



Audit and Risk Management Committee

Date: MONDAY, 23 SEPTEMBER 2024
Time: 11.00 am
Venue: COMMITTEE ROOMS, GUILDHALL

Members:

Alderman Prem Goyal, OBE (Chairman)	Karen Sanderson (External Member)
Deputy Randall Anderson	Ruby Sayed
Alderman Alexander Barr	Naresh Hari Sonpar
Deputy Christopher Boden	Gail Le Coz (External Member)
Elizabeth Anne King, BEM JP (Alderwoman)	Alderman Kawsar Zaman
Alderman and Sheriff Bronek Masojada	James St John Davis, Finance Chairman
Judith Pleasance	Dan Worsley

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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 previous meeting held on 8th July 2024.

For Decision
(Pages 5 - 10)

4. **ELECTION OF DEPUTY CHAIR**

To elect a Deputy Chair in accordance with Standing Order 30.

For Decision

5. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Member are asked to note the Committee's Outstanding Actions List.

For Information
(Pages 11 - 12)

6. **COMMITTEE WORK PROGRAMME**

Member are asked to note the Committee's Work Programme.

For Information
(Pages 13 - 16)

7. **CITY BRIDGE FOUNDATION ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24**

Joint report of the City Bridge Foundation Finance Director (representing The Chamberlain) and the Managing Director, City Bridge Foundation.

For Decision
(Pages 17 - 130)

8. **INTERNAL AUDIT UPDATE**

Report of the Head of Internal Audit.

For Information
(Pages 131 - 142)

9. **RISK MANAGEMENT UPDATE**

Report of the Chief Strategy Officer.

For Information
(Pages 143 - 186)

10. **CITY FUND & CITY PENSION FUND AUDIT UPDATE**

Report of the Chamberlain.
(To Follow).

For Information

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

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

13. **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 the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

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

To agree the non-public minutes of the previous meeting held on 8th July 2024.

For Decision
(Pages 187 - 188)

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

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 8 July 2024

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 8 July 2024 at 11.00 am

Present

Members:

Deputy Randall Anderson
Deputy Christopher Boden
Karen Sanderson (External Member)
Gail Le Coz (External Member)
Alderman Kawsar Zaman

In Attendance:

Judith Pleasance
Naresh Sonpar

Officers:

Dionne Corradine	- Town Clerk's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Cirla Peall	- Chamberlain's Department
Kuar Kirpal	- City Solicitor's Department
Nathan Omane	- City Bridge Foundation
Ben Dunleavy	- Town Clerk's Department
Blair Stringman	- Town Clerk's Department
Thomas Wrench	- Town Clerk's Department

Also in attendance:

Sophia Brown	- Grant Thornton
Jasmine Kemp	- Grant Thornton
Grant Patterson	- Grant Thornton

1. APOLOGIES

Apologies for absence were received from Alderman Prem Goyal, Alderman Alexander Barr, Alderman and Sheriff Bronek Masojda, Dan Worsley, Ruby Sayed, James St John Davis. It was noted that Naresh Sonpar and Judith Pleasance were in attendance online.

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

There were no declarations.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That, the public minutes and non-public summary of the meeting held on 13 May 2024 be agreed as a correct record.

4. **MINUTES OF THE NOMINATIONS AND EFFECTIVENESS SUB COMMITTEE**

The Committee received the minutes of the Nominations and Effectiveness Sub-Committee.

5. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the Outstanding Actions and noted the updates from officers.

The following points were noted:

- Officers noted the update on the meeting with school chairs and principals, which had been challenging to coordinate due to diary conflicts. It was suggested to proceed with the meeting even if some heads were unable to attend.
- A recommendation was made to arrange separate meetings with the heads and chairs of the committees to ensure future meetings take place.

6. **OUTSTANDING ACTIONS OF THE SUB-COMMITTEE**

Members received the Outstanding Actions and noted the updates from officers.

7. **COMMITTEE WORK PROGRAMME**

The Committee's Work Programme was noted.

8. **INTERNAL AUDIT CHARTER**

The Committee considered a report of the Chamberlain concerning a blueprint for how Internal Audit will operate and allows the governing body to clearly signal the value it places on the independence of Internal Audit.

The following points were noted:

- The content of the charter was almost a direct lift from the global internal audit standards with some adaptations for public sector requirements.
- The Committee is confirming the authority of internal audit by approving the charter.
- There was a discussion on whether the Committee, on behalf of the Common Council, was authorising internal audit to use whatever resources and speak with any departments within the organisation.
- It was noted that there were some limits to the resources, but the power should be used wisely.
- There were questions about who approves the mandate for internal audit and who oversees its implementation.
- It was clarified that there are no fundamental changes in emphasis, and the implementation oversight question would be taken away for further clarification.

- The Committee agreed to approve the charter subject to the clarifications being provided via email.

RESOLVED – That Members, in accordance with the requirements of the Global Internal Audit Standards, approve the Internal Audit Charter.

9. **CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS UPDATE 2023/24**

The Committee received a report of the Chamberlain concerning an update on the publication and audit of the 2023/24 Statement of Accounts for the City Fund and Pension Fund.

The following points were noted:

- The Committee expressed appreciation for the efforts made by officers in getting the accounts to a stage where they could be discussed in the summer of 2024.
- It was noted that the audit for the City Fund was starting, and there was a clarification that the backdrop has been dropped, but it did not affect the City Fund audit work.
- There were questions about the backdrop and its implications, with an update provided that the general election had caused a pause in the backstop arrangements but was expected to be picked up by the new government.
- The audit is underway and on track, with expectations to finish within the calendar year.

10. **CITY'S ESTATE 2023/24 - AUDIT PLANNING UPDATE**

The Committee received a report of the Chamberlain concerning an update on the 2023/24 external audit plan for City's Estate Group and other charities.

The following points were noted:

- The consolidation and production of the accounts had been completed by the team, and they were now in the review stage.
- The team is working on reviewing the working papers and ensuring their quality, with two senior members conducting reviews.
- Crowe has been working closely with the team to ensure the audit is on track.
- Crowe representatives provided insights into the audit planning reports, highlighting no significant changes in accounting standards or auditing standards.
- The audit planning reports for City's Estates and City Bridge Foundation were discussed, with a focus on significant risks, key management judgments, and estimates.
- The importance of maintaining independence and the need for adequate resourcing for the audit were emphasised.
- The fee increases for certain entities were explained as a result of both the complexity of the audits and the need for better resourcing.

11. CITY BRIDGE FOUNDATION AUDIT PLANNING REPORT FOR YEAR ENDING 31 MARCH 2024

The Committee received a report of City Bridge Foundation & Charities Finance Director concerning various matters relating to the audit of the annual report and financial statements of CBF for the year ended 31 March 2024.

The following points were noted:

- Planning discussions took place between City Bridge Foundation officers and Crowe, starting last week.
- The charity has a hard deadline of submitting its final accounts to the Charity Commission on 31st January 2025.
- Crowe representatives provided insights into the audit planning reports, highlighting no significant changes in accounting standards or auditing standards.
- The importance of maintaining independence and the need for adequate resourcing for the audit were emphasised.
- The fee increases for certain entities were explained as a result of both the complexity of the audits and the need for better resourcing.

12. 2024 GLOBAL INTERNAL AUDIT STANDARDS

The Committee received a report of the Chamberlain concerning an overview of the standards and relevant information to aid the Committee in supporting the transition to the new standards

The following points were noted:

- Officers noted the report provided an overview of the key information that the Committee needed to be aware of in relation to the new standards.
- It referenced wider reading and notes that there would likely be more specific training provided.
- The London Heads of Audit Group were currently working together on this, and updates would be provided in due course.
- The revised public sector internal audit standards were being developed, with timing to be confirmed.
- The new standards were expected to confirm some of the anticipated adaptations.
- The Committee discussed the feasibility of the internal audit team reviewing the standards and identifying any necessary changes.
- The Institute of Internal Auditors was putting together a tool or framework to support internal audit functions in understanding what needs to be done differently.
- The tool was expected to be released by the November committee meeting.
- The Committee agreed to receive an update at the next meeting and a gap analysis paper at the November meeting to identify any changes needed before the January 2025 deadline.

13. RISK MANAGEMENT UPDATE

The Committee received a report of the Chief Strategy Officer concerning an update on the corporate and top red departmental risk registers since they were last reported to the Committee in May 2024.

The following points were noted:

- The report highlighted the dynamic nature of risk reporting, where changes occur frequently. An apology was issued for a missed risk update related to tree maintenance, which was shared with Members via email before the meeting.
- The corporate risk CR39 focused on recruitment and retention, particularly in light of the new workplace attendance policy requiring a minimum 60 per cent workplace attendance. Members noted that CR39 would need to be reviewed follow the mandatory 3 day per week in the office.
- A risk on the Chamberlain's departmental risk register related to casual staff and pensions has been de-escalated due to better information on the scale of the issue and number of officers impacted.
- It was noted that Chief Officers now have a standing objective related to risk management; performance will be monitored against this.
- The Environment department's tree maintenance risk has been escalated to the corporate risk register for a finite period due to its wide impact across the organisation. The funding for tree maintenance was being reviewed to ensure resources are available for necessary activities to mitigate the risk.
- Members suggested that some risk target dates were unrealistic, and some risk titles did not accurately reflect the substance of the risk. It was felt that there was greater emphasis on reducing the likelihood of a risk occurring than reducing the potential impact.
- Members were informed that a review of risk management culture and appetite across the City Corporation has been completed, with a full report to be presented in the non-public section of the meeting. There is ongoing training for staff responsible for updating risks, and efforts are being made to improve the risk management reporting system.

14. CORPORATE RISK - DEEP DIVE REVIEWS: CR01 RESILIENCE; CR36 PROTECTIVE SECURITY

The Committee received a report of the Chamberlain concerning Internal Audit's deep dive reviews in relation to CR01 Resilience and CR36 Protective Security.

Officers highlighted that the risk registers may not fully reflect actual risk management practices. Additionally, there was difficulty in determining the likelihood of achieving target risk scores by target dates due to varying interpretations of what these dates signify.

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

There were no questions.

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There was no urgent business.
17. **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.
18. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED – That, the non-public minutes of the meeting held on 13 May 2024 be agreed as a correct record.
19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were several questions.
20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was no urgent business.

