



Finance Committee

Date: TUESDAY, 23 JULY 2024

Time: 12.45 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

Deputy Henry Colthurst (Chairman)	Deputy Paul Martinelli
Deputy Randall Anderson (Deputy Chairman)	Catherine McGuinness
George Abrahams	Deputy Andrien Meyers
Deputy Rehana Ameer	Deputy Brian Mooney BEM
Shahnan Bakth	Benjamin Murphy
Brendan Barns	Hugh Selka
Emily Benn	Paul Singh
Nicholas Bensted-Smith	Tom Sleight
Deputy Timothy Butcher	Deputy Sir Michael Snyder
Alderman Professor Emma Edhem	James St John Davis
Alderman Sir Peter Estlin	Deputy James Thomson
Sophie Anne Fernandes	Luis Felipe Tilleria
Steve Goodman OBE	James Tumbridge
Alderwoman Martha Grekos	Mark Wheatley
Deputy Madush Gupta	Philip Woodhouse
Michael Hudson	Deputy Christopher Hayward, Policy and Resources Committee (Ex-Officio Member)
Florence Keelson-Anfu	Deputy Keith Bottomley, Policy and Resources Committee (Ex-Officio Member)
Alderman Tim Levene	

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City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the meeting held on 4 June 2024.

For Decision
(Pages 7 - 14)

4. **ACTION TRACKER**

There are no outstanding actions.

For Information

5. **FORWARD PLANS**

a) Finance Committee's Forward Plan (Pages 15 - 16)

b) Efficiency and Performance Working Party's Forward Plan (Pages 17 - 18)

6. **DRAFT PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

To receive the draft public minutes and non-public summary of the Projects and Procurement Sub-Committee held on 10 June 2024.

(Pages 19 - 26)

7. **2023/24 OUTTURN REPORT FOR CITY FUND AND CITY'S ESTATE**

Report of the Chamberlain.

For Decision
(Pages 27 - 46)

8. **FUNDING FOR EPMO SYSTEM**

Report of the Chamberlain.

For Decision
(Pages 47 - 52)

9. **INTERNAL AUDIT ADDITIONAL FUNDING REQUEST**

Report of the Chamberlain.

For Decision
(Pages 53 - 64)

10. **CENTRAL CONTINGENCIES 2024/25**

Report of the Chamberlain.

For Information
(Pages 65 - 72)

11. **REVENUE OUTTURN 2023/24 - FINANCE COMMITTEE OPERATIONAL SERVICES**

Report of the Chamberlain.

For Information
(Pages 73 - 86)

12. **CHAMBERLAIN'S BUSINESS PLAN QUARTER 1 2024/25 UPDATE**

Report of the Chamberlain.

For Information
(Pages 87 - 102)

13. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**

Report of the Chamberlain.

For Information
(Pages 103 - 120)

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

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

16. **EXCLUSION OF THE PUBLIC**

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

For Decision

Part 2 - Non-Public Agenda

17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

To agree the non-public minutes of the meeting held on 4 June 2024.

For Decision
(Pages 121 - 124)

18. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

To receive the draft non-public minutes of the Projects and Procurement Sub-Committee held on 10 June 2024.

(Pages 125 - 130)

19. **EFFICIENCY AND PERFORMANCE WORKING PARTY**

To receive the draft minutes from the meeting of the Efficiency and Performance Working Party held on 12 June 2024.

For Information
(Pages 131 - 134)

20. **CITY FUND & CITY'S ESTATE PUDDLE DOCK - DEVELOPMENT OPTIONS REVIEW**

Report of the City Surveyor.

For Decision
(Pages 135 - 188)

21. **END USER DEVICES – REFRESH CONTRACT**

Report of the Chamberlain.

For Decision
(Pages 189 - 198)

22. **WRITE-OFF OF OUTSTANDING DEBT - NATIONAL PET COLLEGE**

Report of the Executive Director, Environment.

For Decision
(Pages 199 - 202)

23. **DELEGATION REQUEST**
Report of the City Surveyor.

For Decision
(Pages 203 - 208)

24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
25. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

26. **CHAMBERLAIN'S DEPARTMENT RESOURCING UPDATE**
The Chamberlain to be heard.

For Information

FINANCE COMMITTEE

Tuesday, 4 June 2024

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 4 June 2024 at 12.45 pm

Present

Members:

Deputy Randall Anderson (Deputy Chairman)
Deputy Rehana Ameer
Nicholas Bensted-Smith
Deputy Timothy Butcher
Alderman Professor Emma Edhem
Steve Goodman OBE
Alderwoman Martha Grekos
Deputy Madush Gupta
Michael Hudson

Elizabeth Anne King, BEM JP (Alderman-Elect)
Deputy Paul Martinelli
Deputy Andrien Meyers
Hugh Selka
Deputy Sir Michael Snyder
James Tumbridge
Mark Wheatley
Philip Woodhouse
Deputy Christopher Hayward (Ex-Officio Member)

Officers:

Ian Thomas	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Paul Wilkinson	- City Surveyor
Damian Nussbaum	- Executive Director, Innovation and Growth
Oliqur Chowdhury	- Chamberlain's Department
Lisa Moore	- Chamberlain's Department
Monica Patel	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
James Murray	- City Surveyor's Department
Robert Murphy	- City Surveyor's Department
Damon Ellis	- Community and Children's Services Department
Michael Gwyther-Jones	- Community and Children's Services Department
Ben Dunleavy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from the Chairman, Shahnaz Bakhsh, Brendan Barns, Deputy Keith Bottomley, Alderman Sir Peter Estlin, Alderman Tim Levene, Catherine McGuinness, Benjamin Murphy and James St John Davis.

In the absence of the Chairman, the Deputy Chairman took the Chair.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and non-public summary of the meeting held on 7 May 2024 be approved as an accurate record.

Matters arising

In the Chairman's absence, the Town Clerk informed Members that the Chairman sought the Committee's support in nominating Deputy Randall Anderson, the Deputy Chairman, as the Chair of the Projects and Procurement Sub-Committee.

The Chairman also suggested, through the Town Clerk, that he would like to allow the Sub-Committee to choose its own Deputy Chair, by way of an indicative vote at its meeting on 10 June. He would exercise his rights of nomination based on the results of that vote.

RESOLVED, that – Members endorse the nomination of Deputy Randall Anderson as the Chair of the Projects and Procurement Sub-Committee, and the method of selecting the Deputy Chair through an indicative vote at the Sub-Committee meeting, to be confirmed by the Chairman of the Finance Committee.

4. **ACTION TRACKER**

Members noted the Action Tracker.

5. **FORWARD PLANS**

a) **Finance Committee Forward Plan June 2024**

Members noted the Committee's Forward Plan.

b) **Efficiency and Performance Working Party's Forward Plan**

Members noted the Efficiency and Performance Working Party's forward plan.

6. **EFFICIENCY AND PERFORMANCE WORKING PARTY**

Members received the draft note of the Efficiency and Performance Working Party meeting held on 18 April 2024.

Steve Goodman noted that the date of the meeting was incorrect, and that he had been in attendance.

7. **CENTRAL CONTINGENCIES**

The Committee considered a report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

Several Members raised concerns over the mechanism of approving contingencies, and asked if there was a contingency policy. The Chamberlain

confirmed that the Finance Committee held contingencies for the entire Corporation, and all requests had to come through the Committee. She would always consider whether requests could be covered from local risks, and if the request was due to unforeseen circumstances. She was confident that it was prudent for contingency funds to be held, and good governance for their use to be overseen by the Finance Committee.

Following a question from a Member on action taken under urgency, the Chair confirmed that there were no unpaid service charges.

RESOLVED, that – Members agree to carry forward sufficient resources of £2,686,000 to meet existing allocations and £523,000 uncommitted balances to meet expected increased revenue pressures thereby providing sufficient contingencies for funding requirements that may arise during 2024/25.

8. PROPOSED APPROACH TO THE REVIEW OF PROCUREMENT AND CONTRACT MANAGEMENT

Members received a report of the Chamberlain concerning procurement and contract management.

Several Member, though noting that the scope of the review had been revised by the Projects and Procurement Sub-Committee, raised concerns over the review and the recruitment of an external consultant to undertake it, and asked for assurance that the requested allocation of funds would deliver value for money. The Chair said that he felt it was important to undertake the review and to seek outside support.

The Chamberlain said that the original proposal had been to use in-house resources, but the Projects and Procurement Sub-Committee felt that external consultants would add value to elements that could not be provided in-house.

Members noted that the Efficiency and Performance Working Party would be considering the use of consultants at an upcoming meeting, and the Town Clerk and Chief Executive said that there was a reduction in their use.

RESOLVED, that – Members approve the allocation of £150,000 from the Finance Committee contingency fund to deliver this review.

9. EMERGENCY AND TEMPORARY ACCOMMODATION PLACEMENTS - STAGE 1 STRATEGY REPORT AND STAGE 2 AWARD REPORT

Members received a Joint Report of the Chamberlain and the Executive Director, Community and Children's Services concerning a direct contract award.

RESOLVED, that – Members authorise the Community and Children's Services Director to approve the extension, if required, and delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee and following the decision of the Projects and Procurement Sub-Committee, to recommend that the Court of Common Council approves the procurement strategy via a direct award call-off from the YPO framework

(Commissioning Solution ref 1017 / Commissioning Solution 2 ref 001231), to the Access Group.

10. UNIVERSAL SUPPORT – GRANT FUNDING FOR NEW CLF EMPLOYMENT PROGRAMME

Members received a report of the Executive Director, Innovation and Growth, concerning new funding for an employment programme.

During discussion, a Member said it was important to question the outcomes of programmes such as Universal Support when appropriate. Another Member acknowledged that that it was right to be sceptical, but reminded the Committee that Central London Forward (CLF) had benefited the City Corporation's relationships with local authorities in London.

RESOLVED, that – Members recommend that the Court of Common Council approves:

- CLF acting as the accountable body for Universal Support, and managing the programme on behalf of member authorities, including the development of the procurement strategy, as approved by CLF Board;
- The signing of any associated grant agreements with DWP to enable receipt of the funding, as approved by CLF Board;
- The delegation of funding to member authorities that want to deliver the programme direct;
- The signing of associated grant agreements with these member authorities;
- That the Court delegates to the Finance Committee the authority to vary the grant agreements with DWP. Vary grant agreements with member authorities delivering the programme. And vary the contract with the provider commissioned to deliver the programme. Subject to approval by CLF Programmes Board
- Subject to the above being approved by the Court, Members also approved a standing delegation to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to consider any such variations.

11. PIONEER SUPPORT - ADDITIONAL GRANT FUNDING AND INCREASE IN CONTRACT VALUE

Members received a report of the Executive Director, Innovation and Growth, concerning additional funding for an employment programme.

RESOLVED, that – Members recommend that the Court of Common Council approves:

- The signing of an addendum to the Finance and Costings Framework with DWP to enable the receipt of additional funding up to the value of £1.5m.
- Increasing the contract value of Pioneer Support to reflect the additional funding.

12. **RESPONSIBLE PROCUREMENT IMPACT REPORT FY23-24**

Members received a report of the Chamberlain concerning the Responsible Procurement Policy.

Members provided feedback on the format and presentation of the report. It was noted that this was the first such report and would be used to inform future iterations. A video report would also be produced.

A Member raised their concerns about the decision being sought of Members – they felt that the recommendation to publish the report should have been the initial decision sought of the Committee.

RESOLVED, that – Members:

- endorse the Responsible Procurement Impact Report 23-24 and the proposal to publish it with the Responsible Procurement Policy.

13. **PRODUCTIVITY PLANS**

Members received a report of the Chamberlain concerning a request for delegated authority.

RESOLVED, that - Members approve delegated authority to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Finance Committee to approve the submission of the Productivity Plan.

14. **BUSINESS RATE PREMIUM**

Members received a joint report of the Chamberlain and the Commissioner, City of London Police, concerning the Business Rate Premium.

RESOLVED, that – the report be received and its contents noted.

15. **UPDATE ON HRA/BARBICAN ESTATE RESPECTIVE REPAIRS CONTRACTS**

Members received a report of the Executive Director, Community and Children's Services concerning contracts.

Several Members, referencing the difficulties that the Golden Lane Estate had recently faced, welcomed the information set out in the report but felt it might present a slightly optimistic view of the status of the contracts.

RESOLVED, that – the report be received and its contents noted.

16. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**

Members received a report of the Chamberlain concerning risk management.

RESOLVED, that – the report be received and its contents noted.

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

A Member asked for further information on the background of negotiations between the City Corporation and the Worshipful Company of Ironmongers on

the acquisition of Ferroners House, and how Members had been kept informed of these. In reply, officers said that talks with the Ironmongers had started during the initial proposals for the Centre for Music, continued as the project had evolved into a commercial proposition and been reported to Committees.

18. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
The Chairman informed Members that the City Fund Statement of Accounts for 2022/23 had been published, and commended the Chamberlain's department for their efforts in achieving this.
19. **EXCLUSION OF THE PUBLIC**
RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.
- | Item No. | Paragraphs in Schedule 12A |
|-----------------|-----------------------------------|
| 16-24, 26, 27 | 3 |
| 25 | 1 and 3 |
20. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
The non-public minutes of the meeting held on 7 May were approved as an accurate record.
21. **HOUSING REPAIRS AND MAINTENANCE CONTRACTS - PROCUREMENT STAGE 1 REPORT**
Members received a report of the Executive Director, Community and Children's Services, concerning contract procurement.
22. **CITY FUND - LONDON WALL WEST DEVELOPMENT - DEVELOPMENT AGREEMENT, ACQUISITION OF FERRONERS' HOUSE AND LAND TRANSFER WITH IRONMONGERS COMPANY**
Members received a report of the City Surveyor concerning the London Wall West development.
23. **MAJOR PROJECT DASHBOARD - PERIOD 1 2024/25 ("P1")**
Members received a report of the Chamberlain concerning major projects.
24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
Members considered one non-public question relating to the work of the Committee.
25. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no items of urgent business.

The meeting ended at 2.06 pm

Chairman

Contact Officer: Ben Dunleavy ben.dunleavy@cityoflondon.gov.uk

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FINANCE COMMITTEE – WORK PROGRAMME 2024-25

	July-24	Sept-24	Nov-24	Dec-24	Jan - 25	Feb - 25	May - 25
Budget Setting Process & Medium-Term Financial Planning				Autumn Budget Finance Committee's Estimates report	2024/25 Annual Capital Bids - update	City Fund Budget Report and Medium-Term Financial Strategy City Estates Budget report and Medium-Term Financial Strategy	
Effective Financial Management Arrangements for The City Corporation	Provisional Outturn report 23/24 Revenue Outturn Report – Finance Committee Operational Services MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan EPMO tool paper Internal Audit Additional Funding Request End of user Devices refresh contract	Budget Monitoring Q1 Provision for Bad and Doubtful Debts City Re update MPO Dashboard Reporting (CHB) Barbican Centre Board - Catering Contract	Budget monitoring Q2 Capital Projects – Forecasting MPO Dashboard Reporting (CHB) Procurement Regs	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB)	Budget monitoring Q2 MPO Dashboard Reporting (CHB)	MPO Dashboard Reporting (CHB) Update of Finance Regulations - deep dive Efficiency and Performance forward plan
Financial Statements		City Fund and Pension Fund statement of accounts	City's cash financial statements City's Cash trust funds and sundry trust funds annual reports and financial statements				
Finance Committee as a Service Committee	Risk Management Update Report Chamberlain's Business plan Q report	Risk Management Update Report Central Contingencies (quarterly report) ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlain's Business plan Q report	Risk Management Update Report Central Contingencies (quarterly report) ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlain's Business plan Q report	Risk Management Update Report Central Contingencies (quarterly update)	Risk Management Update Report Chamberlains Business plan End of Year update ERP Programme Update (Quarterly)
Other Departments reports	Write off of Outstanding Debt (ENV) Delegation Request (CS)	Annual Terms of Reference Review (TC) Climate Action Spend (Quarterly)(IG) Delegation Authority for re-procurement of London Sexual Health e-services programme (DCCS)	Charities Revie (Natural Environment)	Benefits in Kind Annual Report (CBF) Climate Action Spend (Quarterly)(IG)			

Page 5

Agenda Item 5a

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EFFICIENCY AND PERFORMANCE – WORK PROGRAMME 2024-2025

	1-July-24	Sept-24	14-Oct-24	Feb-25	April-25
Budget Setting	Deep Dives	Savings Proposal Savings not delivered	Fees and charges		
Resource Priorities Review / Transformation		Income Generation Deep Dive into Contracts	Sponsorships & External Grants	Operational Property Review	
Barbican					
Chamberlain's					
City Surveyor's				Guildhall Works	
Comptroller & City Solicitor's					
Environment	Charity Review	BIK review	Charity Review		
Innovation & Growth	FPS and Competitiveness				
Town Clerk's		Guildhall Club Comms & external affairs Transformation Ambition 25 (TBC)	Ambition 25 (TBC)	People & HR Strategy	
Remembrancer's Office			Events across Corporation		
City of London Schools					
Other		Lord Mayor's expenditure from City's Estate			

Page 11

Agenda Item 5b

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PROJECTS AND PROCUREMENT SUB-COMMITTEE

Monday, 10 June 2024

Draft Minutes of the meeting of the Projects and Procurement Sub-Committee held in the Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 10 June 2024 at 1.45 pm

Present

Members:

Deputy Randall Anderson (Chairman)
Deputy Rehana Ameer (Deputy Chair)
Mary Durcan
Deputy Elizabeth King

Observer (via MS Teams)

Philip Woodhouse

Officers:

Genine Whitehorne	- Commercial Director
Ola Obadara	- City Surveyor's Department
Sue Penn	- City of London Police
Daniel Peattie	- Chamberlain's Department
Sarah Baker	- Chamberlain's Department
Oliqur Chowdhury	- Chamberlain's Department
James Carter	- Chamberlain's Department
David Cooke	- Chamberlain's Department
Monica Patel	- Chamberlain's Department
John Barker	- Community & Children's Services
Damon Ellis	- Community & Children's Services
Michael Gwyther-Jones	- Community & Children's Services
Philippe Greaves	- Community & Children's Services
Melanie Charalambous	- Environment
Gillian Howard	- Environment
Adam Fjaerem	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Marcelina Gilka	- City Surveyor's Department
Graeme Low	- City Surveyor's Department
John Cater	- Town Clerk's Department

1. APOLOGIES

In advance of the meeting, formal apologies were received from Alderman Tim Hailes and Philip Woodhouse.

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

There were no declarations under the Code of Conduct.

3. **APPOINTMENT OF A DEPUTY CHAIR FOR 2024/25**

In advance of the meeting, Members of the Sub-Committee were advised that the Chairman of the Finance Committee, had indicated that he was content for the Sub-Committee to nominate its own Deputy Chair via an indicative vote at today's meeting. The Chairman of the Finance Committee would then exercise his nomination rights on the basis of this vote to ratify the Deputy Chair's position.

The Town Clerk confirmed that, after expressions of interest had been sought in the run-up to the meeting, Deputy Rehana Ameer had expressed an interest in serving as Deputy Chair of the Sub-Committee for the year ensuing. Members welcomed Deputy Ameer's interest and endorsed her nomination to the Chairman of the Finance Committee for ratification.

The Deputy Chair thanked her fellow Members for placing their confidence in her.

RESOLVED - that being the only Member expressing a willingness to serve, Deputy Rehana Ameer be nominated as Deputy Chair of the Projects and Procurement Sub-Committee for the year ensuing, subject to the Chairman of the Finance Committee subsequently exercising his nomination rights to ratify the Deputy Chair's position.

4. **MINUTES**

RESOLVED – that the draft public minutes and non-public summary of the meeting of the Sub-Committee held on Monday, 15 April 2024 be approved as an accurate record.

5. **EMERGENCY AND TEMPORARY ACCOMMODATION PLACEMENTS - STAGE 1 STRATEGY REPORT AND STAGE 2**

The Sub-Committee considered a Joint Report of the Chamberlain and the Executive Director of Community and Children's Services concerning the procurement strategy for Homeless Households accessing placements in Emergency and Temporary Accommodation.

The Chairman queried whether, in the interests of efficiency, the number of Committees this Report was being considered by could have been fewer, and, whether it was appropriate that the service Committee for these matters, i.e., the Community and Children's Services Committee, only received this Report for information and not for approval; this latter point highlighted a broader issue which had been raised by the previous Chairman of the Sub-Committee and would be part of the discussions around the changes to procurement governance processes at the City.

RESOLVED – that the Sub-Committee:

- Approved the procurement strategy via a direct award call-off from the YPO framework (Commissioning Solution ref 1017 / Commissioning Solution 2 ref 001231), to the Access Group.

- Granted delegated authority to the Community and Children’s Services Category Board for the approval of the two-year extension, should it be required.

6. UPDATE ON PORTFOLIO MANAGEMENT IMPLEMENTATION

The Sub-Committee received a Report of the Chamberlain concerning an update on the implementation of the project portfolio management model.

The Chairman informed Members that there would be a funding request associated with this piece of work which will be addressed through the Finance Committee.

In response to a concern raised about whether sufficient resources were in place to manage the multiple projects the City was undertaking, the Director of Commercial, Change and Portfolio Delivery responded that, whilst different departments of the organisation had specific localised arrangements which depended in large part on the scale and number of projects being managed (e.g. the Environment Department had its own PMO function), as a whole, the resources the organisation had dedicated to project management and delivery had, historically, failed to match the high levels of project activity, which in turn had resulted, all too frequently, in damaging outcomes for the City.

