



## Finance Committee

**Date:** TUESDAY, 24 SEPTEMBER 2024

**Time:** 12.45 pm

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

**Members:**

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

**Enquiries:** Ben Dunleavy [ben.dunleavy@cityoflondon.gov.uk](mailto:ben.dunleavy@cityoflondon.gov.uk)

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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 23 July 2024.

**For Decision**  
(Pages 9 - 14)

4. **ACTION TRACKER**

**For Information**  
(Pages 15 - 16)

5. **FORWARD PLANS**

a) Finance Committee's Forward Plan (Pages 17 - 18)

b) Efficiency and Performance Working Party's Forward Plan (Pages 19 - 20)

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 15 July 2024.

(Pages 21 - 28)

7. **ANNUAL REVIEW OF TERMS OF REFERENCE**

Report of the Deputy Town Clerk.

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

8. **EXTENSION OF CENTRAL LONDON WORKS AND PIONEER SUPPORT PROGRAMMES**

Report of the Executive Director, Innovation and Growth.

**For Decision**  
(Pages 35 - 42)

9. **CENTRAL CONTINGENCIES 2024/25**  
Report of the Chamberlain.  
**For Information**  
(Pages 43 - 46)
10. **INTERNATIONAL DISASTER FUND - PROPOSALS FOR ALLOCATION**  
Report of the Managing Director of Bridge House Estate and Chief Charity Officer (to follow).  
**For Decision**
11. **BUDGET MONITORING Q1 2024-25**  
Report of the Chamberlain (to follow).  
**For Information**
12. **CITY FUND AND PENSION FUND - 23/24 AUDIT FINDINGS UPDATE**  
Report of the Chamberlain (to follow).  
**For Information**
13. **CITY RE LIMITED - PERFORMANCE MONITORING**  
Report of the Chamberlain.  
**For Information**  
(Pages 47 - 50)
14. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**  
Report of the Chamberlain.  
**For Information**  
(Pages 51 - 52)
15. **ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME UPDATE REPORT**  
Joint Report of the Chief People Officer and the Chamberlain.  
**For Information**  
(Pages 53 - 56)

16. **REVIEW OF RECHARGES**

Report of the Chamberlain.

**For Information**  
(Pages 57 - 64)

17. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

Report of the Town Clerk.

**For Information**  
(Pages 65 - 66)

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

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

20. **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**

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

To agree the non-public minutes of the meeting held on 23 July 2024.

**For Decision**  
(Pages 67 - 70)

22. **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 15 July 2024.

(Pages 71 - 74)

23. **BARBICAN CENTRE CATERING SERVICES - PROCUREMENT STAGE 2 AWARD REPORT**

Report of the Interim CEO, Barbican Centre.

**For Decision**  
(Pages 75 - 86)

24. **THE NPCC CYBERCRIME PROGRAMME NATIONAL FRAMEWORK AGREEMENT FOR THE PROVISION OF CRYPTOCURRENCY STORAGE AND REALISATION SERVICES - COMPLIANT EXTENSION OF CONTRACT TERM**

Report of the Temporary Commissioner, City of London Police.

**For Decision**  
(Pages 87 - 92)

25. **STAGE 1 AND 2 REPORT FOR THE PROVISION OF ELECTRICITY AND GAS SUPPLIES**

Report of the City Surveyor.

**For Decision**  
(Pages 93 - 104)

26. **PROVISION FOR BAD AND DOUBTFUL DEBTS AT 31ST MARCH 2024**

Report of the Chamberlain.

**For Information**  
(Pages 105 - 108)

27. **MAJOR PROJECT DASHBOARD - PERIOD 4 (P4) 2024/25 (AS AT THE END OF JULY)**

Report of the Chamberlain.

**For Information**  
(Pages 109 - 112)

28. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

Report of the Town Clerk.

**For Information**  
(Pages 113 - 124)

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

30. **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**

31. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

To agree the confidential minutes of the meeting held on 23 July 2024.

**For Decision**

32. **MANAGED SERVICE TEMPORARY AGENCY RESOURCE - PROCUREMENT  
STAGE 2 AWARD REPORT**

Report of the Executive Director of HR & Chief People Officer.

**For Decision**

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## FINANCE COMMITTEE

Tuesday, 23 July 2024

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 23 July 2024 at 12.45 pm

### Present

#### Members:

Deputy Henry Colthurst (Chairman)	Alderman Tim Levene
Deputy Randall Anderson (Deputy Chairman)	Catherine McGuinness
Brendan Barns	Hugh Selka
Deputy Timothy Butcher	Deputy Sir Michael Snyder
Alderman Sir Peter Estlin	Deputy James Thomson
Alderwoman Martha Grekos	Philip Woodhouse
Deputy Madush Gupta	

#### Officers:

Caroline Al-Beyerty	- Chamberlain
Daniel Peattie	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Matthew Miles	- Chamberlain's Department
Leah Woodlock	- Chamberlain's Department
Robert Murphy	- City Surveyor's Department
Susie Pritchard	- Environment Department
Gavin Stedman	- Environment Department
Ben Dunleavy	- Town Clerk's Department

### 1. APOLOGIES

Apologies for absence were received from Deputy Keith Bottomley, Nick Bensted-Smith, Steve Goodman, Deputy Christopher Hayward, Michael Hudson, Alderman Tim Levene, Deputy Paul Martinelli, Deputy Andrien Meyers, Tom Sleight, James St John Davis, James Tumbridge and Mark Wheatley.

Deputy Rehana Ameer, Shahnan Bakth and Benjamin Murphy observed the meeting virtually.

### 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 summary of the meeting held on 4 June 2024 be approved as a correct record.

4. **ACTION TRACKER**

There were no outstanding actions.

5. **FORWARD PLANS**

a) **Finance Committee's Forward Plan**

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.

The Chairman informed Members that he had asked officers to schedule an additional meeting of the Working Party in November or December.

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

RESOLVED, that – That the public minutes and non-public summary of the Projects and Procurement Sub Committee meeting held on 4<sup>th</sup> June 2024 be noted.

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

Members received a report of the Chamberlain, which provided a summary of the 2023/24 draft outturn position for City Fund and City's Estate.

RESOLVED, that :

1. The report and provisional outturns for City Fund and City's Estate for the financial year 2023/24 be noted.
2. 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 be waived.
3. 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 be noted.
4. 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 be noted.

8. **FUNDING FOR EPMO SYSTEM**

Members received a report of the Chamberlain concerning project and programme management.

The Chairman informed Members that the Projects and Procurement Sub-Committee had delegated authority to the Town Clerk to approve the report pending officer responses to several questions. He proposed that the

Committee should also postpone its decision until the Sub-Committee's outstanding concerns were satisfied.

A Member asked if officers had considered adopting Jira as a supplier, noting it was suitable for smaller projects. The Chairman asked that the response to this question be included as part of the delegated authority approval.

RESOLVED, that – Members delegate authority to the Town Clerk to approve the recommendations in the report, pending the decision of the Projects and Procurement Sub-Committee.

9. **INTERNAL AUDIT ADDITIONAL FUNDING REQUEST**

Members received a report of the Chamberlain concerning the Internal Audit function.

RESOLVED, that - request of £50k from Finance Committee Contingency be approved, to fund the creation of a new Deputy Head of Internal Audit position be approved.

10. **CENTRAL CONTINGENCIES 2024/25**

Members received a report of the Chamberlain concerning the Central Contingencies uncommitted balances.

The Chairman informed Members that a report would be coming to the September meeting with proposals to change the method in which the City Corporation supported charity appeals from the Finance Committee contingency fund.

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

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

Members received a report of the Chamberlain concerning the revenue outturn.

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

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

Members received a report of the Chamberlain concerning the departmental business plan.

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

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

Members received a report of the Chamberlain concerning the departmental risk register.

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

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

There were no questions.

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**  
The Chairman informed Members that the Markets Board had expressed concerns at its meeting on 22 July 2024 regarding the allocation of costs for DITS and procurement in their Revenue Outturn. He had asked the Chamberlain to investigate the issue.

16. **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.

<b>Item No.</b>	<b>Paragraphs in Schedule 12A</b>
16-24, 26, 27	3
25	1 and 3

17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
The non-public minutes of the meeting held on 4<sup>th</sup> June 2024 were approved as an accurate record.

18. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**  
The non-public minutes of the Projects and Procurement Sub-Committee meeting held on 4<sup>th</sup> June 2024 were noted.

19. **EFFICIENCY AND PERFORMANCE WORKING PARTY**  
The minutes of the Efficiency and Performance Working Party meeting held on 12 June 2024 were noted.

20. **CITY FUND & CITY'S ESTATE PUDDLE DOCK - DEVELOPMENT OPTIONS REVIEW**  
Members received a report of the City Surveyor concerning the Puddle Dock site.

21. **END USER DEVICES – REFRESH CONTRACT**  
Members received a report of the Chamberlain concerning end user devices.

22. **WRITE-OFF OF OUTSTANDING DEBT - NATIONAL PET COLLEGE**  
Members received a report of the Executive Director, Environment concerning an outstanding debt.

23. **DELEGATION REQUEST**  
Members received a report of the Town Clerk concerning requests for delegated authority.