The meeting ended at 12.52 pm

Chairman

Contact Officer: Blair Stringman
blair.stringman@cityoflondon.gov.uk

AUDIT AND RISK MANAGEMENT COMMITTEE – Action Tracker – July 2024

Items from meeting held on 8 July 2024			
ITEM	Action	Officer and target date	
18. Non-Public Questions	Arrange meeting with the Chairs of the City School Boards on financial controls	<p>Head of Internal Audit – February 2024</p> <p>Update – the Financial Services Director undertook to speak to the Chairs</p> <p>July 2024 Update - A recommendation was made to arrange separate meetings with the heads and chairs of the committees to ensure future meetings take place.</p>	Officers have still been unable to arrange meetings with the Chairs

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Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

23 September 2024	
Work Item	Link to CIPFA Position Statement
<p>Draft City's Estate Accounts (decision) Annual review of the Financial Statements for City's Estate</p>	<p>Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.</p>
<p>Draft City Fund Accounts (decision) Annual review of the Financial Statements for City Fund</p>	
<p>Draft City Bridge Foundation Annual Report and Financial Statements (decision) Annual Review of the Annual Report and Financial Statements for City Bridge Foundation.</p>	<p>Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</p>
<p>Draft Sundry Trusts Annual Report and Financial Statements (Decision) Annual review of the Financial Statements for the Sundry Trusts</p>	<p>Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.</p> <p>Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.</p>
<p>Internal Audit Update Report (information) Regular (approx. quarterly) update from the Head of Internal Audit, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress ▪ intended programme of work for the period up to the next Committee update 	<p>In relation to the authority's internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<p>Internal Audit Conformance with Public Sector Internal Audit Standards (information)</p> <p>Report of the Head of Internal Audit following completion of an assessment of conformance with the Public Sector Internal Audit Standards, the standards require an annual self-assessment supported by a periodic External Quality Assessment.</p>	<p>In relation to the authority's internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Corporate Risk In-Depth Review (information)</p> <p>Report of the Head of Internal Audit covering findings from the programme of Corporate Risk Assurance Work undertaken by Internal Audit in consultation with the Corporate Strategy and Performance Team. Corporate Risks are reviewed on a rolling basis as minimum coverage, noting that the sequencing may be determined by proximity of risk, changing risk profile or other relevant factors.</p>	<p>Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</p>
<p>Risk Management Update (information)</p> <ul style="list-style-type: none"> ▪ Summary report of corporate risks ▪ Summary report of red departmental risks 	
<p>Counter Fraud and Investigations 6 Month Report (information)</p> <p>Report summarising the outcomes from Counter Fraud and Investigation activity for the 6 months from April to September.</p>	<p>Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.</p>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

4 November 2024	
Work Item	Link to CIPFA Position Statement
<p>Internal Audit Update Report (information)</p> <p>Regular (approx. quarterly) update from the Head of Internal Audit, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress <p>intended programme of work for the period up to the next Committee update</p>	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Risk Management Update (information)</p> <ul style="list-style-type: none"> ▪ Summary report of corporate risks ▪ Summary report of red departmental risks 	<p>Consider the effectiveness of the authority’s risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</p>

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Committee: Audit and Risk Management	Dated: 23 September 2024
Subject: City Bridge Foundation Annual Report and Financial Statements 2023/24	Public
Report of: The City Bridge Foundation Finance Director (representing The Chamberlain) and the Managing Director, City Bridge Foundation	For Decision
Report author: Nicole Monteiro, Reporting Accountant, City Bridge Foundation	

Summary

The draft Annual Report and Financial Statements for City Bridge Foundation (CBF) for the year ended 31 March 2024 are provided for review and recommendation for approval to the CBF Board.

Crowe U.K. LLP (Crowe) has substantially completed their audit work and there is no indication that unqualified opinion would not be issued.

Crowe commenced its audit on 1 July 2024, with work carried out in person from Guildhall as well as remotely. Representatives from Crowe will attend the Audit and Risk Management Committee meeting to present their audit findings report.

Recommendations:

The Audit and Risk Management Committee are asked to:

- Consider the contents of the audit findings report issued by Crowe (Appendix 2).
- Recommend approval of the CBF Annual Report and Financial Statements for the year ended 31 March 2024 to the CBF Board.

Main Report

Introduction

1. The Draft 2023/24 Annual Report and Financial Statements for CBF for the year ended 31 March 2024 are presented for review. The draft Annual Report is subject to further adjustments arising from the complex nature of some transactions involving the charity's investment property portfolio and bridge maintenance projects.
2. The Charity Commission require charities to submit their Annual Report within 10 months of their financial year-end. As a significant charity within the sector, CBF looks to demonstrate good governance in making available its annual report on a timely basis well ahead of the final submission deadline.

3. Approval of the 2023/24 Annual Report and Financial Statements will be undertaken by the CBF Board under delegated authority, following review and recommendation by the Audit and Risk Management (ARM) Committee. This is in line with the Terms of Reference of the CBF Board. The approved Report will be presented to the Court of Common Council.

Audit Opinion

4. There are no indications that Crowe would not issue an unqualified audit opinion. Their report will reference the work undertaken to provide assurance that the financial statements, taken as a whole, are free from material misstatements whether caused by fraud or error.

Statement of Financial Activities

Income

5. Total income for the year was £39.7m, an increase of £4.4m on the previous year (£35.3m).
6. Tower Bridge income moved beyond post-Covid business recovery and into sustained growth in 2023/24. Tower Bridge recorded approximately 1m number of visitors, the highest ever number. Income from visitor admissions, retail and events increased from £7.6m to £10.5m. The increase in visitor numbers is attributed to continued growing levels of international visitors along with focussed engagement on local audiences, encouraged by £1 Community Tickets and family activities promoted to residents in the Bridge's neighbouring boroughs of Southwark, Tower Hamlets and City of London.
7. Investment income comprising of the property portfolio and the financial investment holdings of the charity, totalled £27.7m, an increase of £0.6m compared to previous year. Within this total, property rental income reduced due to properties undergoing refurbishment. The increase in financial investments income was driven by higher private equity distributions compared to previous year.
8. The remainder of the charity's investment income is derived from interest earned from treasury deposits and social investments held, at £1.2m (2022/23: £0.1m).

Expenditure

9. Expenditure for the year totalled £117.6m, being up by £13.9m from 2022/23.
10. Bridge related expenditure was £11.1m (2022/23: £18.0m). The reduction in spend is driven by the pause of significant refurbishment work on Blackfriars Bridge due to the intensity of other work being completed in the vicinity creating access issues, with work expected to continue in October 2024. Millennium Bridge was closed for three weeks in October 2023 to carry out work on the deck. Structural maintenance projects were carried out in the year at Tower Bridge. Further increases in footfall at Tower Bridge, have led to increased expenditure levels to meet demand.

11. Grant-funding activities has reported the highest ever grant commitments in any single year. This totalled £83.2m (including linked operational spend), an increase of £17.9m on prior year. The additional £200m that was allocated by the Trustee in March 2020 to further the ancillary object as being surplus income (to that required for the bridges, the charity's primary object) continues to support these high levels of commitments.
12. Expenditure on raising funds increased to £15.1m (2022/23: £12m). This increase is largely in connection with planned refurbishments, cyclical repairs and maintenance alongside related professional fees spent on the charity's Investment Property portfolio in addition to rates on vacant properties.

Gains and Losses

13. As at 31 March 2024, the charity has reported total net losses on investments of £5.7m (2022/23: £60.9m). The charity's financial investments had a strong recovery this year, resulting in a gain of £68m compared to £1.8m last year. Opposing this was a loss on property investments of £73.7m (2022/23: £62.5m loss). The losses are attributed to the economic background of high interest rates and high, albeit reducing, inflation.

Balance Sheet

14. The Balance Sheet presents the total funds held by the charity as at 31 March 2024, which decreased by £80.9m to £1,532.7m (2023: £1,613.4m). This reduction was driven by planned additional expenditure on grant-making, alongside the investment losses noted above. Total funds held comprise:
 - a. the permanent endowment fund at £904m (2022/23: £969.2m). The charity adopted the Total Return approach to accounting for the permanent endowment fund from 01 June 2023. As a result, all income, expenditure, and gains/losses arising from the investments representing the endowment are accounted for within this fund, which is available to be spent on the charity's purposes in line with the policy adopted by the trustee. In the year no distributions were made from the permanent endowment fund to fund activities of the charity:
 - b. The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds as noted in paragraphs 14 -16 below. As at 31 March 2024, these funds totalled £628.7m (2023: £644.2m) being net of £1.5m held to cover the pension deficit (2023: £4.3m).
15. Designated funds consist of unrestricted income funds which the Trustee has decided to set aside for specific purposes over the short to medium term. These totalled £220.6m (2022: £489m), with key funds being:
 - a. Bridges Repair Fund - representing the funds required to maintain the five bridges for the next five years, being the higher of the average 5-year cost over the 50-year plan or the next five years forecast activity. In the year £11.6m was transferred to this fund with £52.4m now set aside to cover costs planned over the next five years (2023: £50.8m)

- b. Bridges Replacement fund - the funds previously designated for bridge replacement (£242.6m) were released back to unrestricted income funds, with the unapplied total return element of the permanent endowment fund holding a notional amount for future major project costs for the bridges
 - c. Grant-making fund - represents surplus income which has been designated for future grant-making activities. The balance on the grant-making fund at year-end is £130m (2023: £179.9m), a decrease of £49.9m as commitments are made against the £200m uplift.
 - d. Social Investment fund - under the new powers within the 2023 Royal Charter, a designation for Social Investment (SI) has been approved, with a balance of £22.1m placed from funds available for the ancillary object.
 - e. Climate Action fund - represents funds set aside to further progress and potentially accelerate delivery of the Charity's Climate Action Strategy, with a balance of £15.0m (2023: £15.0m).
 - f. Property Dilapidations - minor balance held for repairs at end of tenancies.
16. The charity holds free reserves of £408.5m, being the balance of unrestricted income funds after deducting the designated funds. Amounts held are £318.5m above the current policy. The increase in free reserves has been driven by the provision for future bridge replacement costs now being held within the endowment fund, following the adoption of total return, with the release of the previously held designated fund for this purpose. The trustee will utilise available unrestricted income funds for the purposes of the charity prior to drawing down from the Unapplied Total Return (UTR) element of the permanent endowment fund.
17. The Trustee remains cautious of the impacts of the ongoing challenging economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

Audit Progress

18. Crowe's audit work is substantially complete, apart from completion of central recharges, conclusion of review of the investment property valuations and final reviews prior to sign-off. It is anticipated that the audit will be concluded satisfactorily to enable Crowe to issue an unqualified opinion as stated within paragraph 4 of this report.
19. Crowe representatives will attend the Audit and Risk Management Committee to present their findings report, update on the status of the audit and to clarify any points or issues raised.

Conclusion

20. The Audit and Risk Management Committee are requested to recommend for approval the Annual Report and Financial Statements as at 31 March 2024 to the CBF Board. The Chair and Deputy Chair of the CBF Board will sign the Annual Report under delegated authority from the Board, with the Report to be presented to the Court of Common Council.

21. Once approved the Annual Report and Financial Statements will be submitted to the Charity Commission and published online on both the charity's and City Corporation's websites.

Contact:

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City Bridge Foundation Reporting Accountant
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Appendix 1: Draft Annual Report and Financial Statements for City Bridge Foundation 2023/24

Appendix 2: Crowe's Report to the Audit & Risk Management Committee

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**CITY BRIDGE
FOUNDATION**

**ANNUAL REPORT &
FINANCIAL STATEMENTS**
For the year ended 31 March 2024

Charity registration number 1035628

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CHAIR'S STATEMENT

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

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

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

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

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

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

The work was completed on time and on budget, and indirectly led to possibly the biggest media and social media story in our history, due to the bundle of straw hung from the bridge in accordance with an ancient bylaw, which captured the imagination of people around the world and provided a timely boost to our newly launched brand.

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

These achievements will stand the bridge in good stead as it celebrates its 130th birthday and help the Foundation look to the future with its long-term development plan, which will help it achieve the ambition for Tower Bridge to be a world-leading visitor attraction driven by values and impact.

The plan, the first phase of which is being delivered under the name ‘Tower Bridge in Motion’, will see the visitor attraction expanded into currently unused spaces and its cultural offering brought out onto the bridge deck itself to be enjoyed by some of the 40,000 people who cross between the Middlesex and Surrey shores every day.

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

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

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

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

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

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

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

Work taking place in the year ahead includes the second phase of the Anchor Programme, with an additional £15 million available, and our £10 million suicide prevention programme, aimed at achieving systemic change, funding community

projects that support people vulnerable to suicide and hoping to reduce the statistic that ten people in London take their own lives every week.