The move to a portfolio approach should ensure that projects across the board are better aligned with the Corporation’s priorities; a significant example of this new approach is the recently stood up Town Clerk’s Portfolio Board - this key senior officer scrutiny body will act as a gateway for projects which go on to enter the Member domain.

The Chairman highlighted one of the concerns raised in the Report, namely, that the costs of five out of nine projects more than doubled over the course of their project lifecycles. The Director of Commercial, Change and Portfolio Delivery responded that establishing more financial discipline across the City’s projects would be a key outcome, and work was ongoing within the Chamberlain’s department to embed this in the system; it was unfortunately all too frequently the case that project managers had, at the feasibility stage, underestimated the costs for capital projects in particular; a key focus would be around ensuring officers are more robust about aligning funding requests with project lifecycles.

RESOLVED – that the Sub-Committee noted the Report.

7. COOL STREETS AND GREENING - PROGRAMME UPDATE

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning an update on the delivery of the Cool Streets and Greening Programme (CSG).

RESOLVED – that the Sub-Committee noted the Report.

8. ***GW3-4 - CLIMATE ACTION STRATEGY (CAS) - CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS: MANSION HOUSE - PLANNING PERMISSION APPLICATION**

The Sub-Committee received a Report of the City Surveyor concerning the planning permission application to install an Air Source Heat Pump (ASHP) and Photovoltaic (PV) array onto the roof of the Mansion House.

The City Surveyor informed Members that approval of the recommendations in the Report by the Resource Allocation Sub-Committee was still pending.

RESOLVED – that the Sub-Committee noted the Report.

9. ***GW5 - CITY GREENING AND BIODIVERSITY: LONDON WALL /MOORGATE RE-LANDSCAPING**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning the London Wall/Moorgate relandscaping project (Phase 3 of the Cool Streets and Greening Programme (CSG)).

RESOLVED – that the Sub-Committee noted the Report.

10. ***GW3-5 - STONECUTTER COURT - SECTION 278 (S278) HIGHWAYS AND PUBLIC REALM WORKS**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning the Section 278 (S278) Highways and Public Realm Works for Stonecutter Court, 1 Stonecutter Street.

RESOLVED – that the Sub-Committee noted the Report.

11. ***GW5 - PEDESTRIAN PRIORITY STREETS PROGRAMME - CHANCERY LANE**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning the Chancery Lane Experimental Traffic Order (ETO) (Pedestrian Priority Streets Programme).

RESOLVED – that the Sub-Committee noted the Report.

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There was one question.

A Member raised concerns about the inadequacy of the procurement process for the City's three independent schools, namely, that the City's centrally imposed one-size fits all approach to procurement did not provide an agile, responsive, or effective method for undertaking capital works at the schools resulting in significant extra costs and time, leaving the schools at a disadvantage against their competitor institutions.

He suggested that, as a matter of urgency, the City should establish a set of procedures for the independent schools, with the support of the Finance Committee, to allow the schools to develop their own procurement business

appropriate processes which will be robust, financially competitive, and agile, with governance and oversight at Board level.

The Chairman and the Director of Commercial, Change and Portfolio Delivery responded that the scope of the upcoming Procurement Governance Review would include an appraisal of opportunities of where the City could exercise more freedom for procurement processes for those areas which sit outside of the local authority function and/or City Fund.

Whilst welcoming the challenge, the Director cautioned that, irrespective of City Fund or City Estate status, any alterations to arrangements would require careful consideration as contracts related to physical assets, such as the schools, would still need to address the public purpose question of those assets, to adhere to procurement regulations.

13. ANY URGENT BUSINESS

There was no other urgent public business.

14. EXCLUSION OF THE PUBLIC

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

15. NON-PUBLIC MINUTES

RESOLVED – that the draft non-public minutes of the meeting of the Sub-Committee held on Monday, 15 April 2024 be approved as an accurate record.

16. HOUSING REPAIRS AND MAINTENANCE CONTRACTS - PROCUREMENT STAGE 1

The Sub-Committee considered a Report of the Executive Director of Community and Children's Services concerning the procurement strategy and evaluation criteria to be used in the selection of the preferred suppliers for the City of London Corporation (COL) Repairs and Maintenance contracts.

17. EXTENSION TO LIFT MAINTENANCE - RESIDENTIAL CONTRACT

The Sub-Committee considered a Report of the Executive Director of Community and Children's Services concerning a contract to provide Residential Lift Maintenance services to the Barbican and HRA Estate.

18. BULK CLOSURE OF LEGACY PROJECTS (PROJECT CLEAN SLATE)

The Sub-Committee considered a Report of the Chamberlain concerning the bulk closure of Legacy Projects (Project Clean Slate).

19. PORTFOLIO OVERVIEW

The Sub-Committee received a Report of the Chamberlain providing an overview of the Projects Portfolio.

20. ***CITY OF LONDON POLICE - PROJECT CLOSURES**
The Sub-Committee received a Report of the Commissioner of the City of London Police providing a summary of proposed project closures, managed by the City of London Polices' Change Portfolio Office.
21. ***GW1-5 - CITY OF LONDON SCHOOL FOR GIRLS: CATERING AND DINING UPGRADE**
The Sub-Committee received a Joint Report of the City Surveyor and the Headmistress of the City of London School for Girls (CLSG) concerning the refurbishment and upgrade of the CLSG catering and dining facilities.
22. ***GW4 - CITY OF LONDON SCHOOL FOR GIRLS: SUMMER WORKS 2024-27**
The Sub-Committee received a Joint Report of the City Surveyor and the Headmistress of the City of London School for Girls (CLSG) concerning the three-year package of CLSG's cyclical maintenance and improvements revenue works programme.
23. ***GW3 - BARBICAN RENEWAL - DESIGN DEVELOPMENT**
The Sub-Committee received a Report of the CEO, Barbican Centre concerning the design development for the initial stages of the Barbican Renewal Masterplan.
24. ***GW5 - BARBICAN RENEWAL PROGRAMME - CRITICAL WORKS PHASE 0 OF INFRASTRUCTURE RENEWAL PROGRAMME**
The Sub-Committee received a Report of the City Surveyor concerning the critical works phase of the Barbican Centre Renewal Infrastructure Programme.
25. ***GW4 - WINDOWS AND COMMON PARTS REDECORATIONS - GOLDEN LANE ESTATE (PHASE 2 CULLUM WELCH, MAISONETTE BLOCKS, STANLEY COHEN AND GREAT ARTHUR HOUSE)**
The Sub-Committee received a Report of the Director of Community & Children's Services concerning Phase 2 of the Windows and Common Parts Redecorations at the Golden Lane Estate (Cullum Welch, Maisonette blocks, Stanley Cohen, and Great Arthur House).
26. ***GW5 - INSTALLATION OF SPRINKLERS IN SOCIAL HOUSING TOWER BLOCKS**
The Sub-Committee received a Report of the Director of Community & Children's Services concerning the installation of sprinklers to the City of London's residential tower block Petticoat Tower on the Middlesex Street Estate.
27. ***GW5 - ORACLE PROPERTY MANAGER (OPN) REPLACEMENT PROGRAMME**
The Sub-Committee received a Report of the City Surveyor concerning the Oracle Property Manager (OPN) Replacement Programme.

28. ***GW6 - CENTRAL CRIMINAL COURT: FIRE ALARM REPLACEMENTS AND ASSOCIATED PUBLIC ADDRESS SYSTEM**

The Sub-Committee received a Report of the City Surveyor concerning fire alarm replacements and the associated public address system at the Central Criminal Court.

29. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were two non-public questions.

30. **NON-PUBLIC ANY URGENT BUSINESS**

There was no other non-public urgent business.

The meeting ended at 2.35 pm

Chairman

**Contact Officer: John Cater
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Committee(s): Finance Committee – For decision	Dated: 23/07/24
Subject: 2023/24 Outturn Report for City Fund and City's Estate	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/a
What is the source of Funding?	N/a
Has this Funding Source been agreed with the Chamberlain's Department?	N/a
Report of: The Chamberlain	For Decision
Report author: Daniel Peattie, Assistant Director - Strategic Finance	

Summary

This paper provides a summary of the 2023/24 draft outturn position for City Fund and City's Estate. For revenue budgets, the outturn was an underspend of £60.1m across both funds, comprising £46m and £14.1m for City Fund and City's Estate respectively.

This is an increase of £37m from the forecast underspend reported at Q3 (£23.9m) due to contingency budgets not being drawn down in-year (£21.1m) of this amount £12.7m is earmarked under the carry forward process, £3.1mm is also offsetting cost pressures within local risk budgets to prevent them being requested to be clawed back in 2024/25. Detailed analysis of variances will be reported to service committees. The overall position has been achieved due to unused contingencies, slippage of Supplementary Revenue Projects (SRP) and additional income received on cash balances held and rental income from investment properties.

As per the Financial Regulations, Chief Officers can bid to carry forward funds into the following financial year, where their local risk budget is underspent. The Chamberlain, in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub-Committee (RASC), has agreed to carry forward £11.2m from City Fund and £12.4m from City's Estate to fund delayed activity from 2023/24 due to various reasons and the rollover of unspent contingency balances held by Policy & Resources and Finance Committees. To note any approved carry forwards will be offset against the amounts transferred to reserves.

Financial Regulations also state that a deficit in a Chief Officer's local risk budget should be carried forward and recovered in the following financial year unless Finance Committee agree to write off. Several Chief Officers have overspent during the year largely linked to pressures such as inflationary increases such as London Living Wage and unachieved vacancy factors. Having reviewed these against wider pressures within budgets, as set out in Appendix 3, it is recommended and endorsed by the Chamberlain in consultation with the Chairman and Deputy Chairman of RASC that the deficit carry forward provision be waived for 2023/24 (see appendix 3) with the exception of the following departments and amounts;

1. Deputy Town Clerk £251k

2. City Surveyor £313k

This report also provides a summary of the 2023/24 outturn for Capital and Supplementary Revenue Projects (SRPs) across both City Fund and City Estate.

Actual capital and SRP expenditure in 2023/24 amounted to £382.8m comprising £180.8m and £201.9m across City Fund and City's Estate respectively. This is a combined £231.3m less expenditure than the approved Capital Programme of £614.1m. The difference is largely due to delays in attaining planning permissions, grant payments, and some contract management challenges within the large schemes. Work is underway to understand how the underspend from 23/24 will need to be factored into spend profiles in future years with additional support and training to be provided to support project managers during 2024/25 and beyond.

Recommendation(s)

Members are asked to:

- Note the report and provisional outturns for City Fund and City's Estate for the financial year 2023/24.
- Approve that deficit carry forward amounts for the Deputy Town Clerk, Chief People Officer, City Surveyor, Comptroller and City Solicitor, Executive Director of Innovation & Growth and Managing Director of the Barbican has been waived.
- Note that the remaining amounts of overspend incurred by the Deputy Town Clerk and City Surveyor totalling £0.251m and £0.313m respectively is carried forward for recover for the 2024/25 and 25/26 (City Surveyor only) budgets.
- Note the carry forward requests approved under delegated authority by the Chamberlain in consultation with the Chairman and Deputy Chairman of RASC, £11.2m from City Fund and £12.4m from City's Estate.

Main Report

Background

1. This report summaries the 2023/24 provisional outturn position for City Fund and City's Estate.
2. In March each year, the Court of Common Council approves the Revenue, Capital and SRP programmes as part of the annual budget setting process.
3. To note, capital expenditure generally results in an increase in asset values and typically relates to acquisitions/new build and enhancements, whereas supplementary revenue projects are one-off items which do not fulfil the capital criteria e.g. feasibility and option appraisal costs, major cyclical repairs and maintenance.
4. The purpose of this report is to provide a summary of the 2023/24 actual expenditure for City Fund and City's Estate against the budgets approved by the Court of Common Council in March 2024 and consider the reasons for any significant variances.
5. The section below shows a snapshot of the current position. More detailed analysis by Fund is shown in the subsequent section.

Current Position

6. **Revenue:** Net expenditure for year against the final budget totaled £176m, resulting in a £60.1m underspend compared to budget. This equates to a 25% total variance (27% City Fund, 21% City's Estate). The chart 1 shows the trend over the financial year.

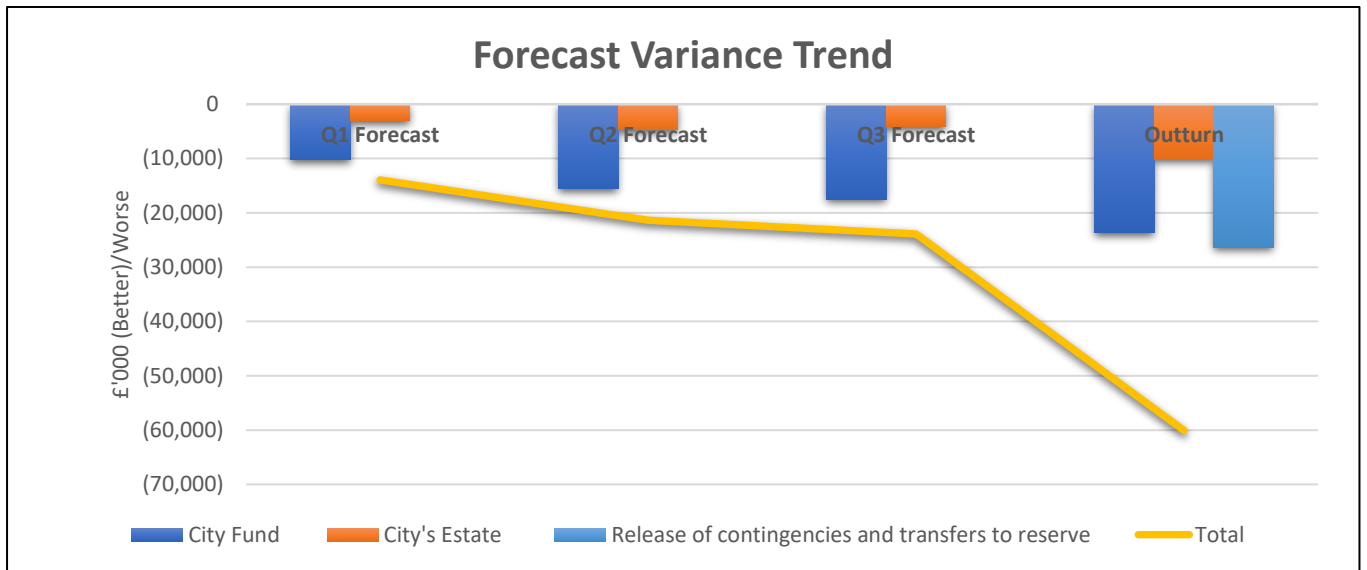
Table 1: 2023/24 Outturn Summary by Fund

	Net Budget £m	Provisional Outturn £m	Total £m	Local Risk £m	Central Risk £m	Support Service £m
			Variation (Better)/Worse			
City Fund	169.0	123.0	(46.0)	(5.3)	(40.7)	0.0
City's Estate	67.2	53.1	(14.1)	2.0	(15.5)	(0.6)
Total	236.2	176.1	(60.1)	(3.3)	(56.2)	(0.6)

7. Whilst the overall position on each fund was better than budget, there were a range of financial outcomes under each Committee, which are summarised in later sections of this report alongside the key variances contributing to the overall position of each fund. Each Committee will receive an outturn report setting out in more detail the variances that have

occurred during the year.

Chart 1: Forecast Variance Trend from Q1 to Outturn



8. **Capital:** The total expenditure incurred in 2023/24 was £382.8m, £231.3m less than the approved Capital Program of £614.1m. A breakdown of expenditure by fund is set out below:

Table 2: Capital Expenditure Summary by fund

Committee	City Fund Outturn £m	City Estate Outturn £m	Total £m	2023/24 Approved Programme £m	Variance £m
Investment Property	2.0	47.3	49.3	59.1	(9.8)
Major Projects	99.3	143.1	242.4	360.7	(118.3)
Operational	79.5	11.5	91.0	194.3	(103.2)
Total	180.8	201.9	382.8	614.1	(231.3)

Table 3: Funding the Capital Programme

Sources of Funding	City Fund Outturn £m	City Estate Outturn £m	Total £m	2023/24 Approved Programme £m	Variance £m
Revenue/Earmarked Reserves	107.5	33.5	141.0	153.4	(12.4)
HRA	32.4	-	32.4	50.8	(18.4)
Asset Disposal Proceeds	11.4	47.1	58.5	157.6	(99.1)
Grants and Contributions	29.5	-	29.5	99.4	(69.9)
External Borrowing	-	121.3	121.3	152.9	(31.6)
Total	180.8	201.9	382.8	614.1	(231.3)

Detailed position- by Fund

City Fund - Revenue

9. The year-end position against the final budget for each committee is shown below.

Table 4: City Fund 2023-24 Revenue Outturn by Committee

Net Expenditure (Income)	Net Budget £m	Provisional Outturn £m	Total £m	Local Risk £m	Central Risk £m	Support Services £m
				Variation (Better)/Worse		
Barbican Centre	30.6	29.4	(1.2)	(1.4)	0.2	0.0
Barbican Residential	3.2	1.8	(1.4)	(0.6)	(0.9)	0.1
Community and Children's Services	17.8	18.3	0.5	(0.4)	0.6	0.3
Culture Heritage and Libraries	22.8	22.4	(0.4)	(0.8)	0.2	0.2
Finance	(22.0)	(61.4)	(39.4)	(1.2)	(36.3)	(1.9)
Licensing	0.4	0.2	(0.2)	(0.1)	0.0	(0.1)
Markets	0.1	(0.1)	(0.2)	0.0	(0.5)	0.3
Open Spaces	1.9	2.0	0.1	0.0	0.0	0.1
Planning and Transportation	18.3	15.4	(2.9)	(3.2)	0.3	0.0
Police	103.8	103.8	0.0	0.1	0.0	(0.1)
Police Authority Board	1.0	0.7	(0.3)	(0.4)	0.0	0.1
Policy and Resources	10.3	8.1	(2.2)	0.1	(2.1)	(0.2)
Port Health and Environmental Services	15.7	18.5	2.8	2.6	0.0	0.2
Property Investments	(34.9)	(36.1)	(1.2)	0.0	(2.2)	1.0
City Fund requirement to be met from government grants, local taxation and transfers to/(from) reserves.	169.0	123.0	(46.0)	(5.3)	(40.7)	0.0

10. The key variations contribution to the £46.1m better than budget position are:

- a. **Finance** – unused contingencies (£15.2m) have contributed to an underspend along with slippage in Supplementary Revenue Projects (£1.8m), reduction in transfer to reserves (£7.2m) and lower than budgeted recharges (£2m). Additional income contributed to the favorable variance including interest received on cash balances (£5m) and customer receipts totaling £2.8m. SRP underspends will roll forward automatically as part of the ongoing programme.
- b. **Barbican Residential:** A recruitment freeze during the year has saved £160k employee costs mainly in car parks, £225k additional income was received relating to a large dilapidation payment from a former Trade Centre customer along with higher than budgeted rental income of £448k. Repairs & Maintenance works were not as high as expected resulting in underspend of £552k.
- c. **Planning & Transportation:** Reduction in employee costs largely due to staff vacancies (£1.5m) along with higher than

budgeted income (£1.3m) from planning fees, planning performance agreements, hoarding and scaffolding fees and road closures have contributed to this favorable variance.

- d. These surpluses were offset by a number of overspends mainly Port Health and Environmental Services Committee due to loss of income (£2m) at Heathrow Animal Reception Centre along with the reduction in required level of enhanced checks on Brazilian meat products (£0.8m). It should be noted that the Police operates as a ring-fenced fund and therefore any outturn variances are absorbed within the Force's own reserve balances.

City Fund – Capital

11. The provisional City Fund Capital outturn position against the final budget for each Chief Officer department is shown in Table 5 below.

Table 5: City Fund Capital Expenditure by Chief Officer

CAPITAL PROGRAMME - CITY FUND	Budget £m	Outturn £m	Variance £m
CAPITAL & SRP - BAU			
Barbican Centre	3.1	6.3	3.3
Chamberlains & Chief Financial Officer	5.6	0.4	(5.2)
City Surveyor & Property	25.2	11.0	(14.3)
Community & Children's Services (Non HRA)	8.7	3.6	(5.1)
Community Services - HRA	50.8	32.4	(18.4)
City of London Police	21.8	15.6	(6.2)
Environment	25.5	14.1	(11.4)
Innovation & Growth	9.1	-	(9.1)
Sub-Total	149.9	83.3	(66.5)
CAPITAL & SRP - MAJOR PROJECTS			
Museum of London	94.5	42.3	(52.2)
- Bastion House	1.3	1.9	0.6
Salisbury Square Development	74.1	53.1	(21.0)
Future Police Accommodation	4.4	0.3	(4.1)
Sub-Total	174.3	97.5	(76.8)
TOTAL CAPITAL PROGRAMME	324.2	180.8	(143.3)

12. The main items of slippage within the BAU programme:

- a. There is significant slippage identified against **City Surveyor & Property** (£14.3m), **HRA** (£18.4m) and **Environment** (£11.4m).
- Within City Surveyor the main areas of slippage relate to 1-6 Broad Street Place (£6.9m) and Central Criminal Court (£7.2m). In relation to 1-6 Broad Street Place and 15-17 Eldon Street, these projects were closed as per report from the Project Manager to PPSC in February 2024, so the forecast was

overstated for these schemes. In respect of the Central Criminal Ct, there was a delay in spend due to the time taken to agree the permits for the hot works and the impact to the delivery of works on the roof due to another project taking place (roof replacement) which has required a resequencing of the installation of PV and solar thermal panels.

