its dissolution and which, in the opinion of the Chair/Chairman, require a decision before the next meeting will be considered in accordance with Standing Order Number 41.

37. Conduct of Debate

1. All debate at meetings of Committees and Sub-Committees will be managed through the Chair/Chairman. Members must indicate clearly their wish to speak. If two or more Members wish to speak, the Chair/Chairman will determine the order of speakers.
2. Every Member must confine their speech strictly to the Report, Motion or Amendment under discussion or to a point of order or explanation, and must not be repetitious. The ruling of the Chair/Chairman on issues of relevance or repetition is final.
3. Any Amendment so moved shall relate to the subject matter of the Motion or Report. To ensure the efficient management of the Committee or Sub-Committee's business and in the best interests of the conduct of debate (including any concerns of legal implications or consequences) Members are encouraged to submit advanced notice of any amendments.
4. Upon an amendment being moved during debate without prior notice, there shall be a pause of no more than five minutes to allow for these amendments to be settled with the Town Clerk, to provide absolute clarity on what is being debated and voted on.
5. Upon an Amendment being put and seconded, debate on the Amendment will commence. Following the debate, the Mover of the Amendment may be permitted a final opportunity to speak, after which, Amendment will be put to the Committee

or Sub-Committee for decision, to be carried by simple majority, before returning to debate on the substantive Report or Motion.

6. At any time, a Member may raise a point of order or make a personal explanation necessitated by the statement of another Member. Any Member speaking at the time must give way when a point of order or personal explanation is made. A point of order shall relate only to an alleged breach of Standing Orders or statutory provision. A personal explanation shall be confined to some material part of a former speech by the Member at the same meeting, which may have been misunderstood. The ruling of the Chair/Chairman on a point of order or the admissibility of a personal explanation is final.
7. If a Member stands (or, if unable to do so, indicates otherwise) either while another Member is addressing the Committee or, if there is a Motion before the Committee, at the conclusion of a speech, and moves *'That the question be now put'*, and this Motion is seconded and carried, that question shall be put forthwith and without debate unless the Chair/Chairman is of the opinion that the Motion is premature or in any sense is an abuse of the rules of the Committee. In no case shall the Mover be precluded from a right to reply should they elect to exercise it.

38. Decisions

1. Decisions made by Committees and Sub-Committees will be either unanimous or will represent the view of the majority of those Members present and eligible to vote. The Town Clerk will, if requested, record in the minutes of a meeting the name(s) of any Member(s) dissenting from a majority decision.
2. If, in the opinion of the Chair/Chairman, it is unclear whether a majority has been achieved or lost on a particular question, the Chair/Chairman will request those in attendance and eligible, to indicate their votes 'for' or 'against' by show of hands, to be conducted by the Town Clerk and confirmed by the Chair/Chairman. Abstentions may also be recorded.
3. If a full division is sought, the Town Clerk will record in the minutes the division of Members' votes, by name, providing this has the support of a fifth of Committee or Sub-Committee Members present and voting.
4. Pursuant to Standing Order 29(1)(c), in the event of an equality of votes, the Chair/Chairman may exercise a casting vote. If they do not wish to exercise this right, then the decision shall be taken by lot.

39. Disorder

During both Committee and Sub-Committee meetings, in the event of disorder or a persistent disregard of the authority of the Chair/Chairman, and if they consider it necessary in the interests of maintaining order, the Chair/Chairman will ask that there be no further interruption. If the interruption continues, they may:-

- (a) direct the Member(s) causing disorder or disregarding their authority to

retire for the remainder of the meeting or for such shorter period as the Chair/Chairman may decide. In the event of non-compliance with that instruction, and with the consent of the majority of the Committee or Sub-Committee to be shown determined immediately on a show of hands, the Chair/Chairman shall take all reasonable steps for the removal of such Member(s) from the meeting;

(b) require a member(s) of the public to be removed from the meeting.

40. Duration

If, after two hours from the appointed time for the start of the meeting, the business has not concluded, the meeting will close and any unfinished business will stand adjourned to the next meeting unless a two-thirds majority of the Members present wish the meeting to continue, and subject to there being a quorum.

41. Decisions between Meetings

Between scheduled meetings of each Committee or Sub-Committee, if:

- (a) in the opinion of the Town Clerk, it is urgently necessary for a decision to be made; or
- (b) the Committee or Sub-Committee have delegated power to the Town Clerk to make a decision.

then the powers of the Committee or Sub-Committee may, where lawfully possible, be exercised by the Town Clerk. Before exercising this power, they shall seek and obtain the comments of the Chair/Chairman and Deputy Chair/Chairman of the Committee or Sub-Committee or, failing either of them, their nominees. Other than where circumstances make it impracticable, the wider views of the committee or sub-committee membership shall also be sought. Each action or decision shall be reported to the next regular meeting of the Committee or Sub-Committee.

42. Conferences

1. Members and Officers are authorised to attend events (i.e. conferences, congresses, seminars, meetings, exhibitions etc.) on behalf of the City of London Corporation in accordance with the Business Travel Scheme and Financial Regulations.

43. Outside Bodies

1. A Member may serve as a representative of the City Corporation on no more than six outside bodies at the same time.
2. Standing Order Number 43(1) shall not apply to ex-officio appointments to outside

bodies including those that apply to the Court of Aldermen.

PART 4 – Interests

44. Interests

1. If a matter for decision is under consideration by the Court, or any Committee thereof, in which a Member has an interest they must act in accordance with the provisions of the Localism Act 2011 and the Members' Code of Conduct.

PART 5 – Access to Documents

45. Access to Documents

1. A Member of the Court is entitled to inspect, or be provided with a copy of, documents belonging to the City of London Corporation that it is reasonably necessary for them to see in order to carry out their duties as a Common Councilman or Alderman. Consistent with this presumption of a Member's entitlement to access documents, a Member has a right of access to all documents relating to business transacted or to be transacted at a meeting of the Court of Common Council, a Committee or Sub-Committee as set out in Standing Order Number 45 (2) and (3).
2. In respect of the City Corporation's local authority and police authority functions a Member has a right of access to all documents relating to business transacted or to be transacted at a meeting of the Court of Common Council, a Committee or Sub-Committee, although if it appears to the Town Clerk that information contained in the documents is exempt information by virtue of Schedule 12A to the Local Government Act 1972 they have a discretion to withhold the documents from inspection unless the information relates to the financial or business affairs of any particular person, including the City Corporation (except in respect of contract negotiations), or the information relates to any noticed imposing requirements on a person or direction the City Corporation proposes to make under any enactment, in which case the documents are required to be open to inspection.
3. Standing Order Number 45 (2) shall apply to the City Corporation's non-local authority and non-police authority functions and a Member shall have a right of access to all documents relating to business transacted or to be transacted at any relevant meeting of the Court of Common Council, a Committee or Sub-Committee, unless the Town Clerk determines otherwise.
4. Where a request for access to documents is declined by the Town Clerk, the Member may refer the matter to the Chair/Chairman and the Deputy Chair/Chairman of the appropriate Committee or Sub-Committee who will consider the advice of the Town Clerk before either granting or refusing the request.
5. A Member has the same right as a member of the public to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and to have that information communicated to them subject to any exemptions on the disclosure of information properly kept confidential.

6. A Member must preserve the confidentiality of any document containing confidential or exempt information that is in their possession.

PART 6 – Acts of Common Council

46. Bills and Acts

1. A Bill for an Act of Common Council shall be printed and circulated to all Members of the Court before it is submitted to the Court.
2. Every Bill shall be submitted to the appropriate Committee(s) for approval and to the Recorder of London for settling before it is submitted to the Court of Common Council and the report of the appropriate Committee (if any) shall be printed and circulated with the Bill.
3. Unless otherwise ordered by the Court of Common Council, a Bill for an Act of Common Council shall be read a first and second time at one meeting of the Court and shall at the next or a subsequent meeting be read a third time and made an Act of Common Council.

PART 7 – Parliamentary Legislation

47. Bills and Acts

1. No active proceedings for or against any Bill in Parliament (beyond such steps in the case of a Private Bill as may be necessary to obtain or preserve a *locus standi*, or the delivery of formal professional retainers) shall be undertaken without the express authority of the Court, save in a case of emergency which shall be reported at the next ensuing Court.
2. It shall be an instruction to the Remembrancer that where in any Act of Parliament it is necessary to mention or describe the Local Authority for the City of London, such Authority shall be stated to be “The Mayor, Aldermen and Commons of the City of London in Common Council assembled”, or “the Common Council”.

PART 8 – Finance

48. Budgets: Resource Allocation, Revenue Estimates and Capital Budgets

1. Resource allocation plans, revenue estimates and five-year capital budgets shall be prepared annually in respect of the City Fund, City's Estate and the City Bridge Foundation.
2. Resource allocation plans for the subsequent financial year shall for: -
 - (a) City Fund and City's Estate be approved by the Policy & Resources Committee, following previous consideration by the Efficiency & Performance Working Party Sub-Committee and the Resource Allocation Sub-Committee; and
 - (b) City Bridge Foundation be approved by the City Bridge Foundation Board.
3.
 - (a) The Policy & Resources Committee shall determine the basis and assumptions to be adopted in the preparation of detailed revenue estimates and capital budgets for City Fund and City's Estate, together with any provisional resource allocations for those Funds.
 - (b) The City Bridge Foundation Board shall determine the basis and assumptions to be adopted in the preparation of detailed revenue estimates and capital budgets for City Bridge Foundation, together with any provisional resource allocations subject to any overarching policy or budget set by the Court.
4. For City Fund and City's Estate the requirements of the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code shall be complied with, as follows: -
 - (a) the Chamberlain, as Chief Financial Officer, shall:
 - i. report on the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals; and,
 - ii. prepare Prudential Indicators in accordance with the Code.
 - (b) Members shall:
 - i. approve the Prudential Indicators as part of the budget setting process by the Court of Common Council; and,
 - ii. have regard to the Chamberlain's advice regarding the robustness of the estimates and the adequacy of reserves.
5. For City Bridge Foundation (and any other charity for which the City Corporation is the Trustee), the requirements of charity law, guidance provided by the Charity Commission on financial management, and relevant requirements of the Charities

Statement of Recommended Practice shall be complied with as follows: -

- (a) The Chamberlain as Chief Financial Officer, whether or not acting by an authorised delegate with responsibility for the charity, shall report on the robustness of the budgets and adequacy of the charity's free reserves and other contingency sums allowed for in the budget proposals; and
 - (b) Members shall have regard to the Chamberlain's advice regarding the robustness of the budgets and the adequacy of free reserves and other contingency sums.
6. The Chamberlain is required to monitor against the approved Prudential Indicators for City Fund and City's Estate and report, via the Finance Committee, to the Court of Common Council if they are to be breached.
7. All financial items shall be categorised in accordance with the City Corporation's Financial Regulations and final determination of any categorisation shall be the responsibility of the Chamberlain and generally applied as follows:-
 - (a) recurrent revenue items – analysed between central risk, local risk and recharges;
 - (b) one-off revenue projects – analysed between routine revenue projects financed from within existing local risk budgets; supplementary revenue projects financed from one-off augmentations of local risk resources; and,
 - (c) capital projects.
8. Detailed revenue estimates for the subsequent financial year, including all recurrent revenue items and routine revenue projects, shall for City Fund and City's Estate be submitted to each Spending Committee in accordance with the Policy & Resources Committee determination, and for City Bridge Foundation the relevant budgets, analysis of projected movements on reserves and proposed allocation of funding to the charity's primary and ancillary object shall be submitted to the City Bridge Foundation Board. Concurrently, schedules of supplementary revenue projects, along with five-year capital budgets, shall for City's Fund and City's Estate also be presented to each Spending Committee, and for City Bridge Foundation to the City Bridge Foundation Board.
9. The Finance Committee for City Fund and City's Estate, and the City Bridge Foundation Board for City Bridge Foundation, shall as relevant present to the Court of Common Council in March of each year the following: -
 - (a) the revenue estimates for City Fund and City's Estate;
 - (b) the five-year capital budgets and summaries of supplementary revenue projects;
 - (c) the annual budget reports in respect of all revenue and capital proposals for the City Fund and City's Estate, including recommendations as to the Non-Domestic Rate and Council Tax to be levied in the following financial year and the Prudential Code Indicators to apply to the City Fund.

(d) The annual budget reports in respect of all revenue and capital proposals for City Bridge Foundation, alongside analysis of projected movements on all reserves held over the next three years, including an annual review of the reserves policy and proposed allocation of income to the charity's ancillary object which is surplus to that required for the primary object in that year.

10. No Committee of the Court of Common Council or Officer shall commit the City Corporation to expenditure without the approval of the Court of Common Council, unless otherwise provided for in these Standing Orders.
11. Similar principles to those stated in Standing Order 48(9) shall operate, as appropriate, for income items, such that: where income is received outside the City Fund and City's Estate budget set for the relevant year, or outside the annual budget for a charity for which the City Corporation is charity trustee, the relevant Service Committee (for City Bridge Foundation this is the City Bridge Foundation Board) shall be required to authorise acceptance of those funds which must be in accordance with the strategies and plans set for each fund.
12. No proposal (other than the grant or renewal of a lease) shall be carried out, or submitted to the Court of Common Council, until the estimated financial effect has as relevant first been submitted to and approved by the Finance Committee for City Fund and City's Estate, and to the City Bridge Foundation Board for City Bridge Foundation, unless otherwise provided for in these Standing Orders or authorised under existing officer delegated authority.
13. Where expenditure is necessary for which no provision has been made by the Court of Common Council but which will be wholly reimbursed by a person or organisation separate from the City Corporation, the Chamberlain may authorise such expenditure from a holding account.

49. Financial Regulations

1. The Financial Regulations form part of the City Corporation's overall system of financial management, accountability and control and shall be complied with by all City of London Corporation staff.
2. The Financial Regulations are maintained by the Finance Committee.