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**

The Committee considered an item of urgent business relating to the ERP programme.

26. **CHAMBERLAIN'S DEPARTMENT RESOURCING UPDATE**

The Committee received a verbal update on resourcing in the Chamberlain's department.

**The meeting ended at 1.36 pm**

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Chairman

**Contact Officer: Ben Dunleavy [ben.dunleavy@cityoflondon.gov.uk](mailto:ben.dunleavy@cityoflondon.gov.uk)**

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## FINANCE COMMITTEE – Action Tracker – September 2024

Items from meeting held 23 July 2024		
ITEM	Action	Officer and target date
<b>5B. FORWARD PLANS</b>	Schedule a meeting of the Efficiency and Performance Working Party for November/December	Chamberlain – July 2024 <b>Meeting scheduled (See EPWP Forward Plan) – item closed*</b>
<b>8. FUNDING FOR EPMO SYSTEM</b>	Include detail on products considered for small projects in the delegated authority approval	Chamberlain/Town Clerk – July 2024 <b>Information included (See Report of Action Taken) – item closed</b>
<b>10. CENTRAL CONTINGENCIES</b>	Report with proposals for a changed approach to charity donations for appeals for September	Town Clerks/City Bridge Foundation – September 2024 <b>Included on Agenda – item closed</b>
<b>19. EFFICIENCY AND PERFORMANCE WORKING PARTY MINUTES</b>	Invite Innovation and Growth Department back to an EPWP meeting	Chamberlain – February 2025 <b>Arranged (See EPWP Forward Plan) – item closed</b>
<b>20. PUDDLE DOCK</b>	Respond to Alderwoman Martha Grekos on informal meeting with relevant Committee chairs	Chamberlain supported by City Surveyor – July 2024 <b>Chair to provide update</b>
<b>23. DELEGATION REQUEST</b>	Review the threshold levels under which decisions on investment property transactions require Committee approval	Town Clerks/Chamberlains/City Surveyors – <b>item carried forward</b>
<b>25. ANY OTHER BUSINESS (NP)</b>	Include in the Court briefing for ERP reports a proposal that drawdown of up to £2m of the costed risk provision be delegated to the Chamberlain, with drawdown on the remainder delegated to the Town Clerk in consultation with Chairs and Deputy Chairs of FC and DSC	Chamberlain – July 2024 <b>Information included (See Report of Action Taken) – item closed</b>

\*Closed items will be removed from the tracker

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## FINANCE COMMITTEE – WORK PROGRAMME 2024-25

	Sept-24	Nov-24	Dec-24	Jan - 25	Feb - 25	April- 25	June -25
<b>Budget Setting Process &amp; Medium-Term Financial Planning</b>			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		
<b>Effective Financial Management Arrangements for The City Corporation</b>	Budget Monitoring Q1  Provision for Bad and Doubtful Debts  City Re update  MPO Dashboard Reporting (CHB)  <b>Recharges report</b>	Budget monitoring Q2  Capital Projects – Forecasting  MPO Dashboard Reporting (CHB)	MPO Dashboard Reporting (CHB)	MPO Dashboard Reporting (CHB)	Budget monitoring Q3  MPO Dashboard Reporting (CHB)  <b>Procurement Regs</b>  <b>Projects Procedure</b>	MPO Dashboard Reporting (CHB)  Update of Finance Regulations - deep dive	
<b>Financial Statements</b>	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					
<b>Finance Committee as a Service Committee</b>	Risk Management Update Report  Central Contingencies (quarterly report)  <b>ERP Programme Update (Quarterly)</b>  Managed Service Temporary Agency Resource -Procurement Stage 2 Award Report	Risk Management Update Report  Chamberlain's Business Plan Q2 report	Risk Management Update Report  Central Contingencies (quarterly report)  <b>ERP Programme Update (Quarterly)</b>	Risk Management Update Report  Chamberlain's Business Plan Q3 report	Risk Management Update Report  Central Contingencies (quarterly update)	Risk Management Update Report  Chamberlains Business Plan End of Year update  ERP Programme Update (Quarterly)	
<b>Other Departments reports</b>	Barbican Centre Board - Catering Contract (Barbican)  Annual Terms of Reference Review (TC)  <del>Animal Health &amp; Welfare Service - New Business Delivery (ENW)</del>  Central London Forward - Programme Extension (I&G)	Casual Workers review (HR)  Salisbury Square update  <b>Delegation Authority for re-procurement of London Sexual Health e-services programme (DCCS)</b>  <b>Climate Action Spend (Biannual)(IG)</b>	Benefits in Kind Annual Report (CBF)  <b>Charities Review (Natural Environment)</b>				<b>Climate Action Spend (Biannual)(IG)</b>

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**EFFICIENCY AND PERFORMANCE – WORK PROGRAMME 2024-2025**

	18-Sept-24	14-Oct-24	26-Nov-2024	Feb-25	April-25
Budget Setting		Fees and charges	Fees and charges		
Resource Priorities Review / Transformation			Sponsorships & External Grants	Operational Property Review	Sponsorships & External Grants
Barbican					
Chamberlain's					
City Surveyor's				Guildhall Works	
Comptroller & City Solicitor's					
Environment		Charity Review BIK review			
Innovation & Growth				FPS & Competitiveness	
Town Clerk's		Ambition 25 Comms & external affairs Transformation	Guildhall Club	People & HR Strategy	
Remembrancer's Office			Events across Corporation		
City of London Schools					
Other	Mansion House Budget and Expenditure				

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Agenda Item 5b

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## PROJECTS AND PROCUREMENT SUB-COMMITTEE

Monday, 15 July 2024

Minutes of the meeting of the Projects and Procurement Sub-Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 15 July 2024 at 1.45 pm

### Present

#### Members:

Deputy Randall Anderson (Chairman)  
Mary Durcan  
Alderman Timothy Hailes JP  
Eamonn Mullally  
Philip Woodhouse

#### Observer:

Deputy Rehana Ameer (Deputy Chair)

#### In attendance:

Chloe Rickard, Director, Human Engine

#### Officers:

Caroline Al-Beyerty	- Chamberlain
Alice Lassey	- Barbican Centre
Sarah Baker	- Chamberlain's Department
Matthew Miles	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Alessia Ursini	- Chamberlain's Department
Aga Watt	- Chamberlain's Department
Richard Chamberlain	- City Surveyor's Department
Mark Lowman	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Jacqueline Spicer	- City Surveyor's Department
Peta Caine	- Community and Children's Services
Dean Elsworth	- Community and Children's Services
Rafael Cardenas	- Community and Children's Services
Michael Gwyther-Jones	- Community and Children's Services
Gillian Howard	- Environment Department
Clarisse Tavin	- Environment Department
John Cater	- Committee Clerk

#### 1. APOLOGIES

In advance of the meeting, formal apologies were received from Deputy Rehana Ameer.

#### 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. **MINUTES**

**RESOLVED** – that the draft public minutes and non-public summary of the meeting of the Sub-Committee held on Monday, 10 June 2024 be approved as an accurate record.

4. **STRATEGIC PROCUREMENT REVIEW**

The Sub-Committee received a brief introduction and oral update from Chloe Rickard, Director, Human Engine concerning the Strategic Procurement Review. Human Engine are working in partnership with the City Corporation on the Review.

A full Report would be submitted to the October meeting of the Sub-Committee.

A Member emphasised the importance of this Review (and separately the Project Governance Review) as a vital response to the all too frequent occurrences of significant cost overruns, poor administration, and breaches of procurement codes. He had recently written to the Chairman of the Finance Committee and raised this topic at the Resource Allocation Sub-Committee Away Day and at the last meeting of the Policy & Resources Committee.

In response to a query, it was confirmed that the use of and value-for-money assessment of consultants engaged by the City was being picked up by the Efficiency & Performance Working Party. The procurement of consultants would be examined in the Strategic Procurement Review.

**RESOLVED** – that the Sub-Committee noted the update.

5. **FUNDING FOR EPMO SYSTEM**

The Sub-Committee considered a Report of the Chamberlain concerning a funding proposal for the City Corporation's new Enterprise-wide Portfolio Management Office (EPMO) System.

After an introduction of the Paper by officers, several questions were raised by a Member, as outlined below:

1.How do proposals align with the digital strategy – with particular reference to data and M.I.?

2.How will the new system integrate with ERP?

3.Why can't projects be properly closed now?

4.Is there a commitment to headcount savings?

5.Can the committee see a post implementation review?

6.What provision has been made for subsequent configuration of the system after the first two years?

7. Are budget holders aware of the proposed recovery of cost from departmental local risk budgets?

8. Are we committed to a five year lock in with the contract or can interrupt without penalty?

9. What is the likely lifetime of the system?

10. Can you explain the £1.205m figure at the top of the report?

11. Are licence fee costs likely to increase?

**RESOLVED** – that given the high number of questions that were raised in this discussion, the Sub-Committee was minded to defer approval of the Report at today's meeting and to instead grant the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Sub-Committee, delegated authority to approve the recommendations, once they were content with the responses to the questions raised at the meeting.

6. **FORWARD PLAN**

The Sub-Committee received the Forward Plan.