- The main reason for the variance in the HRA is the delays against predicted phasing of two new build projects at Sydenham Hill & York Way. The HRA is a statutory ringfenced account all slippage for planned schemes will be incorporated as part of the continued review of phasing within the 30-year business plan.
 - Environment slippage (mainly Built Environment including bank junction) relates to delays to developer's programmes which consequently impacted the timeline for handing over sites required for highway infrastructure projects to be undertaken. Another reason for the underspend is due to delays in securing the necessary agreements from key stakeholders.
- b. Other chief officer departments with significant variances, include:
- **City of London Police** with an aggregated £6.2m underspend. The Police service recognise the capacity to deliver against agreed capital projects and are enhancing their Project Management Office (PMO) capability to support a longer-term view of their capital investment requirements.
 - **Community & Childrens Services (Non HRA)** (£5.1m) The majority of slippage relates to delays to the Barbican Podium Waterproof Phase 2 project. Delays have been caused by the project having to be significantly re-scoped after further survey works and additional planning requirements.
 - **Innovation & Growth** (£9.1m) the main reasons for slippage against the Climate Action programme is due to delays in procuring the expertise and specialist contractors, the production of portfolio-level management plans, and the development of the disposals and acquisitions strategy.
 - **Barbican Centre** £3.3m mainly relates to Barbican Renewal as part of the overall £25.2m approved with further works planned in 24/25.

13. The main items of slippage within the Major Projects programme:

- a. There was slippage against both the **Museum of London** (£52.2m) and the **Salisbury Square Development** (£21.0m). The original budget plans were phased with an inherent optimism bias in their assumptions, although the lifetime project costs remain to budget. The position on the Museum of London also specifically resulted from a delay in obtaining vacant possession of the poultry market.

City's Estate - Revenue

14. The year end position against the final budget for each committee is shown below.

Table 6: City's Estate 2023/24 Revenue Outturn by Committee

Net Expenditure (Income)	Net Budget £m	Outturn £m	Total £m	Local Risk £m	Central Risk £m	Support Services £m
	£m		£m			Variation (Better)/Worse
Culture, Heritage & Libraries	0.4	0.6	0.2	0.2	0.0	0.0
Education Board	3.1	3.2	0.1	0.1	0.0	0.0
Finance	50.4	38.2	(12.2)	(0.3)	(11.1)	(0.8)
G. P. Committee of Aldermen	4.2	5.3	1.1	0.7	0.4	0.0
Guildhall School of Music and Drama	16.5	17.5	1.0	0.6	0.5	(0.1)
Markets	0.9	2.0	1.1	0.5	0.4	0.2
Open Spaces :-						
Open Spaces Directorate	0.0	0.0	0.0	0.1	0.0	(0.1)
Epping Forest and Commons	8.7	8.6	(0.1)	(0.4)	0.0	0.3
Hampstead, Queen's Park and Highgate	5.3	6.9	1.6	0.3	1.2	0.1
Bunhill Fields	0.2	0.4	0.2	0.2	0.0	0.0
West Ham Park	1.2	1.2	0.0	0.0	0.0	0.0
Policy and Resources	22.1	19.4	(2.7)	0.1	(2.8)	0.0
Property Investment	(48.5)	(52.9)	(4.4)	0.3	(4.3)	(0.4)
Schools :-						
City of London School	1.5	1.9	0.4	0.9	(0.5)	0.0
City of London Freeman's School	0.0	(0.8)	(0.8)	(0.5)	(0.4)	0.1
City of London School for Girls	1.5	1.1	(0.4)	(1.5)	1.1	0.0
City of London Junior School	(0.3)	0.5	0.8	0.7	0.0	0.1
Deficit/(Surplus) from (to) reserves	67.2	53.1	(14.1)	2.0	(15.5)	(0.6)

15. The key variations contributing to the £14.1m better than budget position are:

- a. **Finance** - Slippage of SRP works amounting to £7.6m, and unused central contingencies of £4m contributed to this favorable position. SRP amounts will roll forward automatically as part of the ongoing programme.
- b. **Policy and Resources** - Unused P&R Contingencies of £1.8m, which will be carried forward into 2024-25 along with less than budgeted costs on climate action of £0.7m.
- c. **Property Investments** – higher rental receipts due to the acquisitions of 2 new estates and a head lease purchase, as well

- as additional rental income following the completion of a redevelopment and the expiry of a number of rent-free periods.
- d. **Markets Board** - Additional costs following closure of Poultry Market in August 2023 along with one off reactive repairs and maintenance at Smithfield Market not recoverable from tenants. These costs were partly offset by additional rental income achieved during the year at Billingsgate Market due to a rent review.
 - e. **GP Aldermen** – The biggest variance is due to underachievement of income at the Mansion House. The House was closed for a while during the year which impacted the income it could generate along with free events being held such as the South Korea Business event and the David Brewer Memorial event which attract additional costs but generate no income. Work is underway to optimise the income generated from events including reviewing discounts offered.
 - f. **Hampstead, Queen Park and Highgate Wood** – There was a (£1.145m) adverse variance on the central risk income budget at Hampstead Heath largely attributable to reduced contributions from the Hampstead Heath Trust during 2023/24 due to reduced income from dividends as a result of a lower yield earned on UK equities compared with the previous year. The shortfall was offset by increased deficit funding from City’s Estate reserves to meet the total net expenditure of the Hampstead Heath charity for 2023/24.

16. It should be noted that all four City of London Schools and the Guildhall School of Music and Drama operate as ring-fenced funds and therefore any outturn variances are absorbed within their own reserve balances.

City’s Estate – Capital

The provisional City Estate Capital outturn position against the final budget for each Chief Officer department is shown in Table 7 below.

Table 7: City Estate Capital Expenditure by Chief Officer

CAPITAL PROGRAMME - CITY'S ESTATE	Budget £m	Outturn £m	Variance £m
CAPITAL & SRP - BAU			
Chamberlains & Chief Financial Officer	30.1	0.7	(29.4)
City of London Freeman's School	2.2	0.7	(1.5)
City of London School	1.2	0.9	(0.2)
City of London School for Girls	4.4	2.3	(2.1)
City Surveyor & Property	55.7	49.7	(6.1)
Community & Children's Services (Non HRA)	0.6	-	(0.6)
Environment	4.0	4.3	0.3
Innovation and Growth	2.6	-	(2.6)
Principal GSMD	2.8	0.2	(2.6)
Sub-Total	103.5	58.8	(44.7)
CAPITAL & SRP - MAJOR PROJECTS			

Markets Consolidation	127.2	106.1	(21.1)
Museum of London	28.8	16.0	(12.8)
City Fund (Combined Courts)	30.4	21.0	(9.4)
Sub-Total	186.4	143.1	(43.3)
TOTAL CAPITAL PROGRAMME	289.9	201.9	(88.0)

17. The main area of underspend relates to:

- g. **City Surveyor & Property** is reporting an underspend relating to an approved allocation for planned future investment property purchases, to be funded from the Designated Sales Pool. The variance represents the agreed funding envelope, for which future Investment property purchases are to be drawn down against, subject to successful bid appraisals.
- h. **Major Projects:**
- **Markets Consolidation** Considerable delay to the MCP (including pauses to conduct intensification studies and re-examining design options) has occurred since the 24/25 budget was set.
 - **Museum of London** –some minor programme slippage and removal of planned spend in relation to de-scoping the Annex building from the programme.

Additional information

18. During 2023/24 a review of central support services recharges was carried out. This involved updating the basis of apportionment for all recharges following the TOM and Governance Review along with trying to make them more transparent and fairer across all services. The updated basis has led to several variations to the original budget across committees, but overall total recharges have remained within the total original envelope. Consultation has been held with areas where recharges are funded from local reserves, i.e. City Bridge Foundation, HRA and Police, any variation/increase in costs across other services are met from the deficit funding and have no effect on front-line services.

19. The 2023/24 recharges were approved via necessary delegations for CBF and following consultation with the Joint CFO of CoLP. The full review is to be formally approved by Members of the relevant committees as work is ongoing as how the new basis will affect 2024/25 budgets. Once the review is fully adopted the 2024/25 budget will be reviewed and updated where necessary and the paper on the review made available.

20. In addition to reporting by Committee, the position of each Chief Officer is reported, and these are shown in appendix 1 with respect to the overall position of each fund by Chief Officer, and appendix 2 which reflect the outturn of each Chief Officer against their local risk budget, which is the

element directly under their control.

21. Financial regulations also delegate authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee (RASC) to carry forward unspent funds into the following financial year where a Chief Officer local risk budget is underspent.
22. Finance Regulations state that Chief Officer local risk overspends are to be carried forward and recovered in the following financial year (except where special provisions apply e.g. ring-fenced funds). However, under exceptional circumstances the Chamberlain, in consultation with the Chair and Deputy Chairman of Resource Allocation Sub Committee may recommend that these overspends are not carried forward in full. The outcome of these discussions is set out in Appendix 3.

Conclusion

23. The provisional outturn for the year an underspend of £60.1m across both City Fund (£46m) and City's Estate (£14.1m). The Chamberlain, in consultation with the Chairman and Deputy Chairman of RASC will review the carry forward requests next month and decisions will be communication to Chief Officers.
24. The 2023/24 position is subject to audit review so remains provisional until that process has been completed. The final position will be confirmed to Finance Committee as part of the accounts sign off process.

Appendices

- Appendix 1 – 2023/24 Outturn by Chief Officer (all risks)
- Appendix 2 – 2023/24 Local Risk Outturn by Chief Officer
- Appendix 3 – 2023/24 Overspend carry forward summary

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Appendix 1 – 2023/24 Outturn by Chief Officer (all risks)

Chief Officer Total Outturn	Final Budget £'000	Provisional Outturn £'000	Variance £'000
City Fund			
Chief Financial Officer and Chamberlain	(30,243)	(67,022)	(36,779)
Chief Executive and Town Clerk	13,766	11,419	(2,347)
Executive Director Comms and external affairs	1,611	1,291	(320)
City Surveyor (Including CWP)	(21,067)	(27,605)	(6,538)
Commissioner of Police	103,762	103,762	-
Executive Director Community and Children's Services excluding HRA	24,485	23,814	(671)
Executive Director Environment	34,629	35,347	718
Executive Director Innovation and Growth	14,179	13,623	(556)
Managing Director Barbican Centre	27,821	28,366	545
Total City Fund	168,943	122,995	(45,948)
City's Estate			
Chief Financial Officer and Chamberlain	40,716	28,060	(12,656)
Chief Executive and Town Clerk	11,978	11,500	(478)
Executive Director Comms and external affairs	889	774	(115)
City Surveyor	(36,398)	(40,717)	(4,319)
Executive Director Community and Children's Services excluding HRA	3,161	3,289	128
Executive Director Environment	13,510	15,060	1,550
Executive Director Innovation and Growth	7,038	7,456	418
Principal Guildhall School of Music and Drama	14,761	16,609	1,848
Remembrancer	8,864	8,502	(362)
Head City of London Boys School	1,518	1,894	376
Head City of London Freeman's School	85	(830)	(915)
Head City of London School for Girls	1,476	1,111	(365)
Head City of London Junior School	(317)	494	811
Total City's Estate	67,281	53,202	(14,079)
Guildhall Admin			
Chief Financial Officer and Chamberlain	43,368	39,995	(3,373)
Chief Executive and Town Clerk	1,329	1,517	188
City Surveyor	22,290	20,529	(1,761)
Comptroller and City Solicitor	1,730	1,758	28
Chief Strategy Officer	1,346	1,295	(51)
Chief People Officer	6,622	6,164	(458)
Total Guildhall Administration	76,685	71,258	(5,427)
Reapportionment of Guildhall Admin (Recharges)	(76,685)	(71,258)	5,427
Grand Totals	236,224	176,197	(60,027)

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Appendix 2 - 2023/24 Local Risk Outturn by Chief Officer

Chief Officer Cash Limited Budgets (excluding Cyclical works programme)	Final Budget £'000	Provisional Outturn £'000	Variance (Under) / over £'000
City Fund			
Chief Financial Officer and Chamberlain	1,826	1,883	(57)
Chief Executive and Town Clerk	5,302	4,808	(494)
Executive Director of Corporate Communications & External Affairs	2,147	2,147	-
City Surveyor	5,354	5,343	(11)
Executive Director Community and Children's Services excluding HRA	15,788	14,849	(939)
Executive Director Environment	24,434	24,437	3
Executive Director Innovation and Growth	9,417	8,802	(615)
Managing Director Barbican Centre	18,515	18,820	305
Total City Fund (excluding Police)	82,783	81,089	(1,694)
City's Estate			
Chief Financial Officer and Chamberlain	121	(1)	(122)
Chief Executive and Town Clerk	3,772	5,154	1,382
City Surveyor	17,756	18,549	793
Executive Director Community and Children's Services excluding HRA	866	915	49
Executive Director Environment	11,358	11,319	(39)
Principal Guildhall School of Music and Drama	10,201	11,713	1,512
Remembrancer	1,495	1,458	(37)
Head City of London Boys School	813	1,725	912
Head City of London Freeman's School	(1,608)	(2,202)	(594)
Head City of London School for Girls	854	(630)	(1,484)
Head City of London Junior School	(344)	383	727
Total City's Estate	45,284	48,383	3,099
Guildhall Admin			
Chief Financial Officer and Chamberlain	21,621	21,083	(538)
Chief Executive and Town Clerk	4,273	4,021	(252)
Chief Strategy Officer	1,334	1,294	(40)
Chief People Officer	3,916	4,565	649
City Surveyor	7,977	8,516	539
Comptroller and City Solicitor	1,354	1,741	387
Remembrancer	(370)	(969)	(599)
Total Guildhall Administration	40,105	40,251	146
Grand Totals (excluding Police)	168,172	169,723	1,551
Commissioner of Police	99,920	100,001	81
Grand Totals	268,092	269,724	1,632

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Appendix 3 – Summary of 23/24 overspend carry forwards

Chief Officer	Amount of overspend	Recommend to carry forward	Comments
Deputy Town Clerk	£1.4m	£0.3m	Largely due to increased costs (security, energy) at Mansion House along with less income than budgeted due to part closure of the house and hosting free events. Also to note Court of Common Council approved the additional funding from 24/25. Recommendation is that the additional costs / loss of income as a result of hosting free events, plus the overspends on the Sheriff's and Mayoral budgets, energy and security pressures be met from unspent contingencies therefore leaving a balance of £251k to be carried forward into 2024/25 (Mansion House £101k and GP Alderman £150k).
Chief People Officer	£0.6m	nil	Largely due to increased salary costs. This area is under significant pressure from resourcing and insufficient budgets that need to be addressed. It is therefore, recommended the overspend is offset against the 2023/24 inflation contingency underspend.
City Surveyor	£1.3m	£0.3m	Ongoing issue with the income generated from events as this sits in remembrancers whereas the surveyors incur some of the costs and not recharged. Plus, an overspend on staff costs, predominately within Property Investment Board, due to not being able to achieve the vacancy factor. The investment property income was £6.6m above budget and this has been taken into account when reviewing the amount to carry forward. Recommendation is that the overall deficit of £1.3m is reduced by the following (£180k offset against remembrancers underspend, £366k energy costs / LLW pressures to be met from contingencies, £362k met from surplus PIB income and £111k from a pending insurance claim following a burst water main at Hampstead Heath. It is therefore recommended that £313k is carried forward. The Chief Officer has asked if a phased repayment period could be considered, giving time to address the funding gap.
Comptroller and City Solicitor	£0.4m	nil	Established staff - 2.5FTE over established lawyers, bringing in the right level of expertise that is required, which account for majority of overspend. This has been addressed going forward through the 2024/25 budget setting process, where CoCo approved additional funding from 2024/25 onwards.
Executive Director Innovation & Growth	£0.1m	nil	Although the Directors Local risk is underspent overall, they have requested to carry forward the one-off Destination City contingency balance in full, due to the programme being paused during 2023/24 and required to support the works Members have now approved. We have therefore considered the overspend on Policy & Resources budgets, which predominately relates to recruitment, training and redundancy costs – and recommend the overspend is offset by unspent contingency.
Managing Director Barbican Centre	£0.3m	nil	Pressures due to LLW uplifts, and additional costs associated with an aging building (including drains, extra people on site to move equipment when lifts are out of use etc). It is recommended that the LLW pressure and building related costs is offset by unspent contingency.
Total	£4.1m	£0.6m	

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Agenda Item 8

Committee(s): Project and Procurement Sub Committee Finance Committee	Dated: 15/07/2024 23/07/2024
Subject: Funding for EPMO system	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1-12
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£1.205m (over 5 years)
What is the source of Funding?	Finance Committee contingency; recovery of cost from departmental local risk budgets
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: Al-Beyerty, Caroline, Chamberlain & Chief Financial Officer	For Decision
Report author: Genine Whitehorne, Director Commercial, Change and Portfolio Delivery	

Summary

A new ePMO system is critical to the implementation of Portfolio Management within the Corporation. This system will provide significant efficiencies in project and programme delivery across the Corporation, enhance compliance as well as directly benefit Members, Chief Officers, project managers and corporate departments. The total cost of the system is £1.4m over 5 years. This cost represents 0.05% of the total current value of the Corporation's projects and programmes.

Recommendation(s)

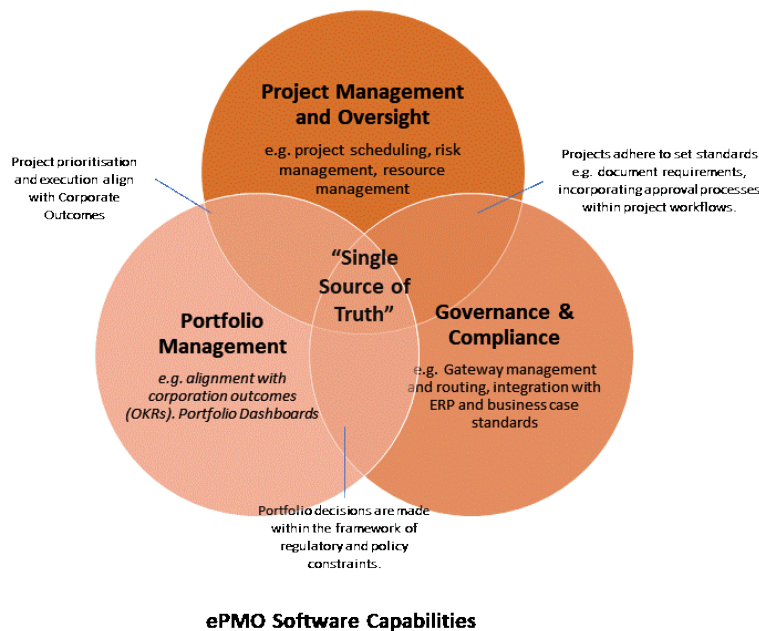
Members are asked to:

- Endorse the implementation of a new ePMO system at a potential cost of £1.405m over five years (subject to procurement)
- Approve the allocation of £145,000 from the Finance Committee, Project Contingency to support the year 1 costs of the new ePMO system
- Note that once procurement is complete the final cost will be reported back to Members for approval
- Note that it is intended that the funding of the additional cost in subsequent years will be met by recovery of costs from projects and existing departmental local risk budgets. The recharges will be agreed as part of the 25/26 budget setting process.

Main Report

Background

1. In July 2023, the Policy and Resources Committee approved the recommendation to move to a portfolio management model. The new delivery model will include a refresh of the Project Procedure, investment in skills and training, introduction of a new enterprise-wide Portfolio Management Office (ePMO), establishment of a comprehensive assurance framework, and integration of commercial and project governance.
2. Critical to the implementation of Portfolio Management is a new ePMO system. The new system will provide a replacement for the existing system which is unpopular and has limited capabilities. The current system is characterised by a lack of integration, poor user experience and inefficiencies which hinder its use as the central tool for collaboration, governance and decision making.



3. The EPMO system will contain the ‘single version of truth’ on the status of projects and programmes. The new system will embed the new project procedure and thereby formalise governance and compliance as well provide efficiencies.

Financial efficiencies

4. The new system is expected to significantly enhance the Corporation’s project and programme management processes. This is an important part of achieving the Brilliant Basics ambition as set out in the Corporate Plan. This will translate into potential productivity gains by:
 - Enhanced project closures - A recent review identified £1.3 million tied up in legacy projects (completed over two years ago) within the MTFP. This extensive manual process highlighted the need for efficient project closure. The ePMO system will streamline this, allowing the ePMO team to track

projects throughout their lifecycle and support project managers in achieving timely completion.

- Enhanced reporting requirements – a systems requirements workshop held earlier this year found that departments are currently spending and estimated 30 person years per annum (approx. £1.7m) on reporting. The ePMO system will automate and reduce a significant portion of what is currently an entirely manual process.