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

ORIGINS OF THE CHARITY

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

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

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

The River Bridges

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

London Bridge

- 1097: King William II raises a tax to help repair London Bridge.
- 1209: the first stone bridge is completed. Cross river trade, taxes, rents and bequests result in a fund administered from the Bridge House.
- 1831: the original stone bridge is replaced.
- 1972: the current bridge designed by John Rennie is completed and opened by Queen Elizabeth II in 1973.
- 2023: the 50th anniversary of the current bridge's from it's opening.

Blackfriars Bridge

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

Southwark Bridge

- 1819: bridge designed by John Rennie and completed as a privately owned toll bridge which was unprofitable and ill-used. The bridge was acquired by CBF in 1868 as a toll-free asset. This also allowing for better control of the bridge to catch criminals escaping to Southwark, outside the jurisdiction of the City of London.
- 1921: replaced with a design by Sir Ernest George and Basil Mott and re-opened by King George V.

Tower Bridge

- 1894: completed with a design by Sir Horace Jones, the City Architect, in collaboration with Sir John Wolfe Barry KCB.
- The Trustee has a statutory obligation to raise the bridge for registered vessels with a mast or superstructure of 30 feet or more, free of charge subject to 24 hours' notice, night or day, 365 days a year.
- It is a designated Grade 1 listed building and is maintained and protected as part of the nation's heritage.

Millennium Bridge

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

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

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

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

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

TRUSTEE'S ANNUAL REPORT:

STRUCTURE AND GOVERNANCE

Governing Document

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

Founders	By various ancient gifts of property, added to over the centuries.
Governing Instruments	Historic trust documents governing gifts, grants and bequests including, a Royal Charter of 24 May 1282 A supplemental Royal Charter of 26 November 1957 A supplemental Royal Charter of 01 June 2023 Private Acts of Parliament including: The Blackfriars Bridge Act 1863 The Blackfriars and Southwark Bridges Act 1867 The Corporation of London (Tower Bridge) Act 1885 The Corporation of London (Bridges) Act 1911 The City of London (Various Powers) Act 1926, section 11 The City of London (Various Powers) Act 1949, section 13 The City of London (Various Powers) Act 1963, sections 9 & 32 The London Bridge Act 1967 The City of London (Various Powers) Act 1979, section 19 Various Schemes and Orders made by the Charity Commission: The Charities (Bridge House Estates) Order 1995 (S.I.1995/1047) and the Charity Commission Scheme which took effect by that Order An Order of the Charity Commission sealed 10 July 1997 (350.97) An Order of the Charity Commission sealed 20 July 1998 (251.98) The Charities (Bridge House Estates) Order 2001 (S.I.2001/4017) The Charity Commission Scheme dated 26 August 2005 The Charities (Bridge House Estates) Order 2007 (S.I. 2007/550) Ancient custom and practice.

Governance Arrangements

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

The CBF Board is responsible for the management and control of the charity, in the discharge of the City Corporation's functions as Trustee, under the oversight of the Court. This governance arrangement provides a framework for effective decision-making and better demonstrates decisions that have been taken independently for the charity in its best interests.

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

As with the exercise of any delegated authority, the CBF Board retains responsibility and accountability for all decisions taken by its Funding Committee and Investment Committee, with ultimate responsibility and oversight for the City Corporation as Trustee of CBF remaining vested in the Court.

Membership of the CBF Board and its Committees, is drawn from the 125 elected Members of the Common Council together with external appointees. In making appointments, the Court of Common Council will take into consideration any skills, knowledge and experience of the elected Members, and where relevant, external appointees. External appointments are made after a 'skills' audit. Members of the Court of Common Council are unpaid for support provided to CBF and are elected by the electorate of the City of London

To support its responsibilities, the CBF Board resolved to proactively consult with, and seek the advice of, other Committees of the Court of Common Council. By doing so, it draws on their skills, knowledge and experience, to facilitate delivery of existing workstreams under the revised delegation arrangements from the Court, and to better inform the Board's decision-making on certain matters. The following Committee's advice was sought on matters as described below in the year 2023/24:

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

The above Committee is ultimately responsible to the Court of Common Council.

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

Organisational structure and decision-making process

The charity is administered in accordance with its governing documents and the law. The Trustee discharges its duties and functions in accordance with the City Corporation's own procedures and internal corporate governance framework (which include Committee Terms of Reference, setting out the scope of delegations from the Court of Common Council, alongside Standing Orders for conduct of meetings, Financial Regulations, a Members' Code of Conduct, and the Chief Officers' Scheme of Delegations, etc). These City Corporation governance documents can be obtained via a request to the email address stated on page 72.

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

A Conflicts of Interest Policy was approved by the Court of Common Council during 2023. This policy will support the Trustee (and Members individually) in managing conflicts of interest and loyalty in discharging the City Corporation's functions as trustee of CBF and when acting in the City Corporation's other capacities. It took effect when the new Supplemental Royal Charter was sealed on 01 June 2023.

Induction and Training of Members

The City Corporation makes available to its Members (and external appointees), seminars and briefings on various aspects of its activities, including those concerning the charity, to better enable them to perform their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of CBF, with an emphasis on involvement for those Members (and external appointees) actively working with the charity. If suitable seminars or other training options are identified that are relevant to the charity, Members (and external appointees) are advised of these opportunities. In 2023/24, CBF developed its own Member Induction Programme and continues to monitor engagement with all CBF training. All Members of the Board (including external appointees) undertake training on Equity, Diversity and Inclusion as relevant to the charity's activities.

Purposes and activities

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

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

The strategy sets a clear and ambitious vision for a connected capital, which will be delivered by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. Our cross-cutting strategic ambitions of Equity, Diversity and Inclusion will be fundamental to everything the charity does.

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

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

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

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

Public benefit statement

The five river bridges maintained and supported by the charity are available to the general public on an open access basis at no cost to the taxpayer. Regarding the funding activities of the charity and other support provided for the charitable sector, the Trustee awards grants in line with its approved policy to address disadvantage across London's diverse communities and provides more general support to the charitable sector through various strategic initiatives. This process is based upon published criteria, and through thoughtful analysis and collaboration with other partners in the sector regarding the needs of marginalised communities in Greater London. The charity uses a transparent and fair assessment process and ensures that a robust monitoring system is in place to establish the public benefit derived from each grant approved alongside the other activities of the charity.

Consequently, the Trustee considers that CBF operates to benefit the general public and satisfies the public benefit test. Regard has been had to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

Reference and administrative details

The administrative details of the charity are stated on pages 71 – 72.

ACHIEVEMENTS AND PERFORMANCE

The Bridges

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

Our bridges form a critical part of London’s transport infrastructure, help keep the capital moving and support its role as a global capital of business, culture and tourism.

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

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

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

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

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

Tourism at Tower Bridge

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

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

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

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

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

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

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

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

New experiences included displays and content relating to the Bridge's social history and the diversity of its modern-day workforce. These included a family-focused trail activity and the launch of a free audio and digital tour using the sector-leading Smartify app, a key development for the attraction's access and inclusion credentials.

The Bridge also celebrated the coronation of King Charles III in May 2023 with a special weekend of events. Commemorative tickets were issued and visitors were invited to take part in themed family activities. A specially designed commemorative emblem was displayed across all marketing materials and bespoke retail items.

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

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

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

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

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

City Bridge Foundation' Funding and Philanthropic Activities

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

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

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

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

Responsive, relational and flexible funding

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

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

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

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

forward in a series of actions which the charity aims to implement over the course of the next year and beyond.

CBF was a founder funder of the capital's place based giving (PBG) movement and of London's Giving, the umbrella body which supports the movement in London. This year, the charity continued this commitment by spending £615k on a new London's Giving Resource Hub which will, over the next ten years, build, amplify, increase, and develop the range and depth of support currently available under the London's Giving initiative. CBF also awarded grants of more than £350k to PBG schemes across the capital for development work in individual boroughs.

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

Funding collaboration and systems change

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

A further contribution of £5m was made to support LocalMotion, a collaboration between six major funders and six local places to tackle community issues upstream and build a social, economic and environmental justice movement, by communities, for communities.

CBF awarded 19 grants worth £1.4m to tackle inequality through systemic cross-sectoral change via Round One of the Propel programme, a collaboration between ten of London's largest funders and equity infrastructure bodies, co-ordinated by London Funders. This brings the total awarded in Propel Round One by CBF to over £7m. One hundred percent of grant holders are organisations led by and for the communities they serve (where at least 75% of the board and at least 50% of staff are representative of the community/ies being supported). CBF has committed £30m towards Propel over the course of ten years. Adopting a relational approach to grant management, plans are underway to offer two-year extension grants to some Round One grant holders. The application process will minimise required documentation, reducing the burden of reapplication for organisations.

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

Through its one-off Anchor Programme, CBF awarded £14m of long-term (up to ten year) core grants to equity focused infrastructure bodies across London. The funding will

provide long term sustainability to organisations which underpin London’s civil society by providing advocacy, leadership, convening, training and development support to service delivery charities and other community bodies across the sector. Grants included £1.4m to both Action for Race Equality and the LGBT+ group Consortium.

Other notable strategic work

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

CBF Investments

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

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

Investment strategy

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

The ISS covers the investment of the charity's permanent endowment fund – both now and in the future - and unrestricted income fund. It encompasses property, financial and social investments. The charity's investments are invested in accordance with the powers set out in an Order of the Charity Commission dated 20 July 1998, the charity's Supplemental Charters of 1957 and 2023, the Trustee Act 1925 and the Trustee Act 2000; and in accordance with its ISS.

The charity defines investment risk principally as the danger of failing to meet its primary purpose. As an endowed charity, the Trustee has a duty, when investing the permanent endowment, to balance capital growth and income return to meet the charity's purposes now and in the future. To achieve this, the real value of the permanent endowment is required to be preserved, after providing for annual expenditure, and setting aside provisions for the future. Due to the in-perpetuity nature of the objects and value of the charity's funds, the charity can take a more long-term view and tolerate a reasonable level of short-term volatility to the value of the endowment fund as an investment opportunity rather than as a threat. The long-term objectives of the portfolio are to:

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

- c. Reflect the approved impact considerations alongside financial considerations to generate the best financial return for CBF.

CBF has balanced the potential for conflict and reputational damage, as well as the expectations of key stakeholders that it will act as a leader in responsible investment. In the process of integrating this approach, a materiality assessment was undertaken to identify which UN Sustainable Development Goals (SDGs) had a direct impact on the charity and its activities. The four identified are:

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

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

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

The Investment Committee of the CBF Board was established during the year, with specialist external co-opted members appointed. The focus during 2023/24 has been on implementation of the ISS, commencing with a review of the allocation of investment assets held.

Performance of the charity's investments during the year is stated on pages 17-21 and set out in Notes 13-15.

Property Investments

CBF has a property investment portfolio comprised of assets located primarily in the City of London and the London Borough of Southwark. The portfolio is predominately comprised of offices together with retail, industrial and education assets, and represents 89.9% of the permanent endowment funds of the charity. There are now 60 assets (2022/23: 62 assets) within the portfolio of which 55.8% by value are ground leases, providing regular income. Due to their nature, 12 of these assets, such as bridge vaults, are not benchmarked alongside the rest of the portfolio but are valued externally.

The underlying value of the property portfolio, as disclosed in the balance sheet, decreased by £40.6m (4.8%) to £800.5m as of 31 March 2024. The fall in values across the CBF property investment portfolio mainly reflects the economic background of high interest rates and high, albeit reducing, inflation. As interest rates increased throughout the financial year, there was a sharp decrease in property investment

transactional activity in the market. Property values have dropped as valuation yields increased.

