



Finance Committee

Date: TUESDAY, 12 NOVEMBER 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

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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 24 September 2024.

For Decision
(Pages 9 - 16)

4. **ACTION TRACKER**

To receive the Committee's Action Tracker.

For Information
(Pages 17 - 18)

5. **FINANCE COMMITTEE'S FORWARD PLAN**

Report of the Chamberlain.

For Information
(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 23 September 2024.

For Information
(Pages 21 - 24)

7. **ANNUAL REVIEW OF TERMS OF REFERENCE - NOVEMBER 2024**

Report of the Town Clerk.

For Decision
(Pages 25 - 28)

8. **2023-24 CITY'S ESTATE FINANCIAL STATEMENTS**

Report of the Chamberlain.

For Decision
(Pages 29 - 34)

9. **SUNDRY TRUSTS FINANCIAL STATEMENTS**

Report of the Chamberlain.

For Decision
(Pages 35 - 38)

10. **ANNUAL ON-STREET PARKING ACCOUNTS 2023/24 AND RELATED FUNDING OF HIGHWAY IMPROVEMENTS AND SCHEMES**

Report of the Chamberlain.

For Information
(Pages 39 - 44)

11. **BUDGET MONITORING Q2 AND CAPITAL PROJECTS - FORECASTING**

Report of the Chamberlain.

For Information
(Pages 45 - 56)

12. **CHAMBERLAIN'S BUSINESS PLAN Q2**

Report of the Chamberlain.

For Information
(Pages 57 - 62)

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

Report of the Chamberlain.

For Information
(Pages 63 - 66)

14. **CLIMATE ACTION STRATEGY FINANCE UPDATE TO END OF YEAR 4 (2024/2025) QUARTER 2**

Report of the Executive Director, Innovation and Growth.

For Information
(Pages 67 - 74)

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

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

17. **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

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

To agree the non-public minutes of the meeting held on 24 September 2024.

For Decision
(Pages 75 - 78)

19. **NON-PUBLIC ACTION TRACKER**

To receive the Committee's non-public Action Tracker.

For Information
(Pages 79 - 80)

20. **EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN**

To receive the Working Party's Forward Plan.

For Information
(Pages 81 - 82)

21. **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 23 September 2024.

For Information
(Pages 83 - 86)

22. **BARBICAN RENEWAL – CAPITAL FUNDING**

Joint Report of the Interim CEO, Barbican Centre, the Chamberlain, and the City Surveyor.

For Decision
(Pages 87 - 112)

23. **GRESHAM COLLEGE FUNDING ARRANGEMENTS**

Report of the Town Clerk.

For Decision
(Pages 113 - 118)

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

Report of the City Surveyor.

For Decision
(Pages 119 - 130)

25. **NEW SPITALFIELDS & BILLINGSGATE MARKETS WASTE MANAGEMENT & MARKET CLEANSING PROCUREMENT STAGE 2 AWARD REPORT**

Report of the Chamberlain.

For Decision
(Pages 131 - 140)

26. **NEW LONDON MUSEUM CLAIMS**

Joint Report of the Town Clerk and the City Surveyor.

For Information
(Pages 141 - 150)

27. **MPO DASHBOARD REPORTING**

Report of the Chamberlain.

For Information
(Pages 151 - 156)

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

29. **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

30. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the meeting held on 24 September 2024.

For Decision

31. **CITY OF LONDON PAY AWARD 2024/25 - UPDATE FOLLOWING TRADE UNION ENGAGEMENT**

Joint Report of the Chief People Officer and the Chamberlain.

For Decision

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FINANCE COMMITTEE

Tuesday, 24 September 2024

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 24 September 2024 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Alderwoman Elizabeth Anne King, BEM JP
Deputy Randall Anderson (Deputy Chairman)	Deputy Paul Martinelli
Deputy Rehana Ameer	Catherine McGuinness
Brendan Barns	Hugh Selka
Deputy Timothy Butcher	Oliver Sells KC
Alderman Professor Emma Edhem	Deputy Sir Michael Snyder
Sophie Anne Fernandes	Deputy James Thomson
Steve Goodman OBE	James Tumbridge
Deputy Madush Gupta	Philip Woodhouse
Michael Hudson	

Officers:

Ian Thomas, CBE	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Radwan Ahmed	- Chamberlain's Department
Daria Faeti	- Chamberlain's Department
Simon Gray	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Monica Patel	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Aga Watt	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
Graeme Low	- City Surveyor's Department
Jack Joslin	- City Bridge Foundation
Dionne Williams-Dodoo	- Human Resources Department
Liz Millington	- Innovation & Growth
Ben Dunleavy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Deputy Christopher Hayward, Deputy Keith Bottomley, Alderwoman Martha Grekos and Deputy James Thomson.

Shahnan Bakth, Benjamin Murphy and Mark Wheatley 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 non-public summary of the meeting held on 23 July 2024 be approved as an accurate record.

4. **ACTION TRACKER**

Members noted the Committee's Action Tracker.

The Chairman drew the Committee's attention to the action on financial thresholds in the Standing Orders and suggested that the thresholds for approval of investment property transactions by the relevant Committees and/or the Court could be increased. Members supported that aspiration, subject to the proper governance procedures.

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 Working Party's Forward Plan.

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

RESOLVED, that - the public minutes and non-public summary of the Projects and Procurement Sub-Committee meeting held on 15 July 2024 be noted.

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

Members received a report of the Town Clerk relative to the Committee's terms of reference.

The Chairman, noting that there were minor adjustments to be made to the terms of reference, requested that a further paper be brought to the November meeting.

RESOLVED, that – the Town Clerk to bring a revised terms of reference to the November meeting.

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

Members received a report of the Executive Director, Innovation and Growth, concerning Central London Forward.

Members noted that the level of support that could be offered was linked to the amount of funding provided; accordingly, if DWP did not provide the full £8.3m, the programmes would only be able to support residents in proportion to funds actually received.

RESOLVED, that – Members 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;¹
- 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.

9. CENTRAL CONTINGENCIES 2024/25

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

RESOLVED, that - the Committee notes the report.

10. INTERNATIONAL DISASTER FUND - PROPOSALS FOR ALLOCATION

Members received a report of the Town Clerk concerning the City Corporation's International Disaster Fund.

The Chairman commended the proposal, which would streamline the process and, through REACT's work, allow for the City Corporation's funding to have more immediate impact to assist a disaster affected area. Several other Members supported the concept noting also that it could potentially help to depoliticize decision-making.

Other Members spoke against the proposals, feeling that the current arrangements allowed for more flexibility.

In response to questions from Members, officers confirmed that they had undertaken a full due diligence process on REACT and that any funding provided by the City Corporation would be restricted to humanitarian disasters.

The Central Grants Unit would work with REACT to ensure that the City Corporation's funding went to the right areas, as well as receiving feedback and monitoring information.

Members proceeded to vote on the proposals in the report, with a majority voting in favour.

RESOLVED, that – Members:

- approve initial funding of £75,000 over two financial years (2024/25 £50,000; 2025/26 Q1 £25,000) to REACT, to support with the costs of responding to International Humanitarian Disasters.
- approve funding of £50,000 to the DEC's Emergency Fund for this financial year, to support a rapid response to its next Appeal/s.
- note that a review will be undertaken and presented to the Committee during the 2025/26 financial year.

11. BUDGET MONITORING Q1 2024-25

Members received a report of the Chamberlain concerning the forecast positions for the City Corporation's Budgets.

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

12. CITY FUND AND PENSION FUND - 2023-24 STATEMENT OF ACCOUNTS AND AUDIT FINDINGS UPDATE

Members received a report of the Chamberlain concerning City Fund and Pension Fund.

The Chairman and the Committee congratulated the Chamberlain and her team for their work in resolving the issues with the Statement of Accounts for the past few years and reaching the stage where the 2023-24 Statement could be signed by the September deadline.

RESOLVED, that – Members:

- Approve the 2023-24 Statement of Accounts and agree that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.
- Authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30th September 2024.
- Consider the Audit Findings Report for the City Fund and Pension Fund 2023-24 as set out in Appendix 2 and Appendix 3.
- Note Grant Thornton's audit progress and sector update as set out in Appendix 4.

13. CITY RE LIMITED - PERFORMANCE MONITORING

Members received a report of the Chamberlain concerning performance monitoring for City Re Limited.

During discussion, it was noted that City Re was actively considering whether and how it might increase insurances accepted under the captive arrangement. In response to a Member asking if City Re could include third-party risks the Chairman advised that such point was among those topics under discussion.

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

14. CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE

Members received a report of the Chamberlain providing an update regarding the top risks within the Departmental Risk Register.

A Member asked if the mitigation deadline of 31 March 2025 was appropriate for the RED Corporate Risk CR38j Unsustainable Medium-Term Finances - City's Estate: Plans in place to reduce future deficits. In reply, the Chamberlain said that by this date, the Court of Common Council should have made several key decisions on major programmes which she expected would change the cumulative deficit, but felt that two years would be a more realistic time period if pressures remained at the current level.

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

15. ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME UPDATE REPORT

Members received a report of the Chamberlain concerning the Enterprise Resource Planning programme.

The Chairman requested that the Committee received quarterly updates on the ERP programme.

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

16. REVIEW OF RECHARGES

Members received a report of the Chamberlain concerning recharges.

During discussion, several Members expressed concern that the process for recharges in the financial year 2024/25, as set out in the report, would require in-year budgetary changes. It was felt that this route was unreasonable and could set a dangerous precedent. The Chamberlain undertook to return with a revised report to address these concerns. A Member requested that the revised report included the rationale for reapportionment, particularly on sensitive funds.

RESOLVED, that – officers return with a revised paper addressing the Committee's concerns.

17. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered a report of the Town Clerk which provided information of the action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Orders 41(a) and 41(b).

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

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

There were no questions.

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

The Chairman asked the Chamberlain to provide an update on the rates position for small and medium-sized enterprises (SMEs).

In reply, the Chamberlain said that the rates were set by the Government, though the City Corporation set the business rate premium. The City Corporation's role was to act as an advocate for SMEs. With regard to changes to the business rate system, the Chamberlain understood that the Government was currently focused on redistribution rather than a complete change. The Autumn Budget would provide greater clarity on the Government's focus, including on how rates might apply to businesses with no physical premises. The City Corporation would be refreshing its guidance to SMEs on rates relief in the meantime.

20. **EXCLUSION OF THE PUBLIC**

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

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

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

The non-public minutes of the meeting held on 23 July 2024 were approved as an accurate record.

22. **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 15 July 2024 were noted.

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

Members received a report of the Interim CEO, Barbican Centre concerning a catering contract.

24. **THE NPCC CYBERCRIME PROGRAMME NATIONAL FRAMEWORK AGREEMENT FOR THE PROVISION OF CRYPTOCURRENCY STORAGE AND REALISATION SERVICES - COMPLIANT EXTENSION OF CONTRACT TERM**
Members received and approved a report of the Temporary Commissioner, City of London Police, concerning a contract extension.
25. **STAGE 1 AND 2 REPORT FOR THE PROVISION OF ELECTRICITY AND GAS SUPPLIES**
Members received a report of the City Surveyor concerning the procurement of electric and gas supplies.
26. **PROVISION FOR BAD AND DOUBTFUL DEBTS AT 31ST MARCH 2024**
Members received a report of the Chamberlain concerning bad and doubtful debts.
27. **MAJOR PROJECT DASHBOARD - PERIOD 4 (P4) 2024/25 (AS AT THE END OF JULY)**
. Members received a report of the Chamberlain concerning major projects.
28. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
The Committee received a report of the Town Clerk detailing non-public decisions taken under delegated authority and urgency procedures since the last meeting.
29. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There was one question in the non-public session.
30. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The Committee considered one item of urgent business relating to the Finance Contingency fund.
31. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**
The confidential minutes of the meeting held on 23 July 2024 were approved as a correct record.
32. **MANAGED SERVICE TEMPORARY AGENCY RESOURCE - PROCUREMENT STAGE 2 AWARD REPORT**
Members received and approved a report of the Executive Director of HR concerning a contract for contingent labour.
33. **PAY AWARD UPDATE**
Members received an oral update from the Chamberlain concerning the Staff Pay Award.