Stakeholder benefits

Stakeholder	ePMO Features	Benefits
Members	<ul style="list-style-type: none"> • Provides timely and accurate visibility of progress and risks across the entire corporate portfolio • Aligns projects to Corporation outcomes • Aligns investment to strategic priorities 	<ul style="list-style-type: none"> • Enhanced strategic oversight and improved transparency • Enables proactive risk management and intervention • Better able to explain to residents the benefits of a project or programme
Chief Officers and SROs	<ul style="list-style-type: none"> • Embeds portfolio management and prioritisation of projects • Strategic oversight of resources • Clearer accountability and responsibility for delivery 	<ul style="list-style-type: none"> • Provides assurance projects are being well managed • More effective resource management and deployment • Pace of delivery has increased, and cost has reduced • Risks are proactively managed and better able to identify solutions
Chamberlain	<ul style="list-style-type: none"> • Embeds business case production • Enables reporting of budgeting, forecasting, and tracking actual spend • Integration with the new ERP system 	<ul style="list-style-type: none"> • Transparency of project financials including project spend and use of contingency • Enables early identification of potential financial risks • Improved compliance with financial processes • Enhanced internal system of financial control
Project Managers	<ul style="list-style-type: none"> • Provides a comprehensive toolkit for project management • Gateway processes are automated and workflows to request approvals automatically generated 	<ul style="list-style-type: none"> • Streamlined processes leading to more efficient decision making • Enables improved teamwork and collaboration across projects • Better understanding of, and compliance with,

Stakeholder	ePMO Features	Benefits
Members	<ul style="list-style-type: none"> Provides timely and accurate visibility of progress and risks across the entire corporate portfolio Aligns projects to Corporation outcomes Aligns investment to strategic priorities 	<ul style="list-style-type: none"> Enhanced strategic oversight and improved transparency Enables proactive risk management and intervention Better able to explain to residents the benefits of a project or programme
	<ul style="list-style-type: none"> Embeds related projects together as programmes 	Corporation's governance processes <ul style="list-style-type: none"> Potential productivity gains create greater internal project capacity
EPMO	<ul style="list-style-type: none"> Single version of the truth for all types of project – innovation, capital and transformation Workflow of gates is automated with approvals Change control processes embedded EPMO has strategic oversight of resources and skills Dependency management between projects and programmes 	<ul style="list-style-type: none"> Enhanced compliance with Corporation procedures Identify high risk projects - enables targeted corporate support and/or audit work to be initiated Improved team working and collaboration across Corporation Lessons learned from project delivery utilised Improved capacity planning within the Corporation Support overall delivery assurance framework

Investing in a new system

- The portfolio management implementation team has produced a set of requirements for a new ePMO tool and, following an internal options appraisal, has been engaging with a preferred supplier. These discussions are now at a crucial stage, and we need to be assured that the system can be provided to the Corporation on commercially viable terms and a compliant route to market is identified.
- The anticipated cost of the new system over a 5-year period is likely to be in the region of £1.4m. Whilst a procurement has not yet been run, a breakdown of likely costs is set out below based on the internal options appraisal:

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Licences	£125k	£280k	£280k	£280k	£280k	£1,245k

Configuration	£80k	£80k	-	-	-	£160k
Total	£205k	£360k	£280k	£280k	£280k	£1,405k

7. The figure provided in 2025/26 for configuration is an estimate to allow for integration of the ERP system and to align new processes with the requirements of Tier 0 projects and programmes. Please note figures may be subject to inflationary uplifts in future years, however this would be negotiated and built into the contract terms as part of the procurement process.
8. The current system costs approximately £40k each year funded from the Project Governance budget. It is proposed that this £40k is repurposed to contribute to the cost of the new system. For year one, it is proposed that the cost of implementing and configuring the system should be met centrally as part of the implementation programme. This includes a small carry forward as part of the original project governance programme budget and the requested allocation from the Finance Committee, Project Contingency. Going forward costs will be met through a corporate recharge.

A breakdown of the proposed costing model is below:

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Budget carried forward for implementation	£20k	-	-	-	-	£20k
Existing budget provision	£40k	£40k	£40k	£40k	£40k	£200k
Finance contingency reserve	£145k	-	-	-	-	£145
Recovery of cost from departmental local risk budgets	-	£320k	£240k	£240k	£240k	£1,040k
Total	£205	£360k	£280k	£280k	£280k	£1,405k

Options

9. Having undertaken a high-level review of systems in the market, the preferred system is considered to be the best option to meet COL requirements, however, there are other systems that would deliver limited improvements in project

management but would not address the wider strategic goals of the Corporation such as necessarily providing financial transparency, routing approvals as well as the implementation of Portfolio Management. However, if funding is not available, the system requirements would need to be reviewed and a more system would more limited functionality could be considered.

Next steps

1. Should the recommendation be approved, a formal procurement process will commence. The next steps are to:
 1. Agree the sourcing strategy and commence tender
 2. Agree the mechanism for recharging projects and departments
 3. Plan the transition and implement the new system – oversight of which will occur through the Project and Procurement Sub-Committee

Corporate & Strategic Implications

Strategic implications – an enhanced ePMO system is critical to improvement of project and programme delivery and the benefits that they provide to the City of London

Financial implications – the new ePMO system will likely cost £1.4m over a 5-year contract. The costs for year 1 are proposed to be met centrally and include a request for Finance Committee, Project Contingency as set out in the recommendations of this report. Funding for subsequent years has not yet been agreed but will be progressed as a matter of urgency by the Chamberlain's department. Any additional recharges will be agreed with departments and institutions in advance of the new financial year.

Resource implications – none

Legal implications - none

Risk implications – not implementing the new system will put at risk the full implementation of Portfolio Management in the Corporation,

Equalities implications – none

Climate implications - none

Security implications – security requirements (particularly for CoLP) are specified as part of the requirements for the system

Conclusion

A new ePMO system is critical to the implementation of Portfolio Management and will provide significant financial efficiencies and stakeholder benefits.

Genine Whitehorne

Director, Commercial, Change and Portfolio Delivery

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Committee(s)	Dated:
Finance Committee	23/07/2024
Subject: Internal Audit Additional Funding Request	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	£50k
What is the source of Funding?	Finance Contingency Fund
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: the Chamberlain	For Decision
Report author: Matt Lock, Head of Internal Audit	

Summary

This report seeks additional funding of £50k to support measures to ensure the sustained effectiveness of the Internal Audit service of the City of London Corporation.

Imposed financial savings have resulted in an overall reduction to the Internal Audit resource allocation of 37% over the past 4 years. While a financially viable staffing structure was introduced to fit this budget envelope, this is not operationally sustainable. The Chamberlain has highlighted an increasing risk in the effectiveness of internal control which increases the audit requirement. Additional funding is required in the longer term to enable the retention of Auditors in training as their professional development evolves, building an experienced team. In the immediate term it is necessary to introduce additional management support to enable a more systematic approach to Internal Audit planning and performance reporting and for temporary Senior Auditor resource to supplement the delivery capability of the existing team. Finance Committee Contingency funding is requested to partially support the cost of this in 2024/25. The request for ongoing additional funding is to be made as part of the 2025/26 budget setting.

Recommendation(s)

Members are asked to approve the request of £50k, to be met from Finance Committee Contingency, to fund the creation of a new Deputy Head of Internal Audit position.

Main Report

Background

1. The financial resource allocation for the City of London's Internal Audit service has reduced by 37% in real terms over the past 4 years.

2. The staffing structure of the team was redesigned to meet the design principles of the TOM and to maximise the establishment within the agreed financial envelope, seeing a reduction from 2 to 1 Audit Manager positions and the introduction of 3 junior Auditor positions (including 2 Apprenticeship positions). Various operational efficiencies have also been introduced during this period, including a move away from systematic annual planning of the Internal Audit Programme of work, adopting a more agile but reactive approach to planning.

Current Position

3. Having reviewed Internal Audit coverage in 2023/24 and the resource capability of the current team, the Head of Internal Audit has identified that the resource base is not sufficient to sustain an effective Internal Audit function. There are two elements to this:
 - a skills and experience deficit whilst Auditors in training reach professional maturity, combined with a period of vacancy and long-term absence.
 - Insufficient management capacity to ensure strategic alignment of Internal Audit work, effective engagement with stakeholders and sufficient attention to continuous improvement of the service.
4. This matter has been discussed with the Chamberlain and the Audit and Risk Management Committee and a proposal to supplement the existing Internal Audit team with additional temporary Senior Auditor resource and to create a new Deputy Head of Internal Audit position is supported. The resource request and business case presented is included as Appendix 1 to this report.
5. The ongoing cost of these changes will be factored into the budget setting process for 2025/26 and beyond. The cost of the temporary Senior Auditor resource in 2024/25 will be accommodated by vacancy savings, the cost of the Deputy Head of Internal Audit in 2024/25 has been flagged as a budget pressure for which Finance Committee Contingency Funding is sought.
6. The full year cost of the Deputy Head of Internal Audit position is estimated at £105k, factoring in time to create the position and for recruitment and on-boarding, it is anticipated that the maximum funding requirement for 2024/25 is £50k. Should Finance Committee approve this request, the balance of any unrequired funds will be returned to Contingency once an appointment is made and a start date is confirmed.

Key Data

7. Various data is included in the business case at Appendix 1 in support of this request. The City of London Corporation had the second smallest Internal Audit Programme in 2023/24 from a survey of 22 London Authorities, 50% of the size of the largest respondent.

Corporate & Strategic Implications

8. An increase in the level of non-compliance with Financial Regulations and other standard operating procedures has been observed over recent years and this is, in part, considered to be attributable to a reduced Internal Audit presence across the

organisation. The increased risk in relation to effective internal control is held in the Chamberlain's departmental risk register.

9. The reduction in Internal Audit Management capacity has meant that it is not possible to maintain regular liaison with all Chief Officers and their Senior Leadership teams. This, and the lack of suitably qualified and experienced Auditors to complete Internal Audit reviews, have driven the move away from longer term Internal Audit planning which, as well as proving operationally demanding on the Head of Internal Audit to manage on an ongoing basis, has attracted criticism from External Audit. Detailed Internal Audit planning requires an investment of time at specific points of the year, there is no capacity in the current team structure to support this.
10. An effective Internal Audit service is one of the key elements of good governance, the Accounts and Audit Regulations 2015 state that "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance." A reduced or ineffective Internal Audit service increases the risk of internal control failure and an increased threat to the overall achievement of organisational objectives.

Conclusion

11. Additional funding is required to support the provision of an effective Internal Audit Service and an appropriate programme of work that is proportionate to the size, scale and complexity of the City of London Corporation.

Appendices

- Appendix 1 – Internal Audit – Additional Resource Request Business Case
- Appendix 2 – Internal Audit Staffing Structure

Matt Lock

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Internal Audit - Additional Resource Request Business Case

Page 57

Contents

- Request and Proposal
- Context
- Internal Benchmarking
- Industry Benchmarking

£165k

Requested for 2024/25

Request and Proposal



Additional budget allocation of £165k is requested to fund the creation of one additional permanent position and the provision of temporary Senior Auditor resource to supplement the delivery capability of the existing Internal Audit team.

The request is initially made to Finance Committee Contingency for 2024/25 with the expectation that this additional funding be incorporated within the 2025/26 resource allocation for Internal Audit. This represents a 26% increase to the current expenditure budget for Internal Audit, increasing the total resource allocation to £790k, which still represents an **overall reduction** in the cost of Internal Audit of 21% since 2019/20.

The two elements to the request are:

Deputy Head of Internal Audit - £102k

Creation of a new position, providing critical support to the Head of Internal Audit; including coordinating departmental and Institutional liaison and maintaining the Internal Audit Plan, providing support to meet the Internal Audit Committee reporting workload (25+ detailed updates per year) and coordination of monthly performance reporting.

Temporary Resource - £63k

Providing backfill for long-term sickness absence and vacancy within the team at a senior level and to support delivery of planned Internal Audit work whilst the current Auditor (1FTE at grade D) and Trainee Auditors (2FTE at grade C) within the team continue their development to Senior Auditor level.

The £63k request is derived from the difference between the current cost of these 3 team members and the associated cost should all team members be operating at maximum capability and, therefore on the Senior Auditor pay scale. It is anticipated that this element of additional funding will be used on a diminishing scale over a period of 3-4 years as the Trainees develop.

Context



Key Drivers

- Insufficient Internal Audit Coverage
 - Vacancies
 - Long-term sickness absence
 - Inexperienced team
- Increase in level of identified misapplication of the Internal Control Environment and associated risk
- Insufficient Structure to Internal Audit Planning and Stakeholder Engagement
 - No long-term planning
 - No capacity to engage with all Chief Officers
 - Limited capacity to meet the high Committee reporting requirement
- Lack of Capacity for Strategic Planning and Development of the Internal Audit Function
- Inefficient Use of the Head of Internal Audit
- Change in Global Internal Audit Professional Standards (mandatory requirement)



Impact

Inability to form an annual opinion on the adequacy and effectiveness of the internal control environment.



Solution

- Temporary additional resource
 - Catch-up on Audit assignments
 - Increased opportunity to support development of Trainees
 - Flexible resourcing supports agile approach to Audit planning
- Creation of a new permanent post: Deputy Head of Internal Audit
 - Provides support to the Head of Internal Audit for the effective running of the service

Internal Benchmarking



Adjusting for inflation: the real-term reduction to the Internal Audit budget is 37% over 4 years

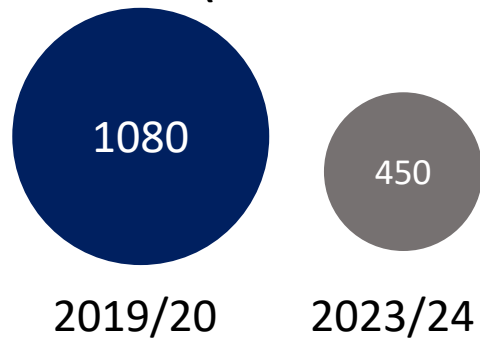
	City of London Gross Expenditure £m		
	2019/2020	2023/2024	Change
City Fund	131	160	22%
City Estate	235	265	13%
City Bridge Foundation	63	137	117%
Guildhall Administration	74	79	7%
Internal Audit	0.819	0.626	-24%

Assumptions/notes:

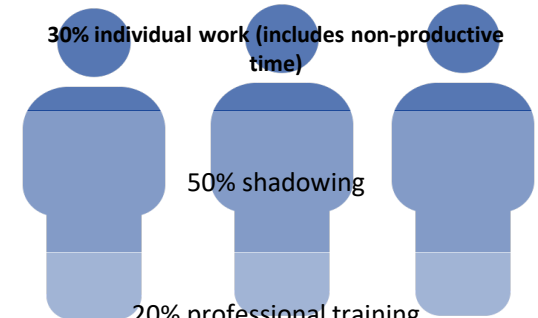
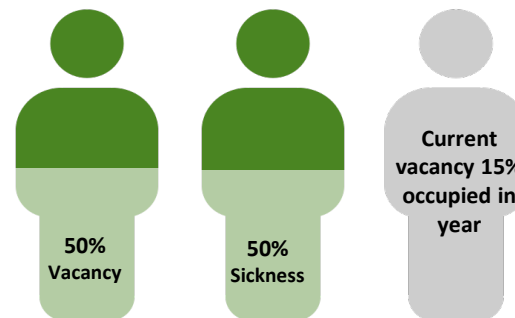
- Bank of England state inflation over this period as 23%
- The income profile of the City Corporation is not shown, although considered that an increase in income also represents an increase in activity across the organisation
- Does not include Capital/Major Programmes

Page 60

**Internal Audit Programme of Work
(available Audit Days):**



Resources available in 2023/24



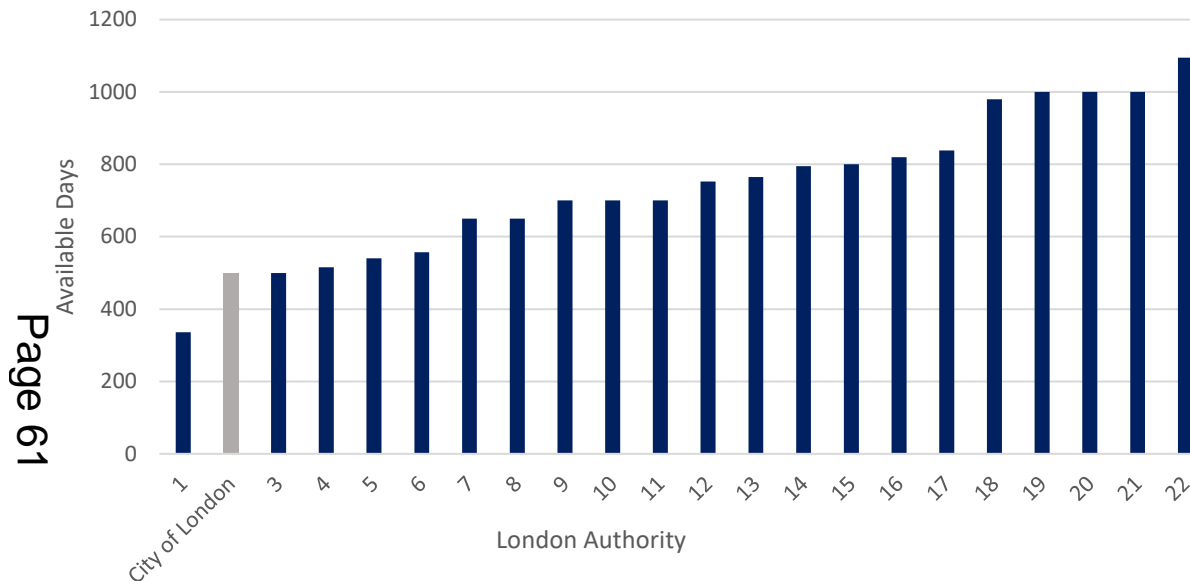
Senior Auditors

Auditors in training

Industry Benchmarking



Audit Days Available Across London



The City of London Corporation currently operates one of the smallest programmes of Internal Audit work

A typical organisation operates only one Audit Committee – City of London operates 4 (plus 2 external clients)

Additional Organisational Complexity:

- City of London Corporation is a more complex organisation than the London Boroughs (our closest peer group) – having all the complexities and requirements of a local authority **plus** additional responsibilities and services, which all fall within the remit of Internal Audit
- Operating across multiple sectors (Local Government/Police/Charity/Higher Education/Museum) – different Governance expectations
- 18 Departments/Institutions → 18 Senior Stakeholders and Leadership teams to build and maintain relationships with
- 2 External Client Organisations for Internal Audit Services (not discretionary)
- Reporting to 6 distinct Audit Committees at regular intervals

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Current Internal Audit Structure

Head of Internal Audit (and Counter Fraud) (H)

Asset Manager (G)

Counter Fraud Manager (G)

Senior Auditor (E)

Senior Auditor (E)

Senior Auditor (E)

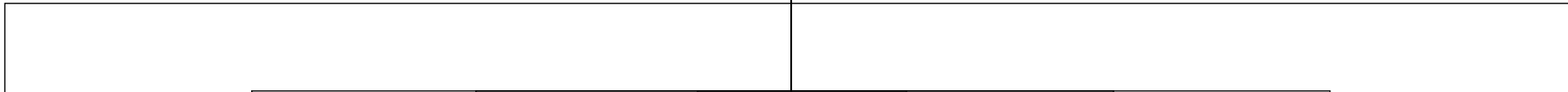
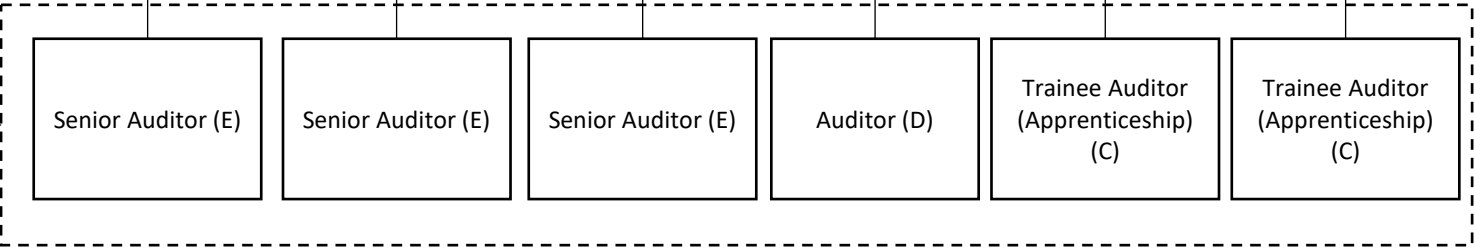
Auditor (D)

Trainee Auditor (Apprenticeship) (C)

Trainee Auditor (Apprenticeship) (C)

Fraud Investigator (D)

Page 63



Proposed Internal Audit Structure

New/
Additional
Post

Head of Internal
Audit (and
Counter Fraud)
(H)

Asset Manager
(G)

Deputy Head of
Internal Audit (G)

Counter Fraud
Manager (G)

Fraud
Investigator (D)

Senior Auditor (E)
(Temporary
requirement)

Senior Auditor (E)

Senior Auditor (E)