50. Project Management

1. Save for City Bridge Foundation projects where these responsibilities lie with the City Bridge Foundation Board unless reserved to the Court of Common Council: -
 - (a) approval of the City of London Corporation's programme of projects is the responsibility of the Policy and Resources Committee and Finance Committee through the Projects & Procurement Sub-Committee which scrutinises individual projects, and the Resource Allocation Sub-Committee, which considers the overall programme of project activity and its funding.

- (b) decisions about projects are made in conjunction with Spending Committees and the Projects & Procurement Sub-Committee and the Court of Common Council for high value projects; and
2. Officers shall ensure that all routine revenue, supplementary revenue and capital projects shall comply with the provisions contained within the City of London Corporation's agreed Project Procedure.
 3. The Projects & Procurement Sub-Committee will periodically review the Project Procedure. Technical adjustments and changes to the Procedure may be authorised by the Policy and Resources Committee.
 4. The Town Clerk, in consultation with the Projects & Procurement Sub-Committee for City Fund and City's Estate or with the City Bridge Foundation Board for City Bridge Foundation, or the relevant Chair/Chairman and Deputy Chair/Chairman as appropriate, may vary the Project Procedure in relation to individual projects in cases when it is deemed appropriate to do so, with the exception of: -
 - (a) Approval of schemes for refurbishment or re-development or reinstatement of up to £5,000,000 per scheme / per property, for investment properties, with funding either from the relevant sales pool, providing the sales pool is in credit with sufficient funds to cover the total cost of the scheme, or from other appropriate sources will be granted, as provided for within the Scheme of Delegations to Officers.
 5. The Town Clerk will produce and keep up to date guidance for Officers, in the form of a Project Toolkit, to ensure that the Project Procedure is followed.

51. Procurement and Contract Letting

1. All procurement and contracts activity will be undertaken by Officers in accordance with the City of London Corporation's agreed Procurement Regulations.
2. The Projects & Procurement Sub-Committee will periodically review the Procurement Regulations and may authorise any technical adjustments. Significant changes to the Regulations require the approval of the Court of Common Council. The City Bridge Foundation Board shall be consulted in advance of any changes adopted which will have an impact upon the charity.
3. The Chamberlain will produce and keep up to date guidance for Officers to ensure the Procurement Regulations are followed.

52. Writing-Off Debts

1. Any Committee appointed by the Court of Common Council may agree, with the concurrence of the Chamberlain, to the writing-off of a debt due to the Corporation if satisfied that: -
 - (a) the debt is no longer recoverable at law; or,

(b) the cost to the City Corporation of commencing or continuing recovery at law is likely to exceed the amount of the debt or the balance uncollected; or,

(c) there are reasonable grounds for writing-off the debt subject to the amounts in excess of £500,000 for investment property debt, and £100,000 for all other City Fund and City's Estate being approved by the Finance Committee and for City Bridge Foundation being approved by the City Bridge Foundation Board.

(NB. 1. Standing Order Number 52 (1) (c) shall not apply to the Barbican Centre Board

N.B. 2. The financial limit for writing-off school fees shall be £3,500 per term).

2. Each Committee's powers under (1) above are delegated to specific Chief Officers in accordance with the relevant sections of the Scheme of Delegations.

PART 9 – Property

53. Corporate Plans and Strategies

1. The City of London Corporation shall develop and adopt plans and strategies for the management and investment of its property assets as follows: -
 - (a) Corporate Asset Management Strategy which shall be subject to regular review (not less than every five years) by
 - the Resource Allocation Sub-Committee and approval by the Policy & Resources Committee for City Fund and City's Estate; and
 - the City Bridge Foundation Board for City Bridge Foundation;
 - (b) Investment Property Strategies which shall be subject to annual reports and regular review (not less than every three years) by
 - the Investment Committee, Finance and Policy & Resources Committees for City Fund and City's Estate, and
 - the City Bridge Foundation Board for City Bridge Foundation.
2. The plans and strategies referred to in Standing Order Number 53 (1) shall be based on assumption that all property transactions are on open market terms.
3. All property transactions shall be made in accordance with the plans and strategies referred to in Standing Order Number 53 (1).
4. Any proposed property transactions, including transactions which together form part of a series of transactions, that are not in accordance with the plans and strategies referred to in Standing Order Number 53 (1) or are not based on open market terms shall be subject to the approval of,
 - (a) the originating Committee and the Resource Allocation Sub-Committee (for non-investment property) and the Investment Committee (for investment Property) for City Fund and City's Estate, and the City Bridge Foundation Board for City Bridge Foundation; and
 - (b) the Court of Common Council if required by the parameters set out in Standing Orders Numbers 55, 57 (2), 58 and 59.

54. Capital Buildings Board (Policy & Resources Committee)

Where projects have been referred to, or are within the remit of, the Capital Buildings Board, decisions in relation to the acquisition and disposal of properties related to the project, including disposal or alternative use of current operational properties to be vacated on completion of the project, shall sit outside of the normal Standing Orders (53-60) governing acquisitions and disposals.

55. Acquisitions

1. For the purpose of this Standing Order, the following definitions shall apply: -

City Fund & City's Estate: -

“investment property assets” - properties within the remit of the Investment Committee that are managed by the City Surveyor as investments yielding capital and/or revenue returns.

“operational property assets” - properties within the day-to-day control of committees that are held primarily for the provision of operational services by or on behalf of the City of London.

City Bridge Foundation: -

“investment property assets” properties, whether endowment or invested income funds, which are managed by the City Surveyor as investments yielding capital and/or revenue in accordance with the investment strategies and policies set for the charity.

“operational property assets” properties which are held for use by the charity.

2. Acquisitions of interests in investment property assets shall follow the City Corporation's agreed Investment Property Acquisition Procedure adopted for each Fund and require the following approvals: -

City Fund: -

Total Acquisition Costs	Approval by
Less than £5,000,000	Investment Committee and Finance Committee
£5,000,000 and above	Investment Committee, Finance Committee and Court of Common Council

City's Estate: -

Total Acquisition Costs	Approval by
Less than £5,000,000 (subject to funding being available in the relevant Designated Sales Pool)*	Investment Committee and Finance Committee
£5,000,000 and above	Investment Committee, Finance Committee and Court of Common Council

City Bridge Foundation: -

Total Acquisition Costs	Approval by
Less than £5,000,000 (subject to funding being available in the relevant Designated Sales Pool)*	City Bridge Foundation Board
£5,000,000 and above	City Bridge Foundation Board and Court of Common Council

**If funding is not available in the relevant Designated Sales Pool the approval of the Court of Common Council shall also be required.*

3. Acquisitions of interests in operational property assets, and for City Bridge Foundation this includes a decision to re-purpose investment property as an operational property asset, shall require the following approvals: -

City Fund & City's Estate: -

Total Acquisition Costs	Approval by
Less than £2,500,000	Spending Committee and Resource Allocation Sub-Committee
£2,500,000 and above	Spending Committee and Resource Allocation Sub-Committee and Court of Common Council

City Bridge Foundation: -

Total Acquisition Costs	Approval by
Less than £2,500,000	City Bridge Foundation Board
£2,500,000 and above	City Bridge Foundation Board and Court of Common Council

56. Identification of Property Assets Surplus to Departmental and/or Operational Requirements

1. Committees are required to consider the effective and efficient use of all operational property assets within their management and control. For City Fund and City's Estate property this will be monitored by the Resource Allocation Sub-Committee. For City Bridge Foundation property this will be monitored by the City Bridge Foundation Board.

2.
 - (a) For City Fund and City's Estate operational property, where assets are no longer required, in whole or in part, for the provision of operational services for which they are currently held, a report on the circumstances must be made to the Resource Allocation Sub-Committee. This does not apply where lettings are an integral part of the service e.g. market or housing tenancies.

 - (b) For City Bridge Foundation operational property, where assets are no longer required for use by the charity, a report on the circumstances must be made to the City Bridge Foundation Board.

57. Freehold Disposals

1. Disposals of freeholds subject to 2000 year leases and of former freehold highway land shall for City Fund and City's Estate be subject to the approval of the Investment Committee (investment property assets) or the Resource Allocation Sub-Committee (for non-investment property assets), and for City Bridge Foundation be subject to the approval of the City Bridge Foundation Board.

2. All other freehold disposals shall require the following approvals: -

City Fund and City's Estate: -

Anticipated Receipt	Approval By	
	<i>Investment Property Asset</i>	<i>Non-Investment Property Asset</i>
Less than £1,000,000	Investment Committee	Officer Delegation
£1,000,000 to less than £5,000,000	Investment Committee and Finance Committee	Officer Delegation
£5,000,000 and above	Investment Committee, Finance Committee and Court of Common Council	Resource Allocation Sub-Committee and Court of Common Council

City Bridge Foundation: -

Anticipated Receipt	Approval By	
	<i>Investment Property Asset</i>	<i>Non-Investment Property Asset</i>
Less than £5,000,000	City Bridge Foundation Board	Officer Delegation
£5,000,000 and above	City Bridge Foundation Board and Court of Common Council	City Bridge Foundation Board and Court of Common Council

58. Leasehold Disposals/Surrenders

1. All lettings shall be subject to the following: -

- (a) lettings for a period of 30 years or less, including lease renewals and the grant of easements, wayleaves and similar arrangements as well as all rent reviews, shall be solely subject to the approval of the Committee having control of such property or any properly authorised Officer (under the scheme of delegations): -
- (b) for City Fund and City's Estate the grant of any lease at less than full rack rental value for a period of 175 years or less (including optional extensions of term) shall require the approval of the Investment Committee (investment property assets) or the Resource Allocation Sub-Committee (for non-investment property assets), any premium being subject to the following approvals: -

City Fund and City's Estate: -

Anticipated Premium Receipt (1) (2)	Approval By	
	<i>Investment Property Asset</i>	<i>Non-Investment Property Asset</i>
Less than £2,500,000	Officer Delegation	Officer Delegation
£2500,000 to less than £5,000,000	Investment Committee and Finance Committee	Resource Allocation Sub-Committee
£5,000,000 and above	Investment Committee, Finance Committee and Court of Common Council	Resource Allocation Sub-Committee and Court of Common Council

- (c) for City Bridge Foundation the grant of any lease at less than full rack rental value for a period of 175 years or less (including optional extensions of term) shall require the approval of the City Bridge Foundation Board, any premium being subject to the following approvals: -

City Bridge Foundation: -

Anticipated Premium Receipt (1) (2)	Approval By	
	<i>Investment Property Asset</i>	<i>Non-Investment Property Asset</i>
Less than £5,000,000	City Bridge Foundation Board	City Bridge Foundation Board
£5,000,000 and above	City Bridge Foundation Board and Court of Common Council	City Bridge Foundation Board and Court of Common Council

(1) For the purpose of these Standing Orders 'receipt' means receipt by the City of London Corporation.

(2) And where the rent is no more than £1,000,000

- (d) the granting of long leases for a peppercorn rent without a premium, where there are no additional financial implications, for example, leases for substations with UKPN, will be approved as per the Scheme of Delegations to officers.

59. Variations

1. Minor variations (i.e. those which do not affect the open market value of the property) to the terms of ground lease restructurings, disposals, acquisitions and other transactions, or to leases being taken by the City of London Corporation as tenant (whether as trustee of City Bridge Foundation or otherwise), and where the variations are necessary to complete the transaction expediently shall be subject solely to the approval of the Committee having control of such property or any properly authorised Officer.
2. Other variations to the terms of an existing lease, tenancy, licence or other agreement relating to property shall be subject to the following approvals:

Variation to lease income*	Premium Receipt*	For City Fund and City's Estate - Approval by	For City Bridge Foundation - Approval by
Less than plus or minus 15%	Less than 12 months' income	Officer delegation	Officer Delegation
More than plus or minus 15%	More than 12 months' income	Committee controlling the property and Finance Committee.	City Bridge Foundation Board
-	Any premium more than £2,500,000	Committee controlling the property, Finance Committee and Court of Common Council	City Bridge Foundation Board and Court of Common Council

*Whichever is the higher value between the variation to lease income and anticipated premium receipt.

60. Disposals Subject to Planning Agreements

When land held by the City of London Corporation as freeholder (whether as trustee of City Bridge Foundation or otherwise) is approved for redevelopment subject to a planning agreement under Section 106 of the Town & Country Planning Act 1990, the following shall be solely subject to the approval of the Committee having control of such property or any properly authorised Officer: -

- (a) the inclusion of a condition within any disposal that the freeholder or lease holder must adhere to the terms of the planning agreement; and,
- (b) consenting to the City Corporation's land being bound by the planning obligations in the planning agreement.

PART 10 – Staff

61. Employee Handbook

The City of London Corporation's employment terms and conditions and the Code of Conduct for employees are contained within the Employee Handbook which is maintained by the Corporate Services Committee.

62. Officers

1. No person shall be eligible to be appointed or elected by the Court to any paid office if that person: -
 - (a) is a Member of the Court;
 - (b) has been a Member of the Court within 12 calendar months of the election, unless the paid office or situation has become vacant since the person ceased to be a Member of the Court.
2. If any person holding any place of emolument in the gift or appointment of the Court accepts the office of Alderman or Common Councilman of the City, their place shall be immediately vacated.
3. The creation of posts of Grade I or above requires the approval of the appropriate Chief Officer, the Corporate Services Committee and the Court of Common Council. The re-designation of posts of Grade I and above, where there are no grading implications, must be referred to the Town Clerk or the Service Committee where appropriate.

63. Appointments

1. All appointments for Chief Officer posts are subject to the City Corporation's Chief Officer Appointment Procedure, subject to the appointment of the following posts being made by the Court of Common Council: -
 - Town Clerk & Chief Executive
 - Chamberlain
 - Commissioner of the City of London Police
 - Comptroller & City Solicitor
 - Remembrancer
2. All appointments for designated Deputy Chief Officer posts are subject to the Chief Officer Appointment Procedure.
3. A Member of the Court shall not request for any person any appointment with the City of London Corporation, but this shall not preclude a Member from giving

a written testimonial of a candidate's ability, experience or character to the City of London Corporation with or in connection with an application for appointment.