The Chairman asked that future iterations of the Forward Plan were fully populated. It was apparent that the current version lacked the requisite detail, particularly around the milestones for both the Strategic Procurement Review and the Project Governance Review.

**RESOLVED** – that the Sub-Committee noted the Report.

7. **\*ISSUE REPORT - SMITHFIELD AREA PUBLIC REALM AND TRANSPORTATION**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning a coordinated approach for the delivery of new public spaces and improved environment in the Smithfield area.

**RESOLVED** – that the Sub-Committee noted the Report.

8. **\*GW1/2: DAUNTSEY HOUSE, FREDERICK'S PLACE - PUBLIC REALM IMPROVEMENTS (S278)**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning Public realm improvements related to the redevelopment of Dauntsey House, 4A & 4B Frederick's Place.

**RESOLVED** – that the Sub-Committee noted the Report.

9. **\*GW2: CLIMATE ACTION STRATEGY (CAS) – CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS**

The Sub-Committee received a Report of the City Surveyor concerning capital interventions to be delivered to decarbonise the most carbon intensive City of

London operational buildings, in line with the Climate Action Strategy 2027 net zero targets.

**RESOLVED** – that the Sub-Committee noted the Report.

10. **\*GW2: CLIMATE ACTION STRATEGY (CAS) - CAPITAL DELIVERY PROGRAMME – HEAT DECARBONISATION**

The Sub-Committee received a Report of the City Surveyor concerning commencement of the decarbonisation of the heat supplies to the City Corporation’s larger corporate buildings in support of the 2027 net zero carbon target within the Climate Action Strategy.

**RESOLVED** – that the Sub-Committee noted the Report.

11. **\*GW2: TEMPLE AVENUE IMPROVEMENTS (FLEET STREET AREA PROGRAMME)**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning public realm, climate resilience, greening and accessibility improvements to Temple Avenue.

**RESOLVED** – that the Sub-Committee noted the Report.

12. **\*GW3: 2 ALDERMANBURY SQUARE**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning the public highway in the vicinity of the development at 2 Aldermanbury Square.

**RESOLVED** – that the Sub-Committee noted the Report.

13. **\*GW3: MUSEUM OF LONDON S278**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning highway and public realm improvements to ensure the effective and safe operation of the new Museum of London development.

**RESOLVED** – that the Sub-Committee noted the Report.

14. **\*GW3/4: CREECHURCH LANE AREA IMPROVEMENTS (CITY CLUSTER PROGRAMME)**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning public realm and highway improvements to the Creechurch Lane, Mitre Street and Bury Street area.

**RESOLVED** – that the Sub-Committee noted the Report.

15. **\*GW3/4: MILLENNIUM BRIDGE HOUSE AREA IMPROVEMENTS S278**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning a public realm improvement project within the immediate perimeter and streets of the approved Millennium Bridge House development at 2 Lambeth Hill.



**RESOLVED** – that the Sub-Committee noted the Report.

16. **\*GW4: CLIMATE ACTION STRATEGY, COOL STREETS AND GREENING PROGRAMME - PHASE 4 SUDS (SUSTAINABLE URBAN DRAINAGE) FOR CLIMATE RESILIENCE**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning the Climate Action Strategy's Cool Streets and Greening Programme – Phase 4 SuDS (Sustainable Urban Drainage) for Climate Resilience.

A Member queried the value-for-money of the St Andrew's Hill element of the project and whether the designers were aware of the heavy usage of this area by multiple users during the day and night which would need to be borne in mind. Officers responded that the cost for the St Andrew's Hill improvements specified in the Report was at the top of the cost range and this included funding to cover maintenance for the next 20 years as well as a provision for costed risk; the expectation was that the cost would come down but at this point, officers wanted to maintain a cautious approach. In addition, officers had held consultations with colleagues in City Gardens in order to ensure that the changes, including the planters, were robust and capable of being situated in an area of heavy usage.

**RESOLVED** – that the Sub-Committee noted the Report.

17. **\*GW6: CAR PARK & OTHER SIGNAGE PHASE 3**

The Sub-Committee received a Report of the Interim CEO, Barbican Centre concerning Phase 3 of the signage project aimed to align the external signage at the Centre's entrances with its new visual identity, introduced in 2012.

**RESOLVED** – that the Sub-Committee noted the Report.

18. **\*GW6: 21 MOORFIELDS AND FORE STREET AVENUE S278 MOOR LANE ENVIRONMENTAL ENHANCEMENTS**

The Sub-Committee received a Report of the Interim Executive Director of Environment concerning 21 Moorfields and Fore Street Avenue Section 278 project and Area A – Section 278, the Moor Lane Environmental Enhancement project.

**RESOLVED** – that the Sub-Committee noted the Report

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

There were no public questions.

20. **ANY URGENT BUSINESS**

There was no other urgent public business.

21. **EXCLUSION OF THE PUBLIC AND PRESS**  
**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.
22. **NON-PUBLIC MINUTES**  
**RESOLVED** – that the draft non-public minutes of the meeting of the Sub-Committee held on Monday, 10 June 2024 be approved as an accurate record.
23. **THE NPCC CYBERCRIME PROGRAMME BLOCKCHAIN FORENSIC TOOL**  
The Sub-Committee considered a Report of the Commissioner of the City of London Police concerning the National Police Chief’s Council’s Cybercrime Programme Blockchain Forensic Tool.
24. **GW4: BARBICAN RENEWAL - INFRASTRUCTURE PHASE 1**  
The Sub-Committee considered a Joint Report of the City Surveyor and the Interim CEO, Barbican Centre concerning Phase 1 of the Barbican Centre’s Infrastructure Renewal Programme.
25. **END USER DEVICES - REFRESH CONTRACT**  
The Sub-Committee considered a Report of the Chamberlain concerning the direct award of the contract for the provision of End User Devices and associated services.
26. **JULY 2024 PORTFOLIO OVERVIEW**  
The Sub-Committee received a Report of the Chamberlain which provided an overview of the Projects Portfolio for performance reporting.
27. **NON-COMPLIANT WAIVER REPORT**  
The Sub-Committee considered a Report of the Executive Director of Community and Children’s Services concerning a non-complaint Procurement Code Breach waiver to maintain progress on major works projects at the Barbican, Avondale and Golden Lane Estates.
28. **\*CITIGEN AND HEAT NETWORK ZONING UPDATE**  
The Sub-Committee received a Report of the City Surveyor concerning an update on Citigen and Heat Network Zoning.
29. **\*GW3/4/5: CENTRAL CRIMINAL COURT - CELL AREA DUCTING AND EXTRACT SYSTEM BALANCING**  
The Sub-Committee received a Report of the City Surveyor concerning essential refurbishment at the Central Criminal Court.
30. **\*GW5: SYDENHAM HILL REDEVELOPMENT**  
The Sub-Committee received a Report of the City Surveyor concerning the Sydenham Hill Estate redevelopment.

31. **\*WINDOW REPLACEMENT AND COMMON PARTS REDECORATIONS, HOLLOWAY, SOUTHWARK, SYDENHAM HILL AND WINDSOR HOUSE**

31.1 **\*Window Replacement and Common Parts Redecorations: Holloway Estate**

The Sub-Committee received a Report of the Director of Community & Children's Services concerning window replacement and common parts redecorations at the Holloway Estate.

31.2 **\*Window Replacement and Common Parts Redecorations: Southwark Estates**

The Sub-Committee received a Report of the Director of Community & Children's Services concerning window replacement and common parts redecorations at the Southwark Estates.

31.3 **\*Window Replacement and Common Parts Redecorations: Sydenham Hill**

The Sub-Committee received a Report of the Director of Community & Children's Services concerning window replacement and common parts redecorations at the Sydenham Hill Estate.

31.4 **\*Window Replacement and Common Parts Redecorations: Windsor House**

The Sub-Committee received a Report of the Director of Community & Children's Services concerning window replacement and common parts redecorations at Windsor House.

32. **\*GW6: ASSESSMENT CENTRE FOR ROUGH SLEEPERS**

The Sub-Committee received a Joint Report of the City Surveyor and Director of Community & Children's Services concerning the rapid assessment centre for rough sleepers.

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

There were no non-public questions.

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

There was no other urgent non-public business.

**The meeting ended at 2.45 pm**

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Chairman

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<b>Committee(s):</b> Finance Committee	<b>Dated:</b> 24 September 2024
<b>Subject:</b> Annual Review of Terms of Reference	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	N/A
<b>If so, how much?</b>	
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	
<b>Report of:</b> Deputy Town Clerk	
<b>Report author:</b> Ben Dunleavy – Governance and Member Services Manager	<b>For Discussion</b>

## Summary

As part of the implementation of the 2021 Governance Review, it was agreed that the cycle and process of annually reviewing the Terms of Reference of all Committees/Boards should be revised, to provide more time for Committees to consider and discuss changes before they are submitted to the Policy and Resources Committee.

This will enable any proposed changes to be considered at the Policy and Resources Committee February 2025, in time for the re-appointment of Committees by the Court of Common Council in April.

**Recommendations:** Members are asked to:

1. Note the terms of reference of the Finance Committee (Appendix 1) and terms of reference for the Projects and Procurement Sub-Committee (Appendix 2);
2. Consider any changes to the Committee’s terms of reference, for onward submission to the Policy and Resources Committee and the Court of Common Council in April 2025.