The meeting ended at 2.35 pm

Chairman

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

FINANCE COMMITTEE – Action Tracker –November 2024

Items from meeting held 23 July 2024		
ITEM	Action	Officer and target date
23. DELEGATION REQUEST	Review the threshold levels under which decisions on investment property transactions require Committee approval	Town Clerks/Chamberlains/City Surveyors – item carried forward

Items from meeting held 24 September 2024		
ITEM	Action	Officer and target date
15. ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME UPDATE REPORT	Schedule quarterly updates on the ERP programme	Town Clerks/Chamberlains*
16. REVIEW OF RECHARGES	Return with a revised approach	Chamberlains – December 2024

*Closed items will be removed from the tracker

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FINANCE COMMITTEE – WORK PROGRAMME 2024-25

	Nov-24	Dec-24	Jan - 25	Feb - 25	April - 25	June -25
Budget Setting Process & Medium-Term Financial Planning		Autumn Budget Finance Committee's Estimates report	2024/25 Annual Capital Bids - update	City Fund Budget Report and Medium-Term Financial Strategy City Estates Budget report and Medium-Term Financial Strategy		
Effective Financial Management Arrangements for The City Corporation	Budget monitoring Q2 and Capital Projects – Forecasting MPO Dashboard Reporting (CHB) Annual Parking Meter Surplus Report 2023-24 Barbican Centre Renewal Markets Waste Management and Cleansing Procurement	Review of Recharges MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Funding strategy Salisbury Square and Future Police Estate Programme	MPO Dashboard Reporting (CHB)	Budget monitoring Q2 MPO Dashboard Reporting (CHB) Procurement Regs Project Procedures	MPO Dashboard Reporting (CHB) Update of Finance Regulations - deep dive Efficiency and Performance forward plan	
Financial Statements	City's cash financial statements City's Cash trust funds and sundry trust funds annual reports and financial statements					
Finance Committee as a Service Committee	Risk Management Update Report Chamberlain's Business Plan Q2 report	Risk Management Update Report Central Contingencies (quarterly report) ERP Programme Update (Quarterly)	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)	
Other Departments reports	Climate Action Spend (Quarterly)(IG) Gresham College Funding proposal (TC) Electricity and Gas Supply (CS) New London Museum Claims (TC/CS)	Benefits in Kind Annual Report (CBF) Charities Review (Natural Environment) Delegation Authority for re-procurement of London Sexual Health e-services programme (DCCS)		Casual Workers review (HR)		

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Agenda Item 5

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PROJECTS AND PROCUREMENT SUB-COMMITTEE

Monday, 23 September 2024

Minutes of the meeting of the Projects and Procurement Sub-Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 23 September 2024 at 1.45 pm

Present

Members:

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

Observer

Alderwoman Liz King

Officers:

Genine Whitehorne	- Director, Commercial, Change and Portfolio Delivery
Jackie Boughton	- Barbican Centre
Adrian Morgan	- Barbican Centre
James Carter	- Chamberlain's Department
Oliquir Chowdhury	- Chamberlain's Department
Sam Collins	- Chamberlain's Department
Daria Faeti	- Chamberlain's Department
Sandra Milburn	- Chamberlain's Department
Lara Opebiyi	- Chamberlain's Department
Monica Patel	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Rob Pine	- Chamberlain's Department
Aga Watt	- Chamberlain's Department
Charlotte Rendle	- City of London Police
Emma Bushell	- City Surveyor's Department
Richard Chamberlain	- City Surveyor's Department
Jack Elliot	- City Surveyor's Department
Charles Jones	- City Surveyor's Department
Graham Sheret	- Community and Children's Services
Bruce McVean	- Environment Department
Clarisse Tavin	- Environment Department
Clive Whittle	- Environment Department
Adeola Lawal	- Human Resources Department
Dionne Williams-Dodoo	- Human Resources Department
John Cater	- Town Clerk's Department

1. APOLOGIES

In advance of the meeting, no formal apologies were received.

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

4. **FORWARD PLAN**

The Sub-Committee received the Forward Plan.

In response to a query, officers confirmed that the Forward Plan would be further populated in time for the November meeting of the Sub-Committee (11/11/24), when more detail had been confirmed about what would be in scope for the Sub-Committee, post the implementation of the new Project Procedure.

RESOLVED – that the Sub-Committee noted the Report.

5. ***GW2: BARBICAN ESTATE WINDOW REPAIRS PROGRAMME**

The Sub-Committee received a Report of the Executive Director of Community and Children's Services concerning the Barbican Estate Window Repairs Programme.

RESOLVED – that the Sub-Committee noted the Report

6. ***GW2: PUBLIC SWITCHED TELEPHONE NETWORK (PSTN) REPLACEMENT**

The Sub-Committee received a Report of the Chamberlain concerning the Public Switched Telephone Network (PSTN) Replacement.

RESOLVED – that the Sub-Committee noted the Report

7. ***GW2-5: FINSBURY CIRCUS ACCESS IMPROVEMENTS**

The Sub-Committee received a Report of the Executive Director, Environment concerning access improvements at Finsbury Circus.

RESOLVED – that the Sub-Committee noted the Report.

8. ***GW6: PSDS PROJECT: RETROFIT ACCELERATOR - WORKPLACES PSDS PROJECT**

The Sub-Committee received a Report of the City Surveyor concerning the Public Sector Decarbonisation Scheme (PSDS).

RESOLVED – that the Sub-Committee noted the Report

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**
There were no public questions.
10. **ANY URGENT BUSINESS**
There was no other urgent public business.
11. **EXCLUSION OF THE PUBLIC**
RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.
12. **NON-PUBLIC MINUTES**
RESOLVED – that the draft non-public minutes of the meeting of the Sub-Committee held on Monday, 15 July 2024 be approved as an accurate record.
13. **STRATEGIC PROCUREMENT REVIEW UPDATE**
The Sub-Committee received a Report of the Chamberlain concerning the Strategic Procurement and Contract Management Review.
14. **THE NPCC CYBERCRIME PROGRAMME NATIONAL FRAMEWORK AGREEMENT FOR THE PROVISION OF CRYPTOCURRENCY STORAGE AND REALISATION SERVICES - COMPLIANT EXTENSION OF CONTRACT TERM**
The Sub-Committee considered a Report of the Commissioner of the City of London Police concerning a contract extension for the National Police Chiefs' Council (NPCC) Nationwide Cybercrime Programme's Framework Agreement for the Provision of Cryptocurrency Storage and Realisation Services.
15. **THE NPCC CYBERCRIME PROGRAMME POLICE CYBER ALARM EXTENSION OF CONTRACT WAIVER**
The Sub-Committee considered a Report of the Commissioner of the City of London Police concerning the extension of a contract waiver for the provision of the National Police Chiefs' Council's (NPCC) Police Cyber Alarm (PCA) SaaS.
16. **BARBICAN CENTRE CATERING SERVICES - PROCUREMENT STAGE 2 AWARD**
The Sub-Committee considered a Report of the interim CEO, Barbican Centre concerning the award for the Barbican Centre ("BC") Catering Contracts.
17. **STAGE 1 AND 2 REPORT FOR THE PROVISION OF ELECTRICITY AND GAS SUPPLIES**
The Sub-Committee considered a Report of the City Surveyor concerning the procurement strategy to directly award the provision of Electricity and Gas Supplies.
18. **PORTFOLIO OVERVIEW**
The Sub-Committee received a Report of the Chamberlain providing an overview of the Projects Portfolio for performance reporting.

19. ***GW2: FUTURE OF LONDON METROPOLITAN ARCHIVES**
The Sub-Committee received a Report of the Town Clerk concerning the London Archives.
20. ***GW4: BARBICAN FIRE SAFETY PROJECTS**
The Sub-Committee received a Report of the City Surveyor concerning fire safety at the Barbican Arts Centre.
21. ***GW5: CITY OF LONDON SCHOOL MASTERPLAN - CATERING PROJECT**
The Sub-Committee received a Report of the City Surveyor concerning the catering project within the wider City of London School Masterplan.
22. ***GW5: HR, PAYROLL, FINANCE SOLUTION, ERP (ENTERPRISE RESOURCE PLANNING)**
The Sub-Committee received a Report of the Chamberlain concerning the ERP Programme.
23. ***GW5: SYDENHAM HILL REDEVELOPMENT, LEWISHAM, SE26 6ND**
The Sub-Committee received a Report of the City Surveyor concerning the Sydenham Hill Estate.
24. **NON-PUBLIC REPORT OF ACTION TAKEN**
The Sub-Committee received a Report of the Town Clerk concerning recent action taken under delegated authority.
25. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE SUB COMMITTEE**
There were no non-public questions
26. **NON-PUBLIC ANY URGENT BUSINESS**
There was no other urgent non-public business.
27. **MANAGED SERVICE TEMPORARY AGENCY RESOURCE - PROCUREMENT STAGE 2 AWARD**
The Sub-Committee considered a joint Report of the Chamberlain and the Executive Director of Human Resources & Chief People Officer concerning the Managed Services for Temporary Agency Resources contract for the City of London Corporation.

The meeting ended at 2.34 pm

Chairman

Contact Officer: John Cater
John.Cater@cityoflondon.gov.uk

Agenda Item 7

Committee(s): Finance Committee	Dated: 12 November 2024
Subject: Annual Review of Terms of Reference – November 2024	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain’s Department?	
Report of: Deputy Town Clerk	
Report author: Ben Dunleavy – Governance and Member Services Manager	For Decision

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 meeting in February 2025, in time for the re-appointment of Committees by the Court of Common Council in April 2025.

The Finance Committee considered its terms of reference at its meeting on 24 September 2024. While no substantial changes were proposed, the Town Clerk undertook to return with a revised terms of reference including minor amendments. This is attached at Appendix 1, with the amendments underlined.

Recommendations: Members are asked to:

1. Approve the revised terms of reference of the Finance Committee (Appendix 1)
2. Consider further any changes to the Committee’s terms of reference, for onward submission to the Policy and Resources Committee in February 2025 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 and Working Parties 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 Sub-Committee

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.

City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee – For decision Finance Committee – For decision	Dated: 04/11/2024 12/11/2024
Subject: 2023-24 City’s Estate Financial Statements	Public For Decision
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/a
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain	
Report author: Iain Jenkins, Chief Accountant	

Summary

The Annual Report and Consolidated Financial Statements for City’s Estate, for the year ending 31 March 2024 are attached at Appendix 1 for approval.

In addition, the 9 Annual Reports and Financial Statements of the Open Spaces and Sundry Trust charities which are consolidated within the City’s Estate accounts (listed at paragraph 1 below) are attached at Appendix 2 for approval.

Recommendation(s)

The **Audit and Risk Management** Committee is requested to:

- **Consider** the contents of the City’s Estate Initial Audit Findings Report 2023-24 issued by Crowe LLP as set out in Appendix 3; and
- **Recommend** approval of the 2023-24 City’s Estate Financial statements, and the financial statements of each of the 9 consolidated charities, for the year ending 31 March 2024 to Finance Committee.

The **Finance Committee** is requested to:

- **Consider** the contents of the Draft City’s Estate Initial Audit Findings Report 2023-24 issued by Crowe LLP as set out in Appendix 3; and

- **Consider** the resolution from the Audit and Risk Management Committee and **approve** the 2023-24 City's Estate Financial statements, and the financial statements of each of the 9 consolidated charities, for the year ending 31 March 2024, to be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council;
- **Authorise the Chamberlain**, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve and material changes to the statement of accounts and annual reports and financial statements required before the signing of the audit opinion by Crowe UK LLP – which is expected by the end of November 2024 for City's Cash consolidated financial statements, and for the consolidated charities.