4. Each Member and senior employee of the City of London Corporation shall disclose to the Town Clerk any relationship known to them to exist between themselves and any person whom they know to be a candidate for an appointment with the City of London Corporation. The Town Clerk shall report to the Common Council, the Committee or the Chief Officer making the appointment any disclosure made to him under this Standing Order.

(N.B. For the purposes of this Standing Order, 'senior employee' means the Chief Officer, their deputy, or an employee making the particular appointment, and persons shall be deemed to be related if they are husband and wife or if either of them or the spouse of either of them is the son or daughter or grandson or granddaughter or brother or sister or nephew or niece of the other, or of the spouse of the other, including in each case step or adoptive relationships).

64. Disciplinary Action

1. In the following paragraphs:

- (a) "Chief Finance Officer", "Disciplinary Action", "Head of the Authority's Paid Service" and "Monitoring Officer" have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001.
- (b) "Relevant Officer" means the Head of Paid Service (Town Clerk), Chief Finance Officer (Chamberlain) or Monitoring Officer (Comptroller and City Solicitor), as the case may be.
- (c) "Commissioning Chairs/Chairmen" means the Chairs/Chairmen of the Policy and Resources Committee, Finance Committee and Corporate Services Committee.
- (d) "independent person" means a person appointed under section 28(7) of the Localism Act 2011.
- (e) "the Panel" means a Committee appointed by the Court of Common Council under section 102(4) of the Local Government Act 1972 for the purposes of advising the Court of Common Council on matters relating to the dismissal of Relevant Officers of the City of London Corporation.
- (f) "Relevant Meeting" means a meeting of the Court to consider whether or not to approve a proposal to dismiss a Relevant Officer.
- (g) "The Regulations" mean the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2015.

- (h) “Local Government Elector” means a person registered as a local government elector in the register of electors for the City of London Corporation in accordance with the Representation of the People Acts.
2. A Relevant Officer may not be dismissed by the City of London Corporation unless the procedure set out in the following paragraphs is complied with.
 3. Any complaints regarding a Relevant Officer will be considered by the Commissioning Chairs/Chairmen. The Commissioning Chairs/Chairmen will manage and oversee the investigation of these complaints and determine the appropriate action to take. Upon receipt of a complaint, the Commissioning Chairs/Chairmen shall first determine whether it raises a prima facie case of misconduct which requires consideration.
 4. Where the Commissioning Chairs/Chairmen consider there is a case to be answered that could result in dismissal, a meeting of the Panel will be convened.
 5. If the Commissioning Chairs/Chairmen then recommend the dismissal of a Relevant Officer, the Regulations require that the decision to dismiss is approved by the Court of Common Council. The Regulations require that the Court of Common Council considers:
 - (a) any advice, views or recommendations of a properly appointed Panel (the Statutory Officer Review Panel);
 - (b) the conclusions of any investigation into the proposed dismissal; and
 - (c) any representations from the Relevant Officer.
 6. The Court of Common Council must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel. “Relevant independent person” means any independent person who has been appointed by the Court of Common Council or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the Court of Common Council considers appropriate. This role will be fulfilled by the Independent Persons appointed to the Independent Appeals Panel.
 7. The Panel comprises the following Members of the Court of Common Council:
 - The Chief Commoner;
 - Chair/Chairman of Planning and Transportation Committee;
 - Chair/Chairman of Port Health and Environmental Services Committee;
 - Chair/Chairman of the Markets Board;
 - Chair/Chairman of the City of London Police Authority Board;
 - two Independent Persons appointed to the Independent Appeals Panel.
 8. The Regulations state that the Independent Persons must be appointed to the Panel in accordance with the following priority order (subject to such relevant independent persons accepting the invitation):

- (a) a relevant independent person who has been appointed by the Court of Common Council and who is a local government elector;
 - (b) any other relevant independent person who has been appointed by the Court of Common Council;
 - (c) a relevant independent person who has been appointed by another authority or authorities.
9. The Court of Common Council must appoint any Panel at least 20 working days before the relevant meeting. In the event that this requirement sets a deadline for appointment of the Panel which falls between the first meeting of the Court of Common Council in any municipal year and the election of the Chair/Chairman of any of the Committees specified at Standing Order 64(7), the Chair/Chairman of the Committee for the previous municipal year will be considered to continue to serve as the Chair/Chairman of the Committee and therefore be appointed to the Panel.
 10. The role of the Panel is to review the findings of the disciplinary investigation and report of the Commissioning Chairs/Chairmen including any representations made by the Relevant Officer. The Panel is then to provide its advice, views or recommendations to the Commissioning Chairs/Chairmen.
 11. Any remuneration, allowances or fees paid by the City of London Corporation to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the Localism Act 2011.
 12. If dismissal is proposed, the Commissioning Chairs/Chairmen will report to the Court of Common Council with the findings of the investigation and the advice, views or recommendations of the Panel. The Relevant Officer will have the opportunity to make representations. Any action to dismiss the officer must be agreed through a vote of the Court.
 13. Officers shall ensure that consideration of any disciplinary action relating to a Statutory Officer, including possible dismissal, shall comply with the provisions contained within the City of London Corporation's Statutory Officer Disciplinary Procedure.

PART 11 – The City Seal

65. Affixing the Seal

1. The City Seal shall not be fixed to any document unless: -
 - (a) the document has been approved by one of the Law Officers;
 - (b) the sealing has been authorised by a resolution of the Court or of a Committee to which the Court has delegated its powers on its behalf.
2. A resolution of the Court (or of a Committee thereof where that Committee has the power) to authorise the acceptance of any tender, the purchase, sale, letting or taking of any property; the issue of any stock; the presentation of any petition, memorial, or address; the making of any rate or contract; or any other matter, shall be a sufficient authority for sealing any document necessary to give effect to the resolution.
3. The affixing of the City Seal shall be attested by the Town Clerk or by their duly appointed representative or by the Comptroller & City Solicitor or by their duly appointed representative.

66. Register of Documents Sealed

The Town Clerk shall keep a Register recording details of each sealing.

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Report – Policy and Resources Committee

City of London Corporation: Members’ Code of Conduct

To be presented on Thursday, 6th March 2025

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

SUMMARY

This report presents an updated Members’ Code of Conduct for approval. The City Corporation is under a statutory duty to promote and maintain high standards of conduct by Members and Co-opted Members. It must in particular adopt a Code dealing with the conduct expected of Members and Co-opted Members when they are acting in that capacity that is consistent with the Seven Principles of Public Life. The Code must also include appropriate provision regarding the registration and disclosure of interests, in addition to the statutory requirements in relation to disclosable pecuniary interests.

There is a need to keep the Members’ Code of Conduct under review and to refresh it as appropriate, noting that the City Corporation’s current Code of Conduct was adopted by the Court of Common Council on 16 July 2020. The current review builds on the work undertaken by the Local Government Association (“LGA”) in producing their own Model Councillor Code of Conduct, whilst retaining some of the City specific elements from the City Corporation’s current Code.

Proposals relating to the Members’ Code of Conduct have been the subject of lengthy consultation that has included reports to your Policy and Resources Committee, Civic Affairs Sub-Committee, Member Development and Standards Sub-Committee, a consultation exercise involving all elected Members, co-opted Members and Independent Persons, as well as discussion at two informal Court of Common Council meetings.

Your Policy and Resources Committee is therefore presenting a new Members’ Code of Conduct for formal adoption. It is recommended that the new Code should come into force on 19 March 2025, to coincide with the ordinary elections of Common Councillors, so that it is in place for the start of the new civic year.

RECOMMENDATION

That Members:

- Adopt the Members’ Code of Conduct set out at Appendix 1 with effect from 19 March 2025.

MAIN REPORT

Background

1. Under section 27 of the Localism Act 2011 the City Corporation is under a statutory duty to promote and maintain high standards of conduct by Members and Co-opted Members. It must in particular adopt a Code dealing with the conduct expected of Members and Co-opted Members when they are acting in that capacity. Under section 28 of the Localism Act 2011 the Code of Conduct must be consistent with the Seven Principles of Public Life. It must also include the provision that the City Corporation considers appropriate in respect of the registration and disclosure of interests, in addition to the statutory requirements in relation to disclosable pecuniary interests.
2. The Localism Act 2011 only applies to the City Corporation in its capacity as a local authority or police authority and to elected Members and Co-opted Members with voting rights. The Corporation has, however, historically chosen to apply the Members' Code of Conduct to all of its functions and to any member of a committee or sub-committee of the Corporation.
3. The City Corporation's current Code of Conduct was adopted by the Court of Common Council on 16 July 2020. Your Policy and Resources Committee is responsible for "preparing, keeping under review and monitoring the City of London Corporation's Member Code of Conduct and making recommendations to the Court of Common Council in respect of the adoption or revision, as appropriate, of such Code of Conduct".
4. Following a recommendation from the Committee on Standards in Public Life, the LGA produced a new Model Councillor Code of Conduct in January 2021, in consultation with representative bodies of councillors and officers of all tiers of local government. The intention was to establish a consistent benchmark that local authorities could amend or add to as they saw fit to reflect local circumstances and priorities. Whilst the LGA Code does not differ from the City Corporation's current Code in broad effect, it contains some significant differences in style and emphasis, being arguably more modern and accessible.
5. Your Civic Affairs Sub-Committee first reviewed the City Corporation's current Members' Code of Conduct against the LGA Model Councillor Code of Conduct in October 2022. Members expressed a preference to adopt a new hybrid Code combining the more modern and illustrative drafting of the LGA Code with some of the City specific elements from the City Corporation's current Code. A draft of a potential Code was then considered at further meetings of your Civic Affairs Sub-Committee in December 2022 and March 2023, and by your Member Development and Standards Sub-Committee in December 2023, after a change to terms of reference.
6. Following this iterative process the draft Code was circulated to all Members, Co-opted Members and Independent Persons for comment. The consultation ran from January 2024 to February 2024 and the proposals were also discussed at the Informal Court of Common Council meeting in February 2024. All representations

raised during the consultation process were considered, in the first instance, by your Member Development and Standards Sub-Committee in July 2024 with recommendations then made to your Policy and Resources Committee.

7. Your Policy and Resources Committee considered an updated draft Members' Code of Conduct at its meeting in September 2024. A further round of consultation followed with all Members given the opportunity to discuss the outstanding points at the Informal Court of Common Council meeting held in November 2024. Thereafter, a further updated draft Members' Code of Conduct was presented to and approved by your Policy and Resources Committee in January 2025 in the form set out at Appendix 1.
8. Any new Members' Code of Conduct must be formally adopted by the Court of Common Council. It is recommended that the new Code should come into force on 19 March 2025, as that is the date of the ordinary elections of Common Councillors. All incumbent Common Councillors cease to hold office at midnight on the day before, and if any election is uncontested then new Common Councillors will start to hold office from that day.

Conclusion

9. The proposals for a new Members' Code of Conduct have been the subject of lengthy reporting and consultation. The intention is to combine the more modern and illustrative drafting of the LGA Code with some of the City specific elements from the Corporation's current Code. The text of the proposed new Code is presented for formal adoption. It is recommended that the new Code comes into force on 19 March 2025, to coincide with the ordinary elections of Common Councillors.

Appendices

- **Appendix 1: Members' Code of Conduct**

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

DATED this 16th Day of January 2025.

SIGNED on behalf of the Committee.

Deputy Christopher Michael Hayward
Chairman, Policy and Resources Committee

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Adopted by the Court of Common Council on xxx and in force from xxx.



CODE OF CONDUCT FOR MEMBERS

Introduction

1. The Localism Act 2011 requires a relevant authority to promote and maintain high standards of conduct by its members and co-opted members and to adopt a Code dealing with the conduct that is expected of them when they are acting in that capacity.
2. The legislation only applies to the City of London Corporation (“the Corporation”) in its capacity as a local authority or police authority. The Corporation has, however, chosen to apply this Code to all of its functions.
3. The statutory provisions only apply to elected members and co-opted members with voting rights. However, this Code is applied to any member of the Corporation and any member of a committee or sub-committee of the Corporation (collectively referred to as a “Member”).
4. This Code is largely based on the Model Councillor Code of Conduct developed by the Local Government Association, with some local differences. It should be read in conjunction with any published guidance on the Code and the Corporation’s other relevant policies, protocols, and procedures, including the Member/Officer Charter, the Planning Protocol, the Protocol for Members serving on Outside Bodies, and policies on the use of the Corporation’s resources.

Purpose of the Code of Conduct

5. The purpose of this Code of Conduct is to assist you, as a Member, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow Members, officers and the reputation of the Corporation. It sets out general principles of conduct expected of all Members and your specific obligations in relation to standards of conduct. The Corporation encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of Member and the Corporation.

General principles of Member conduct

6. Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the [Seven Principles of Public Life](#), also known as the Nolan Principles (see Appendix A).

7. Building on these principles, the following general principles have been developed specifically for the role of Member.
8. In accordance with the public trust placed in me, on all occasions:
 - I act with integrity and honesty
 - I act lawfully
 - I treat all persons fairly and with respect; and
 - I lead by example and act in a way that secures public confidence in the role of Member.
9. In undertaking my role:
 - I impartially exercise my responsibilities in the interests of the local community
 - I do not improperly seek to confer an advantage, or disadvantage, on any person
 - I avoid conflicts of interest
 - I exercise reasonable care and diligence; and
 - I ensure that public resources are used prudently in accordance with the Corporation's requirements and in the public interest.