Ben Dunleavy

Governance and Member Services Manager

**Contact:** ben.dunleavy@cityoflondon.gov.uk

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## **Terms of Reference**

To be responsible for:-

### **Finance**

- (a) Ensuring effective arrangements are made for the proper administration of the City Corporation's financial affairs;
- (b) making recommendations to the Court of Common Council in respect of:-
  - (i) the audited accounts, the Annual Budget and to recommend the non-domestic rate and Council Tax to be levied and to present the capital programme and make recommendations as to its financing;
  - (ii) the appointment of the Chamberlain;
- (c) considering the annual budget of several committees, to ascertain that they are within the resources allocated, are applied to the policies for which those resources were allocated and represent value for money in the achievement of those policies;
- (d) determining annually with the Resource Allocation Sub-Committee, the appropriate performance return bench marks for the City's Estates;
- (e) obtaining value for money in all of the City of London Corporation's activities, contracts, and in the City of London Police;
- (f) monitoring performance against individual Departmental Business Plans and bringing about improvements in performance;
- (g) the effective and sustainable management of the City of London's operational assets, to help deliver strategic priorities and service needs;
- (h) overseeing the City of London Corporation's approved list of contractors and consultants;
- (i) dealing with requests for allowances, expenses, insurance, business travel, treasure trove and Trophy Tax;
- (j) providing strategic oversight and performance management of all grant giving activity by the Corporation, other than for the City Bridge Foundation.
- (k) strategies and initiatives in relation to energy;

- (l) except for those matters reserved to the Court of Common Council or which are the responsibility of another Committee, the Committee will be responsible for all aspects of the City of London Charities Pool (1021138) day-to-day management and administration of the charity. The Committee may exercise any available powers on behalf of the City Corporation as trustee under delegated authority from the Court of Common Council as the body responsible for exercising the powers of the City Corporation as trustee. This includes, but is not limited to, ensuring effective operational arrangements are in place for the proper administration of the charity, and to support expedient and efficient delivery of the charity's objects and activities in accordance with the charity's annual budget, strategy and policies;
- (m) the projects procedure, including scrutiny and oversight of the management of projects and programmes of work delivered in accordance with this,

**Sub-Committees**

- (n) appointing such Sub-Committees as are considered necessary for the better performance of its duties including the following areas:-

**Efficiency & Performance Working Party**

The Efficiency & Performance Working Party supports officers to drive value for money in areas such as third-party contracts, budgeting and facilities/asset management, and promotes effective planning - both on a departmental basis and for the Corporation as a whole.

**Projects and Procurement**

This Sub-Committee provides dedicated scrutiny for all City Corporation and City of London Police procurement contracts as prescribed in the Procurement Code with a view to driving value for money.

It also provides dedicated scrutiny for all City Corporation and City of London Police Projects as prescribed by the Projects Procedure.



## Terms of Reference

To be responsible for:-

### Projects

- a) Overseeing the total portfolio of projects overseen by the Chief Executive's Portfolio Management Board and receiving regular high level dashboard reports on their progress, identifying notable risks and proposed mitigations;
- b) Making proposals to the Resource Allocation Sub-Committee/the Policy and Resources Committee for projects to be included in the capital/supplementary revenue programme;
- c) Determining how political oversight of relevant Tier 1 and Tier 2 projects can best be achieved where several committees are stakeholders on the proposed project and when projects in excess of £100 million require Policy & Resources Committee oversight;
- d) Reviewing the City Corporation's project management processes, development of project management skills and expertise and the systematic embedding of commercial approaches that share investment and risk.

### Procurement

- e) To scrutinise and be responsible for value for money on all City of London Corporation and City of London Police procurement contracts above thresholds stipulated within the City of London Corporation's Procurement Code (total contract value) at key stages, including initial tender strategy to final contract award sign off.
- f) To consider and recommend all procurement contracts above thresholds stipulated within the City of London Corporation's Procurement Code to the Finance Committee.
- g) To invite representative(s) from the relevant Spend Committee to attend meetings ensuring decisions are made corporately.
- h) To provide officers with advice focussed specifically on value for money, and consider lessons learned when major contracts are coming to an end (i.e. before the (re)tender process begins).
- i) To review and consider approvals of £4m waivers for the Chamberlain's department contracts.
- j) To work with the Finance Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.

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# Agenda Item 8

<b>Committee(s):</b> <ul style="list-style-type: none"> <li>• Finance – For decision</li> <li>• Court of Common Council – For decision</li> </ul>	<b>Dated:</b> 24 September 2024 10 <sup>th</sup> October 2024
<b>Subject:</b> Extension of Central London Works and Pioneer Support programmes	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>Diverse and engaged communities; Dynamic economic growth; Providing excellent services</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>Department for Work and Pensions</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> Damian Nussbaum, Executive Director, Innovation and Growth	<b>For Decision</b>
<b>Report author:</b> Joe Dromey, Director, Central London Forward Laura Davison, Research and Intelligence Director, Innovation and Growth	

## Summary

Central London Forward (CLF) is the partnership of the 11 central London local authorities and the City of London Corporation. The City of London Corporation acts as the contracting (and accountable) body for CLF. CLF promotes inclusive and sustainable growth in central London and manages employment and training programmes for central London residents.

These programmes include the devolved Work and Health Programme – known as Central London Works – and Pioneer Support. These two programmes were due to be replaced in October by the new Universal Support programme, approved by the Court of Common Council in June 2024. However, with the subsequent change in government, these existing programmes will be extended, while Universal Support is reviewed.

The Central London Works (CLW) Programme has been running for over six years; Pioneer Support since 2023. Members approved their inception and the subsequent rounds of extension and government funding uplifts. Both programmes are deemed to be performing well.

However, with the change of government, the roll-out of Universal Support has been paused. Instead, DWP is seeking to extend the current two programmes until the end of April 2025, to avoid a gap in provision. To enable this, DWP will provide additional funding of around £8.3m to CLF, subject to Treasury approval.

This paper seeks approval for CLF to accept the additional funding and extend the contracts for the Work and Health Programme and Pioneer Support.

### **Recommendation(s)**

Members of the Finance Committee are asked to recommend that the Court of Common Council approves the following:

- A seven-month extension of Central London Works and Pioneer Support, to the end of April 2025;
- CLF accepting up to £10m of additional funding from DWP to fund this extension;<sup>1</sup>
- The signing of associated documents with DWP to accept the funding and extend the programme;
- The signing of associated documents with Ingeus to extend the programme.
- That the Court delegates to the Finance Committee the authority to:
  - vary the extension agreements with DWP if the transition period and/or funding arrangements change; and
  - vary the contract with the provider commissioned to deliver the programme(subject to approval by the CLF Programmes Board). This would enable CLF to accept any adjustment to the extended delivery period and funding, should this be proposed by DWP, and minimise the likelihood of associated gaps in provision.

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<sup>1</sup> We anticipate this will be in the order of £8.3million, but are requesting a higher cap in case more funding is offered.

## Main Report

### Background

1. Central London Forward (CLF) is the sub-regional partnership of the 11 central London local authorities and the City of London Corporation.<sup>2</sup> It aims to support inclusive and sustainable growth in central London. CLF manages employment and training programmes for central London residents.
2. The City of London Corporation is the Contracting Body for CLF. As such, the City of London enters into contracts on behalf of the member authorities. This includes the two programmes in this paper – Central London Works and Pioneer Support. These programmes were approved by Members at inception, and with subsequent government-funded extensions and grant uplifts.
3. Central London Works is the devolved Work and Health Programme in central London. The programme supports residents who are unemployed and disabled, and those with significant barriers to work, to move into sustainable employment. The programme was rolled out in 2018. It is funded by DWP, managed by CLF, and delivered by Ingeus.
4. Pioneer Support helps residents who are economically inactive and disabled into sustainable work. The programme uses the ‘place and train’ method of employment support. The programme was rolled out in 2023 as an extension of the Work and Health Programme. The programme is funded by DWP, managed by CLF, and delivered by Ingeus.
5. Both programmes are due to stop taking referrals on 30<sup>th</sup> September 2024.
6. Universal Support is a new DWP employment programme which was due to be rolled out from October 2024. It was due to support unemployed and economically inactive people into work, replacing both the Work and Health Programme and Pioneer Support.
7. DWP had designated CLF as the accountable body for Universal Support locally with associated funding of circa £70m. This was approved by the Court of Common Council in June 2024.

### Current Position

8. Both Central London Works and Pioneer Support are operating effectively:
  - **Central London Works** has supported nearly 30,000 residents and since it started in 2018. 11,214 residents have been supported into work. Since the extension of the programme in 2022, Central London Works is third out of 11 Work and Health Programmes nationally in terms of the proportion of participants entering and sustaining in work.
  - **Pioneer Support** has supported 1,792 residents since it started in September 2023. 403 residents have been supported into work. CLF’s Pioneer Support programme is currently top-performing out of 11 programmes nationally in terms of the proportion of participants entering and sustaining in work.