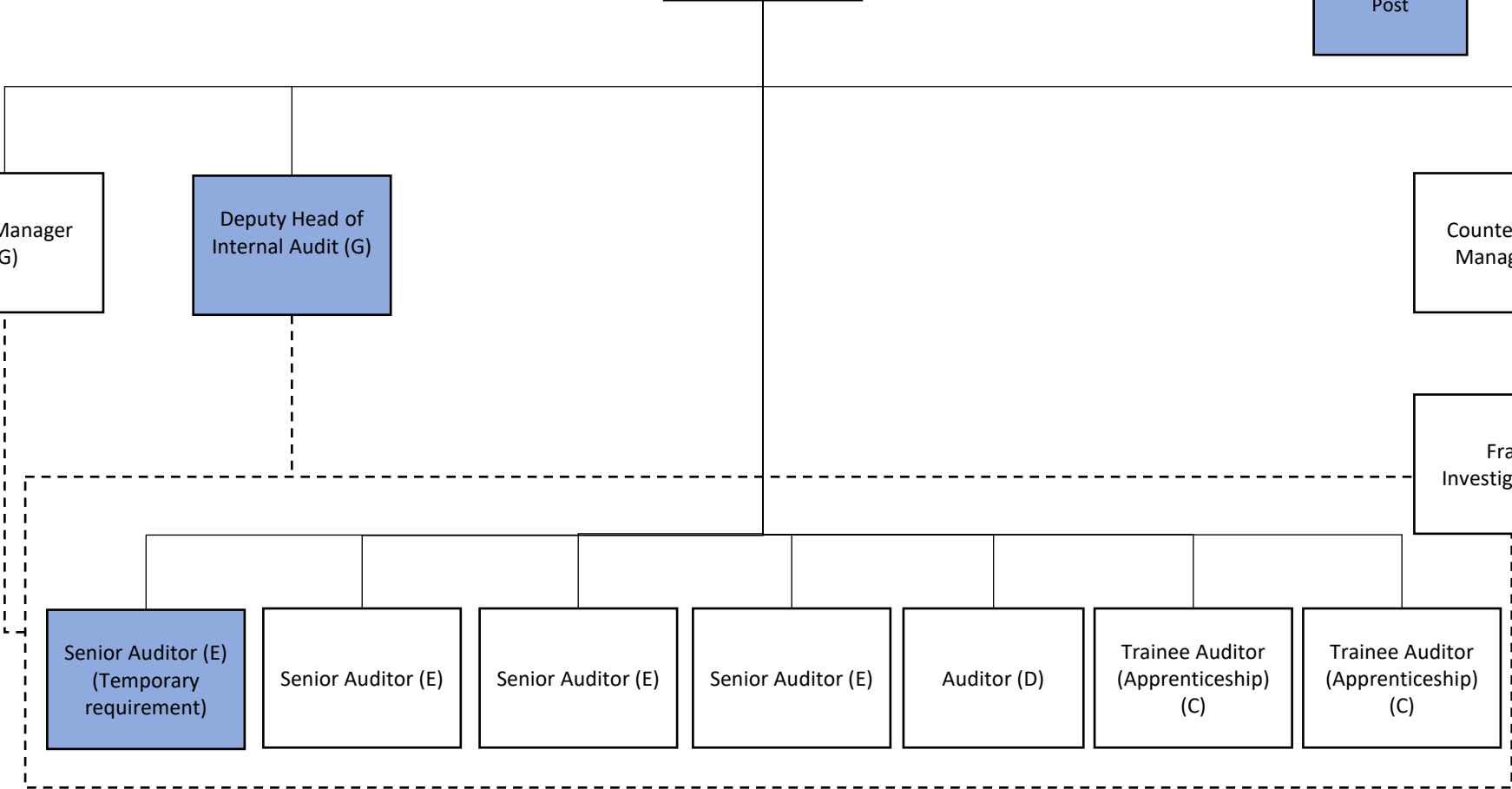
Senior Auditor (E)

Auditor (D)

Trainee Auditor
(Apprenticeship)
(C)

Trainee Auditor
(Apprenticeship)
(C)

Page 64



Committee(s): Finance Committee – For Information	Dated: 23 July 2024
Subject: Central Contingencies 2024/25	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain	For Information
Report author: Laura Yeo, Financial Services Division	

Summary

This report provides Members with a quarterly update on the Central Contingencies 2024/25 uncommitted balances.

Recommendation(s)

Members are asked to:

- Note the Central Contingencies 2024/25 uncommitted balances.

Main Report

Background

1. Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee, and with the exception of the Policy and Resources Committee, such budgets do not include any significant contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies to meet unforeseen and/or exceptional items that may be identified across the City Corporation’s range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions.
2. In addition to the Central Contingencies, the Committee has two specific City’s Estate Contingencies, a fund of £125,000 to support humanitarian disaster relief efforts both nationally and internationally and a project reserve to support project type spend.

Current Position

3. The uncommitted balances that are currently available for 2024/25 are set out in the table below.

2024/25 Central Contingencies – Uncommitted Balances 15 July 2024			
	City's Estate £'000	City Fund £'000	Total £'000
Central Contingencies			
2024/25 Provision	950	800	1,750
2023/24 Brought forward	855	1,651	3,456
Total Provision	1,805	2,451	4,256
Previously agreed allocations	(1,621)	(1,857)	(3,478)
Pending request on the agenda	(25)	(25)	(50)
Total Commitments	(1,646)	(1,882)	(3,528)
Uncommitted Balances	159	569	728
Specific Contingency – National and International Disaster Fund			
2024/25 Provision	125	0	125
2023/24 Brought forward	0	0	0
Total Provision	125	0	125
Previously agreed allocations	0	0	0
Total Commitments	0	0	0
Uncommitted Balance	125	0	125
Specific Contingency – Project Reserve			
2024/25 Provision	0	0	0
2023/24 Brought forward	1,053	0	1,053
Total Provision	1,053	0	1,053
Previously agreed allocations	(200)	0	(200)
Pending request on the agenda	(395)	0	(395)
Total Commitments	(595)	0	(595)
Uncommitted Balance	458	0	458

4. At the time of writing this report there are three requests on the agenda. Two requests on the non-public agenda from the project reserve which totals £395,000, and a request on the public agenda for £50,000 towards internal audit additional support split between City's Estate and City Fund Contingencies.
5. In the case of a request for additional funding for a project that affects all three funds, the Bridge House Estates Board would approve its portion of any such joint project. All requests specific to BHE only are considered solely by the BHE Board.

Conclusion

6. Members are asked to note the Central Contingencies uncommitted balances.

Appendices

- Appendix 1 - Allocations from 2024/25 Contingencies

Laura Yeo

Group Accountant

Financial Reporting and Closing

Financial Services Division

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2024/25 Contingency – City Fund

Date Approved	Description	Responsible Officer	Allocation £	Balance £
	2024/25 Provision			800,000
	2023/24 Provision brought forward			1,651,000
	Total Provision			2,451,000
July 2022	IT Service Transition Programme – Total funding £621,000 split between contingencies	CHB	194,000	
Urgency Nov 2022	Support of capital funding requirements for the proposed Rough Sleeping Assessment Centre	DCCS	196,000	
September 2023	Phase 2 of MRI Horizon implementation	CS	243,000	
Urgency March 2024	Barbican Residential Estate Non recovery of service charge	DCCS	835,000	
Urgency March 2024	Housing Additional funding to address external review findings	DCCS	239,000	
May 2024	LMA feasibility	DE	150,000	
	Total allocations and requests to date			1,857,000
	Pending requests on the Agenda - Internal audit additional support		25,000	
	Balance remaining			569,000

2024/25 Contingency – City’s Estate

Date Approved	Description	Responsible Officer	Allocation £	Balance £
	2024/25 Provision			950,000
	2023/24 Provision brought forward			855,000
	Total Provision			1,805,000
July 2022	IT Service Transition Programme – Total funding £621,000 split between contingencies	CHB	427,000	
September 2023	Phase 2 of MRI Horizon implementation	CS	261,000	
December 2023	National Environment Charities fundamental review support	DE	817,000	
May 2024	Stage 1 Procurement of managed service team agency resource contract	CPO	116,000	
	Total allocations and requests to date			1,621,000
	Pending requests on the Agenda - Internal audit additional support		25,000	
	Balance remaining			159,000

2024/25 Project Reserve Contingency – City’s Estate

Date	Description	Responsible Officer	Allocation £	Balance £
January 2024	2024/25 Provision	CS	200,000	0
	2023/24 Provision brought forward			1,053,000
	Total Provision			1,053,000
	Puddle Dock Options Analysis			
	Total allocations and requests to date			
	Pending requests on the Agenda			200,000
	- Puddle Dock Development Options Review			250,000
- Funding of EPMD system 1 st year costs	145,000			
	Balance remaining			458,000

2024/25 National & International Disasters Contingency – City’s Estate

Date	Description	Responsible Officer	Allocation £	Balance £
	2024/25 Provision			125,000
	2023/24 Provision brought forward			0
	Total Provision			125,000
	Total allocations and requests to date			0
	Balance remaining			125,000

Key to Responsible Officers:

CHB - Chamberlain

DCCS – Executive Director, Community & Children’s Services

TC – Town Clerk

CS – City Surveyor

DED – Executive Director, Environment Department

HR – Human Resources

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Committee Finance Committee	Dated: 25th July 2024
Subject: Revenue Outturn 2023/24 – Finance Committee Operational Services	Public
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The Chamberlain The Town Clerk The City Surveyor The Remembrancer Director of Community and Children’s Services	For Information
Report author: Dawit Araya, Finance Business Partner, Chamberlain’s Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2023/24 with the final budget for the year. It also details the carry forward requests which have now been approved.

Overall total net expenditure on the operational services overseen by your committee was £55.6m, representing an underspend of £3m compared to the final budget of £58.6m as set out in the table below.

Summary comparison of 2023-24 Revenue Outturn with Final Budget				
	Original Budget	Final Budget	Revenue Outturn	Variation Better / (Worse)
	£000	£000	£000	£000
Direct Net Expenditure				
The Chamberlain	(28,123)	(31,362)	(30,135)	1,227
The Town Clerk	(1,803)	(1,829)	(3,271)	(1,442)
The City Surveyor	(14,506)	(15,440)	(15,972)	(532)
The City Surveyor CWP	(2,097)	(2,091)	(2,222)	(131)
The Remembrancer	226	56	564	508
Director of Community and Children's Services	(65)	(65)	(92)	(27)
Total Direct Net Expenditure	(46,368)	(50,731)	(51,128)	(397)
Capital and Support Services	(7,896)	(7,898)	(4,507)	3,391
Total Net Expenditure	(54,264)	(58,629)	(55,635)	2,994

Expenditure and unfavourable variances are presented in brackets.

The 2023/24 final budget totals net expenditure of £58.6m, which is an increase of £4.4m (8%), compared with the original budget of £54.3m. The increase is analysed at Appendix 1, which shows the main variations relate to £1.720m for pay award, energy and contract inflation and other minor adjustments, £1.550m for carry forwards from 2022/23 and drawdowns in year from contingency, £500,000 for Commercial Legacy savings pushed back to 2026/27 and £595,000 due to inclusion of Supplementary Revenue Projects and changes in timing of the cyclical works programme.

The overall outturn underspend of £3m comprises variations across several services which are detailed in paragraphs 2 to 5 in this report. The main variations are:

- Chamberlain's - £1.3m reduced net expenditure due to staff vacancies, additional recovery of legal costs from Council Tax and NNDR cases, increased government grant, increase of income from Freedom Fees.
- Town Clerk – £1.442 increased net expenditure due to inflation on electricity cost and an upgrade to reception security.
- City Surveyor - increased net expenditure of £532,000 – mainly due to an overspending on Guildhall Complex due to the employee vacancy factor not being achieved and additional agency staff across the security and function teams.
- Remembrancer- decrease in net expenditure of £508,000 due to an increase in event income.
- Capital and Support Services – decrease in net expenditure of £3.4m. This is largely as a result of a change of basis of allocation (see paragraph 6) and mainly relates to the allocation of the cost of the Guildhall Complex. A further £360,000 of the reduction relates to capital charges and reflects the spend on the capital programme.

Carry forward amounting to £ 750,000 have been requested and were recently agreed. These are detailed at Appendix 2.

Appendix 3 provides a detailed comparison of the local risk outturn against the final budget for each Chief Officer broken down by Division of Service and includes explanations of significant variations as does Appendix 4 for central risk outturn.

Recommendations

Members are asked to note the:

- revenue outturn for 2023/24 showing an overall favourable variance to final budget of £3m; and
- Draft carry forwards proposed of local risk budgets of £750,000 to 2024/25.

Main Report

Budget Position for 2023/24

1. The 2023/24 original budget for the services overseen by your committee was £54.3m. This has subsequently been increased to a final budget of £58.6m. The increase of £4.4m is summarised below and by Chief Officer at Appendix 1.

Summary of Movements from 2023/24 Original Budget to 2023/24 Final Budget	Net £000
Original Budget 2022/23	(54,264)
Net movements including pay award, energy & contract inflation, apprentice funding and other minor changes	(1,720)
Carry Forwards 2022-23 to 2023-24	(1,321)
Supplementary Revenue Projects and budget adjustments	(816)
Commercial Legacy Savings Pushed Back to 2026/27	(500)
Contingency Allocations	(229)
Changes in the timing of cyclical repairs and maintenance works programme	221
Final Budget 2022/23	(58,629)

Revenue Outturn for 2023/24

2. Actual net expenditure for the operational services overseen by your Committee totalled £55.6m, a favourable variance of £3m compared to the final budget of £58.6m. A summary comparison with the final budget is shown below.

Summary comparison of 2023-24 Revenue Outturn with Final Budget				
	Final Budget	Revenue Outturn	Variation Better / (Worse)	Notes
	£000	£000	£000	
Local Risk				
The Chamberlain	(14,742)	(14,131)	611	3i
The Town Clerk	(1,189)	(2,129)	(940)	3ii
The City Surveyor	(9,564)	(10,161)	(597)	3iii
The City Surveyor CWP	(2,091)	(2,222)	(131)	
The Remembrancer	370	962	592	3iv
Total Local Risk	(27,216)	(27,681)	(465)	
Central Risk				
The Chamberlain	(16,620)	(16,004)	616	4i
The Town Clerk	(640)	(1,142)	(502)	4ii
The City Surveyor	(5,876)	(5,811)	65	4iii
The Remembrancer	(314)	(398)	(84)	4iv
Director of Community and Children's Services	(65)	(92)	(27)	4v
Total Central Risk	(23,515)	(23,447)	68	
Capital and Support Services	(7,898)	(4,507)	3,391	
Committee Total	(58,629)	(55,635)	2,994	

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

3. The main local risk variations by chief officer comprise:

- i **Chamberlain £611,000 underspend** – principally comprises additional income of £122,000 on Chamberlain’s Court from additional Freedom fees, savings of £211,000 on Commercial Team due to staff turnover and on Chamberlain’s General £507,000 due to staff turnover, reduced subscription fees and legal cost recovery. This was offset in part by £57,000 increase in costs of hard/software maintenance services, £92,000 savings not being achieved and £66,000 due to settlement/redundancy cost.
- ii **Town Clerk £940,000 overspend** - is largely due to inflation on energy costs £185,000, upgrading security at reception £461,000 and additional £255,000 relating to security costs under the corporate contract.
- iii **City Surveyor £597,000 overspend** – Mainly due to an overspending on Guildhall Complex due to employee vacancy factor not being achieved and additional agency staff across the security and function teams.
- iv **Remembrancer £592,000 underspend** – Due to additional income generation from events as a result of more and larger events in 2023/24.

An analysis of local risk variances by division of service is shown at Appendix 3

4. The main central risk variations by chief officer comprise:

- i **Chamberlain £616,000 underspend** – Principally due to £488,000 additional allowance for 2023/24 national non-domestic rates to meet the cost of billing and collection.
- ii **Town Clerk £502,000 overspend** - This overspend relates to additional spend on transport, equipment, other office costs and printing as the volume of meetings returns to pre-pandemic levels.
- iii **City Surveyor £65,000 underspend** – largely due to a significant business rebate at the Central Criminal Court and savings on energy and rates at Guildhall Complex offset by overspendings on energy and other premises costs at Walbrook Wharf and Mansion House
- iv **Remembrancer £84,000 overspend** – due to a shortfall on additional income target in the local risk in part offset by savings on committee dinners.
- v **Director of Community and Children’s Services £27,000 overspend.** This is due to higher repairs and maintenance cost as a result of more reactive maintenance expenses.

An analysis of central risk variances by division of service is shown at Appendix 4

Carry Forwards to 2024/25

5. Details of the carry forwards are set out in Appendix 2.

Recharges

6. During 2023/24 a review of central support services recharges was carried out. This involved updating the basis of apportionment for all recharges following the TOM and Governance Review along with trying to make them more transparent and fairer across all services. The updated basis has led to several variations to the original budget across committees, but overall total recharges have remained within the total original envelope. City Fund Original Budget £29.9m, Outturn £27.9m, and City's Estate Original Budget £24.2m, Outturn £22.9m. Consultation has been held with areas where recharges are funded from local reserves, i.e. HRA and Police, any variation/increase in costs across other services are met from the deficit funding and have no effect on front-line services.

Appendices:

Appendix 1 – Analysis of Movements from 2023/24 Original Budget to 2023/24 Final Budget

Appendix 2 – Agreed Carry Forwards to 2024/25

Appendix 3 – Comparison of 2023/24 Revenue Outturn with the Final Budget and commentaries for Local Risk

Appendix 4 – Comparison on 2023/24 Revenue Outturn with the Final Budget and commentaries for Central Risk

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Finance Committee Operational Services

Analysis of Movements from 2023/24 Original Budget to 2023/24 Final Budget

Analysis of Movements from 2023/24 Original Budget to 2023/24 Final Budget	
	£000
Local Risk Budget Movements by Chief Officer	
Original Local Risk Budget (Chamberlain)	(12,054)
2023 Pay Award, apprentice funding and salary budget to City Surveyor for Horizon	(1,064)
Carry Forwards 2022-23 to 2023-24 - From Transformation Fund & Cost of Collection Transformation	(770)
Commercial Legacy Savings Pushed Back to 2026/27	(500)
Reward & Refresh to adjust the Market Forces	(208)
Contingency Allocation for Natural Environment Charity & Backdate Agency Cost	(77)
Budget Transfer to Director Corporate Comm. & External Affairs following COO office closure	(69)
Final Local Risk Budget (Chamberlain)	(14,742)
Original Local Risk Budget (Town Clerk)	(1,235)
Pay Award 2023	(5)
Contingency Allocation for Backdate Agency Cost	(1)
Decrease in Surveyor's Repairs & Maintenance, Cleaning & Security budget	52
Final Local Risk Budget (Town Clerk)	(1,189)
Original Local Risk Budget City Surveyor	(11,451)
Pay Award 2023, Vacancy Allowance & Energy & Contract inflation budget uplift	(348)
Changes in Surveyor's Repairs & Maintenance budget	(50)
Contingency Allocation for Backdate Agency Cost	(25)
Carry Forwards 2022-23 to 2023-24 - Contract Services	219
Final Local Risk Budget City Surveyor	(11,655)
Original Local Risk Budget (Remembrancer)	414
2023 Pay Award & apprentice funding	(44)
Final Local Risk Budget (Remembrancer)	370
Total Local Risk Final Budget	(27,216)

Analysis of Movements from 2023/24 Original Budget to 2023/24 Final Budget
(continued overleaf)

Central Risk Budget Movements by Chief Officer	£000
Original Central Risk Budget (Chamberlain)	(16,069)
Carry Forwards 2022-23 to 2023-24 - to Finance ERP, Major Projects & other interim staff	(411)
31/Ten support on the affordability model and major projects modelling from Transformation Fund	(140)
Final Central Risk Budget (Chamberlain)	(16,620)
Original Central Risk Budget (Town Clerk)	(568)
Staff Pensioners Assoc & Christmas lunch	(72)
Final Central Risk Budget (Town Clerk)	(640)
Original Central Risk Budget (City Surveyor)	(5,152)
Increase in Supplementary Revenue Projects	(816)
Basinghall Rent	92
Final Central Risk Budget (City Surveyor)	(5,876)
Original Central Risk Budget (Remembrancer)	(188)
2023 Pay Award & Hospitality from Contingency	(126)
Final Central Risk Budget (Remembrancer)	(314)
Original Central Risk Budget (Director of Community and Children's Services)	(65)
Final Central Risk Budget (Director of Community and Children's Services)	(65)
Total Central Risk Final Budget	(23,515)
Original Capital and Support Services Budget	(7,896)
Net movement in central recharges	(2)
Final Capital and Support Services Budget	(7,898)
TOTAL 2023/24 ORIGINAL BUDGET	(54,264)
MOVEMENT	(4,365)
TOTAL 2023/24 FINAL BUDGET	(58,629)

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

Appendix 2

Finance Committee Operational Services Agreed Carry Forwards to 2024/25

Local Risk Carry Forwards by Chief Officer	£000
<p><u>The Chamberlain</u></p> <p>The automation work (Pagero e-invoicing), expected to be completed in 23/24 but due work on council tax and NDR billing being prioritised this could not be completed. Projects will now be undertaking in 2024/25</p> <p>117</p>	117
<p>Due to the backlog of audit, there was some transformation work that could not be progressed during 23/24. Requesting to carry forward to support this work during 24/25. transformation work in 24/25</p> <p>200</p>	200
Total Chamberlain (Local Risk)	317
<p><u>Remembrancer</u></p> <p>Carry forward from the coronation fund to support the commissioning of a painting to mark the King's Dinner held at Mansion House in Sept 2023.</p> <p>33</p>	33
<p>Wifi provision in event spaces at Guildhall to cover the additional costs identified.</p> <p>100</p>	100
<p>AV provision, additional amounts to ensure all event spaces are covered in conjunction with the Capital programme.</p> <p>300</p>	300
Total Remembrancer (Local Risk)	433
Total Local Risk Carry Forwards	750
Total Approved Carry Forwards	750