Application of the Code of Conduct

10. This Code of Conduct applies to you as soon as you make your declaration of office or attend your first meeting (as a co-opted member) and continues to apply to you until you cease to be a Member.
11. This Code of Conduct applies to you when:
 - you are acting in your capacity as a Member and/or as a representative of the Corporation
 - you are claiming to act as a Member and/or as a representative of the Corporation
 - you are giving the impression that you are acting as a Member and/or as a representative of the Corporation
 - you refer publicly to your role as a Member or use knowledge you could only obtain in your role as a Member.
12. The Code applies to all forms of communication and interaction, including:
 - at face-to-face meetings
 - at online or telephone meetings
 - in written communication
 - in verbal communication
 - in non-verbal communication
 - in electronic and social media communication, posts, statements and comments.
13. You are also expected to uphold high standards of conduct and show leadership at all times.
14. You are encouraged to seek advice from the Monitoring Officer or the Town Clerk on any matters that may relate to the Code of Conduct.

Standards of Member conduct

15. This section sets out your obligations, which are the minimum standards of conduct required of you as a Member. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.
16. Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

C1. Respect

As a Member:

C1.1 I treat other Members and members of the public with respect.

C1.2 I treat Corporation employees, employees and representatives of partner organisations and those volunteering for the Corporation with respect and respect the role they play.

17. Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Member, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.
18. In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Members.
19. In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidating or threatening you are entitled to stop any conversation or interaction in person or online and report them to the Corporation, the relevant social media provider or the police. This also applies to fellow Members, where action could then be taken under the Member Code of Conduct, and Corporation employees, where concerns should be raised in line with the Corporation's Member / Officer Charter.

C2. Bullying, harassment and discrimination

As a Member:

C2.1 I do not bully any person.

C2.2 I do not harass any person.

C2.3 I promote equalities and do not discriminate unlawfully against any person.

20. The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying

might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

21. The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.
22. Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
23. The Equality Act 2010 places specific duties on the Corporation. Members have a central role to play in ensuring that equality issues are integral to the Corporation's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services. The Corporation has adopted the International Holocaust Remembrance Alliance definition of antisemitism (see Appendix C).

C3. Impartiality of officers of the Corporation

As a Member:

C3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the Corporation.

24. Officers work for the Corporation as a whole and must be politically neutral. They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

C4. Confidentiality and access to information

As a Member:

C4.1 I do not disclose information:

- a. given to me in confidence by anyone
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
 - i. I have received the consent of a person authorised to give it;
 - ii. I am required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is:
 1. reasonable and in the public interest; and

2. made in good faith and in compliance with the reasonable requirements of the local authority; and
3. I have consulted the Monitoring Officer prior to its release.

C4.2 I do not improperly use knowledge gained solely as a result of my role as a Member for the advancement of myself, my friends, my family members, my employer or my business interests.

C4.3 I do not prevent anyone from getting information that they are entitled to by law.

25. Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the Corporation must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

C5. Disrepute

As a Member:

C5.1 I do not bring my role or the Corporation into disrepute.

26. As a Member, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other Members and/or the Corporation and may lower the public's confidence in your or the Corporation's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Corporation into disrepute.

27. You are able to hold the Corporation and fellow Members to account and are able to constructively challenge and express concern about decisions and processes undertaken by the Corporation whilst continuing to adhere to other aspects of this Code of Conduct.

C6. Use of position

As a Member:

C6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

C6.2 Where taking decisions on behalf of a charity I act in the best interests of that charity and manage any conflicts of interest or loyalty.

C6.3 Where taking decisions on behalf of a company I act in the best interests of that company and manage any conflicts of interest or loyalty.

28. Your position as a Member of the Corporation provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will impact others.

However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

29. When acting on behalf of a charity for which the Corporation is the corporate trustee you are also required to comply with any conflicts of interest policy that has been adopted.

C7. Use of Corporation resources and facilities

As a Member:

C7.1 I do not misuse Corporation resources.

C7.2 I will, when using the resources of the Corporation or authorising their use by others:

- a. act in accordance with the Corporation's requirements; and
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the Corporation or of the office to which I have been elected or appointed.

30. You may be provided with resources and facilities by the Corporation to assist you in carrying out your duties as a Member.

31. Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of Corporation buildings and rooms.

32. These are given to you to help you carry out your role as a Member more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the Corporation's own policies regarding their use.

C8. Complying with the Code of Conduct

As a Member:

C8.1 I undertake Code of Conduct training provided by the Corporation.

C8.2 I am bound by any Code of Conduct investigation and/or determination whether I choose to participate in that process or not.

C8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

C8.4 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

33. It is extremely important for you as a Member to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the Corporation or its governance. If you do not understand or are concerned about the Corporation's processes in handling a complaint you should raise this with the Monitoring Officer or the Town Clerk.

Protecting your reputation and the reputation of the Corporation

C9. Interests

As a Member:

C9.1 I register and declare my interests.

34. You need to register your interests so that the public, Corporation employees and fellow Members know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be declared by you or other Members when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of governance is maintained.
35. You should note that failure to register or declare a disclosable pecuniary interest in relation to the Corporation's functions as a local authority or police authority may be a criminal offence under the Localism Act 2011.
36. Appendix B sets out the detailed provisions on registering and declaring interests. If in doubt, you should always seek advice from the Monitoring Officer or the Town Clerk.

C10. Gifts and hospitality

As a Member:

C10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Corporation or from persons who may apply to the Corporation for any permission, licence or other significant advantage.

C10.2 I register with the Monitoring Officer (via the Town Clerk) any gift or hospitality with an estimated value of at least £100 within 28 days of its receipt. I also register multiple gifts and/or instances of hospitality with an estimated combined value of at least £200, when received from a single donor within a rolling twelve month period, within 28 days of reaching the cumulative threshold.

C10.3 I register with the Monitoring Officer (via the Town Clerk) any significant gift or hospitality that I have been offered but have refused to accept.

37. In order to protect your position and the reputation of the Corporation, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Member. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a Member, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a Member. If you are unsure, do contact the Monitoring Officer or the Town Clerk for guidance. Special arrangements apply to the Lord Mayor and Sheriffs, and to the Chair of the Policy and Resources Committee, as set out in guidance to be issued from time to time by the Member Development and Standards Sub-Committee.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B

Registering interests

1. Within 28 days of this Code of Conduct being adopted by the Corporation or your election or appointment to office (where that is later) you must register with the Monitoring Officer (via the Town Clerk) the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests). You must also register any interest which falls within Table 2 (Other Registerable Interests) as well as any other pecuniary or non-pecuniary interest which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life.
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer (via the Town Clerk).
3. A 'sensitive interest' is as an interest which, if disclosed, could lead to the Member, or a person connected with the Member, being subject to violence or intimidation.
4. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Declaring interests and participation

5. Where you have a Disclosable Pecuniary Interest in any matter that arises at a meeting you must not participate in any discussion or vote on the matter unless you have been granted a dispensation. You must declare the interest if it has not already been entered onto the Corporation's register. If it is a 'sensitive interest', you do not have to declare the nature of the interest, just that you have an interest.
6. Your participation in any item of business:
 - a. in which you have any other interest; or
 - b. that affects a donor from whom you have received any gift or hospitality;

that is registered, or ought to be registered as set out above, will need to be considered by you on a case by case basis. You will only be expected to exclude yourself from speaking or voting in exceptional circumstances, for example where there is a real danger of bias.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.

Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the Corporation) made to the Member during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Member, or towards his/her election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract made between the Member or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the Corporation —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the Corporation.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give the Member or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licences	<p>Any licence (alone or jointly with others) to occupy land in the area of the Corporation for a month or longer</p>
Corporate tenancies	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the Corporation; and</p> <p>(b) the tenant is a body that the Member, or his/her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the Corporation; and</p> <p>(b) either—</p>

	<p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Member, or his/ her spouse or civil partner or the person with whom the Member is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>
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* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registerable Interests

Any Body of a description set out below of which you are a member or in a position of general control or management:	
Club or Society active in the City of London or which relates to any functions of the Corporation (including any local branch of a Body in the subsequent categories)	
Fraternal or Sororal Society	
Livery Company, City Company without Livery, Guild or Company seeking Livery	
Political Party	
Professional Association	
Trade Association	
Trade Union	
Any other Body -	(a) exercising functions of a public nature;
	(b) directed to charitable purposes;
	(c) one of whose principal purposes includes the influence of public opinion or policy; or
	(d) to which you are appointed or nominated by the Corporation
but excluding any position on a Committee or Court of the Corporation.	

Appendix C

IHRA Definition of Antisemitism

1. “Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

IHRA Working Examples

2. Manifestations might include the targeting of the state of Israel, conceived as a Jewish collectivity. However, criticism of Israel similar to that levelled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for “why things go wrong.” It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.
3. Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:
 - Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.
 - Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the media, economy, government or other societal institutions.
 - Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.
 - Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).
 - Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.
 - Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.
 - Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavour.
 - Applying double standards by requiring of it a behaviour not expected or demanded of any other democratic nation.
 - Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.
 - Drawing comparisons of contemporary Israeli policy to that of the Nazis.
 - Holding Jews collectively responsible for actions of the state of Israel.
4. **Antisemitic acts are criminal** when they are so defined by law (for example, denial of the Holocaust or distribution of antisemitic materials in some countries).

5. **Criminal acts are antisemitic** when the targets of attacks, whether they are people or property – such as buildings, schools, places of worship and cemeteries – are selected because they are, or are perceived to be, Jewish or linked to Jews.
6. **Antisemitic discrimination** is the denial to Jews of opportunities or services available to others and is illegal in many countries.

Report – Policy and Resources Committee

Strategic Branding Review outcome and proposals

To be presented on Thursday, 6th March 2025

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

SUMMARY

This report sets out a summary of the City of London Corporation's first ever strategic branding review and outlines proposals for the future cross-organisational brand identity and strategy.

A review and audit of existing brands began in March 2024 and the proposals have been developed following extensive engagement with Members and senior officers across the City Corporation and its institutions, as well as through desktop research.

The outcome of the review centres on two clear recommendations:

- The adoption of a co-branding model with City of London Corporation institutions, funded programmes and entities.
- Roll-out of a 'descriptive' logo that includes the City Corporation's full name.

RECOMMENDATION

That Members agree the branding recommendations (as detailed in paragraphs 12 and 13 in the report).

MAIN REPORT

Background

1. As part of a project to develop the first brand strategy for the City of London Corporation, a short external strategic review was commissioned which ran from March to June 2024.

Current Position

2. Comprehensive research and analysis was carried out of all existing City Corporation assets carrying the brand and logo and all associated sub brands were explored.
3. This helped to build a picture of the current disparate nature of the application of the City Corporation brand, the significant proliferation of 'sub-brands' and the lack of guidelines, rules or oversight over how the City Corporation's brand or visual assets are used both internally and externally.

4. 32 in-depth interviews were conducted with elected Members, senior officers, and representatives of the City Corporation's Executive Leadership Board, which comprises all Chief Officers and Institutions.
5. The interviews explored views on:
 - Objectives and desired outcomes from the brand strategy project.
 - Perceptions of the City Corporation by different stakeholder groups.
 - Reputational threats.
 - The role of the City of London Corporation brand.
 - The existing brand identity.
 - The City Corporation's relationship with funded institutions and how this should be represented visually.
6. The key outcome and conclusion from the review is a widespread recognition of the need for a brand strategy for the City of London Corporation, something that has never been developed or deployed. The strategy will increase internal alignment and foster and promote a 'One City Corporation' across the whole organisation.
7. The feedback from the interviews demonstrated a widely held view that the lack of a brand strategy means the City Corporation does not receive appropriate (sometimes any) recognition for the good work that it does, or the contribution it makes to the economic, social and cultural lives of its many stakeholders and locations where it operates. This is seen as a consequence of:
 - An historic reluctance to actively promote the City Corporation's work and investments.
 - A lack of co-ordination and control internally, but also externally, over the branding of funded, supported or otherwise associated institutions and entities. Particularly in relation to appropriately crediting the role of and relationship with the City Corporation.
8. The City Corporation brand is seen as an interesting combination of the safe and traditional (trust, guardianship) with more dynamic attributes (progressive, professional). The word 'City' can lead to confusion between the organisation and the geographic location.
9. The interviews also indicated an appetite to resolve problems with the existing standard logo design. This design was initially deployed as a stopgap measure in 2006 when the Corporation of London was renamed as the City of London Corporation. However, no further brand work has been progressed since. The problems identified in the audit were:
 - a. Lack of clarity – by not including the word 'Corporation' it is easy for external stakeholders to assume that applications of the standard logo refer to the City of London as a place or other London institutions such as the Greater London Authority. A recent example of this is the cover of the Corporate Plan 2024 -2029 does not indicate it is a City Corporation product.
 - b. Practicality – the standard logo only works in a square format rather than the standard landscape format. This reduces its visibility and prominence when featured alongside partner logos in digital and in print as they will be typically landscape format in line with best practice.

- c. There are no brand guidelines, only guidance on how to use and position the current square format logo.
 - d. The City Corporation website is not seen as a good reflection of the organisation.
 - e. The City Corporation Intellectual Property requires protection and management, starting with creating coherence internally and across the City Corporation's own assets, especially if there is an ambition to create a revenue generating or merchandising programme in the future.
10. The outcomes were shared with the Executive Leadership Board (ELB), which includes senior leaders from our institutions, schools, and the Police Authority, in July, where resounding support to proceed to committee clearance was given.
11. The recommendations in this report will provide clarity and clear guidance on how and where the new brand identity should be used and positioned across the whole City Corporation family.

Proposals

12. As a result of the in-depth audit and review the first recommendation is for a co-branding model that:
- a. Raises the profile of the City Corporation's activities and investments by ensuring wider recognition of its positive contribution to the economic, social and cultural lives of London and the nation.
 - b. Helps external stakeholders better understand the relationship between a funded/supported institution and the City Corporation.
 - c. Encourages a one City Corporation ethos among everyone employed by the Corporation in line with the ambitions of the Corporate Plan and People Strategy 2024-2029.
13. The second recommendation is to develop an additional 'descriptive' logo to include the City Corporation's full name. This logo would be used on communications materials and the co-branding of funded, supported or otherwise associated institutions and entities.
14. The primary benefit of a co-branding approach is that it makes it easier for all stakeholders to understand and appreciate the breadth of work and investments of the City Corporation. It also removes potentially confusing anomalies, such as the application of the ceremonial City of London logo (with accompanying explanation) to facilities outside the Square Mile e.g. open spaces.
15. This co-branding approach will be applied flexibly. The Institution and City Corporation logos can be split within a channel – for example, at the top and bottom of a poster/document or top-left and top-right of a website (as illustrated by the new [London Archives website](#)).
16. In addition to the use of a standard logo design, clear rules will be provided to all teams across Guildhall and institutions on how the City Corporation should be credited in all materials. These rules will be consistent, simple to adopt and not

unduly restrictive. By consulting widely, before the rules are formally codified, every scenario will be covered. The focus will be on updating digital assets first to ensure this is a cost neutral approach.