Main Report

Background

1. The Annual Reports and Financial Statements for each of the consolidated charities for the same period are attached at Appendix 2 for approval. The 9 charity financial statements are listed below with their charity numbers, and are made up of the Open Spaces and other consolidated sundry trusts:
 - i. Ashtead Common (registered charity no. 1051510)
 - ii. Highgate Wood and Queen's Park Kilburn (registered charity no. 232986)
 - iii. West Ham Park (registered charity no. 206948)
 - iv. Hampstead Heath Charity (registered charity no. 803392), incorporating the linked charity the Hampstead Heath Trust Fund (registered charity no. 803392- 1)
 - v. Sir Thomas Gresham Charity (registered charity no. 221982)
 - vi. Keats House (registered charity no. 1053381)
 - vii. Burnham Beeches and Stoke Common (registered charity no. 232987)
 - viii. Epping Forest (registered charity no. 232990)
 - ix. West Wickham Common and Spring Park Wood (registered charity no. 232988) & Coulsdon and Other Commons (registered charity no. 232989)
2. It should be noted that the accounts shown at Appendix 1 (City's Estate), Appendix 2b (Highgate Wood and Queen's Park), Appendix 2c (West Ham Park), Appendix 2d (Hampstead Heath), Appendix 2g (Burnham Beeches) and Appendix 2h (Epping Forest) are the draft accounts submitted to the auditors, and do not include any of the audit adjustments set out in this report. The other appendices show the final accounts.
3. The accounts for West Wickham and Coulsdon Commons have not been attached as agreement is awaited from the Charity Committee to confirm that these two charities can be linked. This has no material impact on the City's Estate accounts. These are two small separately registered charities that that have been accounted for together for a number of years. To date no issues with non-compliance have been raised by the Charity Commission and we have applied to

them for approval to prepare linked accounts to resolve the non-compliance. Until it is known whether we can prepare one linked account or need to prepare two separate accounts we cannot present the accounts or complete the audit(s).

4. Members will be aware that in order to comply with the covenants in the private placement Note Purchase Agreement, the audited City's Estate consolidated financial statements along with an opinion that states that such financial statements give a true and fair view of the financial position of City's Estate, must be submitted to the private placement lenders as soon as they become available but in any event within 270 days after the end of each financial year (i.e. by 26 December).
5. The 9 sets of charity financial statements must be submitted to the Charity Commission within 10 months of their financial year end, i.e. by 31 January 2024. The financial statements for Barking Power and Thames Power, which are consolidated within the City Estate accounts, must be submitted to Companies House within 9 months of their financial year end, i.e. by 31 December 2024.
6. The overall movement on the City Fund balance sheet is a decrease in net assets of -£54.3m. This movement is comprised of the following items:
 - Decrease in Investment Properties of -£41.9m
 - Decrease in Short Term non-property Investments of -£58.7m
 - Decrease in Cash and Cash Equivalents of -£13.2m
 - Increase in Provisions of +£26.5m
 - Movement in Deferred Income of -£16.0m
 - Movement in Defined benefit pension scheme liability of +£42.6m
 - Other movements of +£6.4m

Current Position and Audit Findings Report

7. The external auditors of the City's Estate, Crowe UK LLP, have provided a draft initial audit findings report reflecting progress and outstanding items as at the time of writing. This is presented at Appendix 3. An update will be provided at the Audit and Risk Management Committee on further progress made, highlighting any further issues identified outside those included in the audit finding report. Representatives from Crowe UK LLP will attend the Audit and Risk Management Committee to present their report and to clarify any points or issues.
8. To date, the following audit adjustments have been identified on the City's Estate accounts. These are not reflected in the draft accounts shown at Appendix 1 but will be incorporated into the accounts prior to sign-off.

Adjustment description	Increase / (decrease) in net income £k	Increase / (decrease) in assets £k	Increase / (decrease) in liabilities £k	Increase / (decrease) in funds £k
City's Estate adjustments				
Prior year audit adjustment to reclassify credit balances within rental debtors Dr Creditors Cr Debtors		(1,483)	(1,483)	

Overpayment sitting within debtors as a negative balance Dr Debtors Cr Creditors		2,880	2,880	
Reclassification of negative balances within trade creditors Dr Debtors Cr Creditors		660	660	
School fee in advance, classified as negative debtors Dr Debtors Cr Creditors		720	720	
Correction of historic deposit and fees in advance balances Dr Creditors Cr Income			(640)	640
Elimination of recharge amounts for Markets income Dr Markets Income Cr Markets Income Cr Management & Admin expenditure	(796) 747 49			
Barking Power adjustments				
Invoice paid in March which relates to Apr 24- June 24 licences Dr Debtors Cr Cash		6 (6)		
Thames Power adjustments				
Audit amount overstated in expenditure listing Dr Creditor Cr Expenditure			(12)	12
Epping Forrest adjustments				
Correction of amount in Cashiers suspense account within City's Estate which relates to Epping Forrest Dr Creditor Cr Income			(274)	274

9. The Audit Findings Report also includes Crowe's audit recommendations. It should be noted these include recommendations which have been rolled over from the previous year's audit. As the 2022-23 audit was only concluded in March 2024 there has not been sufficient time to clear these recommendations prior to producing the 2023-24 accounts. As these recommendations have been rolled over from the previous year they will be presented as red recommendations in the auditor's report.

10. It should be noted that issues identified in the 22-23 audit relating to the consolidation process have not occurred this year which has enabled the audit to progress along expected timeframes with final sign off expected at the end of November.

Corporate & Strategic Implications

Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications – None

Equalities implications – None

Climate implications - None

Security implications - None

Approval of the financial statements

11. It is recommended that the Finance Committee approve the City's Estate Financial Statements for the 2023-24 financial year, along with the financial statements of the 9 consolidated charities, taking account of any observations from the Audit and Risk Management Committee on 4 November 2024. Additionally, the Committee should authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any significant changes to the accounts and annual reports before the audit opinion, anticipated by the end of November 2024, is signed by Crowe UK LLP for both the City's Estate consolidated financial statements and the consolidated charities.

Appendices

- Appendix 1 – City's Estate Annual Report and Financial Statements 2023-24
- Appendix 2a – Ashted Common 2023-24
- Appendix 2b – Highgate Wood and Queen's Park Kilburn 2023-24
- Appendix 2c – West Ham Park 2023-24
- Appendix 2d – Hampstead Heath Charity incorporating Hampstead Heath Trust Fund 2023-24
- Appendix 2e – Sir Thomas Gresham Charity 2023-24
- Appendix 2f – Keats House 2023-24
- Appendix 2g – Burnham Beeches and Stoke Common 2023-24
- Appendix 2h – Epping Forest 2023-24
- Appendix 3 – City's Estate Audit Findings Report 2023-24

Iain Jenkins

Chief Accountant

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City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee – For decision Finance Committee – For decision	Dated: 04/11/2024 12/11/2024
Subject: Sundry Trusts financial statements	Public report: For Decision
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/a
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: The Chamberlain	
Report author: Iain Jenkins, Chief Accountant	

Summary

This report seeks approval of the annual reports and financial statements for the 11 Sundry Trust charities listed at **Appendix 1** for the year ended 31 March 2024.

Of the 11 charities, 3 annual reports and financial statements are audited by Crowe U.K. LLP, 4 are subject to an independent examination by Crowe U.K. LLP (“Crowe”), and 4 are below the threshold for an audit or independent examination.

Where the Corporation is Trustee, the Finance Committee approves the annual reports; if charities have individual trustees, or the Trustee is acting through the Court of Aldermen (as indicated in **Appendix 1**), the reports are approved by the respective trustees or the Aldermen following recommendation by this Committee.

The draft annual report and financial statements for each charity for the year ended 31 March 2023 are attached at **Appendix 2** for approval.

Crowe’s work on the audits and independent examinations of the charities remains in progress at the date this report was submitted (October 2024). To date although a number of control points and adjustments have been identified in respect of and on this basis we understand that Crowe currently intend to issue an unqualified opinion (audit) or unmodified report (independent examination) for each annual report.

Recommendation(s)

The Audit and Risk Management Committee are asked to:

- **Consider** the contents of the audit management report issued by Crowe U.K. LLP (comments related to these charities are included within the paper covering City's Estate);
- **Note** that the external auditor Crowe is anticipating giving an unqualified audit opinion on 3 audited charity annual reports;
- **Note** that the independent examiner Crowe is anticipating giving an unmodified report for the 8 independently examined charity annual reports;
- **Note** for information the 3 sets of annual reports which are not subject to audit and independent examination; and
- **Recommend** approval of the annual reports of the 14 charities presented for the year ended 31 March 2024, to the Finance Committee for those charities where the Corporation is Trustee; to the Aldermen for the Emmanuel Hospital charity where the Corporation is acting by the Court of Aldermen as the named corporate trustee; and to the individual trustees of the Sir William Coxen Trust Fund and the Samuel Wilson Loan Charity (see **Appendix 1** for charity registration numbers).

Main Report

Background

1. The 2023-24 Annual Report and Financial Statements for 11 Sundry Trust charities for the year ended 31 March 2024 are presented for review.
2. The annual reports of the Sundry Trusts have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.
3. The Charity Commission requires charities to submit their annual report within 10 months of their financial year-end, that is by 31 January 2025. A failure to meet deadlines is recorded on the charity's entry on the Charity Commission website. There are no financial penalties incurred. In addition, the City of London Almshouses charity is regulated by the Regulator for Social Housing with a submission deadline of 6 months from the financial year end, that is 30 September 2024.
4. 11 annual reports and financial statements are presented for the Sundry Trusts of which the City Corporation is Trustee. A summary of the required form of assurance provided by Crowe is provided in the table below:

Type of review	Number of sundry trust charities
Audit	3
Independent examination	4
No review required	4

Current Position

5. The external auditor (Crowe) is expected to give an unqualified opinion on the annual reports and financial statements of each of the 3 Sundry Trust charities subject to an audit.
6. For the sets of annual reports and financial statements which are subject to an independent examination, the independent examiner (Crowe) is not expected to modify their report. An independent examination offers negative assurance, that no evidence has been found that the accounts have not been prepared properly, as opposed to an audit opinion that confirms that the accounts show a “true and fair” view

Progress and Submission of Signed Annual Reports and Financial Statements

7. Crowe’s work remains in progress, with review of the annual reports and some areas of audit/IE work ongoing. It is anticipated that the audits will be concluded satisfactorily to enable Crowe to issue unqualified opinions/unmodified reports as stated within paragraph 5 of this report.
8. Crowe representatives will attend the Audit and Risk Management Committee to present their completion report, update on the status of the audits and to clarify any points or issues raised.
9. Each set of signed annual reports will be submitted to the Charity Commission and will be available to download from its website. The final management report from Crowe on its audit will be presented to the Court of Common Council for information.

Corporate & Strategic Implications

Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications – None

Equalities implications – None

Climate implications - None

Security implications - None

Conclusion

10. The draft annual reports and financial statements of the Sundry Trust charities are presented for recommendation to Finance Committee, the Aldermen or the individual charity Trustees as applicable. At the date of this report, no modifications to audit or independent examiner reports are expected, with Crowe still needing to complete work on all charities subject to audit or independent examination. Four of the annual reports do not require independent review due to their size and are presented for information.

Appendices

Appendix 1 – List of charities

Appendix 2 - Annual Reports and Financial Statements of the Sundry Trust charities

Iain Jenkins

Chief Accountant

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Committee(s)	Dated:
Planning & Transportation Finance Streets and Walkways Sub Court of Common Council	5 th November 2024 12 th November 2024 19 th November 2024 5 th December 2024
Subject: Annual On-Street Parking Accounts 2023/24 and Related Funding of Highway Improvements and Schemes	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain	For Information
Report author: Simon Owen, Chamberlain's Department	

Summary

The City of London in common with other London authorities is required to report to the Mayor for London on action taken in respect of any deficit or surplus in its On-Street Parking Account for a particular financial year.

The purpose of this report is to inform Members that:

- the surplus arising from on-street parking activities in 2023/24 was £10.220m;
- a total of (£7.810m) was applied in 2023/24 to fund approved projects; and
- the surplus remaining on the On-Street Parking Reserve at 31st March 2024 was £58.628m, which will be wholly allocated towards the funding of various highway improvements and other projects over the medium term.

Recommendation

Members are asked to:

- Note the contents of this report for their information before submission to the Mayor for London.