The ISS set the objectives for this portfolio for 2023/24 and the financial target is to achieve a minimum portfolio return of CPI plus 4% on a rolling 10 year period net of fees. A review is being undertaken to implement this revised target.

In terms of performance against peers the aim is to outperform the MSCI Benchmark for total returns on an annualised 5-year basis, for Greater London Properties (including owner occupied). The portfolio outperformed the MSCI benchmark across all reported periods.

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

* Inclusive of lease smoothing adjustment

** Inclusive of service charge income

Review of key activities from 2023/24:

- Sale of the freehold interests in two assets for £4.04m. The major refurbishment of 84 Moorgate has progressed, with the certificate of practical completion being issued in April 2024. Similarly, the refurbishment of 30 New Bridge Street has progressed with practical completion in April 2024. Both schemes remain on target to achieve EPC B and BREEAM ratings of Excellent, while reducing carbon emissions. The impacts of high inflation and delays on these projects have, however, continued to be felt.
- In respect of letting of vacant office space, at 120 Cannon Street a further floor was let, but seven have proved difficult to let due to market conditions. Fitting out works, something a tenant would ordinarily undertake, have been implemented, with two floors completed and the remaining to be progressed in 2024/25. There has been a notable increase in viewings as a result. Heads of terms have been agreed for the letting of the whole of the office space at 30 New Bridge Street.
- Refurbishment of an office floor at 38 New Bridge Street has been completed, with an EPC rating of B. The refurbishment of two floors at 4-5 Chiswell Street also completed, with an EPC of C. Ongoing works to install air source heat pumps at this address are due to be completed in 2024/25 and should improve the whole building's EPC rating to B.
- The planned refurbishment of two assets has been stopped due to viability issues with alternative strategies being developed.
- There have continued to be issues/delays with major ground lease transactions during the year due to the state of the commercial property market in London. This has meant that anticipated significant capital receipts did not materialise as planned.

Financial Investments

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

To achieve its objectives, the portfolio is invested across a diverse array of asset classes, on a global basis, which includes exposure to publicly listed equities, fixed income, multi-asset funds, infrastructure and private equity. The charity primarily accesses these asset classes through pooled fund vehicles, each managed by specialist appointed fund managers. The performance of the financial investment portfolio is shown in the table below:

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

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

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

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

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

witnessed at the end of 2023 was sustained into the first quarter of 2024, supported by a resilient and generally solid economy, despite on-going geo-political tensions, and continued enthusiasm for developments in artificial intelligence.

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

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

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

Social Investments

The new Supplementary Royal Charter included an express bespoke power to make social investments in advancing the ancillary object of the charity. During the year, the Investment Committee approved a Social Investment Policy to encompass CBF's future activity in this market which is governed by both the ISS and the Bridging Divides policy for the furtherance of the ancillary object. CBF's new Social Investment Policy and legal criteria in the exercise of the bespoke social investment power mean that social investments should be made with a view to both:

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

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

Plans for future periods

With a newly refreshed strategy, CBF has a clear and ambitious vision for a connected capital, which we will deliver by maintaining and promoting world-class bridges, developing and delivering world-class charitable funding, and embedding and encouraging world-class responsible business practices. CBF's cross-cutting strategic

ambitions of Equity, Diversity and Inclusion and Climate Action will be fundamental to the charity's endeavours in this and future years.

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

The vision for the next year across the activities of the charity includes:

The Bridges:

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

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

Tower Bridge Tourism:

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

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

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

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

Funding:

CBF's Suicide Prevention programme was developed throughout the year and will be launched in early 2024/25, with an expected spend of £10m. This programme aims to support people who are vulnerable to suicide and achieve systemic change in the area of suicide prevention in London. It has been developed following extensive consultation with the sector through a series of roundtables, an advisory panel consisting of people

with lived experience of suicidal ideation and behaviour or bereavement by suicide, and one-to-one conversations with cross-sector leaders.

A second and final phase of the Anchor Programme will also open to applications in 2024, with the aim of providing long-term, core funding to the second-tier organisations which provide support to London's frontline groups. There will be a funding pot of nearly £15m and it is estimated that between 13–15 organisations will receive funding.

Wide consultation, supported by the cross-party think tank Demos, will continue to inform and shape the charity's Future Funding Policy. Planned activities include a series of face-to-face and online consultations, an online survey of a representative sample of 1,000 Londoners, and engagement with young people and with equity partners. There will be internal engagement, especially with the funding team, and a full evaluation of CBF's Bridging Divides funding strategy.

Investments

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

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

Financial Investments: Throughout 2024/25 the Investment Committee will monitor the performance of the financial investments, which with effect from 1 April 2024 will be monitored at CPI +4% on a rolling 10 year basis, managing the performance of appointed investment managers whilst supporting the changes that result from the ongoing implementation of the new impactful focussed ISS. Supporting plans to achieve the ambitious climate action strategy of CBF will continue to be a key focus.

FINANCIAL REVIEW

Overview of financial performance

The charity continued with its plans in the refurbishment and maintenance of its bridges as well as having a record year in Tower Bridge tourism income with the increasing number of visitors. This year's grant giving surpassed the previous year's record high amount. This was against a backdrop of a continued challenging economic environment and uncertainties within investment markets. The prudent management of investment assets has ensured that the charity remains financially resilient and has sufficient funds available to meet its primary objective - the support and maintenance of its five Thames bridges - alongside its ancillary purpose of charitable funding for the general benefit of the inhabitants of Greater London

Income

Total income for 2023/24 was £39.7m, up by £4.4m on the previous year (£35.3m).

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

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

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

Other income of £0.3m includes fees receivable by the charity for undertaking administrative duties on behalf of other organisations and bridges film and licences income for granting access to third parties to the bridges.

Expenditure

Expenditure for the year totalled £117.6m, being up by £13.9m from 2022/23. Bridge related expenditure was £11.1m (2022/23: £18.0m). The reduction in spend is driven by the pause of significant refurbishment work on Blackfriars Bridge due to the intensity of other work being completed in the vicinity creating access issues, with work expected to continue in October 2024. Millennium Bridge was closed for three weeks in October 2023 to carry out work on the deck. Structural maintenance projects were carried out in the year over at Tower Bridge. Further increases in footfall at Tower Bridge, have further increased expenditure levels to meet demand.

Spend on funding activities has reported the highest ever grant commitments in the year, totalling £83.2m (including linked operational spend), an increase of £17.9m on prior

year. The additional £200m that was allocated by the Trustee in March 2020 to further the ancillary object as being surplus income (to that required for the bridges, the charity's primary object) continues to support high levels of commitments.

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

Overall performance

Overall performance has led to a planned deficit of £77.9m (2022/23: £68.4m), prior to movements on investments held. As at 31 March 2024, the charity has reported total losses on investments of £5.7m (2022/23: £60.9m). The charity's financial investments had a strong recovery this year, resulting in a gain of £68m compared to £1.8m last year. Opposing this was a loss on property investments of £73.7m (2022/23: £62.5m). The losses are attributed to the economic background of high interest rates and high, albeit reducing, inflation. Further details on the performance of investments is stated on pages 18 -19.

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

Funds held

Total funds held by the charity as at 31 March 2024, decreased by £80.9m to £1,532.7m (2023: £1,613.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Within total funds, £904m represent the permanent endowment fund (2022/23: £969.2m). The charity adopted the Total Return approach to investment of the permanent endowment fund from 01 June 2023. As a result, all income, expenditure, and gains/losses arising from the investments representing the endowment are accounted for within this fund, which is available to be spent on the charity's purposes. In the year no distributions were made from the endowment fund to fund unrestricted activities of the charity, details of endowment fund can be found on page 64

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

The unrestricted income funds of the charity totalled £628.7m (2023: £ 644.2m) being net of £1.5m held to cover the pension deficit (2023: £4.3m). Within the unrestricted income funds, designations have been made for specific purposes. As at 31 March 2024, these designations totalled £220.6m (2023: £489m). Detail of designated funds is within Note 22, with key changes in the year being:

- Release of the bridge replacement fund, with provision for future expenditure now held within the endowment fund
- Establishment of a social investment fund, to represent income funds identified as available from the ancillary purpose to be utilised for this purpose
- Transfer of surplus income funds of £30m to the grant-making designation
- Additional funds of £11.4m designated for repair and maintenance of bridges over the next 5 year-period

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

Reserves policy

The charity holds a substantial permanent endowment fund. It is the Trustee's policy to invest the assets of the charity held within this fund to retain the real value of the endowment whilst also generating sufficient returns to fund the charity's primary purpose to maintain and support its five river bridges in perpetuity. Any income surplus to that required to be applied to the charity's primary purpose in any one year is predominantly used to provide assistance in the form of grants to charitable organisations across Greater London.

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

The free reserves of the charity, within its unrestricted income funds, are held to cover working capital needs and a provision for unplanned urgent activities. In 2023/24, following review, the target level of free reserves was maintained at £35m. Alongside this, an additional £55m is held (giving a total of £90m) reflecting growth uncertainties across the forecast period. This amount is subject to annual review.

Reserve levels held as at 31 March 2024 are set out in Note 22. The charity holds free reserves of £408.5m (2023: £155.2m), which is £318.5m above the current policy. The increase in free reserves has been driven by the adoption of total return, with the provision for future major bridge costs now held within the endowment fund with the release of the previously held designated fund for this purpose. The trustee will utilise available income funds prior to drawing down from the UTR. The Trustee remains cautious of the impacts of the ongoing uncertain economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

Remuneration policy

The charity's key management personnel, as defined within Note 11 to the financial statements, are employees of the City Corporation and, alongside all other staff, their pay is reviewed annually. Salary costs incurred by the Trustee in administering the charity are re-charged to CBF. The City Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised during the year.

The Managing Director's post is evaluated and assessed independently against the external market allowing the post to be allocated a salary range which incorporates market factors as well as their relevance to the charity.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established by the City Corporation to actively promote equity, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan. This also includes addressing the City Corporation's gender pay gap.

Fundraising

Section 162(1)(a) of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although the charity does not undertake widespread fundraising activities, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is undertaken by the CBF team, who are accountable to the Trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

The charity has received no complaints in relation to fundraising activities in the current year (2022/23: nil). Individuals are not approached for funds hence the charity does not consider it necessary to design specific procedures to monitor such activities, including those designed to protect vulnerable people.

Principal risks and uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the Executive Leadership Team and the City Bridge Foundation Board ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided.

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

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

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

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

Going concern

Financial resources are well placed to manage the business risks. The planning processes of the charity take into account the current uncertain economic climate and its potential impact on both income, investment returns and expenditure – both now and in the future – with a focus on the liquidity of the charity over the next 12-month period. The Trustee is satisfied that the charity could absorb significant changes in investment values with no impact on its ability to continue as a going concern due to the substantial size of its endowment fund. A rolling annual review of the charity's detailed forecast financial position over a 3-year period is carried out, alongside 10-year modelling of funds held to confirm that sufficient returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding. The ancillary purpose of CBF is undertaken only where surplus income is available in any year after responsibilities relating to the Bridges have been met. Should it be required, this method of operation provides flexibility to the charity when approving future plans. As such, the Trustee considers that all appropriate steps have been taken to effectively manage risk and that overall, there are no material uncertainties that affect the financial position of the charity. Therefore, the financial statements have been prepared on a going concern basis.

Trustee responsibilities

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity. This includes the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records. These must be sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity. They must also enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.