17. Institutions will also be encouraged to cross promote each other where this adds value to external stakeholders, for example, the Barbican Centre should (as appropriate) promote other cultural attractions supported by the City Corporation such as the Guildhall Art Gallery and Guildhall School of Music & Drama, e.g. by including links on its website and vice versa.
18. The overt use of the City Corporation logo by funded institutions will not have an impact on their fundraising activities. It will send out a clear message that the City Corporation is providing core funding, which will be reassuring for corporate sponsors and donors.
19. Where legal considerations apply to the City Corporation's relationship to the institution, such as being a corporate charity trustee, as relevant, we will work with those institutions and entities (according to their governance rules) to implement the new branding policy.
20. There will be cases, which will be dealt with on a case by case basis, where the application of City Corporation co-branding is not appropriate for strategic reasons.
21. If the co-branding model is approved, the implementation will be phased, flexible and respectful of individual governance considerations.
22. The additional 'descriptive' logo would be used on communications materials and the co-branding of funded, supported or otherwise associated institutions and entities. This will provide greater visibility of the City Corporation's involvement and investment at a local, London and national level. All descriptions would be agreed through each institution's governing bodies and lead committee.
23. The existing square 'standard' logo will be retained for ceremonial applications, including official signage.
24. The existing coat of arms will not change in any way.
25. The descriptive logo will also be provided as an animation to ensure it can be used widely and creatively across the City Corporation's digital platforms and film content in a digital age.
26. All future agreements for City Corporation funding will include the level of City Corporation recognition and branding that is expected from funded, supported or otherwise associated institutions and entities.
27. New digital collateral and templates can be rolled out immediately following approval and will be accompanied by a branding rulebook.
28. If approved, the above alongside the co-branding agreements will be completed by April 2025.

Corporate & Strategic Implications

29. Financial implications – None. The new brand and identity will be rolled out digitally and signage and hard copy, printed products updated as they naturally come up for renewal.
30. Resource implications - The roll out of the new brand guidelines and identity will require resource from the corporate communications and external affairs and communications and marketing, digital and employee engagement leads across the City Corporation to update digital assets and collateral as required and when they are renewed.
31. Legal implications - There has been ongoing discussions with the Comptroller and City Solicitor to ensure that the legal entity and contractual arrangements of the City Corporation's institutions and initiatives are correctly described. Any intellectual property decisions will also be agreed with the Comptroller and City Solicitor and are part of a separate piece of work being led by the Chamberlain.
32. Risk implications – None.
33. Equalities implications – This does not require an Equality Impact Assessment as the proposals comply with the City Corporation's public Sector Equality Duty 2010 and will not have any impact (positive or negative) on people protected by existing equality legislation.
34. Climate implications – None.
35. Security implications – None.

Conclusion

36. Members are asked to review and note the outcome of the strategic branding review and to approve the co-branding and descriptive logo proposals as set out within the report.

Appendices

- Appendix 1 – Visuals of the descriptive logo and co-branding examples.
- Appendix 2 – Implementation plan timeline
- Appendix 3 – List of programmes, initiatives and institutions in scope.

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

DATED this 13th Day of February 2025.

SIGNED on behalf of the Committee.

Deputy Christopher Michael Hayward
Chairman, Policy and Resources Committee

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Proposed co-branding solution

The recommended approach uses an explanatory line to accompany an additional ('Descriptive') City Corporation logo*.

The explanatory line can be changed depending on the relationship with each institution and in consultation with the Comptroller & City Solicitor's Department – *'funded by', 'supported by', 'governed by', 'in partnership with'* etc.



*Additional ('Descriptive') logo, featuring the words 'City of London Corporation' in a contemporary (Rival Sans) font. Existing ('standard') logo will be retained for ceremonial purposes.

Standard Logo



Descriptive Logo



City of London Corporation

barbican



Supported by
City of London
Corporation

barbican



Logos can be split,
depending on
channel



Supported by
City of London
Corporation

GUILD SCHOOL HALL



Supported by
City of London
Corporation

GUILD SCHOOL HALL



Supported by
City of London
Corporation

THE _____
____ LONDON
ARCHIVES



THE _____
____ LONDON
ARCHIVES



Consistent typeface used
for Open Spaces sites



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Coulston Commons



A charity managed by
City of London
Corporation

Applied to all Open Spaces with similar relationship to City of London Corporation



**THE CITY
BELONGING
PROJECT**



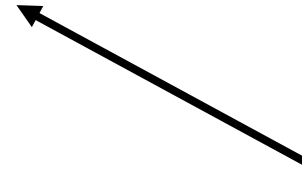
An initiative by
City of London
Corporation

FILM CITY

Consistent typography,
labelling core service or
function, using clear
language



The film office for
City of London
Corporation



Text explaining
relationship to (or
involvement of) City
Corporation

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FILM CITY

This should be the only
logo



The film office for
City of London
Corporation

THE GLOBAL CITY



Created and run by
City of London
Corporation

THE GLOBAL CITY



Created and run by
City of London
Corporation

Strategic Branding Project implementation stages		Start Date	Completion Date	Comments
Committee Governance				
1	Court of Common Council for final decision	06/03/2025	06/03/2025	Final sign off at CoCo following Policy and Resources Committee (13/02/25)
Institutions etc - Governance and Agreement				
2	Agree co-branding relationship descriptions	10/03/2025	06/06/25	Formal agreement of co-branding descriptions through individual institutions', open spaces and schools' committees/board meetings.
Development of brand and identity rules				
3	Draft brand and identity rules	10/03/25	10/04/25	Corporate Communications draft the rules in collaboration with the employee engagement network.
4	Draft style guide	10/03/25	10/04/25	Corporate Communications draft the rules in collaboration with the employee engagement network.
5	Agree brand and identity rules	10/04/2025	09/05/2025	Rules agreed by Chief Strategy Officer.
6	Agree style guide	09/05/2025	09/05/2025	Style Guide agreed by Chief Strategy Officer.
7	Produce new logos and co-branding collateral	10/03/2025	06/06/2025	Work with branding consultants and designer to develop suite of logos, templates and supporting collateral. Co-branding collateral developed in line with agreement at committees/boards.
Digital Roll out of new brand and co-branding				
8	Adopt new brand and identity across corporate digital platforms	12/05/2025	30/05/2025	Branding and logo updated on the corporate website, intranet and social media platforms. Animated logo for video content.
9	Adopt new co-branding across institutions etc. digital platforms	12/05/2025	30/05/2025	Branding, logo and CoLC relationship description updated across all digital channels and platforms
10	Launch and publish brand and identity rules and style guide	12/05/2025	12/05/2025	Rules and style guide distributed across the City Corporation via the Employee Engagement Network and new section published on Colnet.
11	Distribute updated corporate templates	12/05/2025	19/05/2025	Templates to include letterheads, email signatures, powerpoint and internal communications products.

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Strategic branding review outcome and proposals – Appendix 3

City of London Corporation Institutions, Programmes and Initiatives in scope

Aldgate School
Artizan Street Library
Ashted Common
Barbican
Barbican Library
Billingsgate Market
Billingsgate Roman House & Baths
Bunhill Fields
Burnham Beeches
Central Criminal Court (Old bailey)
City Belonging Project
City Bridge Foundation
City of London Academy Schools
City of London Freeman's School
City of London Magistrates Court
City of London Police
City of London School
City of London School for Girls
City of London Junior School
City UK
Clean City Awards
Coulston Common
Denton Office
Destination City
Epping Forest
Farthing Downs & New Hill
Film City
Global City
Gresham College
Guildhall
Guildhall Gallery
Guildhall Library
Guildhall School of Music & Drama
Hampstead Health
Heathrow Animal Reception Centre
Highgate Wood
Keats House
Kenley Common
Leadenhall Market
London Archives
London Museum
London Museum - Docklands
London Port Health Authority
Mansion House

Monument
New Spitalfields Market
Queen's Park
Riddlesdown
Shoe Lane Library
Small Business Research & Enterprise Centre (SBREC)
Smithfield Market
Speak for the City
Spring Park
Stoke Common
Walbrook Wharf
West Ham Park
West Wickham Common

Report – Corporate Services Committee

Draft Pay Policy Statement 2025/26

To be presented on Thursday, 6th 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 required to publish 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.

These Statements have been produced annually since 2012/13 and are considered by your Corporate Services Committee and Policy & Resources Committee, prior to approval by the Court of Common Council before the end of March each year. Both of your Committees endorsed the Pay Policy Statement at their respective meetings in February and approved its submission to the Court.

The Report outlines the reasons for this statement. The draft Pay Policy Statement for 2025/26 is attached as Appendix C.

RECOMMENDATION

It is recommended that the Court considers and agrees the draft Pay Policy Statement for 2025/26 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 Localism Act 2011 (Chapter 8) requires the City of London Corporation to prepare and publish 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, by March before the financial year to which it relates. The Statement may (again by resolution of the authority) be subsequently amended after the beginning of the financial year and as soon as is reasonably practicable after its approval or amendment, the Statement must be published on the authority’s website.

2. 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 distinguished 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.
3. Statements must incorporate the requirements of the legislation and associated guidance and be updated as relevant City of London pay approaches or policies change. These include:
 - Section 38(2) 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. This 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". As such the statement must include pay policy for both Senior Management Grades (SMG) and the main City of London salary scales.
5. It should be noted that Pay Policy Statements are not a "statement on pay policies", but rather a narrowly defined legislative requirement spelling out clearly and transparently certain specified current pay practices. As such they are required to be an "as is" statement, providing an accurate statement of practice at the time of publication, rather than a prediction of what will or may happen over the succeeding 12 months.
6. The aim of the Localism Act is that authorities should be open, transparent, and accountable to local taxpayers. Pay Policy Statements should set out the authority's approach to issues relating to the pay of its workforce, and to the pay of its "Chief Officers" and the pay of its lowest paid employees.
7. The Act's provisions do not supersede the City 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 in an appropriate way. The Corporation sets pay fairly within published scales and, in doing so, has regard to changing conditions in differing occupational and geographic labour markets.

Current Position - City of London Pay Policy Statement 2025/26

8. A draft Pay Policy Statement for 2025/26 is attached (Appendix C).
9. The Statement was considered and endorsed by your Corporate Services Committee and Policy & Resources Committee and their respective meetings in February for onward approval to the Court of Common Council in March.
10. The Pay Policy Statement will need to be subsequently amended to reflect the deliverables and implementation of Ambition 25 expected during the financial year. This will require a new statement to reflect the agreed changes to our pay policy and approach. That new version will need to follow the same approval process as above.

Conclusion

11. To meet the requirements of the Localism Act, the City Corporation must agree and publish a Pay Policy Statement before each financial year; the statement is attached at appendix C.

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

DATED this 12th day of February 2025.

SIGNED on behalf of the Committee.

Deputy Alastair Moss
Chair, Corporate Services Committee

Appendices

- Appendix A – Senior Management Grade Range
- Appendix B – Pay Structure Main Grades
- Appendix C – Draft Policy Statement for 2025/26

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City of London Corporation Annual Pay Scales
Senior Management Grades



Spinal Point WEF
01/07/2024

Spinal Point	WEF 01/07/2024	Grade
1	£ 94,020	
2	£ 96,780	
3	£ 99,680	
4	£ 102,640	
5	£ 105,680	
6	£ 108,800	Assistant Town Clerk and Exec Dir of Governance and Member Services
7	£ 112,050	
8	£ 115,380	
9	£ 118,790	Executive Director & Private Secretary to Lord Mayor
10	£ 122,320	Exec Dir & Private Secretary to Chair Policy & Resources
11	£ 125,970	Managing Director City Bridge Foundation
12	£ 129,730	Executive Director of Corporate Communications
13	£ 133,540	Executive Director Innovation and Growth
14	£ 137,550	Deputy Town Clerk
15	£ 141,630	Executive Director Children and Community Services
16	£ 145,880	
17	£ 150,200	Chief Strategy Officer
18	£ 154,690	Chief People Officer & Executive Director of Human Resources
19	£ 159,280	
20	£ 164,010	
21	£ 168,890	
22	£ 173,930	
23	£ 179,090	Principal of Guildhall School of Music and Drama
24	£ 184,490	Remembrancer
25	£ 189,960	City Surveyor
26	£ 195,650	Executive Director Built Environment
27	£ 201,490	Chief Executive Officer Barbican
28	£ 207,470	Chamberlain and Chief Financial Officer
29	£ 213,680	Comptroller & City Solicitor and Deputy Chief Executive
30	£ 220,050	
31	£ 226,640	
32	£ 233,400	
33	£ 240,370	
34	£ 247,520	
35	£ 254,950	
36	£ 262,560	
37	£ 270,410	
38	£ 278,450	
39	£ 286,790	Town Clerk and Chief Executive

All Grades Spine Points are plus £6,710 London Weighting; and £200 London Weighting Supplement