Main Report

Background

1. Section 55(3A) of the Road Traffic Regulation Act 1984 (as amended), requires the City of London in common with other London authorities (i.e. other London Borough Councils and Transport for London), to report to the Mayor for London on action taken in respect of any deficit or surplus in their On-Street Parking Account for a particular financial year.
2. Legislation provides that any surplus not applied in the financial year may be carried forward. If it is not to be carried forward, it may be applied by the City for one or more of the following purposes:
 - a) making good to the City Fund any parking related deficit charged to that Fund in the 4 years immediately preceding the financial year in question;
 - b) meeting all or any part of the cost of the provision and maintenance by the City of off-street parking accommodation whether in the open or under cover;
 - c) the making to other local authorities, or to other persons, of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation whether in the open or under cover;
 - d) if it appears to the City that the provision in the City of further off-street parking accommodation is for the time being unnecessary or undesirable, for the following purposes, namely:
 - meeting costs incurred, whether by the City or by some other person, in the provision or operation of, or of facilities for, public passenger transport services;
 - the purposes of a highway or road improvement project in the City;
 - meeting the costs incurred by the City in respect of the maintenance of roads at the public expense; and
 - for an “environmental improvement” in the City.
 - e) meeting all or any part of the cost of the doing by the City in its area of anything which facilitates the implementation of the Mayor’s Transport Strategy, being specified in that strategy as a purpose for which a surplus can be applied; and
 - f) making contributions to other authorities, i.e. the other London Borough Councils and Transport for London, towards the cost of their doing things upon which the City in its area could incur expenditure upon under (a)-(e) above.
3. In the various tables of this report, figures in brackets indicate expenditure, reductions in income or increased expenditure.

2023/24 Outturn

4. The overall financial position for the On-Street Parking Reserve in 2023/24 is summarised below:

	£m
Surplus Balance brought forward at 1st April 2023	56.218
Surplus arising during 2023/24	10.220
Expenditure financed during the year	(7.810)
Funds remaining at 31st March 2024, wholly allocated towards funding future projects	58.628

5. Total expenditure of (£7.810m) in 2023/24 was financed from the On-Street Parking Reserve, covering the following approved projects:

Revenue/SRP Expenditure:	£000
Highway Resurfacing, Maintenance & Enhancements	(2,626)
Concessionary Fares & Taxi Card Scheme	(402)
Dominant House Footbridge Future Options	(372)
Climate Action Strategy – Cool Streets & Greening	(228)
St Paul's Gyrotory	(123)
West Smithfield Area Public Realm & Transportation	(80)
Highways Ground Penetrating Radar Survey	(75)
Traffic Review Order	(60)
Cleaning Maintenance Lord Mayors Show	(60)
Highways Street Furniture ASB Protection Measures	(50)
Aldgate Maintenance for City Open Spaces	(40)
Special Needs Transport	(34)
London Wall Car Park Waterproofing and Repairs	(24)
Climate Action Strategy – Pedestrian Priority	(7)
Temple Area Traffic Review	(4)
London Wall Car Park Fire Safety Works	(1)
Minorities Car Park – Structural Building Report	10
Off-Street Car Parking Contribution to Reserves	238
Total Revenue/SRP Expenditure	(3,938)
Capital Expenditure:	
Bank Junction Improvements (All Change at Bank)	(2,003)
Climate Action Strategy – Pedestrian Priority	(989)
Barbican Podium Waterproofing – Phase 2	(474)
Climate Action Strategy – Cool Streets & Greening	(340)
Traffic Enforcement CCTV	(65)
Crossrail Liverpool Street Phase 2	(16)
Baynard House Fire Safety	15
Total Capital Expenditure	(3,872)
Total Expenditure Funded in 2023/24	(7,810)

6. The surplus on the On-Street Parking Reserve brought forward from 2022/23 was £56.218m. After expenditure of (£7.810m) funded in 2023/24, a surplus balance of £2.410m was carried forward to future years to give a closing balance at 31st March 2024 of £58.628m.
7. Currently total expenditure of some £106.8m is planned over the medium term from 2024/25 until 2028/29 (as detailed in Table 1), by which time it is anticipated that the existing surplus plus those estimated for future years will be fully utilised.
8. The total programme covers numerous major capital schemes including funding towards the Barbican Podium Waterproofing; Bank Junction Improvements; Climate Action Strategy Cool Streets & Greening and Pedestrian Priority; Holborn Viaduct & Snow Hill Pipe-Subways Repairs; Traffic Enforcement CCTV; Minories Car Park Structural Building Report; West Smithfield Area Public Realm & Transportation Project; St Paul's Gyratory; Dominant House Footbridge Repairs; London Wall Car Park Waterproofing, Joint Replacement & Concrete Repairs; Lindsey Street Bridge Strengthening; Fire Safety at the Car Parks; Pedestrian Priority Programme @ King William Street; Enhancing Cheapside; Vision Zero Safer Streets; and Outdoor Fitness Equipment @ Old Watermans Walk. Progression of individual schemes is subject to the City's normal evaluation criteria and Standing Orders.
9. The programme also covers ongoing funding of future revenue projects, the main ones being Highway Resurfacing, Enhancements & Road Maintenance Projects; Concessionary Fares & Taxi Cards; Traffic Review Order; Contributions to the Costs of Off-Street Car Parks (including CWP works); Special Needs Transport; Cleansing Maintenance for the Lord Mayors Show; Annual Maintenance of Aldgate; Secure City CCTV system; street cleansing contract; City Gardens highways & cleansing maintenance; Highways ground penetrating radar system; Highways street furniture ASB protection measures; streets decluttering; and Riverside Lighting Upgrade.
10. Following Member requests to allocate On-Street Parking surplus monies, a newly formed Priorities Board chaired by the Town Clerk now considers all new eligible bids for surplus funds before recommending successful bids to Members of RASC and P&R Committees for decision. This new mechanism has been designed to ensure surplus monies are allocated to eligible projects in an efficient and speedy process to meet spending priorities, a number of which schemes are now included in paragraphs 8 and 9 above to be spent in the medium term.
11. A forecast summary of income and expenditure arising on the On-Street Parking Account and corresponding contribution (from)/to the On-Street Parking surplus, over the medium-term financial planning period, is shown below in Table 1. This highlights that the current surplus held of £58.628m as at 31st March 2024 will reduce to £8.5m by 31st March 2027 and is fully committed in the longer term.
12. The increase in annual operating expenditure forecast from 2024/25 onwards is mainly due to increased enforcement contract costs, back-office support contract costs (printing, postage and IT software) plus staff salary increases.

Table 1 On-Street Parking Account Reserve Projections 2023/24 to 2028/29	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	Actual £m	Forecast £m	Forecast £m	Forecast £m	Forecast £m	Forecast £m	£m
Income	13.0	13.1	13.5	13.9	14.3	14.7	82.5
Expenditure (<i>Note 1</i>)	(2.8)	(4.0)	(4.1)	(4.3)	(4.4)	(4.5)	(24.1)
Net Surplus arising in year	10.2	9.1	9.4	9.6	9.9	10.2	58.4
Capital, SRP and Revenue Commitments	(7.8)	(32.0)	(30.2)	(16.0)	(12.2)	(16.4)	(114.6)
Net in year contribution (from)/ to surplus	2.4	(22.9)	(20.8)	(6.4)	(2.3)	(6.2)	(56.2)
(Deficit) / Surplus cfwd at 1 st April	56.2	58.6	35.7	14.9	8.5	6.2	
(Deficit) / Surplus cfwd at 31st March	58.6	35.7	14.9	8.5	6.2	0.0	

Note 1: On-Street operating expenditure relates to direct staffing costs, current enforcement contractor costs, fees & services (covering bank charges, postage, printing & legal), IT software costs for enforcement systems, provision for bad debts for on-street income and central support recharges.

Conclusion

13. So that we can meet our requirements under the Road Traffic Regulation Act 1984 (as amended), we ask that the Court of Common Council notes the contents of this report, which would then be submitted to the Mayor of London.

Background Papers

14. Road Traffic Regulations Act 1984; Road Traffic Act 1991; GLA Act 1999 sect 282.
15. Final Accounts 2023/24.

Appendix

Appendix 1 – Non-Public Confidential Appendix of Proposed OSPR Schemes

Report author

Simon Owen

Chamberlain's Department

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City of London Corporation Committee Report

Committee(s): Finance Committee – For decision	Dated: 12/11/2024
Subject: Budget Monitoring Quarter 2 2024/25	Public report: For Information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	The budget provides the funding to deliver all of the corporations corporate objectives either directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of:	The Chamberlain
Report author:	Daniel Peattie, Assistant Director – Strategic Finance

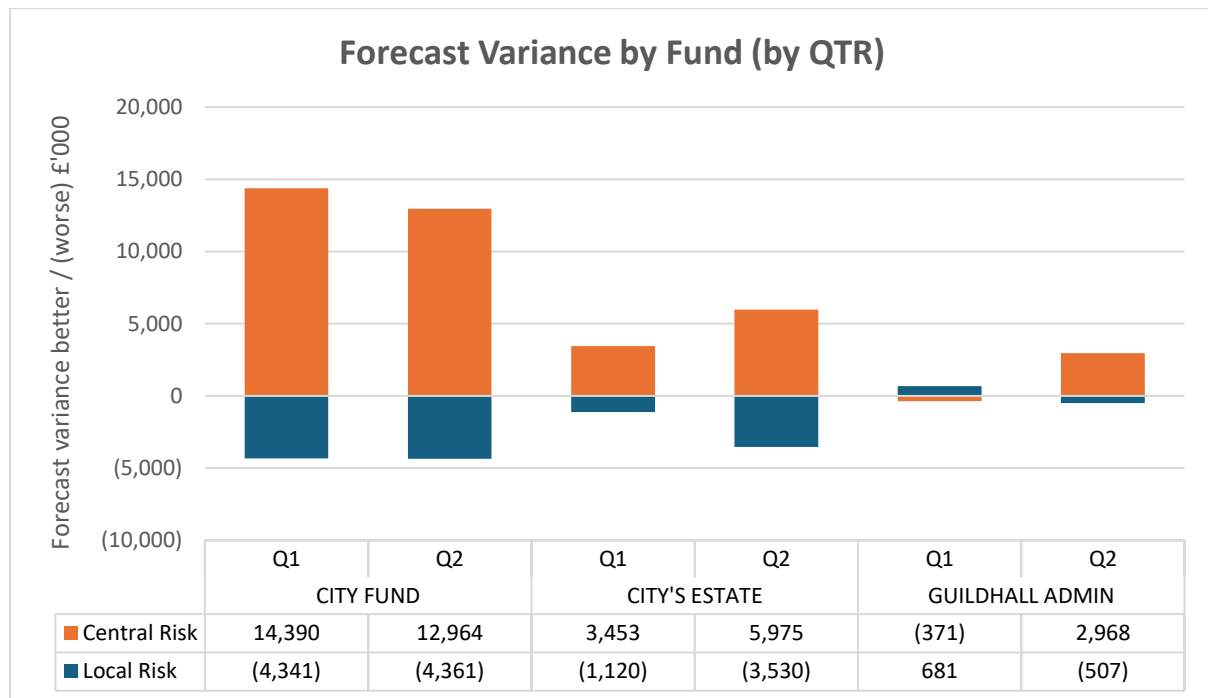
Summary

The report below outlines the forecast position for the 2024/25 financial year as at the end of Quarter 2 (September). This report combines the monitoring for both revenue and capital.

Revenue

At the end of Quarter 2, the 2024/25 forecast revenue outturn position is an **underspend of £13.5m** against budget which is **an increase of £0.8m to Quarter 1** (underspend of £12.7m against budget). This is split between a favourable variance on central risk amounting to £21.9m offset by an adverse variance on Local risk of £8.4m which is mainly due to Barbican Centre (£4.3m) , Guildhall School of Music & Drama (£2.8m) and City Surveyors (£0.9m). *In comparison, the forecast revenue outturn position at Q2 for last financial year was an underspend of £19.3m (£2.6m overspend on local risk offset by £21.9m underspend on Central risk).*

Chart 1: Forecast trend by Quarter



The forecast underspend of £13.5m comprises underspends of £8.6m, £2.4m and £2.5m on City Fund, City's Estate and Guildhall Administration respectively. Underspends on central risk budgets are largely due to increased interest receivable on Money Market Funds and higher than budgeted rental income on the investment properties. There are overspends on the local risk budgets for both City Fund and City's Estate, variances are explained in paragraph 2.