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<sup>2</sup> City of London, Camden, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster

9. These programmes are the largest specialist employment programmes for disabled residents in central London. Around 550 residents join the programmes each month.
10. Both Central London Works and Pioneer Support are due to stop taking new starters on 30<sup>th</sup> September 2024 – the point at which Universal Support had been due to replace them.
11. Following the change of Government, DWP has paused the roll-out of Universal Support in order to review the policy. DWP is seeking to extend the Work and Health Programme and Pioneer Support in all areas nationwide for seven months in order to avoid a significant gap in provision. If these programmes ended before the roll-out of any successor programme(s), there would be a shortage of specialist employment support for residents.
12. DWP is looking to provide CLF with around £8.3m of additional funding for the extension period, to support the continuation of these two programmes in central London (subject to approval by HM Treasury). This includes £110,000 of management and administration funding to cover CLF's costs in managing the programme.
13. This would enable CLF to support an additional 3,901 residents through the programmes. With a goal of 1,950 of these residents entering work, and 1,300 sustaining in employment.
14. The extension is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015 as the increase is below 50% of the original value and because a change of contractor would cause significant inconvenience and duplication of costs.

## **Options**

15. Option 1: Approving the extension of Central London Works and Pioneer Support, and the signing of associated documents with DWP and Ingeus. This would minimise the gap in provision before any new programme is rolled out and ensure disabled residents continue to be able to access specialist employment support. The goal would be a further 3,901 residents supported, with 1,950 expected to enter employment.
16. The Court is also asked to authorise the Finance Committee to approve variations to extension agreements and the contract. This would enable CLF to accept any adjustment to the extended delivery period and funding, should this be proposed by DWP, and minimise the likelihood of associated gaps in provision.
17. Option 2: Not approving the extension. This would mean a gap in provision – potentially substantial - until the new government has reviewed and approved any new programme, and a subsequent lack of specialist employment support for disabled residents in central London. It would also likely mean central London becoming an outlier, as the programme is due to be extended elsewhere.

## **Proposals**

18. Members are recommended to approve Option 1, the extension of Central London Works and Pioneer Support. As part of this, Members are further recommended to approve CLF accepting the additional funding, and signing the associated documentation with DWP and Ingeus. The Court is also asked to delegate authority to the Finance Committee to approve any variations to the transition arrangements. This would enable CLF to accept any adjustment to the extended delivery period and funding, should this be proposed by DWP, and minimise the likelihood of associated gaps in provision.

### **Key Data**

19. There are **100,000** unemployed and **478,000** economically inactive residents in central London.
20. Over the last two years, CLF's employment and skills programmes supported over **10,000** central London residents into work.
21. Central London Works has supported **11,214** residents into work since it was rolled out in 2018. Pioneer Support has supported **403** residents into work since it was rolled out a year ago.

### **Corporate & Strategic Implications**

#### **Strategic implications**

22. The funding will support the following outcomes of the City of London's Corporate Plan; Diverse and engaged communities; Dynamic economic growth; Providing excellent services.

#### **Financial implications**

23. There are no financial implications for the City Corporation. DWP will be providing grant funding to cover both the cost of the programmes, and CLF's costs in managing the programmes.

#### **Resource implications**

24. The resource implications for the City Corporation are very limited. Completing the contractual documents with DWP and Ingeus would require some support from City Solicitors. While the CLF team manage the finances of the programme, there would be some support required from Comptrollers. In both cases, the work required would be minimal, and CLF would be able to cover the cost from the DWP funding.

#### **Legal implications**

25. Extending the contract is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015.

#### **Risk implications**

26. There are no risk implications for the City Corporation from extending the programmes. There would potentially be reputational risk if there was not agreement to extend these programmes. This would likely mean central London is the only area that does not extend the programmes, and it would leave a gap in provision of employment support for disabled residents.
27. This is a Payment By Results Contract and the money will be drawn down from DWP in line with performance achieved. If the full performance were not to be achieved, the full funding allocation would not be claimed.

### **Equalities implications**

28. The extension of these programmes would have a positive impact through tackling labour market inequalities.

### **Climate implications**

29. There are no climate implications. CLF require Ingeus to minimise emissions as a result of the programme.

### **Security implications**

30. There are no security implications.

## **Conclusion**

31. The Central London Works and Pioneer Support programmes support disabled residents in central London into sustainable work. Both programmes are performing effectively and currently ranked 1<sup>st</sup> and 3<sup>rd</sup> in the country. Both are due to stop taking new referrals at the end of September – with the new Universal Support programme originally proposed to replace both of these.

32. Following a pause in roll-out of Universal Support, DWP is seeking to extend the programmes by 7 months until the end of April 2025 to prevent a gap in provision. The extension would enable referrals on the programme to continue until the end of April 2025 and would allow CLF to support a planned additional 3,901 residents.

33. Members are asked to approve CLF extending these two programmes and accepting the DWP funding to enable this, and to authorise the signing of the necessary contracts and documentation to enable this to happen. Members are further asked to establish delegations to the Finance Committee to approve any variations to the transition arrangements.

## **Appendices**

None

## **Background Papers**

[Universal Support – Grant funding for new CLF employment programme](#) June 2024

[Pioneer Support – additional grant funding and increase in contract value](#) June 2024

[Central London Works – additional grant funding and increase in contract value](#) April 2024

[Increase in contract value - Work and Health Programme - Central London Works](#) July 2023

Contract Extension Central London Works September 2022 non-public

Contract Variation (Central London Work: Work and Health Programme) July 2021 non-public

[Presentation: Health and Work Programme](#) September 2017

Work and Health Programme Tender Award November 2017 non-public



London Work and Health Programme January 2017 non-public

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<b>Committee(s):</b> Finance Committee – For Information	<b>Dated:</b> 24 September 2024
<b>Subject:</b> Central Contingencies 2024/25	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	N
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> 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 2 September 2024			
	City's Estate £'000	City Fund £'000	Total £'000
<b>Central Contingencies</b>			
2024/25 Provision	950	800	1,750
2023/24 Brought forward	855	1,651	3,456
<b>Total Provision</b>	<b>1,805</b>	<b>2,451</b>	<b>4,256</b>
Previously agreed allocations	(1,721)	(1,977)	(3,698)
Pending request on the agenda	(0)	(0)	(0)
<b>Total Commitments</b>	<b>(1,721)</b>	<b>(1,977)</b>	<b>(3,698)</b>
<b>Uncommitted Balances</b>	<b>84</b>	<b>474</b>	<b>558</b>
<b>Specific Contingency – National and International Disaster Fund</b>			
2024/25 Provision	125	0	125
2023/24 Brought forward	0	0	0
<b>Total Provision</b>	<b>125</b>	<b>0</b>	<b>125</b>
Previously agreed allocations	0	0	0
<b>Total Commitments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Uncommitted Balance</b>	<b>125</b>	<b>0</b>	<b>125</b>
<b>Specific Contingency – Project Reserve</b>			
2024/25 Provision	0	0	0
2023/24 Brought forward	1,053	0	1,053
<b>Total Provision</b>	<b>1,053</b>	<b>0</b>	<b>1,053</b>
Previously agreed allocations	(595)	0	(595)
Pending request on the agenda	(0)	0	(0)
<b>Total Commitments</b>	<b>(595)</b>	<b>0</b>	<b>(595)</b>
<b>Uncommitted Balance</b>	<b>458</b>	<b>0</b>	<b>458</b>

4. At the time of writing this report there are no requests on the agenda.
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

E: [Laura.Yeo@cityoflondon.gov.uk](mailto:Laura.Yeo@cityoflondon.gov.uk)

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<b>Committee:</b> Finance	<b>Dated:</b> 24 September 2024
<b>Subject:</b> City Re Limited – Performance Monitoring	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	All
<b>Does this proposal require extra revenue and/or capital spending?</b>	N/A
<b>If so, how much?</b>	£N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	N/A
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Kate Limna	

## Summary

The City Corporation established a Reinsurance Captive Insurance Company (the Captive), City Re Limited, on 24 December 2010, a separate legal structure which allows the City to share in the risks and benefits of insuring its property portfolio, whilst controlling the financial exposure.

This report provides information on the claims experience and Underwriting Profit and Loss Account for the thirteenth accounting period of the Captive, from 1 April 2023 to 31 March 2024 and advises that the retained profit for the year is £1,055,174 (2022/23: retained loss of £60,430), after a dividend of £500k.

At its meeting on 1 July 2024, the Board of City Re Limited agreed not to declare a dividend at this stage for 2024/25, but review the position again in December.

Included in this report is information on the governance arrangements for the Captive and of various matters discussed at the Board meeting on 1 July, including the adoption of the accounts, and the receipt of the auditors’ Management and Governance Letter, which states there were no material issues arising during the course of their audit.

The auditors’ Management and Governance Letter and the signed, audited Directors’ Report and Financial Statements are attached to this report.

## Recommendation

Members are asked to note this report.