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Appendix B

Non-Residential Salary Rates from 01 July 2024									
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	£22,330	£12.23	£29,040	£15.91	£26,350	£14.43		
	1010	£22,830	£12.50	£29,540	£16.18	£26,850	£14.71		
	1011	£23,550	£12.90	£30,260	£16.58	£27,570	£15.10		
	1012	£23,890	£13.09	£30,600	£16.76	£27,910	£15.29		
A	B	1013	£24,410	£13.37	£31,120	£17.05	£28,430	£15.57	
		1014	£24,980	£13.68	£31,690	£17.36	£29,000	£15.89	
	A+	B+	1015	£25,560	£14.00	£32,270	£17.68	£29,580	£16.20
			1016	£26,190	£14.35	£32,900	£18.02	£30,210	£16.55
			1017	£26,780	£14.67	£33,490	£18.35	£30,800	£16.87
			1018	£27,470	£15.05	£34,180	£18.72	£31,490	£17.25
			1019	£28,080	£15.38	£34,790	£19.06	£32,100	£17.58
			1020	£28,760	£15.75	£35,470	£19.43	£32,780	£17.96
			1021	£29,480	£16.15	£36,190	£19.83	£33,500	£18.35
	C		1022	£30,190	£16.54	£36,900	£20.21	£34,210	£18.74
			1023	£30,930	£16.94	£37,640	£20.62	£34,950	£19.15
		C+	1024	£31,710	£17.37	£38,420	£21.05	£35,730	£19.57
			1025	£32,470	£17.79	£39,180	£21.46	£36,490	£19.99
			1026	£33,290	£18.24	£40,000	£21.91	£37,310	£20.44
			1027	£34,140	£18.70	£40,850	£22.38	£38,160	£20.90
			1028	£35,000	£19.17	£41,710	£22.85	£39,020	£21.38
			1029	£35,850	£19.64	£42,560	£23.32	£39,870	£21.84
		D	1030	£36,040	£19.74	£42,750	£23.42	£40,060	£21.95
			1031	£36,930	£20.23	£43,640	£23.91	£40,950	£22.43
		D+	1032	£37,910	£20.77	£44,620	£24.44	£41,930	£22.97
			1033	£38,880	£21.30	£45,590	£24.98	£42,900	£23.50
			1034	£39,890	£21.85	£46,600	£25.53	£43,910	£24.06
E			1035	£40,910	£22.41	£47,620	£26.09	£44,930	£24.61
			1036	£41,970	£22.99	£48,680	£26.67	£45,990	£25.20
		E+	1037	£43,020	£23.57	£49,730	£27.24	£47,040	£25.77
			1038	£43,940	£24.07	£50,850	£27.86	£48,080	£26.34
			1039	£45,190	£24.76	£52,100	£28.54	£49,330	£27.03
			1040	£46,400	£25.42	£53,310	£29.21	£50,540	£27.69
			1041	£47,690	£26.13	£54,600	£29.91	£51,830	£28.40
			1042	£48,960	£26.82	£55,870	£30.61	£53,100	£29.09
		F	1043	£50,330	£27.57	£57,240	£31.36	£54,470	£29.84
			1044	£51,710	£28.33	£58,620	£32.12	£55,850	£30.60
		F+	1045	£53,180	£29.13	£60,090	£32.92	£57,320	£31.40
			1046	£54,620	£29.92	£61,530	£33.71	£58,760	£32.19
			1047	£56,120	£30.75	£63,030	£34.53	£60,260	£33.01
			1048	£57,700	£31.61	£64,610	£35.40	£61,840	£33.88
G			1049	£59,280	£32.48	£66,190	£36.26	£63,420	£34.75
			1050	£60,980	£33.41	£67,890	£37.20	£65,120	£35.68
		G+	1051	£62,640	£34.32	£69,550	£38.10	£66,780	£36.59
			1052	£64,420	£35.29	£71,330	£39.08	£68,560	£37.56
			1053	£66,220	£36.28	£73,130	£40.07	£70,360	£38.55
		H	1054	£68,100	£37.31	£75,010	£41.10	£72,240	£39.58
			1055	£70,000	£38.35	£76,910	£42.14	£74,140	£40.62
		H+	1056	£71,960	£39.43	£78,870	£43.21	£76,100	£41.69
			1057	£74,000	£40.54	£80,910	£44.33	£78,140	£42.81
			1058	£76,090	£41.69	£83,000	£45.47	£80,230	£43.96
I			1059	£78,260	£42.88	£85,170	£46.66	£82,400	£45.15
			1060	£80,460	£44.08	£87,370	£47.87	£84,600	£46.35
		I+	1061	£82,800	£45.36	£89,710	£49.15	£86,940	£47.63
			1062	£85,270	£46.72	£92,180	£50.50	£89,410	£48.99
			1063	£87,790	£48.10	£94,700	£51.89	£91,930	£50.37
			1064	£90,400	£49.53	£97,310	£53.32	£94,540	£51.80
		J	1065	£93,090	£51.00	£100,000	£54.79	£97,230	£53.27
			1066	£95,850	£52.52	£102,760	£56.30	£99,990	£54.78
		J+	1067	£98,710	£54.08	£105,620	£57.87	£102,850	£56.35
			1068	£101,670	£55.70	£108,580	£59.49	£105,810	£57.97
			1069	£104,640	£57.33	£111,550	£61.12	£108,780	£59.60
			1070	£107,760	£59.04	£114,670	£62.83	£111,900	£61.31
			1071	£110,920	£60.77	£117,830	£64.56	£115,060	£63.04
			1072	£114,280	£62.63	£121,140	£66.40	£118,420	£64.88

*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 2024

Residential Grading Structure		SCP	Basic Salary	Hourly Rate*	Inner London Salary	Hourly Rate*	Outer London Salary	Hourly Rate*
London Weighting		N/A			£5,970		£3,620	
LW Supplement**		N/A			£180		£110	
A	B	1009	£22,330	£12.23	£28,300	£15.50	£25,950	£14.21
		1010	£22,830	£12.50	£28,800	£15.78	£26,450	£14.49
A+	B+	1011	£23,550	£12.90	£29,520	£16.17	£27,170	£14.88
		1012	£23,890	£13.09	£29,860	£16.36	£27,510	£15.07
		1013	£24,410	£13.37	£30,380	£16.64	£28,030	£15.35
		1014	£24,980	£13.68	£30,950	£16.95	£28,600	£15.67
		1015	£25,560	£14.00	£31,530	£17.27	£29,180	£15.98
		1016	£26,190	£14.35	£32,160	£17.62	£29,810	£16.33
		1017	£26,780	£14.67	£32,750	£17.94	£30,400	£16.65
C		1018	£27,470	£15.05	£33,440	£18.32	£31,090	£17.03
		1019	£28,080	£15.38	£34,050	£18.65	£31,700	£17.36
	C+	1020	£28,760	£15.75	£34,730	£19.03	£32,380	£17.74
		1021	£29,480	£16.15	£35,450	£19.42	£33,100	£18.13
		1022	£30,190	£16.54	£36,160	£19.81	£33,810	£18.52
		1023	£30,930	£16.94	£36,900	£20.21	£34,550	£18.93
		1024	£31,710	£17.37	£37,680	£20.64	£35,330	£19.35
		1025	£32,470	£17.79	£38,440	£21.06	£36,090	£19.77
	D	1026	£33,290	£18.24	£39,260	£21.51	£36,910	£20.22
		1027	£34,140	£18.70	£40,110	£21.97	£37,760	£20.69
	D+	1028	£35,000	£19.17	£40,970	£22.44	£38,620	£21.16
		1029	£35,850	£19.64	£41,820	£22.91	£39,470	£21.62
		1030	£36,040	£19.74	£42,010	£23.01	£39,660	£21.73
E		1031	£36,930	£20.23	£42,900	£23.50	£40,550	£22.21
		1032	£37,910	£20.77	£43,880	£24.04	£41,530	£22.75
	E+	1033	£38,880	£21.30	£44,850	£24.57	£42,500	£23.28
		1034	£39,890	£21.85	£45,860	£25.12	£43,510	£23.84
		1035	£40,910	£22.41	£46,880	£25.68	£44,530	£24.40
		1036	£41,970	£22.99	£47,940	£26.26	£45,590	£24.98
		1037	£43,020	£23.57	£48,990	£26.84	£46,640	£25.55
		1038	£43,940	£24.07	£50,090	£27.44	£47,670	£26.12
	F	1039	£45,190	£24.76	£51,340	£28.13	£48,920	£26.80
		1040	£46,400	£25.42	£52,550	£28.79	£50,130	£27.46
	F+	1041	£47,690	£26.13	£53,840	£29.50	£51,420	£28.17
		1042	£48,960	£26.82	£55,110	£30.19	£52,690	£28.87
		1043	£50,330	£27.57	£56,480	£30.94	£54,060	£29.62
		1044	£51,710	£28.33	£57,860	£31.70	£55,440	£30.37
G		1045	£53,180	£29.13	£59,330	£32.50	£56,910	£31.18
		1046	£54,620	£29.92	£60,770	£33.29	£58,350	£31.97
	G+	1047	£56,120	£30.75	£62,270	£34.12	£59,850	£32.79
		1048	£57,700	£31.61	£63,850	£34.98	£61,430	£33.66
		1049	£59,280	£32.48	£65,430	£35.85	£63,010	£34.52
	H	1050	£60,980	£33.41	£67,130	£36.78	£64,710	£35.45
		1051	£62,640	£34.32	£68,790	£37.69	£66,370	£36.36
	H+	1052	£64,420	£35.29	£70,570	£38.66	£68,150	£37.34
		1053	£66,220	£36.28	£72,370	£39.65	£69,950	£38.32
		1054	£68,100	£37.31	£74,250	£40.68	£71,830	£39.35
I		1055	£70,000	£38.35	£76,150	£41.72	£73,730	£40.40
		1056	£71,960	£39.43	£78,110	£42.80	£75,690	£41.47
	I+	1057	£74,000	£40.54	£80,150	£43.91	£77,730	£42.59
		1058	£76,090	£41.69	£82,240	£45.06	£79,820	£43.73
		1059	£78,260	£42.88	£84,410	£46.25	£81,990	£44.92
		1060	£80,460	£44.08	£86,610	£47.45	£84,190	£46.13
	J	1061	£82,800	£45.36	£88,950	£48.73	£86,530	£47.41
		1062	£85,270	£46.72	£91,420	£50.09	£89,000	£48.76
	J+	1063	£87,790	£48.10	£93,940	£51.47	£91,520	£50.14
		1064	£90,400	£49.53	£96,550	£52.90	£94,130	£51.57
		1065	£93,090	£51.00	£99,240	£54.37	£96,820	£53.05
		1066	£95,850	£52.52	£102,000	£55.89	£99,580	£54.56
		1067	£98,710	£54.08	£104,860	£57.45	£102,440	£56.13
		1068	£101,670	£55.70	£107,820	£59.07	£105,400	£57.75
		1069	£104,640	£57.33	£110,790	£60.70	£108,370	£59.38
		1070	£107,760	£59.04	£113,910	£62.41	£111,490	£61.09
		1071	£110,920	£60.77	£117,070	£64.14	£114,650	£62.82
		1072	£114,280	£62.61	£120,280	£65.98	£118,010	£64.66

*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 2025-2026**

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 2025-2026.
- 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 employee 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 Real Living Wage Employer. As such we commit to pay all workers the 'Real Living Wage' as a minimum rate of pay. For most of the workforce this is the London Living Wage (£13.85 per hour with effect from 23rd October 2024; £12.60 outside London). The London Living Wage is also used as the basis to determine the rates of pay for Level 2 Apprentices within the organisation (Level 3 Apprentice pay is set at London Living Wage, plus two percent). 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 also those protected by TUPE. Apprentices also have separate pay arrangements as outlined in paragraph 3.3.1.

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; new appointments to existing posts; or where existing posts are changed permanently (i.e. subject to re-evaluation) the Court of Common Council (via the Corporate Services Committee);
 - (ii) in respect of all existing posts, subject to temporary changes in pay (e.g. honorarium, or a Market Forces Supplement) that take them over the £100k threshold, as delegated from Court of Common Council to Corporate Services Committee.

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 these 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 'Real' Living Wage as set by the Living Wage Foundation. As such there is no Pay Progression available other than through the regular review of the Living Wage rate by the Foundation.

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 when last applied). Recognition awards were last applied in October 2023, with the Contribution Pay scheme (see 4.4.3) applied to all grades A-J and SMG equally in 2024.

- 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. The scheme may be varied within these parameters to suit pertinent issues at that time.
- 4.4.4. The scheme was not applied from October 2020 to October 2023. In 2024, the Contribution Payment was made to all eligible employees, except where performance or other formal processes were in place, at a default level of 1.5% of basic pay.
- 4.4.5. **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 Living Wage employer. We apply the 'Real Living Wage', 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. Those based in London will receive the London Living Wage, It is our policy that Real Living Wage increases should be applied to affected employees and other workers from the date of any increased announcement, which in 2024 was on 23 October 2024.

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 6 below.

6.2. Payment in lieu of notice

- 6.2.1. There is no contractual right to payment in lieu of notice. 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 on very rare occasions 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.

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. These are published in the Annual Statement of Accounts, under the Notes to the Comprehensive Income and Expenditure Statement; part 9: Remuneration and Exit Packages of Employees.

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 2024, these ratios were:

- Highest paid: Lowest Paid Permanent Staff, 1:12 (1:11 in Dec 23)
- Highest paid: Median Earnings Figure, 1:6 (1:6 in Dec 23)

A. Moss
Chair, Corporate Services Committee

F. Keelson-Anfu
Deputy Chair, Corporate Services Committee

January 2025

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. 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.
5. 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.
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. As detailed, Contribution Payments were made to those at the top of their scales in 2024 for the first time since 2019.

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 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 at Appendix A of the main report.

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List of Applications for the Freedom

To be presented on Thursday, 6th March, 2025

*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.