Dr Giles Shilson

Paul Martinelli

Chair of CBF Board

Deputy Chair of CBF Board

Guildhall, London

XX Month 2024

Independent Auditor’s Report to the Trustee of City Bridge Foundation

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2024

	Notes	Unrestricted Funds £m	Endowment Funds £m	2023/24 Total Funds £m	2022/23 Total Funds £m
Income and Endowments from:					
Voluntary income	2	-	-	-	0.1
Charitable activities	3	10.5	-	10.5	7.6
Investments	4	7.6	21.3	28.9	27.2
Other income	5	0.3	-	0.3	0.4
Total Income		18.4	21.3	39.7	35.3
Expenditure on:					
Raising funds	6	6.2	8.9	15.1	12.0
Charitable activities					
Repair and maintenance of bridges		11.1	-	11.1	18.0
Tower Bridge tourism		8.1	-	8.1	6.6
Charitable funding		83.2	-	83.2	65.3
Total charitable activities	7	102.4	-	102.4	89.9
Other					
Net pension scheme costs	19	0.1	-	0.1	1.8
Total Expenditure		108.7	8.9	117.6	103.7
Net (expenditure) before (losses)/gains on investments		(90.3)	12.4	(77.9)	(68.4)
Net (losses) property investments	13	-	(73.7)	(73.7)	(62.5)
Net gains/(losses) on financial investments	14	71.9	(3.9)	68.0	1.8
Net (losses) on social investments	15	-	-	-	(0.2)
Total gains/(losses) on Investments		71.9	(77.6)	(5.7)	(60.9)
Net (expenditure)/income after losses/(gains) on investments		(18.4)	(65.2)	(83.6)	(129.3)
Other recognised gains:					
Actuarial gains on defined benefit pension scheme	19	2.9	-	2.9	20.3
Net movement in funds		(15.5)	(65.2)	(80.7)	(109.0)
Reconciliation of funds:					
Fund balances brought forward at 1 April 2023		644.2	969.2	1,613.4	1,722.4
Total funds carried forward	21	628.7	904.0	1,532.7	1,613.4

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 36 to 70 form part of these financial statements.

BALANCE SHEET

As at 31 March 2024

	Notes	2024 Total £m	2023 Total £m
Fixed assets:			
Tangible assets	12	2.9	3.0
Investment properties	13	800.5	841.1
Financial investments	14	802.7	819.7
Social investments	15	1.2	8.9
Total fixed assets		1,607.2	1,672.7
Current assets			
Stock		0.4	0.3
Debtors	17	13.1	14.8
Short term investments and deposits	14	47.5	35.7
Cash at bank and in hand		10.4	7.6
Total current assets		71.4	58.4
Creditors: Amounts falling due within one year	18	(79.5)	(67.6)
Net current (liabilities)		(8.1)	(9.2)
Total assets less current liabilities		1,599.2	1,663.5
Creditors: Amounts falling due after more than one year	19	(65.0)	(45.8)
Net assets excluding pension scheme liability		1,534.2	1,617.7
Defined benefit pension scheme liability	20	(1.5)	(4.3)
Total net assets	21	1,532.7	1,613.4
The funds of the charity:			
Permanent endowment funds		904.0	969.2
Designated funds		220.6	489.0
General funds		408.1	155.2
Total funds	21	1,532.7	1,613.4

The notes on pages 36 to 70 form part of these financial statements

Approved and signed on behalf of the Trustee

Caroline Al-Beyerty

Chamberlain and Chief Financial Officer

XX MONTH 2024

STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	2023/24 Total £m	2022/23 Total £m
Cash flows from operating activities:			
Net cash (used in) operating activities	22	(73.6)	(60.3)
Cash flows from investing activities:			
Dividends, interests and rents from investments		28.9	27.2
Additions to short term deposits		(117.4)	(89.8)
Proceeds from sale of short term deposits		105.6	81.0
Sale of investment property		4.0	7.9
Purchases and improvements of property		(37.1)	(23.4)
Additions to tangible fixed assets		(0.2)	(0.2)
Additions to Social Investments		(0.1)	(0.9)
Social Investments repayments		0.5	0.4
Additions to financial investments		(138.0)	(208.3)
Proceeds from sale of financial investments		230.3	269.9
Net cash provided by investing activities		76.4	63.8
Increase in cash in the year		2.8	3.5
Change in cash and cash equivalents in the reporting period		2.8	3.5
Cash and cash equivalents at the beginning of the reporting period		7.6	4.1
Cash and cash equivalents at the end of the year	23	10.4	7.6

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements of the charity.

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified for the revaluation of investment property and financial investments measured at fair value, and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

The City Corporation is Trustee of the charity, with officers of the City Corporation providing administrative services for both the charity and other Funds for which it is responsible. All assets, liabilities, income and costs are accounted for by the charity individually. Where required, costs are apportioned based on actual activity of the charity. Please see note 1 (c) (vi) below for further explanation.

The Financial Statements are presented in sterling which is the functional currency of the charity.

b. Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. A rolling detailed annual review of the charity's forecast financial position over a three-year period is carried out, alongside ten-year modelling of funds held, to confirm that sufficient investment returns will be generated to finance required expenditure on the bridges with any available surplus funds allocated to charitable funding.

In assessing the appropriateness of the going concern basis, the Trustee has considered the charity's financial position, the value of investment assets held, future investment return levels, expenditure requirements and the liquidity of the charity, taking into account the inflationary pressures and the changing economic environment. The primary purpose of the charity is to meet the needs of the bridges, ensuring that adequate funds have been set aside to cover both short and long-term. The Trustee is satisfied that it will have the necessary resources to meet these needs. Accordingly, as further stated on page 30, the Trustee has a reasonable expectation that the charity will continue as a going concern for at least 12 months from the date of signing this report and has adopted this basis for the preparation of the financial statements.

c. Critical accounting judgements and assumptions

Key accounting judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the significant judgements that have been made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements:

i. Valuation of investment properties

Investment properties are properties ultimately owned by the charity and are held for capital appreciation, rental income, or both. They are valued at each balance sheet date at fair value as determined by professionally qualified internal and external valuers.

Valuations are prepared in accordance with "RICS Valuation – Global Standards (incorporating International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, (the "RICS Red Book"). The valuations apply market capitalisation rates to future rental cash flows with reference to data from comparable market transactions together with an assessment of the security of income. Where lease premia or costs relating to rent free periods are recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued or deferred income, does not exceed the fair value as assessed by the external valuers.

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

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

While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges, and the cost and accessibility of debt finance continue to impact pricing. As a result, the potential for future value erosion cannot be discounted, particularly for secondary properties and those outside prime markets.

Whilst we anticipate that market sentiment will continue to improve during the course of 2024, the anticipated General Election may curtail the prospect for a sustained return to growth this year.

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

ii. Investment property disposals

When accounting for the disposal of long leaseholds of investment properties, the charity utilises the methodology as set out within the RICS Professional Standards ("the Red Book") in apportioning values between land and buildings. This includes a number of factors such as insurance values and future construction costs, which are subject to judgement.

iii. Valuation of financial investments

Within financial investments are amounts invested in private equity fund vehicles. These funds are valued by the fund managers based on a number of assumptions, some of which are based on non-observable inputs (such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples).

iv. Valuation of social investments

Unquoted social investments are in some cases internally valued, and management is required to make certain judgemental assumptions. Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

v. Defined benefit pension scheme

The charity has an obligation to pay pension benefits to those working for it. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See Note 19 for the disclosures relating to the defined benefit pension scheme, alongside further detail on the sensitivity of assumptions made.

The Pension Fund is the responsibility of the City Corporation as a corporate body exercising its functions including as Trustee of CBF, and the charity does not have an exclusive relationship with the City of London Pension Fund. The proportion of the Pension Fund that relates to City Corporation employee members engaged on CBF activities is not separately identifiable. However, an estimated share of the total Pension Fund net deficit has been allocated to CBF on employer's

pension contributions paid into the Fund by, CBF as a proportion of total employer's contributions paid.

vi. Allocation of support costs

Support costs, incurred by the City Corporation on behalf of the charity, are allocated on a cost recovery basis to the charity. Human resources and digital services are apportioned on a headcount basis. Legal support and public relations are allocated per usage; premises costs are allocated on a space occupied basis; accounting services costs are allocated on the basis of time spent and number of invoices processed; with committee administration costs allocated on the basis of the number of committees overseeing the charity's activities.

d. Income and expenditure

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income; it is probable that the economic benefit associated with the transaction will come to the charity and the amount can be measured reliably. Income consists of fees and charges from the tourism operation at Tower Bridge, grants income, income from property (see policy g below) and financial investments and income on money market deposits held.

Grant income - Grant income is accounted for on a receivable basis when there is evidence of entitlement to the grant, receipt is probable, and the amount of the grant can be measured reliably.

Tower Bridge tourism fees and charges - Income included under this heading includes admissions fees, events income, retail and filming fees, all of which are recognised in the period to which the income relates.

Investment property income - Income is recognised on an accrual basis and on a straight-line basis (note (1) (g)).

Financial investments income – consists of dividends and interest which are recognised when receivable.

Other income - is recognised in the period in which the charity becomes entitled to receipt.

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds', 'expenditure on charitable activities' and 'other expenditure'.

Expenditure on raising funds comprises those related to management of the investment property portfolio and financial investments, including apportioned support costs. The element of costs relating to property and financial investments that are attributable to maintaining the capital value of the endowment are charged to that fund, with the balance of these costs coming from the unrestricted income fund.

Expenditure on charitable activities comprises repair and maintenance of the bridges, those related to the operation of the Tower Bridge tourist attraction, alongside grant-making, including apportioned support costs.

Grants are recognised as expenditure at the point at which an unconditional commitment is made, with notification made in writing to the grantee, and where the liability can be quantified with reasonable certainty. For multi-year grants where payment is planned over more than one year from the date awarded, the charity reviews the present value of future payments for materiality. In 2023/24, the present value of future payments is material, and the liability is recognised at present value. The discount rate of 4.3% used is considered as the most current available estimate of the opportunity cost of money and is based on the expected real rate of return on the investment portfolio.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the activities undertaken. These include external audit, internal audit and costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, technology, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in Note 10.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid, with details provided in Note 11.

e. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate of exchange. All gains or losses on translation are taken to the Statement of Financial Activities in the year in which they occur.

f. Pension costs

Defined benefit scheme

The Trustee operates a funded defined benefit pension scheme for its staff employed on its activities, which includes staff acting for the Trustee on behalf of City Bridge Foundation. The original scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salary, with various protections in place for those members in the Scheme before the changes took effect.

For the defined benefit scheme the amounts charged within expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net

amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in the charity and are invested by independent fund managers appointed by the Trustee. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary, using the projected unit method and discounted at a rate equivalent to the current rate of return, on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the balance sheet.

g. Operating leases – City Bridge Foundation as the lessor

Assets subject to operating leases are included in the Balance Sheet according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis until the next rent review, even if the payments are not received on this basis, unless another method is more representative of the time pattern in which the benefits derived from the leased asset are diminished. Rent-free periods are allocated over the term of the lease.

Rent concessions including the forgiveness of a portion of or all lease payments for an agreed period (i.e., a temporary rent reduction or rent holiday) have been recognised over the periods that the changes relate to and in accordance with the appropriate guidance.

h. Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

i. Fixed assets

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

Computer software	3 years
Computer and other equipment	5 years
Fixtures and fittings	8-20 years
Operational assets	10-30 years

Land is not depreciated.

Where a fixed asset (other than freehold land) is not depreciated or has a life of more than 50 years, an annual impairment review is carried out.