## **Main Report**

### **Background**

1. The Finance Committee, at its meeting on 26 October 2010, approved the principle of establishing a Reinsurance Captive Insurance Company (the City Captive). On 24 December 2010, such an entity, City Re Limited, was created, based in Guernsey, where the optimum managerial and administrative expertise is located to operate such a company. The City provided initial share capital of £500,000.
2. The Captive provides a separate legal structure which allows the City to share in the risks and benefits of insuring its property portfolio, whilst controlling the financial exposure. Effectively, the Captive allows the City to participate in its own insurance placement and to capture underwriting profits with a known capped downside financial risk.
3. From 2010 until 2017, the City Captive has received a reinsurance premium of £1.664 million per annum from the main insurers. When the property insurance was tendered in 2021 it was on the basis that the minimum reinsurance premium payable to the City Captive would be £2.04m which would then be fixed at 34.41% of future annual underlying premiums. For the policy year 2021/22, the reinsurance premium was £2.25m, increasing to £2.45m for 2022/23 and £2.58m for 2023/24.

### **Main Characteristics of the Captive**

4. The main elements of the Captive are set out below:
  - The City Captive covers the first £250,000 of each and every property claim, effectively leaving liability for greater exposures with the main insurers, RSA and Aviva.
  - From the insuring period (25 December to 24 December) for 2023/24 the City Captive received an initial reinsurance premium of approximately £2.58m (2022/2023: £2.45m), against which payments are drawn down.
  - The maximum retention of the City Captive is limited to £250,000 per annum above the reinsurance premium received from RSA and Aviva. That represents £2.83m (£2.58m plus £0.25m) for the 2023/24 insurance period compared to £2.70m for 2022/23.
  - The Captive does not cover any terrorism risk which is covered directly by RSA and Aviva and re-insured with Pool Re.

### **Financial Performance for period 1 April 2023 to 31 March 2024**

5. The audited Financial Statements for the thirteenth trading period of the City Captive were submitted for approval and signing to a meeting of the Board of Directors held in Guernsey on 1 July 2023. They are attached to this report. The City of London Corporation's Directors on the City Re Board, (the Chairman of the Finance Committee and the Chamberlain) along with the Corporate Treasurer attended the meeting in person.
6. The accounts also include an 'Incurred But Not Reported' (IBNR) loss reserve of £250,000 which was increased from £125,000 in 2022/23. The Directors consider, on an annual basis, whether to release the IBNR by the close of the following accounting period. At the Board meeting the Directors discussed in detail the level of the IBNR and whether the consistent, prudent but not excessive reserves policy



of City Re Ltd remained appropriate. The Directors agreed to set the overall level of the IBNR at £250,000 supported by actuarial analysis of past year loss development and nature of reinsurance protection.

7. For the accounting period, City Re Limited made a profit of £1,055,174 (2022/23: a loss of £60,430 ). Under the Companies (Guernsey) Law 2008 and the Guernsey Insurance Business (Solvency) Rules 2015, and in order for any Captive to be able to carry out its business there are two solvency ratios that must be met - the Prescribed Capital Requirement (PCR) and the Minimum Capital Requirement (MCR). The Board noted that no breaches of solvency had occurred and that City Re continued to meet the solvency test.
8. The Board considered whether or not to declare a dividend. After due consideration of the finances and solvency position of City Re, the Board agreed that no dividend would be declared at this time and that consideration to a dividend would be given at the next meeting, depending on the loss developments.
9. When the Captive was set up the City Corporation provided share capital of £500,000. It was always recognised that there would be “good periods” and “not so good periods”. In 2018/19 the City injected a further £250,000 as share capital increasing total share capital to £750,000. Since its inception, the City Corporation has received dividends totalling some £6.03m. The level of dividend demonstrates the value for money in our insurance placement; without a captive the net premium costs may have been higher and the City would not have received any dividend. The table below sets out the dividends received in each financial year since inception.

<b>Year</b>	<b>Dividend</b>
2023/24	£500,000
2022/23	£500,000
2021/22	£500,000
2020/21	£1,000,000
2019/20	£500,000
2018/19	£0
2017/18	£0
2016/17	£161,341
2015/16	£140,984
2014/15	£830,013
2013/14	£92,569
2012/13	£810,883
15 months to 31/03/12	£997,747
	<b>£6,033,537</b>

## **Auditor's Management and Governance Letter and Company Compliance**

10. Moore Stephens are the auditors for City Re Limited and they have issued their Management and Governance Letter which stated that there were no material issues arising during the course of their audit that required being brought to the attention of the Board.
11. As in previous years, the audited Directors' Report and Financial Statements will be made available as a distinct item on the City of London Corporation's website following this Finance Committee Meeting.

## **Conclusion**

12. At their Board meeting on 1 July 2024, the Directors of City Re Limited
  - confirmed that the IBNR should be set at £250,000;
  - noted that City Re continued to meet the solvency test; and
  - agreed that no dividend should be declared but that the matter would be kept under review.

## **Appendices**

- Appendix – Auditors' Management and Governance Letter and Financial Statements to 31 March 2024

## **Kate Limna**

Corporate Treasurer

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<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> 24 September 2024
<b>Subject:</b> Chamberlain’s Departmental Risk Management Update	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	7
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b> Caroline Al-Beyerty, Chamberlain	<b>For Information</b>
<b>Report author:</b> 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. The Chamberlain’s Senior Leadership Team and divisional management teams within the department regularly review and update the risk register, potential risks and opportunities.

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

### Current Position

Corporate Risk – RED

3. The Chamberlain's Department currently has one RED Corporate Risk, all risks are regularly reviewed and several mitigating measures are in place to prevent the realisation of these risks.
4. **CR38 Unsustainable Medium-Term Finances – City's Estate** has been assigned a risk score of RED 16. To mitigate this corporate risk, several measures are in place. These include regular monitoring and forecasting of major programs and capital schemes, as well as exploring options for different methods of delivery including third-party funding. Additionally, officers are developing business cases and implementation plans for income-generation opportunities. The findings from these efforts will be considered in the budgets for 2025/26 and the next iteration of the Medium-Term Financial Plan, which will be presented to this committee in February 2025. Furthermore, deep dives into the income generation schemes will be presented to the Efficiency and Performance Working Party in November 2024.

#### 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.

#### Conclusion

6. 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

#### Background Papers

Chamberlain's Departmental Risk Management Update Reports

#### Leah Woodlock

Chamberlain's Project Manager

Chamberlain's Department

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<b>Committee(s):</b> Digital Services Committee – For Information Corporate Services Committee – For Information Finance Committee – For Information	<b>Dated:</b> 5 September 2024 11 September 2024 24 September 2024
<b>Subject:</b> Enterprise Resource Planning (ERP) Programme Update Report	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	Providing Excellent Services
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> Chief People Officer & The Chamberlain <b>Report author:</b> Simon Gray, Chamberlain’s Department	<b>For Information</b>

## Summary

This report updates the advancements in the Enterprise Resource Planning (ERP) Programme.

The City of London Corporation is undertaking a major project to transform its systems with an ERP solution, which will take over the duties from the current legacy systems; namely City People (Midland i-Trent) for HR & Payroll, and Oracle R12 for strategic as well as operational finance functions. This new ERP system will update and improve the technology used to provide our essential behind-the-scenes services.

The ERP Programme has achieved significant milestones in the last 3 months including the completion of the procurement exercise for the System Integrator Partner, recruited to HR roles within the programme team.

## Recommendation(s)

Members are asked to note the report.

## Main Report

### Background

1. The City of London Corporation has embarked on implementing an Enterprise Resourcing Planning (ERP) System that will replace the ageing Finance, HR, Payroll and Procurement systems.

2. The same core back-office systems have been utilised for over 20 years. The systems are now either out of support (Oracle) or an unsupported platform (City People) which causes the City of Corporation the need to procure third-party support and invest staff time in prolonging their life to deliver critical services.

### **System Integrator (SI) Procurement Update**

3. The Initiation to Tender (ITT) phase of the SI procurement was published in April to the eligible suppliers, with a submission deadline of the of May 2024. Throughout June, 38 officers undertook the evaluation process of the responses of three bidders. Following moderation of individual scores, interviews with suppliers were carried out to finalise the scores for each supplier's bid. The outcome of the procurement process was then presented to the Project Board, Member Steering Group, Digital Services Committee and Court of Common Council for approval.
4. Following the approval of the preferred bidder status of Bidder B, the suppliers have been notified and following the standstill period, final contract negotiations will be conducted throughout August with an anticipated contract start date of Early September.

### **Programme Update**

5. The project aims to finish the agreed scope by April 2026. Human Resources (HR) will be implemented in phases, starting with Recruitment and Performance Management, while Finance is scheduled for a single deployment. This plan will proceed upon endorsement by the chosen System Integrator.
6. The programme is focused on the readiness checks prior to the commencement of the programme with the SI partner. Readiness checks include:
  - i. Programme resourcing (see HR and Finance sections) and external recruitment for specialist skills
  - ii. Appointing a partner to perform a data health check
  - iii. Establishing the change strategy
  - iv. Launching early programme comms to prepare the organisation
7. In preparation of the onboarding on the System Integration partner in September, key stakeholders in the programme are participating in the rebranding initiative for the programme. The goal is to infuse new energy into the project and foster greater engagement by choosing a name that resonates and captures the essence of our mission. Results of the re-naming and rebranding of the programme will be presented to the project board in September for approval.