Capital

At the end of Q2, the City Fund is forecasting an in-year overspend of £42.9m, primarily caused by a £62.0m in year overspend on the major projects, partially offset by an £19.1m underspend on the BAU. These are related to the phasing of projects and overall, the program is broadly on budget although cost pressures of £60m are crystallising on Salisbury Square for the fit-out work. City's Estate has in-year underspend of £83.2m, split between £59.2m for major projects and £24.0m for the BAU. Table 2 and 3 provide a summary of the forecast expenditure at the end of the second quarter (Q2) for the current year and future years expenditure on Capital and Supplementary Revenue Projects (SRPs). This includes major projects and is across both City Fund and City Estate, against agreed budgets set and approved by the Court of Common Council in March 2024.

Table 2: Summary of City Fund Capital Forecast

CAPITAL PROGRAMME - CITY FUND	2024/25 Budget	2024/25 Actuals	2024/25 Forecast Q2	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
Capital & SRP - BAU	188.8	35.5	169.7	(19.1)	284.6	306.7	22.1	3.0
Capital & SRP - Major Projects	200.3	90.2	262.2	62.0	623.6	532.2	(91.4)	1.9
Total	389.0	125.7	431.9	42.9	908.2	838.9	(69.2)	4.9

Table 3: City's Estate Capital Forecast

CAPITAL PROGRAMME - CITY'S ESTATE	2024/25 Budget	2024/25 Actuals	2024/25 Forecast Q2	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
Capital & SRP - BAU	71.5	8.4	47.5	(24.0)	50.6	42.6	(8.0)	(32.0)
Capital & SRP - Major Projects	102.1	3.9	29.1	(59.2)	470.5	10.0	(460.5)	(533.5)
Total	173.7	12.3	76.6	(83.2)	521.1	52.6	(468.5)	(565.6)

Recommendation

Members are asked to:

- Note the report.

Main Report

1. As well as the analysis by Fund, the variance is split between a Central Risk favourable variance of £21.9m, which predominantly relates to increased interest receivable on Money Market Funds (£16m), and higher than budgeted rental income on investment properties (£1.3m) combined with receiving a higher grant from the Home Officer than the prudent estimate made in prior years (£1.5m), as the final grant allocation was made on the basis of a national fixed unit allocation rather than simple cost recovery partially offset by an adverse variance of £8.4m on Chief Officer Cash Limited Budgets.
2. The Chief Officer Cash Limited budget significant variances are;
 - Barbican Centre (£4.3m) mainly relating to increase in corporate contracts including utilities (£1.3m) along with a trading income shortfall (£1.9m), and pressures incurred from sick and maternity leave and the need to bring in additional resources;
 - City Surveyor is showing an overspend of (£0.9M), mainly due some residual ToM savings yet to be realised, the vacancy factor on the departmental salary budget is not forecast to be achieved and budget pressures on Smithfield Market due to closure of the Poultry Market;

- Guildhall School of Music & Drama (£2.8m) due to inflated contract costs and the associated costs with moving to the Guildhall. Additional posts have been included over and above those budgeted, however some of these relate to invest to save opportunities that will address future deficits and others that relate to compulsory roles to support the safeguarding at the school and Senior Project Manager helping to drive the strategic plan forward. The need to deliver a balanced and sustainable financial model for the school remains acute and the new Head of Finance is working through establishing new processes to deliver this. Of these overspends £2.2m will be funded from contingency budgets held for inflationary pressures which would reduce the local risk overspend but also reduce the central risk underspend having a neutral impact on the overall variance.
3. Significant forecast variances by Chief Officer are summarised in the following paragraphs. Work is underway with department heads to consider potential mitigations to these pressures. The impact of any cuts and or mitigations identified will be reported back in future reports.

City Fund Revenue

- a) Managing Director Barbican Centre (£4.3m overspend which will reduce to £3m after use of the inflation contingency, negative movement of £0.7m from Q1) – Barbican Centre are forecasting a possible overspend due to the continued pressures on energy. Based on last year's costs, it is estimated that there is a pressure of approx. £1.3m in relation to utilities alone which will be met by central contingencies. In addition, an overspend on visual arts due to increased costs, loss of trading income from partners and lower attendance is forecast.
- b) Executive Director Community & Children's Services (£0.9m underspend, positive movement of £1.2m from Q1) – As highlighted in Q1, social care costs are forecast to exceed budget due to uplift in client placements agreed and backdated to 23/24, added pressures due to family support costs, adoption costs and short breaks for two new individuals however since Q1 a rent review has taken place which resulted in additional income being received which offsets the majority of these pressures. During the year, a large grant from the Home Office was received which was £1.5m higher than anticipated, which has offset pressures amounting to approx. £0.6m and has pushed the anticipated outturn into a favourable position. The remainder of the grant (£0.9m) will be transferred to reserves to offset pressures in future years.
- c) Chamberlain (£13.1m underspend, negative movement of £2.6m from Q1) – Whilst still higher than budget in total, the Q2 forecast in interest receivable on cash balances, is lower than Q1 based on the current projections for the rest of the year. The overall underspend is due to capital underspends during 23/24, as per paragraph 16 below.

City's Estate Revenue

- d) Chamberlain (£4.7m underspend, positive movement of £3.1m from Q1) – This favourable variance is due to £2.2m additional interest on cash balances as per paragraph 16. In addition, the forecast against central contingencies is showing an underspend of £2.2m which offsets the utilities pressures that departments have factored into their forecasts.
- e) City Surveyor (£1,2m underspend, negative movement of £2.3m from Q1) – This is due to overspending particularly on the Departmental budget which is not achieving the assumed vacancy factor/residual ToM savings, and pressures at Smithfield Market due to closure of the Poultry Market and additional empty rates on City's Estate. This is partly offset by increased rental income of £2.5m as per paragraph 16
- f) Principal Guildhall School of Music & Drama (£2.8m overspend, negative movement of £2.7m from Q1) –The forecast includes pressures on utilities (£0.6m), potential pay award (£0.6m), above-inflation impacts (i.e. LLW) projected for centrally-procured like-for-like cleaning and security contracts (£0.1m), increased reactive maintenance owing to the aging buildings and equipment at the School (£0.2m) and the cost of the North Wing move (£0.2m), whilst GSMD thought it could absorb these pressures current forecasts suggest this is now not possible and will need to be monitored throughout the year. Currently, the central vacancy factor remains £0.2m below the year-to-date target. The need to deliver a balanced and sustainable financial model for the school remains acute. The new Head of Finance is working on establishing new processes aimed at managing costs more effectively. This includes implementing a new recruitment approvals process designed to scrutinise and challenge the necessity of recruitment where possible, exploring options to repurpose existing resources and considering delays in recruitment start dates where possible. Additionally, please note that GSMD will be undergoing scrutiny from the Efficiency and Performance Working Party.
- g) Deputy Town Clerk (£0.7m overspend, negative movement of £0.7m from Q1) - The vacancy factor has not yet been achieved, due to the necessity of employing casual staff to support event activity. Mansion House are looking to separate the Private Office and Operational areas to improve the review and management of the budgets and support income generation.

City Fund Capital

4. Appendix 3 shows the forecast expenditure for City Fund Capital and SRP Projects, split between Business as Usual (BAU) and Major Projects. The forecast for the year is £431.9m for the year, comprising £169.7m BAU projects and £262.2m across the City Fund Major Projects.

5. There is an underspend within the City Surveyor of £16m, primarily due to the Refurbishment and Extension 1-6 Broad Street Place and 15-17 Eldon Street, this project will come under budget and there are plans to repurpose the funding.
6. The in-year spend for Police is £6.3m ahead of profiled budget due to rephasing of Next Generation Fraud and Cyber Crime Reporting and Analysis Service (FCCRAS). The milestone payments have slipped from 2023/24 to 2024/25 because of the delayed go live, from March 2024 to September 2025. Total FCCRAS project spend is forecast to still be in line with the total budget of £31.0m.
7. The HRA projects are showing a projected underspend of £1.6m for 24/25 and overall overspend of £14.9m. This is primarily due to the Golden Lane Windows project requirements increasing by £12.5m. The HRA is a ringfenced fund, so any additional funding needs to be met from within the limited available sources of funding, so this overspend needs to be monitored closely. Funding solutions for this increased forecast will be considered as part of the HRA business plan update for 25/26 presented to Members in the Autumn 2024.
8. The overall forecast spend on the Barbican Centre has increased - an additional £16m was added to the capital programme for fire door safety works. This is to be funded through the business rates surplus income generated in 2023/24.

Major Projects

9. **Museum of London** – is showing an in-year variance of £34m which is due to slippage of spend from the prior year, but there is otherwise not a genuine pressure. The total project forecast has also removed the Museum's own fundraising element (£120m), as this will be managed and paid out directly by the museum, not via CoLC. Overall, the programme is on budget, though there is a risk that CoLC will need to fund some expenditure at risk, depending on the timing of third-party contributions – this is likely to occur during 2025/26, though could be deferred or eliminated if there is further slippage on the scheme.
10. **Salisbury Square Development / Future Police Estate Programme** – is showing a combined total overspend of c£87m, although some additional funding has been identified that is not yet reflected in the budget (pending approval), leaving a genuine net pressure of c£60m. This is due to provisional sum fit out costs / risks with the main contractor that are now beginning to crystallise. These cost pressures will be challenged, therefore could potentially go down; however other elements of the programme are still in their infancy (i.e. the tactical firing range, property store, GYE, mounted unit, and Eastern Base), therefore there remains a risk that future costs could still increase. The Chamberlain is currently assessing additional funding options to address this pressure; specifically, additional funding options are

being considered to support GYE and TFTF to allow for the fit-out costs to be contained within the current funding envelope. In parallel, project officers are considering how the programme could be rationalised to reduce costs.

City's Estate Capital

11. Appendix 4 shows the breakdown of the forecast for City Estate of £76.6m, with £29.1m projected on major projects and a further £47.5m on BAU Capital and SRP.
12. The City Surveyor's in-year (£19.3m) and overall underspend (£22.9m) is due to the descope of the Alfred Place project with future plans now being considered. This is forecast to generate an underspend of £10m, with the remaining underspends across various small projects across the estate.

Major Projects

13. **Markets Co-location programme (MCP)** - the Court of Common Council has confirmed the cessation of option '10b' and for other options to be explored. The forecast reflects this, with total spend to date of £308m largely for site purchase and remediation work, and the remaining residual forecast covering up to December 2024 (£310m total), and hence showing a large underspend against the original agreed funding envelope. Once a new way forward is agreed, the forecast will be updated accordingly to reflect this.
14. **Museum of London Landlord works** - the works are nearing completion; the spend represents the remaining draw down from the museum, and it is forecast to budget.

Additional Revenue information

15. Contingency budgets (including central provisions, Finance and P&R) are currently holding unallocated budgets of £16.3m (£8.9m City Fund and £7.4m City's Estate) however work is being undertaken on departmental Local Risk overspends and it is anticipated that the majority of the contingency balance will be drawn down and utilised throughout the year. Any remaining funds at the end of the year will be transferred to reserves and is therefore showing a nil variance for QTR2.
16. Corporate Income Budgets are forecast to be better than budget by £17.4m and are summarised in the table below.

Table 4: Major income budgets

	Budget	Forecast	Forecast Variance	
	£'000	£'000	£'000	Better / (Worse) %
<u>Property Investment Income</u>				
City Fund	40,919	39,689	(1,230)	(3%)
City's Estate*	60,036	62,575	2,539	4%
Total Property Investment Income	100,955	102,264	1,309	1%
<u>Interest on Cash Balances</u>				
City Fund	28,900	42,749	13,849	48%
City's Estate	(770)	1,428	2,198	285%
Total Interest on Cash Balances	28,130	44,177	16,047	57%
Grand Total	129,085	146,441	17,356	13%

*Recommendation all surplus income under City's Estates is ringfenced to repay back the private placement loan.