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Appendix 3

**Finance Committee Operational Services Comparison of 2023/24
Revenue Outturn with Final Budget for Local Risk**

Comparison of 2023-24 Revenue Outturn with Final Budget - Local Risk				
Local Risk	Final Budget	Revenue Outturn	Variation Better / (Worse)	Notes
	£000	£000	£000	
By Chief Officer				
Local Risk				
The Chamberlain	(14,742)	(14,131)	611	
The Town Clerk	(1,189)	(2,129)	(940)	
The City Surveyor	(9,564)	(10,161)	(597)	
The City Surveyor CWP	(2,091)	(2,222)	(131)	
The Remembrancer	370	962	592	
Director of Community and Children's Services	0	0	0	
Total Local Risk	(27,216)	(27,681)	(465)	
By Division of Service				
Chamberlain's - General	(9,140)	(8,633)	507	i
Chamberlain's - Internal Audit	(626)	(640)	(14)	
Chamberlain's - Business Support	(625)	(717)	(92)	ii
Commercial	(2,098)	(1,887)	211	iii
Chief Operating Officer	(307)	(373)	(66)	iv
Chamberlain's Court	(120)	2	122	v
Cost of Collection	(1,826)	(1,883)	(57)	vi
Corporate Services - Town Clerk	(33)	(12)	21	
Central Criminal Court	(937)	(1,361)	(424)	vii
Shrieval Support	(289)	(336)	(47)	
Mansion House Premises	(867)	(1,781)	(914)	viii
Mayor's Court	(53)	(40)	13	
Walbrook Wharf	(1,211)	(1,288)	(77)	ix
Guildhall Complex - City Surveyor	(9,454)	(9,694)	(240)	x
Guildhall Complex - Remembrancer	370	969	599	xi
Corporate Services - Remembrancer	0	(7)	(7)	
Division of Service Totals	(27,216)	(27,681)	(465)	

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

The local risk adverse variance of £465,000 against the final budget principally comprises of:

- i **Chamberlain's General £507,000 underspend** – largely relates to savings from holding vacant posts and late recruitment.
- ii **Chamberlain's Business Support £92,000 overspend** – largely relates to shortfall in the 12% savings required and consultancy fee partly offset by underspends across employees due to staff turnover and stationery and printing budget as a result of lower than anticipated requirements.
- iii **Commercial Team £211,000 underspend** –savings on salaries due to vacant posts.
- iv **Chief Operating Officer £66,000 overspend** – principally due to settlement/redundancy cost.
- v **Chamberlain's Court £122,000 underspend** - Underspending relates to increased income from Freedom ceremonies as the level of activity returns to pre pandemic levels.
- vi **Cost of Collection £57,000 overspend** – principally due to additional costs for offsite processing of NNDR and residual unidentified 12%in part offset by additional income from NNDR and Council Tax legal costs being recovered and savings on salaries, due to staff vacancies and additional recovery of costs from third parties largely offset.
- vii **City Surveyor Central Criminal Court £424,000 overspend (includes CWP)** – Mainly due to Increased salary, energy and repair and maintenance.
- viii **Town Clerk Mansion House Premises £914,000 overspend** – is largely due to energy inflationary increase, security costs and works to upgrade the Mansion house reception as part of security improvements.
- ix **Walbrook Wharf £77,000 overspend** – this is mainly due to increased electricity cost.
- x **Guildhall Complex- City Surveyor £240,000 overspend** – principally due to employee vacancy factor not being achieved and additional agency cost for security and functions team this was partly offset by reduced maintenance spend on CWP and other projects.
- xi **Guildhall Complex- Remembrancer £599,000 underspend** - the underspend is mainly due to increase of income from events through hosting larger events and introduction of a catering commission £260,000 and also savings from a staff vacancy.

Finance Committee Operational Services Comparison of 2023/24 Revenue Outturn with Final Budget for Central Risk

Comparison of 2023-24 Revenue Outturn with Final Budget - Central Risk				
Central Risk	Final Budget	Revenue Outturn	Variation Better / (Worse)	Notes
	£000	£000	£000	
By Chief Officer				
Central Risk				
The Chamberlain	(16,620)	(16,004)	616	
The Town Clerk	(640)	(1,142)	(502)	
The City Surveyor	(5,876)	(5,811)	65	
The Remembrancer	(314)	(398)	(84)	
Director of Community and Children's Services	(65)	(92)	(27)	
Total Central Risk	(23,515)	(23,447)	68	
By Division of Service				
Chamberlain's - General	(17,625)	(17,434)	191	i
Chamberlain's - City Moiety	317	395	78	
Chamberlain's - Discretionary Expenditure	(794)	(784)	10	
Chamberlain's - Business Support	0	(151)	(151)	ii
Cost of Collection	1,482	1,970	488	iii
Corporate Services - Town Clerk	(494)	(942)	(448)	iv
Central Criminal Court	(592)	(462)	130	v
Mansion House Premises- Town Clerk	(146)	(200)	(54)	
Walbrook Wharf	(930)	(1,163)	(233)	vi
Guildhall Complex - City Surveyor	(4,354)	(4,186)	168	vii
Guildhall Complex - Remembrancer	131	(1)	(132)	viii
Corporate Services - Remembrancer	(445)	(397)	48	
Director of Community and Children's Services	(65)	(92)	(27)	
Division of Service Totals	(23,515)	(23,447)	68	

Figures in brackets indicate expenditure, increase in expenditure or decreases in income.

The Central risk favourable variance of £68,000 against the final budget principally comprises of:

- i **Chamberlain General £191,000 underspend** – Principally due to increase in insurance commissions received. This was in part offset by higher insurance premium and higher agency staff cost.
- ii **Chamberlain Business Support £151,000 overspend** – Principally due to an increase in WorldPay charges because of more transactions going through offset in part by higher interest receipts on cash balances as a result of higher interest rates.
- iii **Chamberlain Cost of Collection £488,000 underspend** - mainly due to additional income for the 2023/24 national non-domestic rates cost of collection allowance.
- iv **Town Clerk £448,000 overspend** - This underspend relates to additional spend on transport, equipment, expenses, printing, stationery, and subscriptions as the volume of meetings increased.
- v **City Surveyor Central Criminal Court £130,000 underspend** – largely due to a significant business rate rebate as a result of a successful appeal.
- vi **Walbrook Wharf £233,000 overspend** – this is mainly due increase in rates and other premises cost.
- vii **Guildhall Complex- City Surveyor £168,000 underspend** – savings on energy and rates offset in part by reduced rental income from 65a Basinghall Street due to a void.
- viii **Remembrancer £132,000 overspend** – relates to the additional income target, not being met as income is shown under local risk

Committee(s): Finance Committee	Date: 23 July 2024
Subject: Chamberlain’s Business Plan Quarter 1 2024/25 update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Chamberlain’s Department as a support service aims to impact all six outcomes in the Corporate Plan.
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The Chamberlain	For information
Report author: Hayley Puhlhofer – Head of Chamberlain’s Office	

Summary

This report provides an update on the progress of Chamberlain's Department against Business Plan during quarter one of 2024/25.

Highlights from quarter one of 2024/25 include:

- The Chamberlain’s Department successfully deployed a new Income Manager System. This provides better functionality for users, increased automation and more payment options for customers including, in the future, an automatic telephone payment line.
- Draft 2023/24 City Fund accounts were completed and published by the statutory deadline, 31st May 2024.
- Chamberlain’s Transformation Programme developed a dashboard to allow the Chamberlain and her SLT to review projects and their status enabling decision-making on where to focus efforts.
- Analysis of transformation opportunities were provided to the Resource Allocation Sub Committee’s Away Day for a steer and the budget setting process for 2025/26 has commenced.

The details of the key updates, challenges and future priorities are detailed in Appendix 1.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Department provides quarterly updates to Finance Committee on the activities and achievements against the approved business plan. This report provides an update on the department's performance during quarter one of 2024/25.
2. A new quarterly report template has been developed by the Corporate Strategy and Performance team, which has been used to bring this report together. This will also be used to provide an update to Executive Leadership Board.

Current Position

Financial Services Division & Corporate Treasury

3. Draft 2023/24 City Fund accounts (including the Pension Fund Accounts) were completed and published by the statutory deadline, 31st May 2024 and the audit has commenced. The audited City Fund accounts are on track to be published by the end of September 2024.
4. Draft City's Estates accounts have been consolidated and focus is now on quality checks and ensuring working papers are ready for audit. Audits of smaller Charities and Trusts have also begun.
5. The City's insurances due for renewal in June 2024 have been completed/placed.

Financial Shared Services

6. In year collection rates for Council Tax during Q1 2024/25 are at 29.6% which is a decrease of 1.6% when compared to Q1 23/24 collection. This is due to new properties being banded in May, increasing the overall charges, collection rates are expected to improve over the next quarter.
7. In year collection rates for Business Rates during Q1 2024/25 are at 40.13% which is a decrease of 0.7% when compared to Q1 23/24 collection. This is due to a delay in recovery whilst an error within the bank's direct debit system was resolved. This has now been completed and collection rates are expected to recover in the coming months.
8. Investment Property Income overall collection was 86% at the end of Q1 which is a decrease on the previous quarter at 94.47%.
9. The City's performance for the payment of invoices within 30 days has improved since Q4, however, was still a 4.2% shortfall of the target. See table at appendix 3.

Internal Audit

10. Recruitment to two vacant Senior Auditor positions has been successful, with new team members joining in July and August, bringing the team to full establishment. In addition to this, approval has been requested to bring in additional temporary resource at the Senior Auditor level to offset the impact of vacancy and the skills and experience deficit while the existing Auditors in training are in the substantive phase of their professional development. Consequently, the Internal Audit team is well positioned to achieve the baseline target of 600 audit days delivered in the current year.

Freedoms

11. Freedom Ceremonies continue to receive fantastic feedback. With the number of ceremonies increasing, resilience within the team for conducting ceremonies is beginning to become a concern. In times of unexpected absence of either the Clerk or Deputy Clerk there is a risk that ceremonies would need to be cancelled, which would result in disappointment and a risk of reputational damage. Work is underway to review this issue and a solution will be implemented in due course.

Chamberlain's Transformation

12. In the first quarter, the Chamberlain's Transformation Programme delivered new monthly highlight reports for each project workstream which informs a monthly dashboard (see appendix 4). The dashboard and workstream status are reviewed by the Senior Leadership Team at the monthly management team meeting enhancing transparency and accountability, providing a clear view of the programme's performance and progress.
13. Nominated projects are presented in detail to the Chamberlain's Transformation Board which provides oversight and support ensuring financial, technological, and commercial alignment. The board collaborate to recommend mitigating actions to impact.
14. Q1 2024/25 has been a period of significant progress under the digital first strategic pillar. Teams successfully retired the H Drive in May 2024 and are embracing the SharePoint platform. The Income Manager System; CivicaPay completed the user acceptance testing (UAT) phase and went live in June 2024. Significant progress is being made on the ERP programme, with the system integrator partner procurement process producing a preferred bidder at the end of June.

Commercial Services

15. The Commercial service commenced the recruitment campaign to recruit to vacancies within the team. They have initiated the project to update the current contracts system. The team also embarked on training in advance of the new Procurement Act coming into effect from September 2024.

16. The Responsible Business Team published the first annual Responsible Procurement Impact Report 2023-24 in June, highlighting the responsible procurement achievements delivered in the last financial year.

Change and Portfolio Delivery

17. The Transformation team have led several workshops with the Executive Leadership team in the lead up to the Resource Allocation Away Day. The sessions posed the challenge to review the current activities and programmes through the alignment with the new corporate plan and transformation lens.

18. Work continues on the Income Generation opportunities, enabling business areas to develop business cases and mobilise plans.

19. The portfolio delivery team in quarter one approach the end of the design phase of the programme, they finalised the programme health checks, and a draft project procedure is being socialised with the working group.

Conclusion

20. The Chamberlain's Department will continue to build on the progress made in 2023/24 and work to deliver the 2024/25 departmental business plan and support the wider Corporate Plan and People Strategy.

Corporate & Strategic Implications

Strategic implications – Strategic priorities and commitments are expressed in Appendix 1.

Financial implications – The 2024/25 Business Plan reflected a 3% inflationary increase on pay and prices against the departmental budget as agreed by Court of Common Council in March 2024.

Resource implications – In Q4 of 2023/24, a restructure of the Commercial and project teams as announced. This was proposed to develop an integrated Commercial and Project Governance Service. The new approved structure vacancies will be recruited to throughout 2024/25.

Legal implications – None.

Risk implications – Key risks managed by the department are included in the Risk Update Report also received by this committee.

Equalities implications – The department has a separate Equalities and Inclusion Plan which aims to improve the department's Equalities position for employees. Where appropriate the department will complete Equality Impact Assessment for upcoming changes.

Climate Implications – Under the Climate action strategy the departments Corporate Treasury function is responsible for delivering Scope 3 emission actions related to our financial investments.

Security implications – None.

Background Papers

Draft Chamberlain's Business Plan for 2024/25 – 23 January 2024

Draft Commercial Business Plan for 2024/25 – 23 January 2024

Appendices

Appendix 1 – Chamberlain's Business Plan update

Appendix 2 – Commercial Business Plan update

Appendix 3 – Payment performance Q1

Appendix 4 – Chamberlain's Transformation Dashboard

Appendix 5 – KPIs Dashboard

Hayley Puhlhofer

Head of Chamberlain's Office

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Chamberlain's 2024-25 Business Plan Quarterly Report
Quarter 1
Report completed by Hayley Puhlhofer in June/July 2024

Executive Summary

Summarise key objectives and progress made. Highlight key achievements and stakeholder engagement for the period. Consider milestones delivered and any other cross cutting considerations not covered elsewhere.

Good progress has been made on key areas within the business plan. The department has successfully deployed a new Income Manager System. This provides better functionality for users, increased automation and more payment options for customers including, in the future, an automatic telephone payment line.

Draft 2023/24 City Fund accounts (including the Pension Fund Accounts) were completed and published by the statutory deadline, 31st May 2024.

Chamberlain's Transformation Programme developed a dashboard to allow the Chamberlain and her SLT to review projects and their status enabling decision-making on where to focus efforts.

Cross-cutting themes:

1. Equity Equalities Diversity Inclusion	Work on our EEDI plan continues with quarterly meetings ongoing between the Chamberlain's SLT and departmental reps.
2. Collaboration	The team continually collaborate with all departments and institutions across the Corporation to deliver financial management, transactional finance, treasury management and internal audit services. The implementation of the cash management system has involved collaboration with the consultant and other internal stakeholders. This has led to the successful deployment of the new system. Financial Leadership Group meet monthly to work on risks mitigations, particularly the risk on internal controls and transformation activities. The department also contributes to all corporate groups or initiative for example risk management forum, Corporate Health and Safety Group Resilience Steering Group.
3. Risk	Key risks managed by the department are included in the Risk Update Report also received by this committee, there is an emerging risk to resilience within the Chamberlain's Court team which is being managed at a team level.

Workstream	Workstream Assessment	RAG Status	Next Steps	Corporate Plan 2024-2029 Outcomes	Corporate Plan 2024-2029 Outcomes	Performance Measures data submitted? Y/N
<small>Insert additional rows as required.</small>	<small>Provide a brief assessment of workstream progress. Note any opportunities, and challenges or risks to delivery.</small>	<small>Provide Rag Status (*refer to key)</small>	<small>What action will be taken to address challenges to Amber, Black and Red workstreams?</small>	<small>Link the workstream to one or more Corporate Plan 2024-2029 outcome</small>	<small>Link the workstreams to one or more Corporate Plan 2024-2029 outcome</small>	<small>Note that N responses must be explained</small>
Collection of: -Business Rates -Council Tax	Business rates 40.13% slightly down on year 23/24 (40.83%) Council Tax 29.6% down 1.6% on 23/24.	A	Recovery review & arrears analysis commencing in July. Payments are now becoming due for the properties that were newly banded in council tax in May.	Providing Excellent Services		Y
Payment of Housing and Council Tax Benefits	new claims 18.9 days, changes 2.96 days	G		Providing Excellent Services		Y
Brilliant Basics - capital and revenue reporting through to statement of accounts	Ensuring brilliant basics are achievable the following has now been complete 1) Q1 has seen the draft City Fund accounts published in line with statutory deadlines with good progress being made on City's Estate accounts. This continues the progress of signing off all outstanding years of accounts within 2022/23 and reflects the progress being made in stabilising some of the core areas of work. 2) Q1 monitoring timetable has been circulated and the outturn has set out the key variances at the end of 23/24 with the paper due to go to SLT and then Finance Committee in the next quarter. This includes reports enhanced to include both revenue and capital 3) The FSD Transformation programme is being expanded into a revised Finance Improvement and Transformation (FIT) strategy to better communicate with the wider organisation. A draft is being reviewed before circulation. 4) Deep Dive meetings have been held for first review of the 25/26 MTFP. This year they included an earlier review of capital budgets as well to support the scrutiny of the capital programme. 5) Review of recharges methodology completed and agreed for 2023/24 year end reporting, with further work to be done to finalise and agree methodology for recharges going forward. 6) Fixed Asset register review commenced	A	1) The Financial Improvement Transformation Strategy to be finalised and communicated; 2) Training sessions for Project Managers to take place between quarter 1 and 2 with on-going workshops planned in; 3) Go-live with phase 2 and 3 of matrix model 4) Reviewing best practices and being consistent across budget monitoring and budget setting 5) Benchmarking processes to new ERP system and making a step change in readiness to move to the new ERP system 6) Training to Finance Business Partners 7) Enhanced reporting for our Charities to enable Trustees to make informed decisions	Providing Excellent Services		Y
Delivery of a programme of Internal Audit work to inform the Head of Internal Audit Annual Opinion on the adequacy of the Internal Control Environment, Governance and Risk Management arrangements	Delivery of Internal Audit work is limited in Q1 owing to vacancies, appointments have been made with 2 team members joining in Q2 and additional temporary resource has been agreed to provide additional audit coverage for the second half of the year.	G	Continued delivery of the programme of work, increasing rate of delivery as new team members come on board.	Providing Excellent Services		Y
Planning, organisation, delivery and administration of Freedom Ceremonies and events at the Guildhall	The Court continue to receive fantastic feedback. With the number of ceremonies increasing, resilience within the team for conducting ceremonies is beginning to become a concern. In times of unexpected absence of either the Clerk or Deputy Clerk there is a risk that ceremonies would need to be cancelled which would result in disappointment and a risk of reputational damage. Work is underway to review this issue and a solution will be implemented in due course.	G	More resilience is required for ceremonies in times of colleague absence and due to the growing number of ceremonies. A proposal is being pulled together as to how to tackle this and a solution will be delivered as soon as possible in line with Corporate Policy's and Processes.	Providing Excellent Services		Y
Develop medium term cash flow modelling for both City Fund and City's Estate enabling advice on internal borrowing caps, external borrowing requirements/ limits, draw down on financial investments and reserves held in illiquid asset classes such as property	Cashflow model built with monthly cashflow forecasts for year 1, this is being updated monthly with Major Projects forecasts, and quarterly for business as usual capital programmes.	G	1) Updates from Treasury team to include impact on Financial Investments and interest payable/receivable is being developed as an add on feature. 2) We will also look to extend the monthly cashflow out by a further two years to enhance accuracy with regards to informing the asset disposal strategy	Providing Excellent Services		Y
Enterprise Resource Planning system implementation across Finance, HR, Payroll, IT and Procurement	Supplier appointed, with System Integrator (SI) tender process in progress - reports to Committee's and CoCo due in July to allow appointment of SI in August.	G	1) Conclude recruitment into key roles; 2) Appointment of change lead; 3) Benchmarking to be commenced of as is process to new ERP system - SAP; 4) Data cleansing; 5) Start work on Chart of Accounts prior to moving onto implementation stage.	Providing Excellent Services		N - not yet reached a KPI milestone

Proactive deployment of measures to prevent and detect fraud against the City of London Corporation and provision of a corporate wide responsive fraud investigation service	London Fraud Hub in operation, high level proactive plan of Counter Fraud activity has been developed and will be deployed throughout the remainder of the year. Investigation activity is, obviously, a reactive service.	G	High level proactive plan of Counter Fraud activity to be deployed throughout the remainder of the year. Investigation activity to continue to be completed on a reactive basis.	Providing Excellent Services		Y
Automation of Invoice Payments	Due to the old version of Oracle that we use, Pagero have not been able to interface transactions in the required format. They have been working with Basware with the aim of using Basware's existing connectivity with the City's ERP, but so far there has been no successful end-to-end test file transmissions, and progress has stalled due to Basware's lack of engagement.	A	Currently trying to get a response from Basware (trying different routes). If no response is forthcoming, we will have to consider putting the project on ice until SAP is implemented, or ending the contract with Pagero altogether.	Providing Excellent Services		Annual
Provide high level executive & programme management support to Chamberlain's senior leaders in the strategical and operational delivery of CHB's transformation programme	Work is progressing well, a dashboard has been developed to allow the Chamberlain and her SLT to review projects and their status enabling decision making on where to focus efforts. The Chamberlain's Transformation Board meet fortnightly where deep dives on those projects that are off track or at risk are reviewed and actions to right this are discussed and agreed.	G	Further work to support projects to be carried out integration of the dashboard to be fully embedded into our working practices.	Providing Excellent Services		Y
Training and Development/ Succession planning	Learning and Development Board coordinating and arranging training across Chamberlain's. Training plan on track to deliver regular and a variety of training and knowledge updates.	G	Continued delivery of the programme of work.	Providing Excellent Services		Y