### **HR Update**

8. The terms of reference and membership of the HR Project Board have been agreed and regular meetings have commenced.
9. Over the summer an internal recruitment campaign for HR programme roles was conducted. Seven candidates have been appointed to roles and HR Architect was

appointed to by an external applicant. Two roles remain vacant, with a plan in place is to readvertise the roles internally and/or externally. Following the internal appointments, conversations on backfill requirements are ongoing to ensure delivery of business as usual responsibilities.

### **Finance Team Update**

10. The position of Finance Architect has been assigned to, with all higher-level finance positions reporting to the Finance Lead. In contrast to the HR roles, the majority of the finance positions have been earmarked by current post holders who will pivot into the program.

### **Technical Team Update**

11. The fundamental technical team is assembled and prepared to start work on the program. Recruitment for the other positions that demand additional SAP technical expertise will be open to both internal and external applicants to ensure we recruit the most qualified individuals for the program.

### **Budget Update**

12. The Digital Services Committee, serving as the Lead Committee in alliance with the Finance Committee, has established a robust framework to ensure diligent monitoring and to affirm that controls over the cost risk provision within the budget. It is recommended that the Chamberlain, as the project SRO has authority to approve the utilisation of up to 10% of the costed risk provision, with the use of above this threshold will require scrutiny by Digital Services Committee and the approval of Finance Committee.

### **Programme Next Steps**

13. We are currently reviewing the options for programme office location to enable co-location of the programme team and the system integrator.

14. The programme plan will be co-developed with the SI as there are some phasing discussions to be agreed.

15. The change and communications strategies to engage with staff are currently being developed and will be presented to the programme board in the Autumn.

### **Corporate & Strategic Implications**

**Strategic implications** - The ERP Programme supports the Corporate Initiatives to deliver brilliant basics and mitigates the risk of unsupported legacy systems.

**Financial implications** – Digital Services Committee, Finance Committee and Court of Common Council have approved the budget envelope to bring in the relevant resources including backfills.

**Resource implications** - The requirement of resourcing is detailed in this paper.

**Legal implications** - All staff resourcing, and employment contracts will comply with statutory requirements and be in line with best practice.

**Risk implications** - Failure to baseline the programme roles would place a risk on the organisation.

**Equalities implications** - An Equalities Impact Assessment was done initially and is currently being updated and will be brought back for review. This will be routinely updated throughout the life of the programme.

**Climate implications** - None

**Security implications** - None (other than standard vetting requirements)

## **Conclusion**

The last quarter saw notable advancements in the rollout of the new Enterprise Resource Planning (ERP) system, set to supersede the existing systems for Finance, HR, Payroll, and Procurement. Selection of the System Integrator Partner is finalised, with the project aiming to conclude its planned scope by April 2026. The team is now focusing efforts on preparation tasks, such as staffing, data verification, change planning, and initial programme announcements. Members should acknowledge this report.

### **Simon Gray**

ERP Programme Manager

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<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> 24/09/2024
<b>Subject:</b> Review of Recharges	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	All
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> Caroline Al-Beyerty, Chamberlain and Chief Finance Officer	<b>For Information</b>
<b>Report author:</b> Radwan Ahmed, Interim Assistant Director – Strategic Finance, Financial Services Directorate	

## Summary

Recharges relates to the distribution of costs for central support services across the City of London Corporation. The bases and methodology for recharges was last reviewed in FY2014/15. Since then, there have been several reorganisations e.g. (the Target Operating Model, and the new Ways of Working), such that many of the apportionment bases no longer reflect the business set-up for the Corporation’s institutions and service departments. Additionally, senior stakeholders have often challenged the correlation between services received and the subsequent charges.

This report provides an update to members on the work undertaken and outcomes of the Recharges Review in FY 2023/24, to address these concerns about the existing process.

## Recommendation(s)

Members are asked to:

- Note the report, including the proposed changes to the way Guildhall Admin costs are distributed being considered by senior finance colleagues across the City of London Corporation, on how recharges are processed from FY2024/25 onwards.

## **Main Report**

### **1. Background**

- 1.1 'Guildhall Admin' refers to the block of central support services such as (but not restricted to) HR, Procurement, Finance, Legal, IT, Professional Surveyors and Engineers, and Democratic Services that support the core business activity across the multiple entities that comprise the Corporation of London's group structure, including City Fund – the Local Authority, City's Estate and City Bridge Foundation (CBF). The approved budget for this group of services is £49.7m in FY2024/25 (£57.7m in FY2023/24). A large, centralised team allows the Corporation to retain in house expertise across a range of professional disciplines that would be economically unviable individually.
- 1.2 The Chamberlain, as the Chief Financial Officer for all these entities, has a fiduciary duty to ensure that these central costs are shared on an equitable basis. This is achieved by the process of 'Recharges'. There are several inter-departmental charges (either ad-hoc or service agreements) across the Corporation group which are recharged directly based on local agreements. These are outside of the scope of this review.

### **2. Why a review is necessary**

- 2.1 Established practise at The City has been to apportion the actual costs incurred within this central administrative block at the end of each financial year, once the totality of that spend has been confirmed. The basis of apportionment is complicated and requires hundreds of calculations across several workbooks. These methodologies and allocations had not been reviewed in detail since 2015.
- 2.2 Following the governance review, the Target Operating Model (TOM) (noting changes are still on-going and will have further implications) and the new Ways of Working, many of the apportionment bases no longer reflect the business set-up for the Corporation's institutions and service departments.
- 2.3 As recharges are processed during a time pressured annual closedown period, there has been little or no time for any qualitative review; resulting in a lack of transparency between recharges and the services received. This is particularly pronounced for ring fenced funds such as City Bridge Foundation, the Housing Revenue Account (HRA) and City Police, where the charges must be met from existing resources.
- 2.4 Lastly, there is a detrimental cashflow implication to City's Estate, from incurring the costs as incurred during the year pending the year end recharge exercise.

### **3. Objectives of the review**

- 3.1 The aim of the review is to find an optimal balance between simplifying the complex and cumbersome recharge methodology and having a robust apportionment mechanism that equitably distributes the cost of the Guildhall Admin group of services across the City Corporation group. Further, there is a

need for transparency of apportionment rationale, and the services to which apportioned costs relate.

- 3.2 The review also seeks to eliminate a significant critical path activity, that impacts all parts of the City of London's entities during the time pressured closedown period by smoothing the activity periodically across the year, and consequently the impact on cashflow.

#### 4. Scope

- 4.1 A full list of areas within the scope of the recharges review is listed in Appendix 1.

- 4.2 Exceptions or exemptions from this review are:

- **Within Committee** – these are usually holding accounts within a committee which are then apportioned across Divisions of Service within that committee.
- **Within Fund** – these costs incurred by a service committee on behalf of another committee but within the same fund.
- **Across Fund** – these costs incurred by a service committee on behalf of another committee but in a different fund.
- **Capital Depreciation** – City Fund asset depreciation is not included in the sums that are recharged, because of the statutory override provision relating to local authority accounting.
- **Insurance** – insurance premiums allocated across all services.
- **Inter departmental charges** – Relate to additional work requested from other departments outside the usual service agreement; where these local agreements exist, they are excluded from the recharges process.

#### 5. Approach

- 5.1 The approach is summarised as:

- Invitation for views from senior finance colleagues (Heads of Finance and Senior Accountants) across all the Services, Departments and Institutions to provide feedback on the way recharges has worked at the City of London, and the impact on their services,
- Baselineing and documenting existing approach,
- Review of recharge methodology for each area, assessing the relevance and appropriateness,
- Discuss and validate activity and services provided, and the costs of these services with both service managers and Chamberlain's Financial Services Division (FSD) colleagues, including accounting for ad-hoc local arrangements,
- Request, obtain and review locally held data on activity such as KPIs, user numbers, unit costs etc,
- Consideration of alternative methods that may reflect the business activity and/or consumption better, and
- Seek to streamline the apportionment process where possible.

## 6. Outcomes

6.1 The following tables (1 and 2) summarise by fund, the impact of the changes as a result of this review against the budgets for FY2023/24 and FY2024/25 (Original vs Revised), and the actual recharge for FY23/24 (Outturn).

Total Central Recharges	2023/24				2024/25		
	Original	Revised	Variance	Outturn	Original	Revised	Variance
City Fund	29,879	30,245	366	27,945	26,142	25,634	(508)
City's Estate	24,643	24,240	(403)	23,017	20,342	21,550	1,208
City Bridge Foundation	3,216	2,778	(438)	2,534	3,166	2,466	(700)
	<b>57,738</b>	<b>57,263</b>	<b>(475)</b>	<b>53,496</b>	<b>49,650</b>	<b>49,650</b>	<b>0</b>

**Table 1:** Summary by Fund of the change in recharges by £,000s

Total Central Recharges - Percentage	2023/24				2024/25		
	Original	Revised	Variance	Outturn	Original	Revised	Variance
City Fund	51.7%	52.8%	1.1%	52.2%	52.7%	51.6%	-1.1%
City's Estate	42.7%	42.3%	-0.4%	43.1%	41.0%	43.4%	2.4%
City Bridge Foundation	5.6%	4.9%	-0.7%	4.7%	6.4%	5.0%	-1.4%

**Table 2:** Summary by Fund of the change in recharges in %.

6.2 Table 3 below, summarises the changes in recharges to City Police, the Housing Revenue Account (HRA) and City Bridge Foundation (CBF).