17. Property Investment Income is forecast to be £102.3m which reflects the June-2024 rental estimates. City Fund's deficit reflects rent free periods granted to tenants for new lettings as well as existing tenants in return for removing break options. There is also a forecast reduction in income from vacant floors due to a tenant being in financial difficulty. The main reason for the higher income on City's Estate is due to tenants not activating their lease break options across a few properties, new leases starting earlier than anticipated and some sales (including South Molton Street Estate) that were due to complete by March 24 but completed slightly later and income was therefore received at the start of the current year.

18. Income from Interest on Money Market funds Income from interest on cash balances is currently forecast to exceed budget by £16m principally due to the increase in the level of average cash balances held, and hence available for investment, and upon which interest is applied, compared to what was anticipated when the budget was set in November 2023. This largely due to the rephasing of capital and the major project expenditure. Please note that the cashflow will be finalised following spending decisions to be taken at Resource Allocation Sub-Committee (RASC) at the end of October 2024. It should be noted that the forecast currently assumes the average split of cash held amongst funds to September 2024 will continue for the rest of the year. The assumption is most vulnerable to a rapid drawdown in City's Estate balances.

Cyclical Works Programme (CWP)

19. The CWP programme covers essential health and safety cyclical repairs and maintenance of the operational property portfolio. CWP spend tends to be revenue due to it being similar to regular repairs and maintenance, however programmes can grow and then be capitalised if they are over materiality thresholds. Table 5 below shows the current position per fund at the end of Q1. On a straight-line basis, it would be expected to show 50% committed and spent, but traditionally there is a mobilisation lag at the start which is

usually caught up later in the year. Should any schemes get delayed or cancelled there is an agreed list of schemes for later years that can be brought forward to utilise any spare money.

20. The City Surveyor is therefore anticipating all funds allocated to pre 24/25 approval, that he is tasked to deliver, will be expended by 31/03/25. The Barbican/GSMD have advised that the CWP projects that they are responsible for delivering may slip, in that situation, a request to Resource Allocation Sub Committee in December, to agree a carry-forward of funds into 2025/26 to allow completion will come forward. The City Surveyor has been reviewing the profile of spend of the new £133m CWP funding now his delivery team has been appointed and is in post and he will be submitting a report to RASC in December 2024 detailing the new delivery profile (which is still with the overall five-year envelope).

Table 5: CWP Quarter 2

QTR 1		Budget	Actual & Commitments	Percent Spent
Actuals & Commitments		£'000	£'000	%
£'000				
(2,490)	City Fund	(17,279)	(4,018)	23.3%
(2,419)	City's Estate	(12,077)	(4,585)	37.9%
(851)	Guildhall Complex	(257)	(1,268)	493.4%
(5,760)	Grand Total	(29,613)	(9,871)	33.3%

Capital – observations on risks

21. The actual spend after Q2 is £138.0m, extrapolated evenly over the full year this is around £276.1m of spend. The current forecast estimates a spend of £508.1m. Capital spend is not always uniform, but it does indicate overestimation of work to be completed in year. These quarterly monitoring exercises inform treasury management decisions on the amount of cash to be held, and overestimates could cost the City of London as unrequired funds could have provided more income if invested rather than being held in highly liquid assets. To mitigate against this risk, additional training has been produced for project accountants and project managers and will be rolled out over the remainder of the year. Monthly cashflow monitoring is also being used to enhance the information used for decision making.

22. Appendix 5 shows the pattern of quarterly monitoring figures in 2023/24 against the actual spend and the current forecasts and year to date spend for 24/25.

This illustrates the continuing trend of higher forecasts made at the start of the year reducing at year end. Significant reductions in Capital forecasts across the year can impact decisions on the use and application of Corporation resources so the trend in forecasts will continue to be monitored within 24/25 along with additional support in forecasting to reduce this where possible.

23. For the Major Projects there is joint underwriting (alongside GLA) of up to £50m should the Museum not achieve their fundraising target or be unable to generate sufficient funds to repay their loan from the GLA. The Museum is due to spend the extra £50m in the next two years, but fundraising totals will be confirmed retrospectively, so they have requested another loan to cover this. This is yet to be approved, and discussions are continuing.
24. The Markets Co-location Programme (MCP) has now been put on hold, approved by Court of Common Council while affordability and other options are explored. A report back to Court of Common Council is expected in November which will provide further insight into the financial forecasts for the programme.
25. The on-going delays to completion and occupation of new flats at Black Raven Court (formerly COLPAI) has significant adverse implications for HRA income in the current year. These need to be considered as part of the HRA 5-year business plan and ability to remain in-balance.
26. Across the programme further delays could lead to an increase in costs (inflation, costs of mobilising etc) as well as potential stakeholder dissatisfaction due to works going on longer than planned. A range of schemes are also funded from time restricted contributions – excessive delays could mean some of these sources are no longer available to use as planned. In particular S106 has time limits, Chamberlain's is currently doing an exercise to establish the funding at risk

Corporate & Strategic Implications

Strategic implications – The budget is developed in conjunction with corporate plans to ensure it aligns with strategic objectives. Any variances and impacts on delivery are noted within the report.

Financial implications – Contained within the body of the report

Resource implications – Contained within the body of the report

Legal implications – No direct implications

Risk implications – Financial variances highlighted and contained within the body of the report

Equalities implications – No direct implications

Climate implications – No direct implications

Security implications – No direct implications

Conclusion

27. At the end of Quarter 2 2024/25 the overall revenue forecast position is an underspend of £13.5m. This is split with £8.6m, £2.4m and £2.5m on City Fund, City's Estate and Guildhall Administration respectively. All funds are forecasting underspends on central risk partially offset by adverse variances on Chief Officer Cash Limited budgets due to reasons outlined in the report. This is an increase of £0.8m when compared to the revenue position at Q1, a £1.4m reduction on City Fund, £0.1m increase on City's Estate and £2.1m increase on Guildhall Administration respectively.

28. City Fund is forecasting an in-year capital overspend of £42.9m and an in-year underspend for City's Estate of £83.2m. For City fund this reflects a change in profile of spend rather than increase in overall costs. Over the life of the projects the forecast is an overspend of £3.9m for City Fund and an underspend of £547.1m for City's Estate. For City Fund there has been a reduction in the overspend from £81m for 24/25, this is due to the in-year forecast for the major projects reducing and being profiled into future years. The City Estate underspend is due to the decision to suspend the markets consolidation programme and is reflected in the change from Q1 from an underspend of £34.7m in year to £83.2m for 24/25 and overall underspend of £22.4m to £547.1m.

Appendices

- Appendix 1 – Chief Officer Cash Limited Budgets by Fund
- Appendix 2 – Central Risk Budgets by Fund
- Appendix 3 – City Fund Capital breakdown by Service
- Appendix 4 – City's Estate Capital breakdown by Committee
- Appendix 5 - 2023/24 Capital Forecast vs Actual Spend

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Agenda Item 12

Committee(s): Finance Committee	Date: 12 November 2024
Subject: Chamberlain's Business Plan Quarter 2 2024/25 update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Chamberlain's Department as a support service aims to impact all six outcomes in the Corporate Plan.
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For information
Report author: Hayley Puhlhofer – Head of Chamberlain's Office Leah Woodlock – Chamberlain's Project Manager	

Summary

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

Highlights from quarter two of 2024/25 include:

- The Chamberlain's Department successfully deployed a new Income Manager System. This provides better functionality for users, increased automation and more payment options for customers including, i an automatic telephone payment line which allows customers to make payments without any staff manual intervention.
- Undertook a recruitment campaign with the Commercial, Change and Portfolio delivery team to resource the new structure. Procured the new project management system. Internal Audit are on track to deliver the 600 audit days target for the 2024/25 year.
- The Chamberlain's transformation programme continues to gain momentum via the ERP Programme achieving Gateway 5, a draft Digital, Data, and Technology strategy for the City of London Corporation, launching the commercial and contract management review, and collaborating with stakeholders on income generation opportunities.

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

Recommendation

Members are asked to:

- note the report.

Main Report

Background

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

Current Position

Financial Services Division & Corporate Treasury

3. Significant effort from the Chamberlain's team and wider stakeholders to meet the statutory deadline for the 2023/24 City Fund and Pension Fund statement accounts, signed by the Chamberlain and Chair and Deputy Chair of Finance Committee on 27th September. However, due to unexcepted delays in the auditor final quality review the publication deadline was missed by a couple of weeks.
4. The draft deadline for the 2023/24 City's Estate statement of accounts achieved with the audit currently on track. Medium term cashflow modelling for City Fund and City's Estate now complete.
5. The Corporate Treasury Team in quarter two delivered the LGPS Annual Benefit Statements by the statutory deadline of 31 August 2024, completed the VAT Partial Exemption calculation for the 2023-24 year. Commenced collating data for the December insurance renewals. The Pensions team submitted a response to the MHCLG 'Pension Investment

Financial Shared Services

6. In year collection rates for Council Tax during Q2 2024/25 is at 54.88% which is a slight decrease of 0.3% when compared to Q2 23/24 collection.
7. In year collection rates for Business Rates during Q2 2024/25 is at 67.66% which is an increase of 1.3% when compared to Q2 23/24 collection.
8. Investment Property Income overall collection was 86% at the end of Q1 which is a decrease on the previous quarter at 94.47%.
9. The City's performance for the payment of invoices within 30 days has improved since Q4, however, was still a 4.2% shortfall of the target. See table at appendix 2.

Internal Audit

10. The Internal Audit team is now on track to to achieve the baseline target of 600 audit days delivered in the current year and on target to achieve the longer term target of 1000 audit days per year by 31/03/2026. Additional funding has been provided for Internal Audit from 01/09/2024, (Finance Committee Contingency for remainder of 2024/25 and increase to the resource base from 2025/26).
11. The additional capacity within the team has supported the development of a more structured programme of Internal Audit work for the remainder of the year, adopting a more traditional format of Internal Audit Plan for Q3 and Q4.

Chamberlain's Transformation

12. The dashboard is reviewed monthly by the Senior Leadership Team at the management team meeting.
13. In Q2 2024/25, significant advancements were made across various workstreams and programmes. The ERP Programme received Gateway 5 approval, allowing work to commence. The preferred bidder for the System Integrator partner was announced and appointed. Additionally, programme leads were successfully recruited for several roles.
14. The draft digital strategy was developed to establish a unified approach for Digital, Data, and Technology (DDaT) across the entire City of London Corporation. This DDaT strategy is scheduled to be presented to Policy and Resources as well as the Court of Common Council in Q3.
15. The initial phase of the Commercial and Contract Management strategic review began during the summer. The findings and the corresponding implementation plan are scheduled to be presented to the Projects and Procurement Sub-Committee in December.
16. Work continues on the Income Generation opportunities, enabling business areas to develop business cases and mobilise plans.
17. Draft Financial Improvement and Transformation (FIT) Strategy developed which will drive transforming operations and processes within FSD to align with modern and best practices, is essential for improving efficiency, accuracy, and accountability in financial management. This strategy is not only pivotal for current operations but also ensures that we are primed to embrace future innovations and advancements – i.e. the new ERP system. Moreover, the FIT Strategy will serve as a guiding framework, fostering a culture of continuous improvement and adaptability. By focusing on skill development, process optimisation, and strategic alignment, we are setting the stage for a finance function fit for the future.

Commercial, Change and Portfolio Delivery

18. The Commercial service completed the recruitment campaign to recruit to vacancies within the team. The team initiated the project to update the current contracts system, due to go live in November.
19. The Responsible Business Team published the first annual Responsible Procurement Impact Report 2023-24 in June, highlighting the responsible procurement achievements delivered in the last financial year. The team were the only public sector nominee for Supplier Diversity Advocate of the Year at MSDUK's awards.
20. The Transformation team have recruited to the Commercial Project Manager and Transformation Project Manager roles.
21. The portfolio delivery team procured the project management system.