Focus for next quarter

In this section outline any key objectives, milestones and targets for the next period

Workstream	Objectives, Actions and Activities	Description	Targets	Completion Date
Insert additional rows as required.	List key objectives, actions and activities in the next quarter.	Briefly describe outcomes and the impact this will make. List any milestones.	List any targets for the period	i.e. 30 Sep 2024 or add an alternate date before this
Providing resilience in the Chamberlain's Court team for ceremonial duties	A proposal to be drawn together as to how to tackle this issue. Action then to be taken to implement.	More resilience in the team to reduce the risk of disappointment of freedom recipient and their guests and reduced risk of reputational damage.	Proposal to be complete in Q2 implementation to follow as soon as is possible within HR/workload parameters.	30 September for proposal.
Brilliant Basics - capital and revenue reporting through to statement of accounts	1) The Financial Improvement Transformation Strategy to be finalised and communicated; 2) Training sessions for Project Managers to take place between quarter 1 and 2 with on-going workshops planned in; 3) Go-live with phase 2 and 3 of matrix model 4) Reviewing best practices and being consistent across budget monitoring and budget setting 5) Benchmarking processes to new ERP system and making a step change in readiness to move to the new ERP system 6) Training to Finance Business Partners 7) Enhanced reporting for our Charities to enable Trustees to make informed decisions 8) Continue the progress of external audits	1) Start to see a improved position on forecasting for both capital and revenue; 2) Start building efficiencies within the team to enable strategic advice and support to budget holders; 3) Allow Trustees of Charities to make informed decisions	All actions to be in place / in motion during quarter 2	31st March 2025
Develop medium term cash flow modelling for both City Fund and City's Estate enabling advice on internal borrowing caps, external borrowing requirements/ limits, draw down on financial investments and reserves held in illiquid asset classes such as property	1) Updates from Treasury team to include impact on Financial Investments and interest payable/receivable is being developed as an add on feature. 2) We will also look to extend the monthly cashflow out by a further two years to enhance accuracy with regards to informing the asset disposal strategy	Enhanced accuracy in disposal strategy - disposing only when required and not too in advance or not too late	To be in place by end of July	30th July 2024
Enterprise Resource Planning system implementation across Finance, HR, Payroll, IT and Procurement	1) Conclude recruitment into key roles; 2) Appointment of change lead; 3) Benchmarking to be commenced of as is process to new ERP system - SAP; 4) Data cleansing; 5) Start work on Chart of Accounts prior to moving onto implementation stage.	Key to getting ready for ERP implementation	Progress on all actions	31st March 2025

*Key

Blue: Completed
Green: On track, milestones achieved in this quarter to the planned timeline
Amber: Slippage to planned progress / milestones not achieved to planned timeline but will be achieved
Red: Slippage to planned progress is significant and cannot be achieved in the next quarter. Risk of non-
Black: A decision to pause or stop workstream activities has been taken.

Corporate Plan 2024-29 outcomes:

Our Corporate Plan 2024-2029 outcomes

Chamberlain's Commercial 2024-25 Business Plan Quarterly Report
Q1
Report completed by Leah Woodlock in July 2024

Executive Summary

Summarise key objectives and progress made. Highlight key achievements and stakeholder engagement for the period. Consider milestones delivered and any other cross cutting considerations not covered elsewhere.

The Commercial service commenced the recruitment campaign to recruit to vacancies within the team. They have initiated the project to update the current contracts system. The team also embarked on training in advance of the new Procurement Act coming into effect from September 2024.

The Responsible Business Team published the first annual Responsible Procurement Impact Report 2023-24 in June, highlighting the responsible procurement achievements delivered in the last financial year.

The Transformation team have led several workshops with the Executive Leadership team in the lead up the Resource Allocation Away Day. The sessions posed the challenge to review the current activities and programmes through the alignment with the new corporate plan and transformation lens.

Work continues on the Income Generation opportunities, enabling business areas to develop business cases and mobilise plans.

The portfolio delivery team in quarter one approach the end of the design phase of the programme, they finalised the programme health checks, and a draft project procedure is being socialised with the working group.

Cross-cutting themes:

1. Equity Equalities Diversity Inclusion	The team contribute to the departmental EDI Group and complete EQIAs on projects. The responsible business team published the first annual procurement impact report for 2023/24.
2. Collaboration	The team continually collaborate with all departments and institutions across the Corporation to deliver the commercial, change and portfolio management service. They also engage with suppliers to contract manage goods and services utilised across the corporation.
3. Risk	The Commercial, Change and Portfolio Delivery team are responsible in conjunction with finance and surveyors colleagues for the management of CR33 - Major Projects.

Workstream	Workstream Assessment	RAG Status	Next Steps	Corporate Plan 2024-2029 Outcomes	Corporate Plan 2024-2029 Outcomes	Performance Measures data submitted? Y/N
<small>Insert additional rows as required.</small>	<small>Provide a brief assessment of workstream progress. Note any opportunities, and challenges or risks to delivery.</small>	<small>Provide Rag Status (*refer to key)</small>	<small>What action will be taken to address challenges to Amber, Black and Red workstreams?</small>	<small>Link the workstream to one or more Corporate Plan 2024-2029 outcome</small>	<small>Link the workstreams to one or more Corporate Plan 2024-2029 outcome</small>	<small>Note that N responses must be explained</small>
Portfolio management implementation	Work continues on the design phase, with the proposed gateway process to be delivered in the autumn.	A	Awaiting approval from the relevant committees to procure the new project management system. Finalise the proposed project gateway process and obtain the relevant approvals.	Providing Excellent Services		N - not yet reached a KPI milestone
Commercial maturity assessment and improvement plan (procurement governance review)	Information gather/assessment phase of the project has commenced.	A	Complete the information gather phase and develop a delivery project plan	Providing Excellent Services		N - not yet reached a KPI milestone
Data and insights – understanding our impact	The first annual Impact report has been published for 2023/24. The recruitment campaign is in progress to recruit to the Head of Reporting and Impact.	G	Resource the team.	Providing Excellent Services		N - Annual
Transformation and improvement framework (embedding RPR)	The Transformation team have led several workshops with the Executive Leadership team in the lead up the Resource Allocation Away Day. The sessions posed the challenge to review the current activities and programmes through the alignment with the new corporate plan and transformation lens.	G	Focus on prioritisation of workstreams.	Providing Excellent Services		
Service development – capacity and capability	Linked to the commercial maturity assessment.	A	Await outcomes of the commercial maturity assessment.	Providing Excellent Services		N - not yet in flight
Procurement Act implementation	The team are currently undertaking training and the procurement code is being reviewed to incorporate the new procurement act.	G	Develop and execute a communication plan for all stakeholders	Providing Excellent Services		N - not yet reached a KPI milestone

Focus for next quarter

In this section outline any key objectives, milestones and targets for the next period

Workstream	Objectives, Actions and Activities	Description	Targets	Completion Date
<small>Insert additional rows as required.</small>	<small>List key objectives, actions and activities in the next quarter.</small>	<small>Briefly describe outcomes and the impact this will make. List any milestones.</small>	<small>List any targets for the period</small>	<small>i.e. 30 Sep 2024 or add an alternate date before this</small>
Procurement Act implementation	All staff to complete the applicable training, update the procurement code and communicate changes to stakeholders.	To ensure the corporations compliance with the Procurement Act 2023.	Ensure embedding of the new procurement act before the deadline	30-Sep-24
Commercial maturity assessment and improvement plan (procurement governance review)	Complete the assessment phase of the review and create a project plan	To develop staff and processes to enable commercial accumen within the team and across the corporation.	Create a project plan for delivery	30-Sep-24
Portfolio management implementation	Finalise and socialise the proposed gateway process, procure the new PM system	Streamlining the project process.	Get committee approval of new Project system and gateway process	30-Sep-24

*Key
Blue: Completed
Green: On track, milestones achieved in this quarter to the planned timeline
Amber: Slippage to planned progress / milestones not achieved to planned timeline but will be achieved by end of next quarter
Red: Slippage to planned progress is significant and cannot be achieved in the next quarter. Risk of non-delivery.
Black: A decision to pause or stop workstream activities has been taken.

Corporate Plan 2024-29 outcomes:

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Dept	Department / Institution	Invoices Paid on Time	Invoices Paid Late	Paid within 30 Days
MSP	City Surveyor's Department (Spitalfields Market)	121	1	99%
CSA	Community & Children's Services (Adult Services)	452	7	98%
GSM	Guildhall School	2,239	59	97%
CLF	City of London Freemen's School	383	11	97%
TBR	City Bridge Foundation (Tower Bridge)	379	11	97%
MBG	City Surveyor's Department (Billingsgate Market)	169	5	97%
MAN	Mansion House	166	5	97%
TCK	Town Clerk's Department	232	7	97%
SOL	Comptroller & City Solicitor's Department	162	5	97%
MCM	City Surveyor's Department (Smithfield Market)	91	3	97%
TCU	Innovation & Growth	190	7	96%
TCB	City Bridge Foundation (Charities)	98	4	96%
CCC	Central Criminal Court	44	2	96%
TCA	Innovation & Growth (Destination City)	81	4	95%
BBC	Barbican Centre	2,354	117	95%
TCL	Town Clerk's Department (LMA & SBREC)	77	4	95%
CSL	Community & Children's Services (Libraries)	200	14	93%
CSF	Community & Children's Services (Families & Young People)	535	41	93%
OSD	Environment (Natural Environment)	858	67	93%
CPO	Chief People Officer	108	9	92%
CLG	City of London School for Girls	311	27	92%
MKT	Environment (Port Health & Public Protection)	364	32	92%
ENV	Environment Department	744	67	92%
CLS	City of London School	348	35	91%
CHA	Chamberlain's Department	614	64	91%
POL	City of London Police	1,599	176	90%
CSH	Community & Children's Services (Housing)	876	97	90%
REM	Remembrancer's Department	109	14	89%
CSJ	The Aldgate School	149	22	87%
SVY	City Surveyor's Department	1,310	219	86%
CSB	Community & Children's Services (Barbican Estate)	204	53	79%
CLJ	City of London Junior School	42	13	76%
Total		15,609	1,202	93%

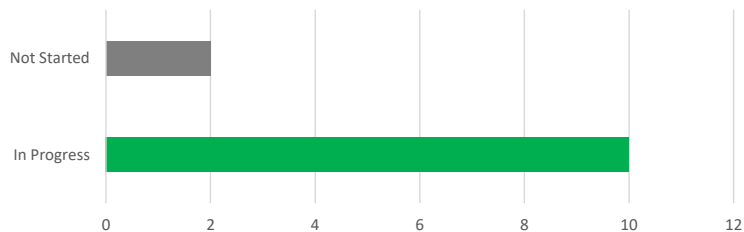
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CHAMBERLAIN'S PROJECT PORTFOLIO DASHBOARD - JUNE 2024

TOTAL NUMBER OF PROJECTS

12

PROJECT BY STATUS



PROJECT BY OVERALL RAG RATING



TREND IMPROVING

Status:

- In Progress
- Not Started
- Complete
- Not Yet Started
- On Hold

Overall RAG

- At-Risk
- On-Track
- Off-Track
- Significantly Off-Track

SLT Lead

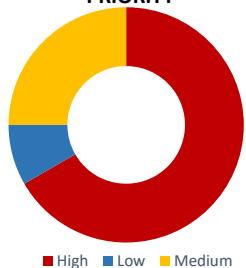
- GW
- HP
- PB
- SV
- ZG
- AF

Project Category/T...

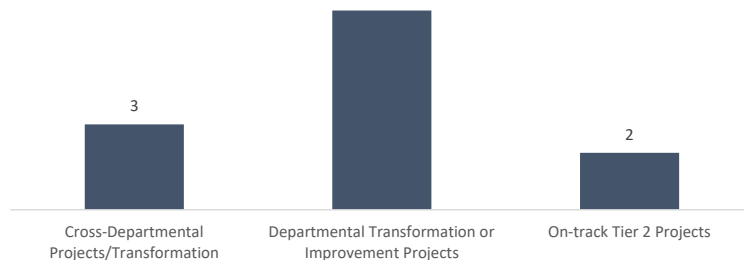
- Cross-Departmental P...
- Departmental Transf...
- On-track Tier 2 Projects
- BAU
- Tier 1 - Complex

Page 99

PROJECT BY PRIORITY



PROJECTS BY TYPE



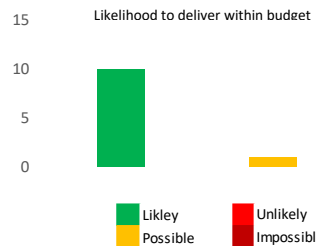
PROJECTS BY RISK APPETITE

Coming soon

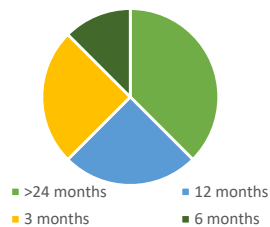
APPROVED BUDGET

£19,474,981

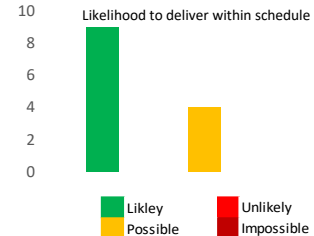
BUDGET RAG STATUS



DELIVERY TIMELINES



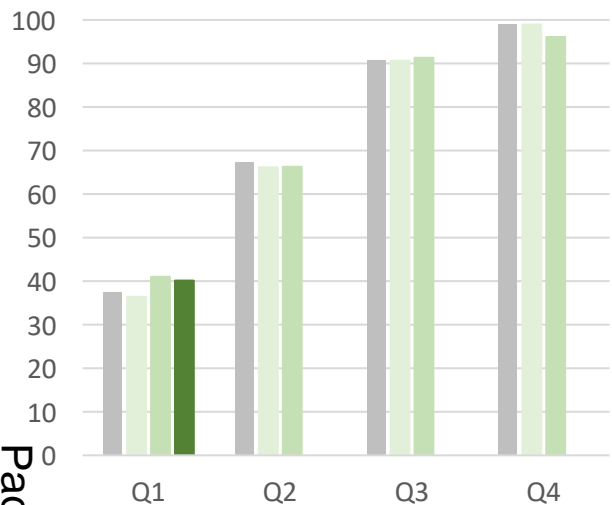
SCHEDULE RAG STATUS



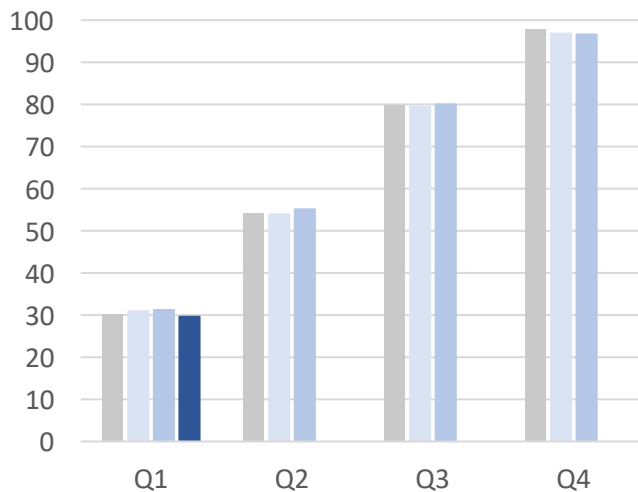
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Key Performance Indicators

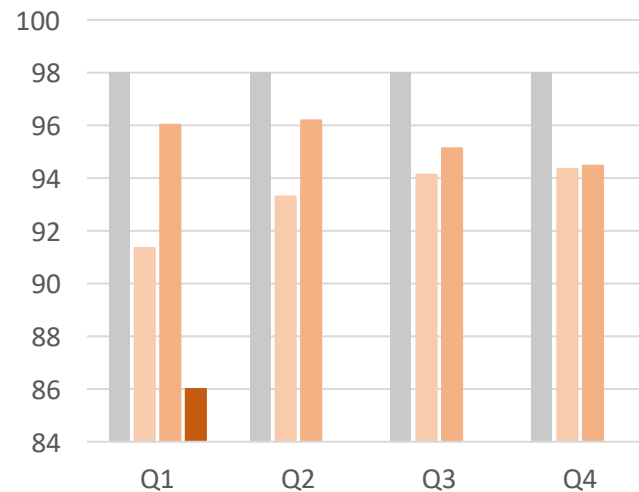
Business rates in year collection 24/25
% collected



Council tax in year collection 24/25
% collected



Commercial rent collection 24/25
% collected



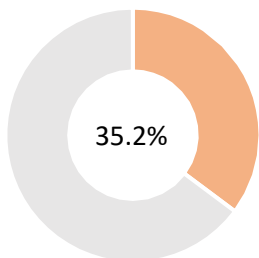
Page 101

Target 24/25* 2022/23 2023/24 2024/25

Target 24/25 2022/23 2023/24 2024/25

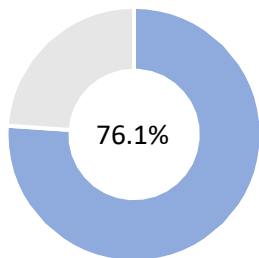
Target 24/25 2022/23 2023/24 2024/25

% invoices interfaced or automated



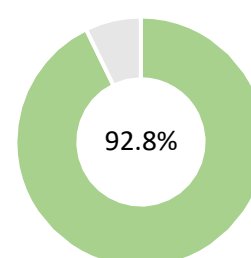
Target 60%

Invoices paid to SMEs within 10 days Q1



Target 88%

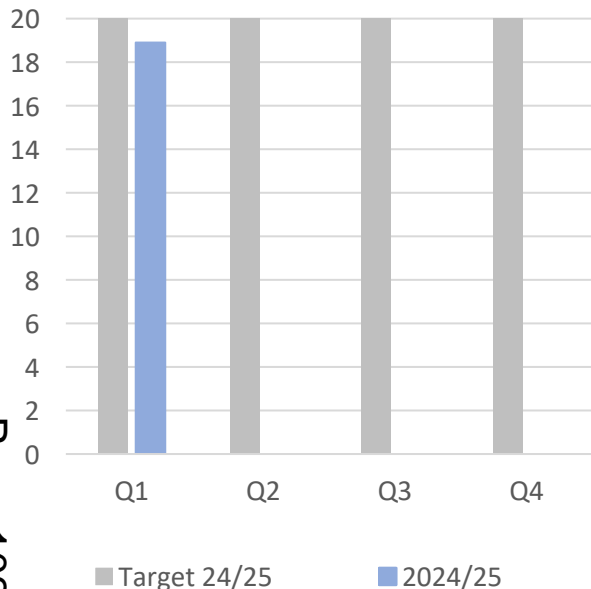
Invoices paid within 30 days Q1



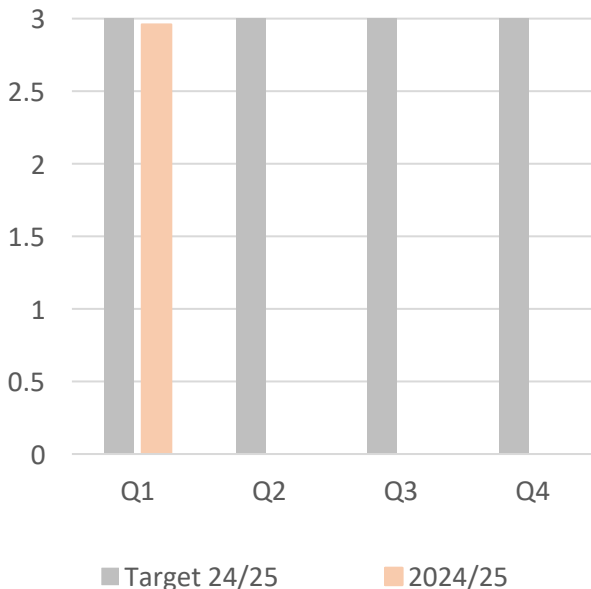
Target 97%

Key Performance Indicators

Days taken to process and pay housing and council tax benefit new claims



Days taken to process and pay housing and council tax benefit change of circumstances



Corporate Risk Assurance Reviews completed



Publication of the Draft City Fund Accounts within Statutory Deadline of 31st May.
COMPLETE.

Publication of City Fund Audited accounts on 30th September.
On track

Publication of draft BHF Accounts end of July and Publication of draft City's Estate Accounts end of August.
On track

IN PROGRESS
Effective financial management: expenditure against departmental local risk budgets (Target < 1%)

COMPLETED FOR 24/25
Delivery of a balanced budget and Medium-Term Financial Plan for City Fund, approved by Court of Common Council by 31 March

Committee(s): Finance Committee – For information	Dated: 23 July 2024
Subject: Chamberlain’s Departmental Risk Management Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	7
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain	For Information
Report author: Leah Woodlock, Chamberlain’s Department	

Summary

This report has been produced to provide the Finance Committee with an update on the risks the Chamberlain’s department faces.