Revd Matthew Robert George Austen <i>Jonathan Mark Lee</i> <i>Ald. Sir Andrew Charles Parmley</i>	a Clerk in Holy Orders <i>Citizen and Currier</i> <i>Citizen and Musician</i>	Horsham, West Sussex
Asif Nisar Bajwa <i>Deputy Rehana Banu Ameer</i> <i>Deputy Alpa Raja</i>	a Hotelier <i>Citizen and Common Councillor</i> <i>Citizen and Common Councillor</i>	Barking, London
Aman Bakshi <i>Dhruv Patel</i> <i>Bivas Ambasada</i>	a Finance and Accounting Assistant <i>Citizen and Clothworker</i> <i>Citizen and Stationer & Newspaper Maker</i>	Redbridge, London
Simon Adam Banfield <i>Christopher Nigel Bilsland</i> <i>Jeremy George Kean</i>	a Structural Engineer <i>Citizen and Farrier</i> <i>Citizen and Currier</i>	Lambeth, London
Rosalyn Antonia Breedy <i>Ald. Prem Babu Goyal, OBE</i> <i>CC Aaron Anthony Jose</i> <i>Hasan D'Souza</i>	a Solicitor <i>Citizen and Goldsmith</i> <i>Citizen and Common Councillor</i>	Camden, London
Lauran Paula Bush <i>Deputy Rehana Banu Ameer</i> <i>Deputy Alpa Raja</i>	a Tea Company Chief of Staff <i>Citizen and Common Councillor</i> <i>Citizen and Common Councillor</i>	Cheltenham, Gloucestershire
Helen Catherine Cale <i>Ald. Sir Andrew Charles Parmley</i> <i>Paul Gobey</i>	a Trade Union Administrator <i>Citizen and Musician</i> <i>Citizen and Musician</i>	Hertford, Hertfordshire
Dr Billy Chun-Wing Chan <i>Deputy Rehana Banu Ameer</i> <i>Deputy Alpa Raja</i>	a Chamber of Commerce Chairman <i>Citizen and Common Councillor</i> <i>Citizen and Common Councillor</i>	Iford, London

Pierre-Jean Clause <i>Jacqueline Chan</i> <i>Rafael Steinmetz Leffa</i>	an E.U. Climate Pact Ambassador <i>Citizen and Gold & Silver Wyre Drawer Citizen and International Banker</i>	Westminster, London
Andrew James Cole, OBE <i>Timothy Nicholas Tyler, CB Edward David John Goodchild</i>	a Charity Chief Executive <i>Citizen and Turner Citizen and Skinner</i>	Richmond upon Thames, London
Rebecca Elizabeth Constable <i>Lucy Maria Atherton Martin John Wainwright</i>	a Wealth Manager <i>Citizen and Saddler Citizen and Goldsmith</i>	Newbury, Berkshire
Dean Culpan <i>Ald. Timothy Russell Hailes, JP Deputy Madush Gupta</i>	a Hotel General Manager <i>Citizen and Pewterer Citizen and Pewterer</i>	Westminster, London
Clare Victoria Solt Dennis <i>Alan Stanley Cook Deborah Rebecca Jane Black</i>	a Medical Education Administrator, retired <i>Citizen and Gunmaker Citizen and Educator</i>	Gillingham, Kent
Lieutenant Commander Ian Dorward, VR <i>James Nisbet Richard Myall Davies</i>	a Procurement Company Chief Executive <i>Citizen and International Banker Citizen and Chartered Surveyor</i>	Warwickshire
Christopher John Duddell <i>Michael Osborne Antonio Masella</i>	a Heavy Goods Vehicle Driver <i>Citizen and Basketmaker Citizen and Mason</i>	Waltham Forest, London
Jeffrey Richard Duddell <i>Michael Osborne Antonio Masella</i>	an Insurance Assessor <i>Citizen and Basketmaker Citizen and Mason</i>	Redbridge, London
Afshin Eftekhari-Mofrad <i>Abdul Latif Robert Brian Linton</i>	a Lawyer <i>Citizen and Poulter Citizen and Blacksmith</i>	Hackney, London
Richard Aspinall Farmery, MBE <i>Richard Edward Robert King Phillip Edward Powell</i>	A Civil Servant, retired <i>Citizen and Security Professional Citizen and Stationer & Newspaper Maker</i>	Northwood, Middlesex
Guy Antony Douglas Peter Fennell <i>Deputy Rehana Banu Ameer Deputy Alpa Raja</i>	a Retail Company Founder <i>Citizen and Common Councillor Citizen and Common Councillor</i>	Cheshire
Dr Manson Fok <i>Deputy Rehana Banu Ameer Deputy Alpa Raja</i>	a Faculty of Medicine Dean <i>Citizen and Common Councillor Citizen and Common Councillor</i>	Tower Hamlets, London

<p>Abida Rehman Ghafoor <i>Ald. Prem Babu Goyal, OBE</i> <i>CC Aaron Anthony Jose</i> <i>Hasan D'Souza</i></p>	<p>a Marketing Company Chief Executive <i>Citizen and Goldsmith</i> <i>Citizen and Common Councillor</i></p>	<p>Redbridge, Essex</p>
<p>His Excellency The Honourable Ralph Edward Goodale, PC <i>The Rt. Hon The Lord Mayor</i> <i>Deputy Christopher Michael Hayward</i></p>	<p>High Commissioner For Canada <i>Citizen and Blacksmith</i> <i>Citizen and Pattenmaker</i></p>	<p>Westminster, London</p>
<p>William John Hastie <i>Deputy James Michael Douglas Thomson, CBE</i> <i>Ian Dyson, QPM, DL</i></p>	<p>a Police Force Master Taylor <i>Citizen and Grocer</i> <i>Citizen and Glover</i></p>	<p>Oxfordshire</p>
<p>Dr Laurence Lee Hemming <i>Ald. Prem Babu Goyal, OBE</i> <i>CC Aaron Anthony Jose</i> <i>Hasan D'Souza</i></p>	<p>a Professor of Philosophy <i>Citizen and Goldsmith</i> <i>Citizen and Common Councillor</i></p>	<p>Westminster, London</p>
<p>Eimear Catriona Herlihy <i>Rafael Steinmetz Leffa</i> <i>Dr Fraser Stuart Peck</i></p>	<p>a Dentist <i>Citizen and International Banker</i> <i>Citizen and Apothecary</i></p>	<p>Hove, East Sussex</p>
<p>David Charles Hunt <i>George Alexander Bastin</i> <i>Clive Anthony Hunt</i></p>	<p>a Chartered Accountant, retired <i>Citizen and Ironmonger</i> <i>Citizen and Brewer</i></p>	<p>Guildford, Surrey</p>
<p>Lt Col James Peter Johnston <i>Sir David Roche</i> <i>John James Tunesi of Liongam, The Younger</i></p>	<p>a Financial Services Manager, retired <i>Citizen and Saddler</i> <i>Citizen and Scrivener</i></p>	<p>Belfast, Northern Ireland</p>
<p>Philip Andrew Jordan <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Sir William Anthony Bowater Russell</i></p>	<p>a City Marshal, retired <i>Citizen and Blacksmith</i> <i>Citizen and Haberdasher</i></p>	<p>Barnet, Hertfordshire</p>
<p>Sean Henry Kiernan <i>Ald. Prem Babu Goyal, OBE</i> <i>CC Aaron Anthony Jose</i> <i>Hasan D'Souza</i></p>	<p>an Entrepreneur <i>Citizen and Goldsmith</i> <i>Citizen and Common Councillor</i></p>	<p>Westminster, London</p>
<p>Jacqueline Cecilia Kilgour <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Sir Peter Kenneth Estlin</i></p>	<p>a Financial Services Company Director <i>Citizen and Blacksmith</i> <i>Citizen and International Banker</i></p>	<p>Westminster, London</p>
<p>Harshad Umedlal Kothari <i>Ald. Prem Babu Goyal, OBE</i> <i>CC Aaron Anthony Jose</i> <i>Hasan D'Souza</i></p>	<p>a Chartered Accountant <i>Citizen and Goldsmith</i> <i>Citizen and Common Councillor</i></p>	<p>Redbridge, London</p>
<p>John Ernest Charles Leggett <i>John Charles Jordan</i> <i>Norman Edward Chapman</i></p>	<p>a Police Officer, retired <i>Citizen and Glover</i> <i>Citizen and Glover</i></p>	<p>Spelthorne, Middlesex</p>

Malcolm Raymond Linscott <i>Ann-Marie Jefferys</i> <i>Anne Elizabeth Holden</i>	a Corn Merchant, retired <i>Citizen and Glover</i> <i>Citizen and Basketmaker</i>	Suffolk
Orlando Alberto Mardner <i>Stephan Urs Breu</i> <i>Peter Michael</i>	a Security Risk Consultant <i>Citizen and Scrivener</i> <i>Citizen and Scrivener</i>	Basildon, Essex
Ashley David Martin <i>Colin Michael Brown</i> <i>Mark Kennedy Wheeler</i>	a Plumbing and Heating Engineer <i>Citizen and Gold & Silver Wyre Drawer</i> <i>Citizen and Plumber</i>	Stanmore, Middlesex
James Victor May <i>Graham Leslie Flight</i> <i>Daniel Mark Heath</i>	a Pharmaceutical Customer Operations Manager <i>Citizen and Loriner</i> <i>Citizen and Hackney Carriage Driver</i>	Burgess Hill, West Sussex
Joanne Marie McCullagh <i>CC Jamel Banda</i> <i>CC Philip John Woodhouse</i>	a Drama Teacher <i>Citizen and Poulter</i> <i>Citizen and Grocer</i>	Horley, Surrey
Brendan Andrew Molloy <i>Christopher Nigel Bilsland</i> <i>Jeremy George Kean</i>	a Solicitor Advocate <i>Citizen and Farrier</i> <i>Citizen and Currier</i>	Hayes, Middlesex
Zameer Muhammad <i>Matthew David Johnson</i> <i>Sean Canty</i>	a Facilities Manager <i>Citizen and Environmental Cleaner</i> <i>Citizen and Environmental Cleaner</i>	Newham, London
Sean Martin Mulryan <i>Vincent Dignam</i> <i>Jacqueline O'Donovan, OBE</i>	a Property Developer <i>Citizen and Carman</i> <i>Citizen and Carman</i>	Kildare, Ireland
Dr James Njuguna Mwangi <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Prem Babu Goyal, OBE</i>	a Banker and Philanthropist <i>Citizen and Blacksmith</i> <i>Citizen and Goldsmith</i>	Nairobi, Kenya
Andrew Howard Martin Nebel, MBE <i>Morris David Albert Bentata</i> <i>Graham George Cooke</i>	a Charity Director, retired <i>Citizen and Feltmaker</i> <i>Citizen and Painter-Stainer</i>	Stamford, Lincolnshire
John Anthony Nugent <i>Vincent Dignam</i> <i>John Paul Tobin</i>	a Hospitality Company Chief Executive <i>Citizen and Carman</i> <i>Citizen and Carman</i>	Islington, London
James Jim Ovia <i>The Rt. Hon The Lord Mayor</i> <i>Ald. Prem Babu Goyal, OBE</i>	a Bank Founder & Chairman <i>Citizen and Blacksmith</i> <i>Citizen and Goldsmith</i>	Victoria Island, Lagos, Nigeria
Professor Neil Edward Pearce <i>Ann-Marie Jefferys</i> <i>Anne Elizabeth Holden</i>	a University Professor <i>Citizen and Glover</i> <i>Citizen and Basketmaker</i>	Westminster, London

Jeffery Raymond Phillips <i>Keith Richard Stevens</i> <i>Dmytro Tupchiienko</i>	an Accountant <i>Citizen and Management Consultant</i> <i>Citizen and Stationer & Newspaper Maker</i>	Port Moody, British Columbia, Canada
Mohammed Aziz-Ur Rahman <i>Deputy Rehana Banu Ameer</i> <i>Deputy Alpa Raja</i>	a Restaurateur <i>Citizen and Common Councillor</i> <i>Citizen and Common Councillor</i>	Oxford, Oxfordshire
Mark Douglas Randall <i>Stanley Brown</i> <i>Derek Martin Morley</i>	an Airline Company Team Manager <i>Citizen and Loriner</i> <i>Citizen and Furniture Maker</i>	Hillingdon, London
Fiona Jennie Rawes <i>Deputy Dr Giles Robert Evelyn Shilson</i> <i>Deputy Paul Nicholas Martinelli</i>	a Philanthropy Director, retired <i>Citizen and Ironmonger</i> <i>Citizen and Butcher</i>	Tower Hamlets, London
Lorraine Janis Reach <i>Lady Wendy Davina Calder Parmley</i> <i>Ald. Sir Andrew Charles Parmley</i>	a Housekeeper <i>Citizen and Information Technologist</i> <i>Citizen and Musician</i>	Southwark, London
Dr Fabian Felix Richter <i>Ald. Robert Charles Hughes-Penney</i> <i>Deputy James Henry George Pollard</i>	a Heritage Charity Chair <i>Citizen and Haberdasher</i> <i>Citizen and Skinner</i>	Lambeth, London
Lewis George Riley <i>David Lee McLernon</i> <i>Gareth Robert Ledsham</i>	a Trainee Accountant <i>Citizen and Solicitor</i> <i>Citizen and Solicitor</i>	Bishop's Stortford, Hertfordshire
Janice Evelyn Scott <i>Ald. Alexander Robertson Martin Barr</i> <i>Catherine Mary Rose Carr</i>	a Royal Navy Warrant Officer, retired <i>Citizen and Ironmonger</i> <i>Citizen and Gold & Silver Wyre Drawer</i>	Newbury, Berkshire
John David Sowerby <i>Antony Charles Greene</i> <i>Derek Martin Morley</i>	a Senior Bank Official, retired <i>Citizen and Loriner</i> <i>Citizen and Furniture Maker</i>	Kettering, Northamptonshire
Eva Isobel Chantal Strasburger <i>John Michael Allen-Petrie, OBE</i> <i>Brady Daine Brim-Deforest of Balvaird Castle</i>	a Software Company Chief Executive <i>Citizen and Draper</i> <i>Citizen and Fletcher</i>	Austin, Texas, United States of America
Roy Thomas Strasburger <i>John Michael Allen-Petrie, OBE</i> <i>Brady Daine Brim-Deforest of Balvaird Castle</i>	a Retail Consultant <i>Citizen and Draper</i> <i>Citizen and Fletcher</i>	Austin, Texas, United States of America