Conclusion

22. The Chamberlain's Department will continue to build on the progress made in the first half of the year and work to deliver the 2024/25 departmental business plan and support the wider Corporate Plan and People Strategy.

Corporate & Strategic Implications

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

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

Resource implications – The DITS structure is currently being reviewed and a light-touch restructure is expected. The recruitment campaign to fill the new roles in the Commercial, change and portfolio delivery division was undertaken in Q2.

Legal implications – None.

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

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

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

Security implications – None.

Background Papers

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

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

Appendices

Appendix 1 – Chamberlain's Business Plan update

Appendix 2 – Payment performance YTD

Appendix 3 – Chamberlain's Transformation Dashboard

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City of London Corporation Committee Report

Committee(s): Finance Committee – For information	Dated: 12 November 2024
Subject: Chamberlain’s Departmental Risk Management Update	Public report: For Information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties 	Providing Excellent Services Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of:	Caroline Al-Beyerty, Chamberlain
Report author:	Leah Woodlock, Chamberlain’s Department

Summary

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

There is currently one RED risk on the Corporate Risk Register within the responsibility of the Chamberlain and one RED risk on the Chamberlain’s departmental risk register. 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(s)

Recommendations should be clear and not open to interpretation, should always 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) as a part of the Chamberlain's Department risks are reported to the Digital Services Committee for oversight.

Current Position

Corporate Risk – RED

3. Department currently has one financial RED Corporate Risk, all risks are regularly reviewed and several mitigating measures are in place to prevent the realisation of these risks or future risks.
4. **CR38 Unsustainable Medium-Term Finances – City's Estate** has a risk score of RED 16. The risk relates to the medium-term finances of the City's Estate, primarily driven by the increased impact of inflation, aging estate requiring high levels of expenditure, and a reduction in rental income from the property investment portfolio due to post-pandemic demand of workplace utilisation. These factors result in financial pressures that may necessitate additional reliance on reserves, posing challenges in achieving anticipated savings and generating expected income.
5. Key mitigations include quarterly monitoring of inflation rates, maintaining an inflation contingency, and implementing a cyclical works program to cover outstanding works. Additionally, the Investment Property Strategy aims to generate more income from the property investment portfolio, and a renewed approach was approved by Investment Committee in July.

Departmental Risks – RED

6. **CHB002 Housing Revenue Account (HRA) Finances** has a risk score of RED 16. A draft five year financial projection was prepared in September and will be refined for committee approval in January 2025. The draft projections indicate a finally balanced position but notable vulnerability to revenue overspends and the impacts of the further delays to new build projects. The repairs and maintenance contract is being reprocured for 2025/26 following the recommendations from the Pennington Review.

Conclusion

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

Appendices

- Appendix 1 – Departmental Risk Register

Background Papers

Chamberlain's Departmental Risk Management Update Reports

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Committee	Date
Finance Committee	17/11/2024
Subject: Climate Action Strategy Finance update to end of Year 4 (2024/2025) Quarter 2	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Leading Sustainable Environment, Vibrant Thriving Destination, Flourishing Public Spaces, Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	<i>Original budget envelope for CAS approved by Court upon adoption. Year 4 portion approved by Policy and Resources on 11 April 2024 & by CBF Board on 10 July 2024.</i>
Has this Funding Source been agreed with the Chamberlain’s Department?	Yes
Report of: Damian Nussbaum, Executive Director of Innovation and Growth and Senior Responsible Officer, Climate Action	For Information
Report author: Kate Neale, Programme Director, Climate Action	

Summary

In October 2020, the Court of Common Council approved an ambitious Climate Action Strategy (CAS). The Strategy commits the organisation to achieving net zero carbon emissions in its own operations by 2027 and its full value chain by 2040. As well as supporting the whole Square Mile to reach net zero by 2040, and building climate resilience into our buildings, public spaces and infrastructure.

CAS has a £68m budget for implementation from April 2021 through to March 2027. Just under half of the revenue budget and 10% of the capital budget has been spent to March 2024, with the remainder expected to be spent in the next two years. Continued focus is needed on speedy financial scoping and approvals, for work to be delivered as needed.

Progress against targets to the end of Year 3 (2023/24) shows we are not on track to meet net zero for our own operations in 2027. This is due to a range of external and internal factors – including lack of national grid decarbonisation and delays to Corporation major projects. Mitigating actions are underway and should bring us back on track.

We are still on track to meet net zero for our full value chain in 2040, supporting the Square Mile to reach net zero by 2040, and building resilience in our buildings and public spaces.

The CAS is delivering long term value to the Corporation, and has already enabled £1.7m of avoided costs. Tracking actual savings to the energy bill, a revolving financial mechanism has been created to capture £565k, ringfenced for reinvestment.

Recommendations

Members are asked to note the report.

Main Report

Background

1. Starting in November 2024, the Climate Action Strategy will provide twice yearly updates to the Finance Committee on expenditure and achievements against the programme budget.
2. The City Corporation's ambitious CAS was adopted at Court of Common Council on the 8 October 2020 and became operational in April 2021.
3. The CAS marked the start of a new and transformative programme of action. It set out three interlinked primary objectives for the City Corporation and the Square Mile:
 - to support the achievement of net zero emissions,
 - to build resilience, and
 - to champion sustainable growth.
4. These objectives were tied to ambitious timescales and the City Corporation committed to 4 targets:
 - Achieve net zero in own operations (scopes 1 & 2) by 2027
 - Achieve net zero across the Corporation's full value chain (scopes 1, 2 & 3) by 2040
 - Support net zero in the Square Mile by 2040
 - Build climate resilience in our buildings, public spaces and infrastructure.
5. The Policy and Resources Committee approved an original funding envelope of £68m to deliver the Strategy up to 2027.
6. The annual programme of work is based on detailed plans for 13 projects. These annual plans are approved by Project Boards at operational level, with oversight by relevant Service Committees at Member level. These are reported into Policy and Resources as a summary programme.
7. Policy and Resources approves annual budget drawdown against the original envelope for City Fund and City's Estate. The Year 4 (Y4) programme of work and associated budget was approved by Policy and Resources on 11 April 2024 for City Fund and City's Estate. Expenditure related to City Bridge Foundation (CBF) was approved by the CBF Board on 10 July 2024. Across all funds, a total Y4 budget for both capital and revenue of £22.9m was approved under the

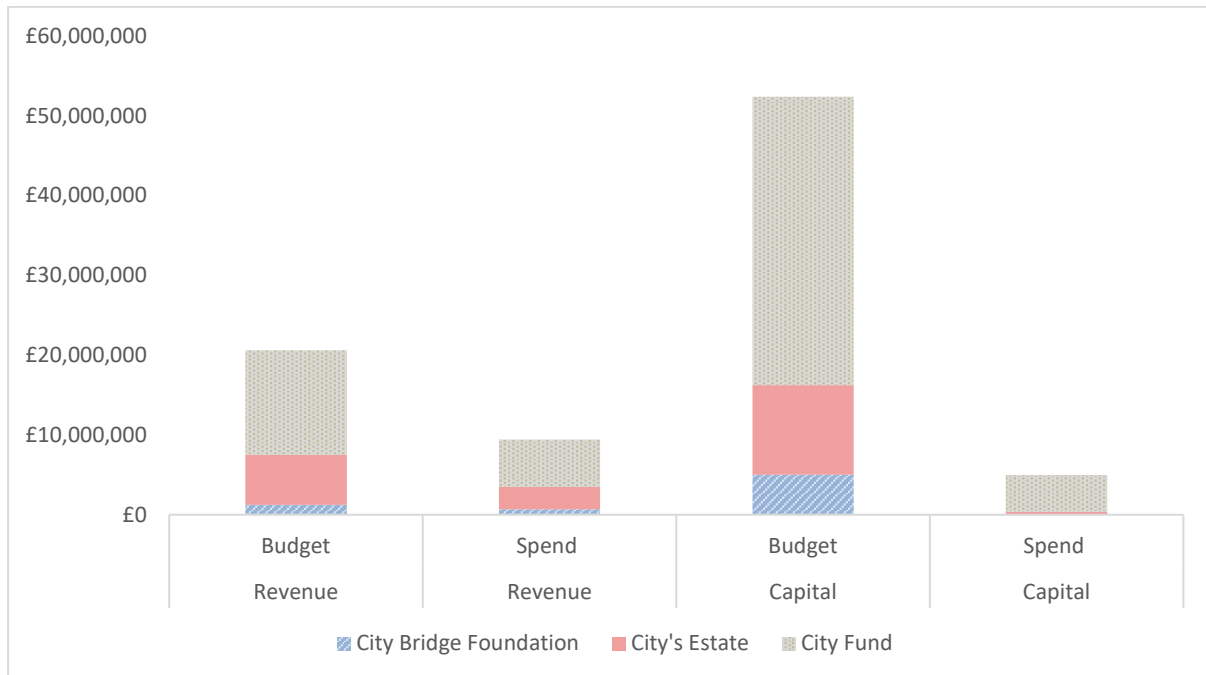
original budget envelope.

8. CBF funds are approved by the CBF Board but are shown here for illustrative purposes, and for demonstrating combined commitment between CBF and the City Corporation. The decisions relevant to CBF are taken through their independent governance arrangements.
9. For the initial years, City Fund and City’s Estate drawdowns are from central reserves. In later years towards 2027, annual budgets are partly funded by savings to the Corporation’s energy bill. A revolving mechanism is in place, capturing savings from the capital interventions from CAS projects, detailed in paragraph 21.
10. In July 2021, Policy and Resources approved the following delegated authority powers in relation to project delivery to the Senior Responsible Officer of CAS:
 - Review and approval of capital expenditure up to £1m, outside of the usual Project Procedure (i.e. gateway reporting)
 - Approval of revenue expenditure from the approved Climate Action budget.

Financial Update

11. Figure 1 summarises the financial position of the CAS from inception to March 2024 (Years 1 – 3), split by capital and revenue, and by Fund. This is presented alongside the total programme (April 2021-March 2027, Years 1 – 6) budget. More detail can be found in Appendix 1.

Figure 1: Total programme budget, and spend to March 2024, split by capital and revenue, and by Fund



12. Just under half of the programme’s revenue budget was spent to the end of Year 3, aligning with the CAS being at the halfway point in delivery. However only 10% of the total capital budget for the programme was spent by this point,

largely due to:

- a) Grant funding supporting early delivery of emissions reduction actions (such as the Public Sector Decarbonisation Scheme);
- b) Early years of the Strategy focusing more on surveys and audits, in order to deploy capital works later in the programme; and
- c) Delays in appointing sufficient resource to manage and deliver capital works – which have now been resolved.

13. The remaining programme budget is expected to be spent in Years 4-6 (April 2024 to March 2027), deploying the capital works scoped and required to meet net zero and resilience targets. Works supporting the 2027 net zero target will be prioritised and capital budget will be reallocated across projects to ensure best use of funds and return on investment. No additional funds are sought.
14. The Year 4 budget totals £22.9m. Figures 2 and 3 set out the Year 4 budget and spend, split by revenue and capital, and by project. Actual spend is correct to 3 September 2024. More detail can be found in Appendix 2.