Heritage assets

In recognition of the historical and cultural nature of the five bridges maintained by the charity, these are considered to be heritage assets in line with the definition within FRS 102. The bridges are also considered to be inalienable (i.e., they may not be replaced or disposed of without specific statutory powers). A valuation of the bridges, and certain strategic properties integral to the operation of Tower Bridge, is not included in these accounts as the Trustee does not consider that relevant cost or valuation information can be obtained at a cost commensurate with the benefit to readers of the financial statements. This is because of the unique nature of the assets held, the lack of reliable cost information held and the lack of comparable market values. The insured value, with cover being for all risks, of the five bridges at 31 March 2024 was £1,256.7m (2023: £1,143.5m). All significant repair and refurbishment costs related to the bridges are expensed within the SOFA in line with expenditure policy 1(d).

Investment properties

Investment properties for which fair value can be measured reliably on an on-going basis are measured at fair value annually with any change recognised in the Statement of Financial Activities. The valuations are estimated by appropriately qualified professional valuers.

No depreciation or amortisation is provided in respect of freehold or leasehold investment properties.

Financial investments

i. Quoted investments

Quoted investments comprise publicly quoted, listed securities including shares, bonds and units. Quoted investments are stated at fair value at the balance sheet date. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade.

ii. Unquoted investments

Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018). Valuations include assumptions based on non-observable market data, such as discounts applied either to reflect changes in the fair value of financial assets or to adjust earnings multiples. Where a valuation is not available at the balance sheet date, the most recent valuation is used, adjusted for cashflows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date. These valuations are provided by fund managers and are subject to either independent valuation or annual audit.

iii. **Cash held by fund managers**

The fund managers utilised by the charity may hold investments in the form of cash from time to time when making transactions. These amounts are recognised within investments due to the intention to reinvest.

Social investments

Social investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity, social investment funds and partnerships, and similar investments are held at cost, less any provision for diminution in value, unless the charity is able to obtain a reliable estimate of fair value.

j. Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the Tourism operation at Tower Bridge.

k. Cash

Cash and cash equivalents include cash in hand, short term deposits and other instruments held as part of the City Corporation's treasury management activities with original maturities of three months or less and, if any, overdrafts.

l. Financial assets and liabilities

Since the charity only has financial instruments which qualify as basic financial instruments, it has chosen to adopt Section 11 of FRS 102 in respect of financial instruments. Financial assets and liabilities, including debtors and creditors, are recognised when the charity becomes party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

m. Funds' structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. The total return approach has been adopted by the Trustee during 2023/24, with all relevant income, expenditure and gains/losses being accounted for with the unapplied total return element of the endowment. The Trustee has adopted a policy to determine use of the unapplied total return.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable objects at the discretion of the Trustee and include both income transferred from the permanent endowment fund and returns generated by investments representing unrestricted funds. Specifically, this represents the surplus of income over expenditure for the charity which has been held to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

2. Income from voluntary activities

	Restricted Income Funds 2023/24 £m	Restricted Income Funds 2022/23 £m
Grant income	-	0.1
	<hr/>	<hr/>
	-	0.1

3. Income from charitable activities

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

4. Income from investments

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

All investments are held to provide an investment return to the charity. Where relevant income is now recognised within the endowment fund following the adoption of Total Return from 1 June 2023.

5. Other income

	Unrestricted Income Funds 2023/24	Unrestricted Income Funds 2022/23
	£m	£m
Other income	0.3	0.4
	0.3	0.4

6. Expenditure on raising funds

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

Investment property expenses - staff costs, repairs and maintenance costs, and professional fees relating to the management of the investment property portfolio.

Financial investment expenses – fees paid to fund managers.

7. Expenditure on charitable activities

	Direct costs	Support costs	Total 2023/24	Direct costs	Support costs	Total 2022/23
	£m	£m	£m	£m	£m	£m
Repair and maintenance of bridges	9.6	1.5	11.1	17.2	0.8	18.0
Tower Bridge tourism	6.2	1.9	8.1	5.8	0.8	6.6
Charitable funding	81.5	1.7	83.2	63.4	1.9	65.3
	97.3	5.1	102.4	86.4	3.5	89.9

Repair and maintenance of bridges - staff costs, repairs and maintenance, insurance, equipment and materials costs relating to the Thames River bridges maintained by the charity.

Tower Bridge tourism - staff costs and other expenses related to the management and operation of the Tower Bridge tourist attraction.

Charitable funding - grants awarded by CBF, for purposes benefiting the inhabitants of Greater London. Direct costs include net grants awarded of £83.0m (2022/23: £60m) and costs of administering the grants process of £3.4m (2022/23: £3.4m).

8. Charitable funding

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

	2023/24	2022/23
	£m	£m
Bridging Divides:		
Core Activities	70.8	34.6
Strategic Initiatives	11.5	19.7
Stepping Stones Fund	-	0.2
Propel	1.4	5.7
Charitable funding	83.7	60.2
Charitable funding adjustments and cancellations	(0.7)	(0.2)
Net charitable funding	83.0	60.0
Other charitable funding related activities	3.4	3.4
Effect of discounting of grant liability	(4.8)	-
	81.6	63.4

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

All grantees receiving funding must work for the benefit of inhabitants of Greater London and have to meet stated eligibility criteria. Grants are not given directly to individuals.

Details of all the grants approved are shown on the CBF website www.citybridgefoundation.org.uk, within the News & events section, including organisation name, amount given and purpose of the award.

Reconciliation of grants payable:

	2023/24	2022/23
	£m	£m
Commitments at 1 April	80.7	48.1
Commitments made in the year	83.7	60.2
Charitable funding adjustments and cancellations	(0.7)	(0.2)
Charitable funding paid during the year	(45.5)	(27.4)
Discounting of grant liabilities	(4.8)	-
Commitments at 31 March	113.5	80.7

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

	2023/24	2022/23
	£m	£m
Within one year (note 17)	62.1	48.6
After more than one year (note 18)	51.4	32.1
Commitments at 31 March	113.5	80.7

The split of future payment dates is based upon contractual terms, which may relate to multi-year commitments.

9. Net income for the year

Net income is stated after charging:

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

10. Support costs

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

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

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

11. Details of staff costs

All staff that work on behalf of the charity are employed by the City Corporation. The average full-time equivalent number of people directly undertaking activities on behalf of the charity during the year was:

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

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

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

The above figures are for the FTE average number of staff rather than the average number of employees on an annual basis due to the City Corporation employing all staff. FTE is based on the activities undertaken for the charity.

In addition, support staff are charged to the charity on the basis described within Note 10. The full-time equivalent number of support staff charged is 38.2 (2022/23: 51.9).

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

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

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

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

All employees paid over £60,000 have retirement benefits accruing under the defined benefit scheme.

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, senior officers employed by the City Corporation and key members of the CBF leadership team. The senior officers of the City Corporation include the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor, and the City Surveyor. These officers work on a number of the City Corporation's activities and their salaries and associated costs are allocated to the activities under its control, including CBF on the basis of employee time spent on the respective services, as stated within Note 11. Further details on this can be found within the Annual Report for City Fund. The CBF executive leadership team comprising the Managing Director, Finance Director, Chief Operating Officer, Chief Funding Director, Philanthropy Director and Director of Communications and Engagement are included within key management personnel.

Total employment benefits, including employer pension contributions and employer national insurance contributions for key management personnel in 2023/24 was £1.1m (2022/23: £927k).

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

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

12. Tangible fixed assets

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

13. Investment properties

	2024 £m	2023 £m
Market value at 1 April	841.1	888.1
Purchases and improvements	37.1	23.4
Book value of disposed assets	(3.4)	(0.9)
Total unrealised (losses)/gains*	(74.3)	(69.5)
Market value at 31 March	800.5	841.1

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

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

	2024 £m	2023 £m
Total unrealised (losses)/gains	(74.3)	(69.5)
Realised gains on disposal	0.6	7.0
	(73.7)	(62.5)

A full valuation was performed as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (“the Red Book”). This was undertaken by Savills (UK) Ltd and Jones Lang LaSalle Limited, chartered surveyors, acting as independent valuers. The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties and various indices.

As many of the investment properties were gifted to the charity and others were acquired centuries ago, it is impracticable to provide historical cost information. It has therefore been assumed that the historical cost is nil. The properties are all situated in Greater London.

The charity determines its valuation policies and procedures and is responsible for overseeing the valuations. Valuations performed by the charity’s independent external valuers are based on information extracted from the charity’s financial and property reporting systems, such as current rents and the terms and conditions of lease agreements, together with assumptions used by valuers (based on market observation and their professional judgement) in their valuation models.

14. Financial investments

Total financial investments as at 31 March are split as follows:

	2024	2023
	£m	£m
Long term investments held by fund managers	794.9	819.7
Impact investments	7.8	0.0
Short term investments	47.5	35.7
	<u>850.2</u>	<u>855.4</u>

a) Movement in long term and cash investments

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

Cash investments

Investments at 1 April	35.7	26.9
Additions to investments at cost	117.4	89.8
Disposals at market value	(105.6)	(81.0)
Investments at 31 March	<u>47.5</u>	<u>35.7</u>

Total investments at 31 March

842.4	855.4
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	2024	2023
	£m	£m
Long term investments	794.9	819.7
Short term investments:		
- short term deposits and money market funds	21.8	16.8
- short term investments in hands of fund managers	25.7	18.9
	<u>47.5</u>	<u>35.7</u>
Total market value at 31 March	<u>842.4</u>	<u>855.4</u>

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

The geographical spread of long term and cash investments at 31 March was as follows:

	Held in the UK	Held outside the UK	Total at 31 March 2024	Total at 31 March 2023
	£m	£m	£m	£m
Fixed Interest	43.7	63.2	106.9	78.7
Index Linked	16.2	-	16.2	31.1
Pooled units	116.6	474.8	591.4	618.9
Listed equities	7.8	15.9	23.7	27.9
Managed funds	25.7	-	25.7	18.9
Private equity	3.2	15.2	18.4	21.7
Infrastructure	-	60.1	60.1	58.2
	213.2	629.2	842.4	855.4

The majority of the charity's financial investments are held in mutual funds operated by professional asset managers whereby the charity's assets are pooled with other investors and invested in equities, bonds and other securities. These investment assets are termed "pooled units" in the above table.

b) Movement in impact investments:

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

The geographical spread of impact investments as at 31 March was as follows:

	Held in the UK	Held outside the UK	Total at 31 March	Total at 31 March 2023
	£m	£m	£m	£m
Investment Fund	3.0	0.2	3.2	-
Loan	0.2	-	0.2	-
Bond	1.3	-	1.3	-
Property Fund	3.1	-	3.1	-
	7.6	0.2	7.8	-

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

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

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

15. Social Investment Fund

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

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

16. Debtors

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

Debtors - amounts due in more than one year

	2024	2023
	£m	£m
Rental debtors	4.0	4.5
	<u>4.0</u>	<u>4.5</u>
Total debtors	<u><u>13.1</u></u>	<u><u>14.8</u></u>

17. Creditors – amounts falling due within one year

	2024	2023
	£m	£m
Grants payable (note 8)	62.1	48.6
Trade creditors	3.2	3.1
Accruals	5.7	6.8
Deferred income	5.5	6.1
Rent deposits	3.0	3.1
	<u>79.5</u>	<u>67.7</u>

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

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

18. Creditors – amounts due after more than one year

	2024	2023
	£m	£m
Grants payable (note 8)	51.4	32.1
Deferred income	11.8	11.9
Other creditors	1.8	1.8
	65.0	45.8

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

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

19. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Cash and City Bridge Foundation).