There is currently one RED risk on the Corporate Risk Register within the responsibility of the Chamberlain and one RED risk on the Chamberlain’s departmental risk register. Horizon scanning for potential risks and opportunities is undertaken regularly at management meetings.

The Digital Information Technology Service (DITS) risks are reported to the Digital Services Committee for oversight.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to the Committee the key risks faced in their department. The Finance Committee has determined that it will receive the Chamberlain’s Risk Register at each meeting.

Current Position

Corporate Risk – RED

2. The Chamberlain’s Department currently has two RED Corporate Risks, all risks are regularly reviewed and several mitigating measures are in place to prevent the realisation of these risks.

3. **CR38 Unsustainable Medium Term Finances – City’s Estate** has a risk score of RED 16. The draft 2023/24 City’s Estate accounts are being finalised to be published providing the latest lens on the financial position.
4. Building upon the momentum of departmental deep dives, Finance colleagues are preparing for the Resource Allocation Away Day in July 2024, providing insight into the mitigations in place to reduce this risk from RED 16 back to the target. The transformation programme is rejuvenating the approach to utilisation and prioritisation across the Corporation. A number of workshops and one-to-one sessions have been held in the leadup to the July Away Day with members of the Executive Leadership Board (ELB) to embed a new transformed approach to decision-making and leadership.

Departmental Risks – RED

5. **CHB002 Housing Revenue Account (HRA) Finances** has a risk score of RED 16. The 2023/24 outturn report has been finalised and produced a small surplus but risks remain for 2024/25, close monitoring of capital schemes and spend continues throughout 2024/25.
6. **CHB004 Casual Staff Pensions Entitlement/Enrolments** which had a risk score of RED 16 has been reduced to GREEN 4 in June 2024. Further information and identified mitigating actions are detailed in Appendix 2 (non-public).

Conclusion

7. Members are asked to note the actions taken by Chamberlain’s Department to manage all risks. Actions aim to continue monitoring and reducing the risk level and will be reported on at future Finance Committees.

Appendices

- Appendix 1 – Departmental Risk Register
- Appendix 2 – Non-Public Risk Register

Background Papers

Chamberlain’s Departmental Risk Management Update Reports

Leah Woodlock

Chamberlain’s Project Manager

Chamberlain’s Department

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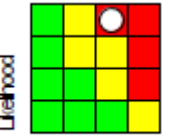
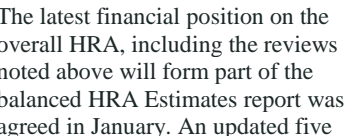

CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Leah Woodlock

Generated on: 18 June 2024




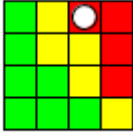
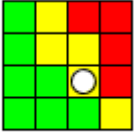
Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
CHB 002 Housing Revenue Account Financials 16-Oct-2023	<p>Cause: The embedded increased impact of inflation, following peak of 10.7% in Autumn 2022. Potential issue around non-recoverability of elements of service charge costs due to inadequate s20 consultation process</p> <p>Event: Inability to contain financial pressures on the Housing Revenue Account, especially around repairs and maintenance costs, management costs and depreciation charges . Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risk.</p> <p>Effect: The City Corporation’s reputation is damaged due to failure to deliver housing services.</p>	 <p>16</p>	<p>The latest financial position on the overall HRA, including the reviews noted above will form part of the balanced HRA Estimates report was agreed in January. An updated five year financial projection will be drawn up in July. Latest projections show the revenue funding position remains precarious and vulnerable to revenue overspends, further delays to new build projects or significantly rising capital costs (leading to higher loan repayments and interest charges).</p> <p>On 7 March Court of Common Council approved rent increases of 7.7%.</p> <p>01 July 2024</p>	 <p>8</p>	31-March - 2025	

Mark Jarvis; Sonia Virdee							Reduce	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB002a	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Close monitoring of capital schemes is required during 2024/25, update to be provided in regular reporting of capital forecasts due in the revised HRA 5 Year Plan after Closing. Further risk of delays to new build projects will impact the 5 Year Plan revenue projections. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Mark Jarvis	02-July-2024	31-March-2025
CHB002b	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	<p>The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The level of the internal recharge to the HRA has been reviewed as part of a City wide recalibration and the 2024/25 estimated figure can now be revised.</p> <p>The current repairs and maintenance contract has been extended by one year and is being re-procured for 2025/26. The recommendations for change coming out of the Pennington review are being implemented by the new Housing management team.</p> <p>The calculation of the depreciation charge has been reviewed with external valuers and significantly reduced as a result – this will largely offset inflationary revenue pressures. The final 2023/24 outturn position and 2024/25 draft Estimates show a finely balanced position that will be updated in the new 5 Year Plan figures.</p>	Mark Jarvis	02-July-2024	31-March-2025

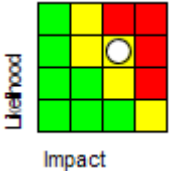
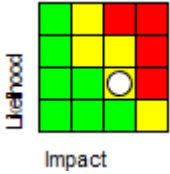

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Estate	Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves.		16	Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25 through carried forward from 2023/24 underspends.		8	31-Mar-2025	

<p>31-Oct-2022 Caroline Al-Beyerty</p>	<p>Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p>Effects: The City of London Corporation’s reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>	 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</p> <p>Impact</p>	<p>On-going pressures totalling £3.8m, plus net 3% inflation uplift approved in 2024/25 budgets.</p> <p>Earning more income from property investment portfolio – diversification of asset portfolio.</p> <p>The five-year financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision for works going forward totalling £71m.</p> <p>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</p> <p>Quarterly monitoring of capital programme against budgets.</p> <p>Developing income generation opportunities.</p> <p>Renewed approach to transformation under pinned by a clear communication plan to Members.</p> <p>21 May 2024</p>	 <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</p> <p>Impact</p>			
						Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme	•Regular monitoring the office of budget responsibility’s inflation forecasts, currently at 2.%. 	Sonia Virdee	01-July-2024	31-Mar-2025

	<ul style="list-style-type: none"> • Monitor the use of inflation contingency 	<ul style="list-style-type: none"> • Identify areas that are forecasting to exceed budget envelope due to inflation increases, and review action. Chief Officer deep dives completed during May 2024, the outcomes of these discussions will be presented to Resource Allocation Sub Committee away day. 			
CR38e	<p>Monitoring key income streams</p> <ul style="list-style-type: none"> • i.e. rental income from the property investment portfolio. 	<p>This is being monitored monthly, with action being taken to within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</p> <ul style="list-style-type: none"> • Lord Mayor Show and events across the Corporation • Advertising • Filming inside and outside the square mile • Retail opportunities • Fees and Charges <p>Update presented on Income Generation to Resource Allocation Sub Committee on 2 May 2024. Highlights on progress will be presented to Resource Allocation Sub Committee away day in July 2024.</p>	Sonia Virdee; Genine Whitehorse	21-May-2024	31-Mar-2025
CR38f	Delivering the current savings programme and securing permanent year-on-year savings.	Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable.	Sonia Virdee	01-Jul-2024	31-Mar-2025
CR38g	Remain within the financial envelopes approved for major projects.	Monthly updates on major projects forecasts and issues arising. Market Co-Location exceeding its budgeted envelope, further discussion and decisions required on next steps – update being presented at RASC away day and Policy and Resources Committee, then Court of Common Council.	Sonia Virdee	01-Jul-2024	31-Mar-2029
CR38h	Bringing third party capital to surplus operational property opportunities.	<p>Identified initial opportunities which have been supported by Resource Allocation Sub Committee.</p> <p>Proposals for each opportunity to be worked up and submitted for member consideration to relevant Committees, due in Autumn 2024.</p>	Sonia Virdee; Paul Wilkinson	21-May-2024	30-Sep-2024
CR38i	Undertake the Charities Review (Natural Environment)	<p>The ability for charities to fundraise and generate more income to support ambitions for activities and operational property requirements.</p> <p>Updates to Efficiency and Performance Working Party scheduled for July and September 2024. Update will also be taken to Resource Allocation Sub away day.</p>	Emily Brennan; Jack Joslin; Sonia Virdee	01-Jul-2024	31-Dec-2024

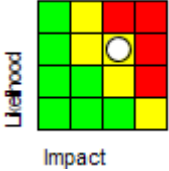
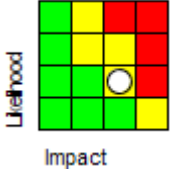

CR38j	Review of Executive Leadership Board planning for getting back to balance and operationalising the Corporation plan will be taken to Resource Allocation Sub Away day in July.	<p>City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the cumulative deficit is forecast to be £490m (including drawdown of financial asset gain of £158m). This is not sustainable over the longer-term period and radical decisions are needed now on how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation, over and above those already identified (income generation, operational property review, investment property review and charity review) underpin by a clear communication plan to all members, so they are aware of the challenges ahead.</p> <p>Review of Executive Leadership Board planning for getting back to balance and operationalising the Corporation plan will be taken to Resource Allocation Sub Away day in July.</p>	Sonia Virdee; Genine Whitehorn	01-Jul-2024	31-Mar-2025
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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk Approach	Current Risk score change indicator
R33 Major Capital Schemes	<p>Cause: The City Corporation has set itself the ambition to deliver at least three landmark multi-million pound capital schemes over the next decade (currently programmed to complete 2028).</p> <p>Event: there is insufficient technical and professional capability and resource to effectively deliver the schemes.</p> <p>Effects:</p> <ul style="list-style-type: none"> • Schemes not delivered on time • Inability of the organisation to move at the required pace • Potential for increased capital costs as a result of delayed decision making • Reputational impact on the Corporation vis a vis key stakeholder across London and UK Govt. 	 <p>12</p>	<p>The project governance review has recommended a move to a portfolio management model which will more effectively manage the prioritisation of projects aligned to strategic objectives and the allocation of resources to enable successful delivery.</p> <p>A Corporation Portfolio Board, led by the Town Clerk has been established.</p> <p>Work continues on procuring and a new project management system.</p>	 <p>8</p>	31-Mar-2029	

14-Feb-2020 Caroline Al-Beyerty	<ul style="list-style-type: none"> • Potential revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police) • failure to deliver on corporate outcomes 			<p>Working towards a launch on the new project procedure and support structures in August 2024.</p> <p>Monthly monitoring of cashflow forecasting continues.</p> <p>01 July 2024</p>				Reduce	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR33h	Implement a new project governance approach	<p>The Town Clerk's portfolio board commenced in November 2023.</p> <p>A portfolio overview report has been prepared for the February 2024 Projects and Procurement sub-committee, with one-off funding approved by CoCo on 7 March, further work required during 2024/25 to identify permanent funding source.</p>	Matthew Miles	21-May-2024	30-Sep-2024
CR33j	Refresh the Project Management Academy	Discussions being held with previous provider, looking at refreshing learning content.	Sarah Baker	01-Jul-2024	30-Sep-2024
CR33k	Procure and implement a new project management system	<p>Plans are being developed to procure and implement a fit-for-purpose project management system, which has the functionality of a portfolio view.</p> <p>The initial system proposal exceeded the anticipated costs. A report is being presented to finance committee in July, for permission to undertake a procurement exercise.</p>	Matthew Miles	01-July-2024	30-Sep-2024
CR33l	Monitor the high-level cashflow/forecast monthly	<p>The Investment Management Monthly Meeting has been established. Membership includes the CIO, Corporate Treasury, City Surveyor and Financial Services and is led by the Chamberlain.</p> <p>The Chamberlain's Assurance Board has also been established to review the financial dashboards and forecasts for the Major Programmes, with updates provided to the Project Assurance Board chaired by the Town Clerk/Chief Executive.</p>	Sonia Virdee	01-Jul-2024	31-Mar-2029
CR33m	Secure Third-Party Funding	Report being bought back by officers in the Autumn.	Paul Wilkinson	01-Jul-2024	30-Jun-2024

CR33n	Provide regular Member updates	A project update report has been prepared Finance Committee, City Bridge Foundation Board and Policy & Resources Committee.	Genine Whitehorse	21-May-2024	31-Mar-2029
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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR35 Unsustainable Medium Term Finance - City Fund	<p>Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth. The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit.</p> <p>Effect: Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community.</p>		12	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25 through carried forward from 2023/24 underspends.</p> <p>Pressures on adult social care, children services, security and policing addressed through increase in taxes and business rates premium.</p> <p>Other on-going pressures totalling £3.2m, plus net 3% inflation uplift approved in 2024/25 budgets.</p> <p>The medium-term financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision for works going forward, totalling £62.7m.</p> <p>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</p>		8	31-Mar-2026	

Page 111

19-Jun-2020 Caroline Al-Beyerty	Challenges in executing the capital program and major projects within affordable limits.			<p>Quarterly monitoring of capital programme against budgets.</p> <p>Developing income generation opportunities.</p> <p>Renewed approach to transformation underpinned by a clear communication plan to Members.</p> <p>21 May 2024</p>				Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme <ul style="list-style-type: none"> • Use of inflation contingency 	<ul style="list-style-type: none"> • Regular monitoring the office of budget responsibility's inflation forecasts, currently at 2.%. • Identify areas that are forecasting to exceed budget envelope due to inflation increases. 	Sonia Virdee	01-Jul-2024	31-Mar-2026
CR35c	Remain within the financial envelopes approved for major projects.	<p>Monthly update on major projects forecasts and issues arising.</p> <p>Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Project Board chaired by the Town Clerk/Chief Executive.</p> <p>Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.</p>	Sonia Virdee	01-July-2024	31-Mar-2029
CR35f	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority) <ul style="list-style-type: none"> • Develop income generation opportunities 	<p>Court of Common Council approved reprofiling of remaining fundamental review savings, to allow sufficient time to embed these through income generation opportunities.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</p> <ul style="list-style-type: none"> •HARC – Heathrow Animal Reception Centre •Events across the Corporation •Advertising 	Alistair Cook; Sonia Virdee; Genine Whitehorse	21-May-2024	31-Mar-2026

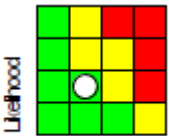
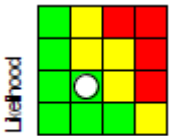
		<ul style="list-style-type: none"> •Filming inside the square mile •Retail opportunities •Fees and Charges. Remaining £0.4m unidentified savings from the 12% savings programme is being worked on and expected to be delivered during 2024/25. Chief Officer deep dives scheduled during May 2024. Update presented on Income Generation to Resource Allocation Sub Committee on 2 May 2024. Highlights on progress will be presented to Resource Allocation Sub Committee away day. 			
CR35p	Plans in place to reduce future deficits.	<p>The medium-term financial plan is only balanced over the next four years with the use of general fund reserves and further savings and/or revenue raising by increasing Council Tax and Business Rate Premium. City Fund moves into deficit position from 2026/27 onwards. Previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible. Radical decisions are now needed on how best to bring down the annual operating deficit, over and above those already identified (income generation, operational property review, investment property review), including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation underpin by a clear communication plan to all members, so they are aware of the challenges ahead.</p> <p>Review of Executive Leadership Board planning for getting back to balance and operationalising the Corporation plan will be taken to Resource Allocation Sub Away day in July.</p>	Sonia Virdee; Genine Whitehorse	21-May-2024	31-Mar-2026

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB003 Inconsistent application of the internal control environment 28-Feb-2024 Caroline Al-Beyerty	<p>Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to:</p> <ul style="list-style-type: none"> • Failure of staff management to adhere to financial and procurement regulations, leading to: • Poor Purchase Order Compliance • Inefficient budget management • Delays in setting up Project Codes due to governance • Ineffective contract and supplier management • Lack of management oversight of purchasing activities • Misinterpretation and inconsistent understanding of financial and procurement regulations • Inconsistent guidance from subject matter experts • Complex procedures driving officers towards using workarounds <p>Event:</p> <ul style="list-style-type: none"> • Increase in transactional errors • Decrease in payment performance • Impact on cashflow management and accuracy of forecasting • Heightened demand for customised approvals and urgent decisions • Diminished strategic challenge capacity • Disrupted delivery of Business as Usual (BAU) operations <p>Effect:</p> <ul style="list-style-type: none"> • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market 	<p>Likelihood</p> <p>Impact</p>	8	<p>Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.</p> <p>The financial leadership group, consisting of finance representatives from across the corporation and its institutions, has been appointed to mitigate the risk of inconsistent application of the internal control environment by working with business customers.</p> <p>A number of mitigations have been identified to improve compliance and overall benefits of controls. FLG have been instructed to provide a list and evidence of further in-place actions to be added to the action list below.</p> <p>A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls.</p> <p>This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.</p> <p>01 July 2024</p>	<p>Likelihood</p> <p>Impact</p>	4	31-Dec-2024	
							Reduce	Constant

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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB003a	Implementing mandatory system training and periodic refresher courses for all users.	New starters onboarded will include system training before login is authorised. Non-compliant users, are to repeat the training course. Training to be captured as a part of performance development. Plans are being developed for budget manager training, for quarter 1 and quarter 2 budget monitoring.	Daniel Peattie	21-May-2024	31-Dec-2024
CHB003b	Design and maintain a comprehensive Chamberlain's Integrated Financial Performance Dashboard, seamlessly linking procurement and financial data.	Continue to report to ELB and senior management teams on the payment and PO compliance by teams/departments. Discussions are being held at the monthly finance leadership group on best practice and accountability. Reviewing reports and adding trends to dashboard. These reports will encourage accountability at the right level.	Leah Woodlock	01-July-2024	31-Aug-2024
CHB003c	Review gateway process and project budget code creation.	Underway as part of project governance review. Considering the separation of capital accounting arrangements from project procured. A draft revising is currently being socialised amongst the working group.	Genine Whitehorse	01-July-2024	30-Sep-2024
CHB003e	Review of procurement regulations and are explicit around requirements	Ensuring that our processes are sufficiently streamlined reducing the need for workarounds/waivers. A working group has been established to understand and embed the new procurement act into our processes and procedures.	Genine Whitehorse	01-July-2024	30-Sep-2024
CHB003f	Increase the number of internal audits conducted of processes, regulations and compliance	Business case for additional Internal Audit resources is now in circulation, if approved this will increase delivery capability by approximately 15%. Additional focus on compliance activity within the Internal Audit Programme for Q1 and Q2 of 2024/25, this will be expanded for Q2, Q3 and Q4 following on-boarding of recently appointed Senior Auditors.	Matt Lock	01-June-2024	31-Dec-2024
CHB003g	Developing a suite of user-friendly bite-sized training materials.	Using AI technology to create bite-size guidance videos for BAU tasks, e.g. raising purchase orders, receipting orders etc.	Leah Woodlock/	01-July-2024	30-Sep-2024

		Reducing the reliance on bespoke training and increasing training availability. Working with the L&OD team to utilise their existing technology to develop the training videos. Approach is captured within the finance strategy.	Daniel Peattie		
CHB003h	Escalation and enforcement of non-compliance activities	Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director. Further non-compliance to be escalated to the Chamberlain. Monthly reviews are taking place at Financial Leadership Group to highlight any areas of concern.	Sonia Virdee; Genine Whitehorse	01-July-2024	31-Dec-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB 001 Chamberlain's Department transformation and knowledge transfer 3 -July-2024 Caroline Al-Beyerty	Cause: Structural changes within teams and churn in headcount Event: Culture change is insufficient. Corporate memory is lost. The Chamberlain's Department is not fit for the future. Effect: Chamberlain's Department fails to deliver its objectives.	 Likelihood Impact	4	Vacant posts within the commercial team – currently recruiting and interim postholders in key vacant senior positions. The Learning and Engagement Board has been relaunched to support and develop staff. A skills matrix assessment has been commissioned for Finance Staff, this is being piloted with the Financial Shared Services team, with the plan to extend to all finance teams within Chamberlain's department. 01 June 2024	 Likelihood Impact	4	31-Mar-2024	Decreasing
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB001b	Colleagues are provided with the training they need to fulfil their role.	<p>The departmental Learning & Engagement Board was re-launched on 21 June 2023 with a renewed vision, terms of reference and refined learning objectives.</p> <p>A CIPFA skills matrix review is underway to independently analyse strengths and areas for improvement for Chamberlain's staff. This is being trialled in June with staff working across Financial Shared Services teams.</p> <p>Key workstreams for the board have been identified and are currently being progressed.</p> <p>A programme of learning events has been developed Training sessions have been delivered on AP, particularly around the PO process. A Lunchtime learning session has also been delivered on Excel which was well attended and was well received. A further session is being arranged on the use of Sharepoint.</p> <p>Separate to the above, the Financial Services Division have carried out training sessions to support staffs continued professional development; these sessions have been mandated to support staff with upskilling through the year end close-down process. Training sessions will be programmed into annual forward plans to ensure continued development. In addition, succession planning is now being reviewed to support skill shortages within capital, supported by excellent interim support. Alongside the above the FSD are also launching their Financial Improvement and Transformation strategy (FIT). This links to the Corporate Plan and People Strategy. One of the goals is to imbed best practice and transformation across the organisation.</p>	Phil Black; Daniel Peattie	01/07/24	31-Mar-2025

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