Figure 2: Year 4 revenue budget and spend per project to 3 September 2024

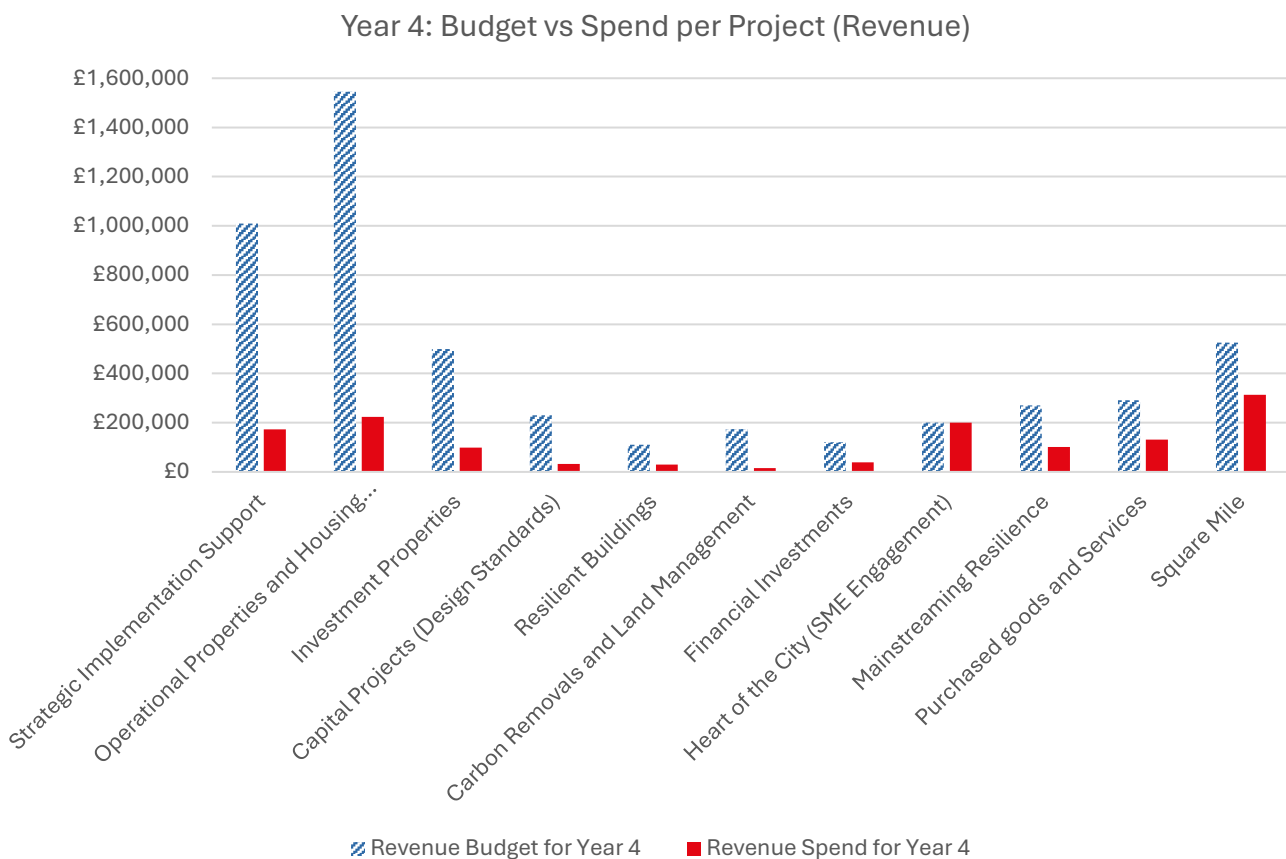
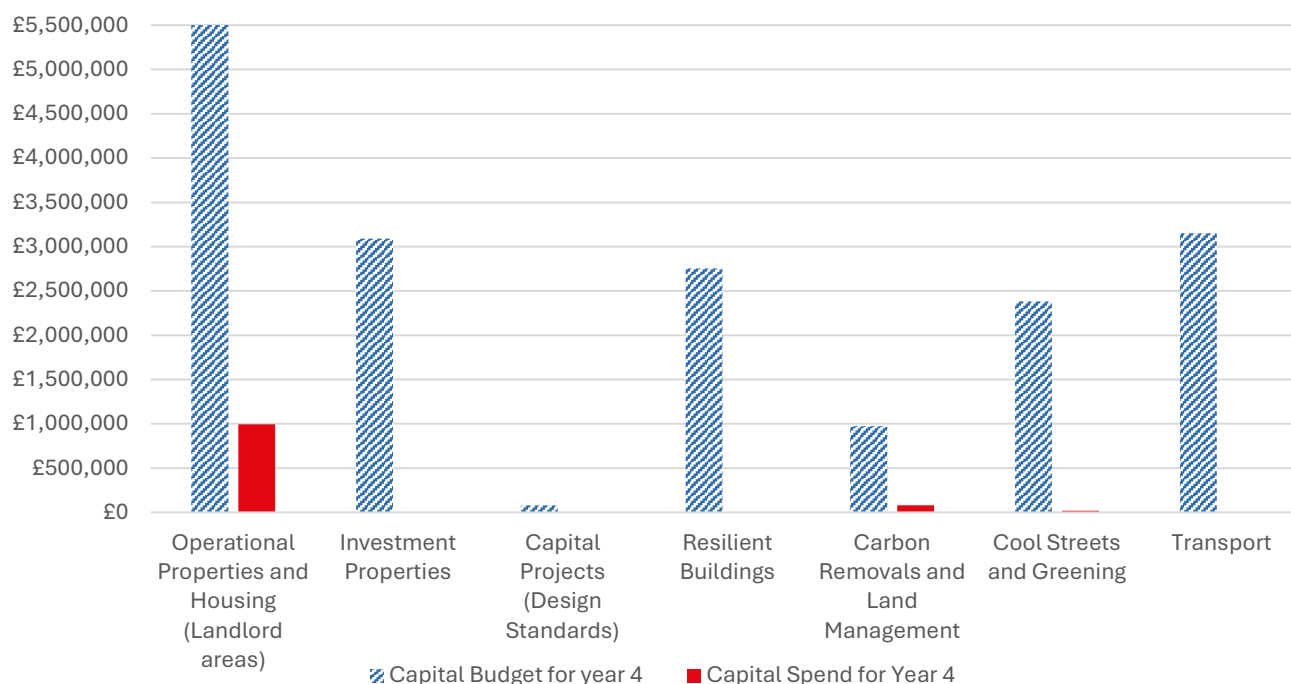


Figure 3: Year 4 capital budget and spend per project to 3 September 2024

Year 4: Budget vs Spend per Project (Capital)



15. Year 4 has significant spend planned across the Programme, but only 11% delivered to September 2024. A further circa £2.2m (10%) has been approved by the SRO for spend in Year 4 (within the budget) but has not yet been delivered. Remaining spend will be in Quarters 3 and 4 where appropriate. Continued focus is needed on speedy scoping and approvals, for work to be delivered as needed.

Strategic Progress and Long-Term Value

16. The public [Climate Action Dashboard](#) provides a comprehensive view of CAS progress, reporting on 62 KPIs detailing progress in all areas of the Strategy. This was last updated on 17 October.

17. Carbon and resilience performance to the end of Year 2 (2022/23) met targets and we were on track to meet net zero in 2027 and 2040 whilst underbudget.

18. The following sets out progress to the end of Year 3 (2023/24) against the baseline, unless otherwise stated.

Target: Achieve net zero in own operations by 2027

19. In 2023/24, we achieved a 65% reduction in net emissions against the 2018/19 baseline, missing the 84% interim target by 19%. The shortfall was largely due to the increased carbon factor of the National Grid, driven by geopolitical factors. Furthermore, major projects like Guildhall refurbishment and Barbican Renewal, are delaying the savings originally expected between 2024-2027, and preventing

investment in the meantime. Mitigating actions are underway and should bring us back on track, but the risk of not meeting the 2027 target remains high and continued urgency is needed.

20. Despite this, the Operational Portfolio has seen 35,313,000 kWh energy savings since 2021.

21. We've identified £565k in energy bill savings, to sit in the revolving financial mechanism. This will be re-invested in operational energy efficiency capital works to deliver CAS targets.

22. Financial savings from the energy bill are lower than originally forecasted in 2021 due to rising energy prices. However, energy efficiency measures have secured £1.7m in avoided energy costs over the last two years, at a cost of £3.8m to the Corporation – meaning a payback of 4.5 years. Note that avoided costs will increase as energy prices increase.

Target: Achieve net zero across the Corporation's full value chain by 2040

23. In 2023/24 we achieved a 19% reduction against the 2018/19 baseline. The first interim target is a reduction of 26% by 2024/25 against the baseline.

24. The largest contributor to the Corporation's value chain carbon footprint is emissions from our financial investments. Since the baseline, this category has achieved a reduction of 82,628 tCO_{2e}, with all funds demonstrating clear emission reductions, whilst maintaining returns required.

Target: Support net zero in the Square Mile by 2040

25. The latest data (2021) shows a 35% reduction against the 2017 baseline. The first interim target is a reduction of 60% by 2025 against the baseline.

26. In 2023 we published our Carbon Options Guidance Planning Advice Note, requiring developers to explore Whole Lifecycle carbon emissions of development options. Since 2021, we've been working collaboratively with developers on low-carbon design solutions, including retrofitting, and have seen a 46% increase in retrofit major planning applications. With the formal adoption of the Carbon Options Guidance, we expect this positive trend to accelerate.

Target: Build climate resilience

27. The Corporation is continuing to prepare buildings, infrastructure and open spaces for warmer, wetter winters and hotter, drier summers, responding to six key climate-related risks likely to affect the Square Mile:

- Flooding
- Overheating
- Water stress
- Biodiversity loss
- Pests and diseases
- Trade, food and infrastructure

28. Streets with greening have been recorded with temperatures up to 6°C cooler than streets without greening – providing the first evidence that this approach is delivering the heat resilience intended.

Risk

29. The Corporate Climate Action Risk Register describes our organisational response to climate change and focuses on areas within our control and their mitigations. These risks were last reviewed by the Audit and Risk Management Committee on 8 July 2024, when the risk score for CR30 Climate Action increased from Amber 8 (impact major 4 x likelihood unlikely 2) to Amber 12 (impact major 4 x likelihood possible 3) to reflect the increased risk of not hitting 2027 net zero goal.
30. A programme level risk log is also updated regularly. The most pressing delivery risks include:
- a) Delays in investment in energy efficiency works due to uncertainty over the future of major projects in corporate assets (e.g. Guildhall refurbishment).
 - b) Slower than forecast National Grid decarbonisation meaning additional efficiency works will be required to meet net zero in 2027.
 - c) Slow pace of delivery to scope, procure, approve and deliver sufficient works, in time to realise energy savings in time for 2027 target deadline.

Corporate and Strategic Implications

31. Strategic implications – The CAS supports delivery against four outcomes in the Corporate Plan 2024-29:
- Leading Sustainable Environment
 - Vibrant Thriving Destination
 - Flourishing Public Spaces
 - Providing Excellent Services
32. The CAS builds upon existing strategies and policies, including: The Responsible Business Strategy 2018-23, the City Procurement Strategy 2020-24, the Local Plan 2015 (and draft City Plan 2040), the Transport Strategy 2018-44, the Air Quality Strategy 2019-24 (and draft 2025-30 Strategy), the Local Flood Risk Management Strategy 2021-27, the Biodiversity Action Plan 2021-26, the Responsible Investment Policy, the Transition to a Zero Emission Fleet Policy, the Renewable Electricity Policy & Sourcing Strategy and related campaigns, such as Plastic Free City. It is aligned to ongoing reviews of our financial and property investment portfolio.
33. Risk Implications – To manage the Strategy risk effectively, all projects have a risk register, and the overall risks are controlled through a corporation level risk CR30 – Climate Action Strategy. No new corporate level risks have been added since 8 July 2024.
34. Equalities Implications – A Test of Relevance was undertaken on the CAS and several positive impacts were identified for five protected groups - age, disability, race, pregnancy/maternity and gender. These include a reduction in air pollution, physical public realm improvements and increased indoor comfort levels, and lower fuel poverty. No negative impacts were identified. A mid-year review of the initial Test of Relevance findings was conducted, confirming that the results

remain unchanged. Impacts will be investigated and assessed on an ongoing basis in conjunction with the delivery of the CAS programme of work.

35. Climate Implications - Whilst the CAS focuses on reducing climate risk, the lack of sufficient progress to the 2027 net zero target is a new climate implication.

36. No resourcing, legal, or security implications.

Conclusion

37. Despite a significant underspend on the CAS programme to date, substantial progress has been made against targets and delivered long term value to the Corporation. The underspend to date has left us in a strong financial position to recover from exogenous factors and deliver additional works within the same budget envelope, in order to meet net zero in 2027.

Appendices

- Appendix 1 – Financial Analysis Years 1-3
- Appendix 2 – Financial Analysis Year 4

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