The assets of the scheme are held in a specific trust separately from those of the City Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund deficit that relates to City Bridge Foundation is not separately identifiable, the share of pension contributions paid to the scheme by the charity is calculated pro-rata to employer's contributions paid by each of the City Corporation contributors to the scheme. Further details can be found in the Annual Report of City Fund.

Accounting for the defined benefit scheme under IAS19

The full actuarial valuation of the defined benefit scheme was updated to 31 March 2022 by an independent qualified actuary in accordance with IAS19. As required by IAS19, the defined benefit liabilities have been measured using the projected unit method. The valuation has been completed under IFRS, in line with the City Fund requirements, rather than under FRS102, with no material differences between the two accounting standards identified.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

The estimated amount of total employer contributions expected to be paid to the scheme by the charity during 2022/23 is £987,000 (2022/23 actual: £969,000). This figure is calculated pro-rata to total contributions that will be payable by the City Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

Barnett Waddingham LLP, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2022, using the projected unit method which will set contributions up to 31 March 2026.

a) Major assumptions by the actuary

Financial

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

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

Life expectancy

The demographic assumptions used are consistent with those used for the most recent Fund valuation (31 March 2022), except for the post-retirement mortality assumptions which have been updated in light of the coronavirus pandemic. The assumed life expectations from age 65 are:

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

Sensitivity analysis

The sensitivity of the liabilities to changes in the key assumptions used to measure the Pension Scheme's liabilities is shown in the table below:

Sensitivity analysis	Change to assumptions %	Impact on liabilities	
		Increase £m	Decrease £m
Salary increases	+/- 0.1	0.0	0.2
Life expectancy	+/- 0.1	1.7	0.0
Discount rate	+/- 0.1	(0.7)	(3.0)

b) Amounts included in the balance sheet

The amounts included in the charity's balance sheet arising from the City Corporation pension scheme's liabilities in respect of the defined benefit scheme for the current and previous two periods are as follows:

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

The net pension fund liability represents 3% (2022/23: 3%) of the total net balance sheet liability in the City Corporation Pension Fund financial statements.

c) Amounts included in the statement of financial activities

The amounts included within total expenditure in relation to the defined benefit scheme are as follows:

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

The total pension costs charged in the Statement of Financial Activities (as adjusted for current service cost and employer's contributions) represents 3% (2022/23: 3%) of the total charge in the City Corporation Pension Fund financial statements.

d) Asset allocation

The current allocation of the scheme's assets is as follows:

Employer asset share - bid value	2024		2023	
	£m	% p.a.	£m	% p.a.
Equity investments	23.0	56	22.2	59
Cash	0.4	1	0.3	1
Infrastructure	5.4	13	5.1	13
Absolute return portfolio	6.6	16	10.3	27
Bonds	5.9	14		
Total assets	41.3	100	37.9	100

The charity's share of pension scheme assets at 31 March 2024 represents 3% (2022/23: 3%) of the total pension scheme assets of the City Corporation Pension Fund.

e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

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

The charity's share of the closing value of the pension scheme liabilities represents 3% (2022/23: 3%) of the total closing value of the pension scheme liabilities of the City Corporation Pension Fund.

f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

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

g) Movement in the present value of scheme assets

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

	2024 £m	2023 £m
As at 1 April	37.9	38.2
Interest on assets	1.8	1.0
Remeasurement gains/(losses):		
Return on assets less interest	1.6	(1.2)
Contributions by employer including unfunded	1.1	1.1
Contributions by scheme participants	0.4	0.3
Estimated benefits paid net of transfers in and including unfunded	(1.6)	(1.5)
Settlement prices received	0.1	-
Closing value of scheme assets	41.3	37.9

h) Projected pension expense for the year to 31 March 2024

No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Year to 31/03/2025 £m	Year to 31/03/2024 £m	Year to 31/03/2023 £m
Service cost	0.9	0.8	-
Interest cost	-	0.2	0.6
Total expense	0.9	1.0	0.6
Employer contribution	1.1	1.0	1.0

20. Analysis of net assets between funds

At 31 March 2024	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2024	Total at 31 March 2023
	General Funds	Designated Funds	Endowment Funds		
	£m	£m	£m	£m	£m
Fixed assets - Investment properties	-	-	800.5	800.5	841.1
Fixed assets - Financial investments	470.6	219.0	113.1	802.7	819.7
Other fixed assets	2.9	1.2	-	4.1	11.9
Current assets & liabilities	1.5	-	(9.6)	(8.1)	(9.2)
Long-term liabilities	(65.0)	-	-	(65.0)	(45.8)
Pension liability	(1.5)	-	-	(1.5)	(4.3)
	408.5	220.2	904.0	1,532.7	1,613.4

At 31 March 2023	Unrestricted Income Funds		Endowment Funds	Total at 31 March 2023	Total at 31 March 2022
	General Funds	Designated Funds	Endowment Funds		
	£m	£m	£m	£m	£m
Fixed assets - Investment properties	-	-	841.1	841.1	888.1
Fixed assets - Financial investments	213.7	489.0	117.0	819.7	879.5
Other fixed assets	11.9	-	-	11.9	11.7
Current assets & liabilities	(20.3)	-	11.1	(9.2)	(4.9)
Long-term liabilities	(45.8)	-	-	(45.8)	(29.2)
Pension liability	(4.3)	-	-	(4.3)	(22.8)
	155.2	489.0	969.2	1,613.4	1,722.4

21. Permanent Endowment fund – total return approach

On 1 June 2023, the charity adopted the Total Return approach for its permanent endowment fund, a bespoke power having been granted by the Supplemental Royal Charter which came into legal effect on that date. The charity selected 31 March 1994 as the reference date from which the permanently endowed funds have been analysed between the trust for investment and the unapplied total return, the two components of a permanent endowment specified in the bespoke powers as stated within the Charter. Following the resolution to adopt total return taking effect, the Trustee approved a resolution to accumulate in the trust for investment an amount from the unapplied total return, to reflect increases in the real value of the trust for investment between 31 March 1994 and 31 March 2022 in line with the Consumer Price Index (CPI). The original value of the permanent endowment was established as being £340.3m, including the inflationary uplift.

Under the total return approach, the charity is permitted to allocate from the unapplied total return element of permanent endowment to the trust for application (income) such sums as

it thinks appropriate in furtherance of its work providing it is satisfied that this will not prejudice the ability of the Trustee to further the purposes of the permanent endowment fund now and in the future and, in particular, that it will not prejudice the ability of the Trustee to further the Primary Object now and in the future.

The charity's strategy is to manage the permanent endowment effectively in order to maximise the amount available for distribution whilst maintaining the real value of the permanent endowment fund, subject to the overriding duty of the Trustee to further the primary object now and in the future. A policy is in place for determining how the unapplied total return is to be allocated.

	Trust for Investment £m	Unapplied Total Return £m	Total Endowment £m
Original value with inflationary uplift	340.3	-	340.3
Unapplied total return	-	613.7	613.7
Total as at 1st June 2023	340.3	613.7	954.0
Movements in 2023-24			
Property Investments			
Income		19.9	19.9
Realised and unrealised losses		(61.3)	(61.3)
Less: Property investments cost		(8.3)	(8.3)
		<u>(49.7)</u>	<u>(49.7)</u>
Financial Investments			
Income		1.4	1.4
Realised and unrealised losses		(1.1)	(1.1)
Less: Investment management costs		(0.6)	(0.6)
Total		<u>(0.3)</u>	<u>(0.3)</u>
Unapplied total return allocated to income in the reporting period		-	-
Net movements in reporting period	-	(50.0)	(50.0)
At end of the reporting period:			
Original value with inflationary uplift	340.3	-	340.3
Total unapplied return	-	563.7	563.7
Endowment as at 31 March 2024	340.3	563.7	904.0

22. Movement in funds

At 31 March 2024	Total as at 1 April 2023 £m	Income £m	Expenditure £m	Gains & losses £m	Transfers £m	Total as at 31 March 2024 £m
Endowment Funds	969.2	21.3	(8.9)	(77.6)	-	904.0
Endowment Funds	969.2	21.3	(8.9)	(77.6)	-	904.0
General Funds	159.5	18.2	(19.1)	72.0	179.1	409.6
Pension Reserve	(4.3)	-	(0.1)	2.9	-	(1.5)
Total General Funds	155.2	18.2	(19.2)	74.9	179.1	408.1
Property Dilapidations	0.7	-	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	50.8	-	(9.6)	-	11.6	52.8
Bridges Replacement	242.6	-	-	-	(242.6)	-
Grant-making	179.9	-	(79.9)	-	30.0	130.0
Social Investment Fund	-	0.2	-	-	21.9	22.1
Total Designated Funds	489.0	0.2	(89.5)	-	(179.1)	220.6
Total Unrestricted Income Funds	644.2	18.4	(108.7)	74.9	-	628.7
Total Funds	1,613.4	39.7	(117.6)	(2.8)	-	1,532.7

At 31 March 2023	Total as at 1 April 2022 £m	Income £m	Expenditure £m	Gains & losses £m	Transfers £m	Total as at 31 March 2023 £m
Endowment Funds	1,030.1	-	(0.4)	(60.5)	-	969.2
Endowment Funds	1,030.1	-	(0.4)	(60.5)	-	969.2
London Community Response Fund	0.3	-	(0.3)	-	-	-
Other Restricted Funds	0.2	0.1	(0.3)	-	-	-
Total Restricted Funds	0.5	0.1	(0.6)	-	-	-
General Funds	219.8	34.7	(22.5)	(0.2)	(72.3)	159.5
Pension Reserve	(22.8)	-	(1.8)	20.3	-	(4.3)
Total General Funds	197.0	34.7	(24.3)	20.1	(72.3)	155.2
Property Dilapidations	0.4	0.3	-	-	-	0.7
Climate Action	15.0	-	-	-	-	15.0
Bridges Repairs	56.2	-	(17.0)	-	11.6	50.8
Bridges Replacement	191.2	-	-	-	51.4	242.6
Grant-making	210.3	-	(61.4)	-	31.0	179.9
Social Investment Fund	21.7	0.2	-	(0.2)	(21.7)	-
Total Designated Funds	494.8	0.5	(78.4)	(0.2)	72.3	489.0
Total Unrestricted Income Funds	691.8	35.2	(102.7)	19.9	-	644.2
Total Funds	1,722.4	35.3	(103.7)	(40.6)	-	1,613.4

Purpose of the endowment fund

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. The fund is managed on a total return basis, with an

approved policy in place to determine the use of returns. Further detail of the origins of this fund is stated on page 4.

Purposes of restricted funds

London Community Response Fund (LCRF) – established in response to the Covid-19 health pandemic to establish a collective response with other funders to support London’s civil society in furtherance of the CBF funding policy, ‘Bridging Divides’. This was fully utilised in 2022/23.

Other Restricted Funds included:

The Cornerstone Fund - a funder collaboration that aims to bring about systemic change in how civil society organisations access and receive support and which tackles structural inequalities in order to grow stronger, more resilient communities. This fund was fully utilised in 2022/23.

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

- Property Dilapidations represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition.
- Climate Action represents funds set aside to further progress and potentially accelerate delivery of the charity’s Climate Action Strategy.
- Bridges Repairs represents funds required to maintain the bridges for the next 5 years.
- Grant-making represents surplus income which has been designated for future grant-making activities in the name of CBF.
- Social Investments represents surplus income available for the ancillary object which has been set aside to be utilised as social investments.

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

Transfers between funds

Transfers are made to and from unrestricted income funds in order to maintain designated funds at the required levels.