<p>Seth Orion Thomas <i>Deputy Christopher Michael Hayward</i> <i>CC Antony Geoffrey Manchester</i></p>	<p>a Banker <i>Citizen and Pattenmaker</i></p> <p><i>Citizen and Common Councillor</i></p>	<p>Westminster, London</p>
<p>Dr Norman Jan Piet Walker, OBE, TD, DL <i>Sir David Roche</i> <i>John James Tunesi of Liongam, The Younger</i></p>	<p>a Medical Practitioner, retired</p> <p><i>Citizen and Saddler</i> <i>Citizen and Scrivener</i></p>	<p>Carrickfergus, County Antrim, Northern Ireland</p>
<p>Graham Nicholas Webb <i>Deputy Madush Gupta</i> <i>Ald. Timothy Russell Hailes, JP</i></p>	<p>an Operations Consultancy Director <i>Citizen and Pewterer</i> <i>Citizen and Pewterer</i></p>	<p>Westminster, London</p>
<p>David James Webster <i>Ald. Sir Andrew Charles Parmley</i> <i>Paul Gobey</i></p>	<p>a Trade Union Official <i>Citizen and Musician</i></p> <p><i>Citizen and Musician</i></p>	<p>Enfield, London</p>
<p>Adam Michael Andrew Whittle <i>Adrian Scales</i> <i>Geoffrey Roger Cowap</i></p>	<p>a Marketing Manager</p> <p><i>Citizen and Master Mariner</i> <i>Citizen and Master Mariner</i></p>	<p>Wirral, Merseyside</p>
<p>Carolyn Wright <i>Steven Leslie Wright</i> <i>Alan Leslie Roughan</i></p>	<p>a Research Scientist <i>Citizen and Hackney Carriage Driver</i> <i>Citizen and Hackney Carriage Driver</i></p>	<p>Hillingdon, London</p>

Report – Policy and Resources Committee

Markets Food Study

To be presented on Thursday, 6th March 2025

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

SUMMARY

During its ongoing consideration of the City Corporation's Markets Co-Location programme, your Policy and Resources Committee agreed at its meeting on 11 July 2024 a budget for a) further independent research into the importance of the City's wholesale food markets to London and the Southeast; and b) architectural, costs and other consultancy work on alternative options.

Artefact were commissioned by the City of London Corporation (CoL) to provide an independent and research-led assessment of the role and significance of Smithfield and Billingsgate wholesale food markets, taking into account the decision to close the existing market sites and support traders in relocating in 2028/2029. In this context, their report evaluates the markets' current functions, considers the implications of site closures for traders and their supply chains, and situates these changes within the broader transition affecting London's food markets. Their analysis benefitted from extensive stakeholder engagement, including collaboration with the Smithfield Market Tenants' Association (SMTA) and the London Fish Merchants Association (LFMA), as well as their supply chains and customer bases.

The study outlines the importance of the markets but concludes that concerns over food security due to closure of the present physical Smithfield and Billingsgate sites are largely overstated. The relocation of a critical mass of traders in 2028/2029 provides an opportunity to upgrade their facilities, improve operational efficiencies, and enhance supply chain adaptability, thereby further mitigating any perceived food security risk. Furthermore, for external, non-household consumption, the presence of alternative wholesalers insulates supply chains and helps to facilitate continued supply to caterers, restaurants, and other foodservice operators.

RECOMMENDATION

That Members note the content of the report and the Markets Food Study at Appendix A

MAIN REPORT

Background

1. On 11 July 2024, your Policy and Resources Committee approved independent research into the importance of the Corporation's wholesale food markets to London and the Southeast.
2. A brief was shared with seven consultancy firms to find a partner with the required analytical skills and food supply chain knowledge. Following this competitive process, Artefact were appointed. Artefact is a global data & AI consultancy specialising in data-driven research, strategic analysis, and stakeholder engagement across a wide range of industries. With 1,500 employees in 28 offices across 23 countries, Artefact operates at scale, delivering data-driven insights that inform decision-making for both public and private sector clients. Artefact brings extensive experience in analysing complex market dynamics and supporting large-scale transitions. Their approach ensures a comprehensive and objective analysis, grounded in robust research and stakeholder insights.
3. Artefact's desktop research was largely completed over the summer of 2024 however the interview section of the research was not started until October 2024 as they required access to the traders directly and the trader's supply chains and customers. Your Policy & Resources Committee were updated on 7 November 2024 that this work would continue and conclude in the New Year (2025).
4. Now that this work has completed, this report updates Members on the main outcomes of the Food Study which is located at Appendix A.

Food Study Summary

5. Artefact's work has been informed by extensive stakeholder engagement, including collaboration with the SMTA and the LFMA. Both organisations facilitated access to Market traders, who provided insights into their operations, the anticipated challenges of relocation, and their strategies for navigating the transition. Traders also supported engagement with their supply chains, enabling Artefact to gather perspectives from key customers and suppliers.
6. The research situates findings within a broader analysis of food supply patterns in the UK, and highlights trends such as the steady decline in per capita meat and fish consumption over the past two decades, with reductions of 20% and 25% respectively.
7. The joint statements with the SMTA and LFMA have indicated a collective commitment among their members to continue trading, with 70% of Smithfield traders (and 100% of trade) and 90% of Billingsgate traders continuing to trade following a move from their current sites.
8. Customer and supplier feedback reveals minimal concern regarding potential disruptions to the food supply chain due to relocation. Digital ordering platforms

and increased means of remote ordering, such as phone calls, emails, and online trading platforms, along with an increasing ability of traders to handle outbound logistics independently with their own delivery, means that their operations are no longer tied to physical market locations, which reduces the impact of relocation on customers.

9. Although there is some nervousness in the wider supply chain, the study indicates that concerns over food security due to closure of the present physical Smithfield and Billingsgate sites are largely overstated. For external consumption, the presence of alternative wholesalers ensures continued supply to caterers, restaurants, and other foodservice operators. It should also be noted that the majority of UK meat and fish consumption flows through supermarket channels that operate independently of Smithfield and Billingsgate.
10. The relocation of traders in 2028/2029 provides an opportunity to upgrade their facilities, improve operational efficiencies, and enhance supply chain adaptability, thereby further mitigating any perceived food security risk.
11. CoL is actively supporting traders in their search for alternative premises in which to continue trading and expand/modernise their businesses. This includes land searches across various London Boroughs as well as brokering collaborations with third party developers. Options include traders moving into established premises (which would require modification) through to purchasing new land and constructing bespoke buildings. Subject to further Member approval, it is the intention to appoint dedicated CoL resource (managed from City Surveyors) to support traders through to a conclusion which allows for a smooth transition to new locations with minimal to no impact on the supply chain. This resource will also continue to assess any impact of the changes on independent businesses, supply chains, and the broader food ecosystem as the programme progresses.

Private Bill Update

12. The bill was deposited on 27 November. The bill is now proceeding through its stages in the House of Commons, its first house. Second Reading took place on 30 January. The next stage is Committee Stage which is yet to be scheduled.

Conclusion

13. The Food Study provides credible data that further supports CoLC's decision. It also concludes that traders are positive about the moves in 2028/2029 as it provides them with the opportunity to upgrade their facilities, improve operational efficiencies, and enhance supply chain adaptability, thereby further mitigating any perceived food security risk.

Appendices

[Appendix A – Markets Food Report](#)

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

DATED this 13th Day of February 2025.

SIGNED on behalf of the Committee.

Deputy Christopher Michael Hayward
Chairman, Policy and Resources Committee

Report – Policy & Resources Committee

Report of Urgent Action Taken: London Councils Grant Scheme 2025/26 Levy

To be presented on 6th March 2025

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 2025.

We therefore report that, on 12 February 2025, approval was given between meetings, in accordance with Standing Order 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 16 January 2025, the Committee considered and approved the overall level of expenditure to be incurred in 2025/26 (£6.711m with the proposed expenditure being made up of £6.711m in contributions from London local authorities (the amount to be levied)), as well as the City Corporation's subscription to it (£10,100).
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 2025.

3. Following receipt of confirmation from London Councils that over two-thirds of constituent councils had agreed the expenditure to be incurred for 2025/26 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 £6.711m being applied to constituent councils for 2025/26, as set out in the appendix to this report.

RECOMMENDATION

We **recommend** that the action taken be noted.

APPENDIX – Borough Subscriptions 2025/26

DATED this 12th day of February 2025.

SIGNED on behalf of the Committee.

Deputy Christopher Hayward
Chairman, Policy & Resources Committee

Borough Subscriptions 2025/26

ONS Mid-2022 Estimate of Population ('000)	%	2024/25 Base Borough Contribution (£)		ONS Mid-2023 Estimate of Population ('000)	%	2025/26 Base Borough Contribution (£)	Base Difference from 2024/25 (£)
219.99	2.48%	165,453	Barking and Dagenham	222.31	2.49%	166,781	1,328
389.10	4.39%	292,638	Barnet	395.01	4.42%	296,344	3,706
247.84	2.80%	186,394	Bexley	250.85	2.80%	188,196	1,802
341.22	3.85%	256,628	Brent	344.52	3.85%	258,468	1,840
329.58	3.72%	247,872	Bromley	331.16	3.70%	248,446	574
218.05	2.46%	163,992	Camden	220.90	2.47%	165,727	1,735
10.85	0.12%	8,158	City of London	13.46	0.15%	10,100	1,942
392.22	4.42%	294,987	Croydon	397.74	4.45%	298,395	3,408
369.94	4.17%	278,225	Ealing	375.34	4.20%	281,590	3,364
327.22	3.69%	246,101	Enfield	327.43	3.66%	245,646	-456
291.08	3.28%	218,918	Greenwich	294.11	3.29%	220,651	1,733
261.49	2.95%	196,664	Hackney	263.28	2.94%	197,521	857
185.24	2.09%	139,315	Hammersmith and Fulham	186.18	2.08%	139,674	359
261.81	2.95%	196,905	Haringey	262.90	2.94%	197,231	326
261.19	2.95%	196,434	Harrow	263.45	2.95%	197,645	1,211
264.70	2.99%	199,080	Havering	268.15	3.00%	201,169	2,089
310.68	3.50%	233,660	Hillingdon	319.02	3.57%	239,335	5,676
290.49	3.28%	218,473	Hounslow	295.71	3.31%	221,846	3,374
220.37	2.49%	165,740	Islington	220.58	2.47%	165,488	-252
146.15	1.65%	109,921	Kensington and Chelsea	147.46	1.65%	110,628	708
168.30	1.90%	126,578	Kingston upon Thames	170.45	1.91%	127,879	1,301
316.81	3.57%	238,271	Lambeth	315.71	3.53%	236,851	-1,420
298.65	3.37%	224,613	Lewisham	298.71	3.34%	224,098	-515
214.71	2.42%	161,480	Merton	215.22	2.41%	161,463	-17
358.65	4.05%	269,733	Newham	362.55	4.05%	271,996	2,263
310.91	3.51%	233,833	Redbridge	313.39	3.50%	235,115	1,282
194.89	2.20%	146,578	Richmond upon Thames	195.51	2.19%	146,679	101
311.91	3.52%	234,586	Southwark	315.52	3.53%	236,710	2,124
210.05	2.37%	157,978	Sutton	211.12	2.36%	158,390	411
325.79	3.67%	245,022	Tower Hamlets	328.63	3.67%	246,544	1,521
275.89	3.11%	207,491	Waltham Forest	275.98	3.09%	207,047	-444
329.04	3.71%	247,463	Wandsworth	331.46	3.71%	248,667	1,203
211.37	2.38%	158,965	Westminster	211.51	2.36%	158,679	-286
8,866.18	100.00%	6,668,152	Totals	8,945.31	100.00%	6,711,000	42,848

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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, 6th March 2025

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

Act

Enacted

Commonwealth Parliamentary Association and International Committee of the Red Cross (Status) Act 2025

The CPA is an unincorporated association established by Parliamentarians. The Act defines the CPA as an international organisation, a change which will facilitate the CPA to continue to operate fully across the Commonwealth and international fora. For the Red Cross, the Act confers at a UK level the privileges and immunities applicable at an international level. This is in line with the Government's policy of assisting the Red Cross to operate in the UK in accordance with its international mandate.

16th January
2025

Statutory Instruments

In Force

Police Act 1997 (Authorisations to Interfere with Property: Relevant Offence) Regulations 2025

The amendments made by these Regulations will ensure that police and other authorised officials have the power to interfere with or use counter-unmanned aircraft equipment against an unmanned aircraft that is being used in the commission of an offence.

23rd January
2025

Deposit Scheme for Drinks Containers (England and Northern Ireland) Regulations 2025

These Regulations are the first to be made under powers in the Environment Act 2021. The Regulations establish, in England and Northern Ireland, a deposit scheme for container drinks which are supplied for consumption in England or Northern Ireland. The relevant containers are single-use closed bottles and cans made from polyethylene terephthalate (PET) plastic, steel or aluminium which contain between 150 millilitres and 3 litres of liquid. Monitoring and

23rd January
2025

enforcement activities will be carried out by the Environment Agency and local authority trading standards departments, including in the City.

**Retained EU Law (Revocation and Reform) Act 2023
(Consequential Amendments) Regulations 2025**

27th February
2025

This instrument amends secondary legislation to remove references to “retained EU law” (“REUL”) and replace them with “assimilated law”.

**The Financial Services and Markets Act 2023 (Digital Securities
Sandbox) (Amendment) Regulations 2025**

3rd March 2025

Amends the Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023 so that the FCA and the Bank of England are the regulators of activities that are ancillary to the entities within the Digital Securities Sandbox, insofar as that ancillary activity relates to Financial Market Infrastructure (FMI). Examples of FMI include maintaining or operating a trading venue, settlement services, providing services to a business within the sandbox.

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

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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