Recharge Activity	Police					HRA					CBF				
	2023-24		24-25			2023-24		24-25			2023-24		24-25		
	Original £'000's	New £'000's	Outturn £'000's	Original £'000's	New £'000's	Original £'000's	New £'000's	Outturn £'000's	Original £'000's	New £'000's	Original £'000's	New £'000's	Outturn £'000's	Original £'000's	New £'000's
<b>Guildhall Complex</b>	1,325	1,344	1,325	1,121	1,268	0	0	0	0	0	341	243	233	286	84
<b>Walbrook Wharf</b>	11	0	0	11	0	0	0	0	0	0	0	0	0	0	0
<b>Commercial Services</b>	251	328	295	273	341	114	85	76	124	88	98	73	66	126	76
<b>DiTS (Information Technology)</b>	277	0	0	0	0	391	408	419	328	369	564	625	643	407	596
<b>Film Liaison</b>	0	0		0	0	0	0	14	0	0	12	12	7	12	12
<b>City Surveyors Projects</b>	86	86	79	91	91	90	90	85	98	98	168	168	135	176	176
<b>Police Pensions</b>	80	80		80	80	0	9		0	0					
<b>Support Services</b>	792	1,065	921	1,185	753	491	828	712	453	676	2,033	1,657	1,450	2,159	1,522
	<b>2,822</b>	<b>2,903</b>	<b>2,620</b>	<b>2,761</b>	<b>2,533</b>	<b>1,086</b>	<b>1,420</b>	<b>1,306</b>	<b>1,003</b>	<b>1,231</b>	<b>3,216</b>	<b>2,778</b>	<b>2,534</b>	<b>3,166</b>	<b>2,466</b>
<b>Admin Buildings Bullets</b>	110	110	129	144	144	0	0	0	0	0	0	0	0	0	0
<b>DiTS Bullets</b>	32	32	31	6	6	53	53	51	11	11	0	0	0	0	0
	<b>2,964</b>	<b>3,045</b>	<b>2,780</b>	<b>2,911</b>	<b>2,683</b>	<b>1,139</b>	<b>1,473</b>	<b>1,357</b>	<b>1,014</b>	<b>1,242</b>	<b>3,216</b>	<b>2,778</b>	<b>2,534</b>	<b>3,166</b>	<b>2,466</b>

**Table 3:** Summary of Charges (old bases vs New basis FY23/24 & FY24/25 for City Police, HRA and CBF., based on approved budgets, and actual recharges on the new methodology

6.3 In addition to the changes arising from the review of apportionment methodologies, the Strategic Finance team have prepared a document which includes a link to each individual calculation, and a schedule of services relating to each area ensuring that there is a clear understanding of how recharges are calculated and the services to which they relate. This document has been circulated to the Corporations Finance Leadership Group (FLG)– a group of senior finance professionals from across the Corporation and its Institutions, including the CFO, Finance Directors and Heads of Finance.

## 7. Regular review and future proposals

7.1 To ensure that the underlying data and apportionment methods remain current and a true reflection of service usage, each recharged area will be reviewed once every three years on a rolling schedule. However, where significant operational changes are made, these will be reviewed and incorporated in between review periods.

7.2 A key issue arising from this review has been the current practise of waiting for expenditure to be finalised, and then recharged during the busy financial closedown period. There is wide consensus that this should be done earlier in the year, for which the following options are being considered.

- **Option 1 - Fixed Charge, agreed at budget setting** - To calculate the recharges based on the budgetary sums for the 'Guildhall Admin' block of services, and post at quarterly intervals during the year. No further adjustment would be made for differences arising over or underspends, which would be retained within the Finance Committee budget line.
- **Option 2 - Actual Charge, posted quarterly** - As above (1), but with an actual adjustment posted in the first quarter after the end of the year, alongside the first quarter recharge based on that years budgetary sums.
- **Option 3** - To post an **estimated amount based on the 3rd quarter budget monitor** in the 11th period of each financial year, with any differences posted in the first quarter of the following year.
- **Option 4** - In order to eliminate the necessity for the suite of calculations and spreadsheets, a further proposal is **to apply a fixed percentage** based on this recharges review, across all Guildhall Admin budgets (adjusted for expenditure items that are charged and/or funded by separate agreement) to each service and institution. The percentage allocation would be reviewed every three to five years (or less where there are significant operational changes). This fixed sum could then be allocated to either budgets or actuals as outlined in options 1 to 3 above.

7.3 A summary table of the advantages and disadvantages are included in Appendix 2. Our view is that option 1 is the best fit, as this significantly simplifies the current recharges process, provides planning certainty to institutions, and supports better cash flow distribution across the City of London Corporation.

7.4 Senior finance officers were being consulted at the time of writing this report, with a view to the agreed methodology to be applied and posted for the first two quarters by the end of Q2.

## 8. Financial implications

8.1 The financial implications are discussed within the body of the report.

## **9. Resource implications**

9.1 There are no additional resourcing implications arising from this review.

## **10. Legal implications**

10.1 The City Corporation is the corporate trustee of Charities and Sundry Trusts. It is required to manage conflicts of interest arising between the City Corporation and to the Charity/ Sundry Trust. The overriding principle is that decisions made on behalf of the City Corporation as trustee of the Charity or Trust must be taken in the best interests of Charity or Trust. This legal duty applies in relation to proposed financial transactions between the City Corporation as trustee and the City Corporation in its corporate capacity, and is known as the duty of 'single-minded loyalty'.

10.2 Additionally, with regards to CBF, The Supplemental Royal Charter adopted in June 2023 makes further reference that the Trustee "...maybe reimbursed from CBF's funds... reasonable expenses properly incurred by it ... when acting on behalf of CBF."

10.3 The revised calculations continue to support the discharge of these duties.

## **11. Risk implications**

11.1 There is a risk that a lack of regular review of the way Guildhall Admin charges are calculated, could result in a non-equitable distribution of costs across the City of London Corporation group. The proposed changes help mitigate that risk.

## **12. Equalities implications**

12.1 This proposal does not advantage or disadvantage any characteristic or protected groups.

## **13. Climate implications**

13.1 None

## **14. Security implications**

14.1 None

## **15. Conclusion**

15.1 This report sets out the outcome of the Recharges Review and confirms that the review objectives set out in section 3 of this report have been met. The review also sets out a way forward to ensure that apportionment methods continue to stay current and representative of business operations and eliminate the recharges process as a significant critical path activity during the time pressured annual closedown period.

**Radwan Ahmed**

Interim Assistant Director – Strategic Finance

**Appendix 1** – Recharges included within this review

**Appendix 2** – Summary of options for processing recharges

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<b>Committee(s)</b>	<b>Dated:</b>
Community and Children’s Services Committee Policy and Resources Committee Finance Committee	20 September 2024 26 September 2024 24 September 2024
<b>Subject:</b> Report of Action Taken Between Meetings	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	n/a
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	£n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b> The Town Clerk	<b>For Information</b>
<b>Report author:</b> Blair Stringman, Governance Officer	

### Summary

This report advises Members of action taken by the Town Clerk outside of the Committee’s meeting schedule, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and (b).

### Recommendation(s)

That Members note the report.

### Main Report

#### **Decision Under Standing Order 41(A) – Supporting Inter-Local Authority Initiative “Securing the Future of Council Housing”**

The report, led by Southwark Council and supported by several other local authorities, advocates for council housing as a solution to the housing challenges in England. It calls for reforms to the Housing Revenue Account (HRA) and other programmes, highlighting that council landlords face deficits of over £3 billion on their HRAs over the next ten years. The current framework is becoming unworkable for the provision of social housing, and the City Corporation has experienced pressures on its HRA, resulting in rent increases for social tenants and a precarious revenue funding position.

In July 2024, the City Corporation was approached by Southwark Council with a preliminary version of their report titled "Securing the Future of Council Housing." This report presents council housing as a crucial solution to the various challenges confronting residents and the nation at large. It outlines a comprehensive strategy aimed at increasing the quantity and quality of council homes throughout England.

The report recommends that the City Corporation endorses the principles outlined in the report and approves its submission to the Government by the deadline of 14 August 2024. The proposal, reviewed by the Chamberlain and Executive Director of Community and Children's Services, notes that supporting the report would benefit the City Corporation by easing its HRA pressures, improving its delivery of housing services, and demonstrating its willingness to work with other local authorities.

The Town Clerk, in consultation with the Chair(s) and Deputy Chair(s) of the Policy & Resources Committee, Finance Committee and Community and Children's Service Committee, approved on 13 August 2024 the following:

- a) To endorse the principles outlined in the *Securing the Future of Council Housing Report* (Appendix 1) and approve on behalf of the City of London Corporation, its submission to Government by the deadline of 14 August 2024.

### **Conclusion**

Background papers for Members are available from Blair Stringman on the email address provided below.

### **Blair Stringman**

Governance Officer, Town Clerk's Department

Email: [Blair.Stringman@cityoflondon.gov.uk](mailto:Blair.Stringman@cityoflondon.gov.uk)

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