During the year, the funds previously designated for bridge replacement were released back to unrestricted income funds, with the unapplied total return element of the permanent endowment fund holding a notional amount for future major project costs for the bridges. A new designation was approved by the Trustee for social investments placed from funds available for the ancillary object.

When reconstituting the permanent endowment fund in 2018/19, it was noted that there may be a small number of properties which were acquired under specific statutory powers and therefore may not be part of the permanent endowment fund. Research relating to this matter remains ongoing being both complex and lengthy due to the historic nature of these

transactions, and the various Acts that applied across the years. Due to the complexity involved no financial impacts have been identified with sufficient certainty as yet to enable the financial statements to be amended.

23. Note to the statement of cash flows

Reconciliation of net income to net cash outflow from operating activities.

	2023/24	2022/23
	£m	£m
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	(83.6)	(129.3)
Adjustments for:		
Interest and income from investments	(28.9)	(27.2)
Depreciation charges	0.4	0.3
(Gains) on financial investments	(68.0)	(1.8)
Losses/(gains) on property investments	73.7	62.5
Losses on social investments	-	0.2
(Increase)/decrease in stock	(0.1)	(0.1)
(Increase)/decrease in debtors	1.7	(3.5)
Increase in creditors falling due within one year	11.8	20.2
Increase in long term creditors	19.2	16.6
Net pension scheme costs	0.1	1.8
Net cash (used in) operating activities	(73.6)	(60.3)

24. Analysis of changes in net funds/cash and cash equivalents

	Total as at 1 April 2023	Cash flows	Total as at 31 March 2024
	£m	£m	£m
Cash and cash equivalents			
Cash	7.6	2.8	10.4
Total	7.6	2.8	10.4

Other non-cash changes are detailed in Note 23.

25. Operating Leases

Minimum lease payments receivable under operating leases:	31 March	31 March
	2024	2023
	£m	£m
Not later than one year	22	22
Later than one year and not later than five years	79	80
Later than five years	1,187	1,096
	1,288	1,198

26. Commitments

The following commitments exist as at 31 March in respect of future accounting periods:

	2024	2023
	£m	£m
Works to bridges	6.2	6.8
Investment properties	-	10.2
	6.2	17.0

27. Related Parties

The City Corporation is the sole Trustee of the charity, as described on page 6. The City Corporation makes its resources available to the charity, the costs of which are recovered from the charity's funds as permitted under section 31(1) of the Trustee Act 2000. These costs include those relating to banking services, with all transactions to the charity being recovered at cost and crediting or charging interest at a commercial rate. These costs are included within expenditure, as set out in Note 10.

The charity is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over the charity. Members are required to disclose their personal interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and Senior Staff are requested to disclose all related party transactions, including instances where their close family has made such transactions. The charity has decided to disclose all instances whereby a Member or officer has a connection with a charity which is a grantee of CBF to provide full transparency.

Figures in brackets represent the amounts due at the balance sheet date. Any amount with an asterisk indicates it is owed to the charity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2023/24 £000	2022/23 £000	Detail of transaction
London Funders (LF)	An Officer of the City Corporation is a Trustee of LF	619 (1,110) 4 (-)	796 (781) 4 (-)	LF received grant funding from CBF. The charity paid a membership fee to LF.
Trust for London (TL)	The City Corporation nominates three Members to TL	510 (2,708) - (-) 127 (-)	25 (3,945) 100 (-) 264 (-)	TL received grant funding from CBF. CBF received a grant as contribution to the Cornerstone fund. TL paid rent, service charges & insurance.
Partnership for Young London (PYL)	A Member of the City Corporation is a Trustee of PYL	- (266)	373 (318)	PYL received grant funding from CBF.
Cripplegate Foundation, incorporating Islington Giving (CF)	Two Members of the City Corporation are Trustees of CF	- (250)	269 (390)	CF received grant funding from CBF.
Heart of the City (HoTC)	An Officer and a Member of the City Corporation are Trustees of HoTC.	- (-)	- (24)	HoTC received grant funding from CBF.
Bankside Open Spaces Trust (BOST)	An Officer of the City Corporation is a Trustee of BOST.	380 (351)	- (-)	BOST received grant funding from CBF.
Cambridge House and Talbot (CHT)	An Officer of the City Corporation is a Trustee of BOST.	- (51)	100 (100)	CHT received grant funding from CBF.
Baring Foundation (BF)	A Co-opted Member of the City Corporation is an employee of BF.	- (1,310)	- (-)	BF received grant funding from CBF

Augmentum Capital Limited (AC)	A Member of the City Corporation is a Director of AC Ltd.	174 (-)	131 (-)	AC paid rent, service charges & insurance to the Charity.
CBRE Global Investors (CBRE)	A Member of the City Corporation is an employee of CBRE	1,292 183*	4,169 (328)	CBRE provided surveys, consultancy and development, and property purchase advisory services and rent reviews to the Charity
WSP Group plc (WSP)	A Member of the City Corporation is a Consultant at WSP	- (-)	23 (-)	WSP provided consultancy services to the Charity

The Members and Officers noted above did not participate in the discussions or decision making relating to the award of the grants.

Related Party Transactions with the City Fund (the City Fund is a statutory Fund held by the City Corporation in the discharge of its functions as a local authority, police authority and port health authority).

During the year CBF contributed £114k towards Corporate IT projects (2022/23: £138k and £91k towards the 'Secure City' project, relating to CCTV and telecommunications (2022/23: £138k). The balance owed to City Fund at year end was nil (2022/23: nil).

Related Party Transactions with City's Estate (City's Estate is a corporate Fund held by the City Corporation and finances activities mainly for the benefit of London as a whole but also of relevance nationwide):

City's Estate holds a lease with CBF for the rental of a property. Rental income of £24k was received in the year (2022/23: £24k). The balance owed to CBF at year end was £78k (2022/23: nil).

REFERENCE AND ADMINISTRATION DETAILS

Bridge House Estates

City Bridge Foundation is the operating name of Bridge House Estates, a registered charity 1035628 (England and Wales).

Principal office: Guildhall, London, EC2P 2EJ

Trustee: The Mayor and Commonalty & Citizens of the City of London

CBF Board members:

Deputy Dr Giles Shilson (Chair)

Deputy Paul Martinelli (Deputy Chair)

Deputy Henry Colthurst

Colonel Simon Duckworth, OBE DL

Alderman Professor Emma Edhem

Alderman Alison Gowman CBE

John Griffiths (from 27/04/2023)

Campbell Middleton (from 12/10/2023)

Deborah Oliver (from 27/04/2023)

Judith Pleasance (to 27/04/2023)

Deputy Henry Pollard (to 27/04/2023)

Deputy Nighat Qureishi

Deputy James Thomson

Sue Threader (from 12/10/2023)

City Corporation - Senior officers:

Chief Executive Ian Thomas - The Town Clerk and Chief Executive of the City of London Corporation

Chief Financial Officer Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer

Solicitor Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

Surveyor Paul Wilkinson – City Surveyor

CBF Executive Leadership team:

Managing Director (to 10/06/2024)	David Farnsworth OBE
Finance Director (to 30/09/2024)	Karen Atkinson
Chief Operating Officer and Acting Managing Director (from 11/06/2024)	Simon Latham
Chief Funding Director	Sacha Rose Smith
Philanthropy Director	Fiona Rawes MBE
Director of Communications and Engagement	Catherine Mahoney

Auditors

Crowe U.K.LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Financial investment advisors

Mercer, Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP

Contact for City Bridge Foundation, to request copies of governance documents – CBF@cityoflondon.gov.uk

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City Bridge Foundation ('CBF')

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Report to the City Bridge Foundation Board & Audit and Risk Management Committee

Year ended 31 March 2024

Presented to the City Bridge Foundation Board on 19 September 2024 & Audit and Risk Management Committee on 23 September 2024

Strictly Private and Confidential

The City Bridge Foundation Board & Audit and Risk Management Committee
City of London
PO Box 270
Guildhall
London
EC2P

Dear Members of the Board and Audit and Risk Management Committee,

I have pleasure in submitting our audit findings report for the year ended 31 March 2024. The primary purpose of this report is to communicate to the City Bridge Foundation Board and City of London Corporation Audit and Risk Management Committee and the Trustee the significant findings arising from our audit that we believe are relevant to those charged with governance.

I look forward to discussing our report with you, as well as any further matters you may wish to raise with us, and I shall be attending the City Bridge Foundation Board on 19 September 2024.

I would like to take this opportunity to express our appreciation for the assistance provided to us by the finance team and the other staff at the charity during this year's audit.

Yours sincerely

Tina Allison
Partner

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1. Executive summary

Our report to you

We are pleased to present our Audit Findings Report to the City Bridge Foundation ('CBF') Board and the Audit and Risk Management Committee and we welcome the opportunity to discuss our findings with you at your meetings on 19 and 23 September 2024 respectively.

The primary purpose of this report is to communicate to the Board, Committee and the Trustee the significant findings arising from our audit that we believe are relevant to those charged with governance.

In accordance with International Standards on Auditing (UK) the matters in this report include

- the results of our work on areas of significant audit risk
- our views about significant qualitative aspects of the charity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures
- significant difficulties, if any, encountered during the audit
- any significant matters arising during the audit and written representations we are requesting
- unadjusted misstatement identified during the audit
- circumstances that affect the form and content of our auditor's report, if any
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process

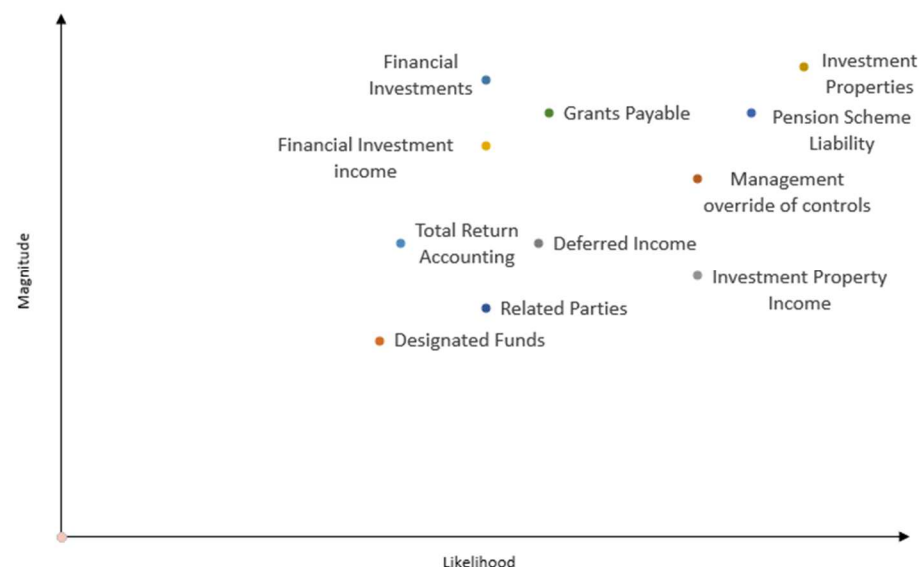
We have included comments in relation to the above where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention.

Conclusions in relation to the areas of significant audit risk

As explained in our Audit Planning Report, in line with ISA 315 (Revised), we have considered the inherent risks, including the likelihood and magnitude of a potential misstatement, as shown in the chart below.

Areas of Increased Risk



In line with our audit plan we focussed our work on the significant audit risks identified.

The results of our audit work in these areas is set out below:

Significant risk	Control deficiency identified	Adjustment(s) identified	Other reported matters
Revenue recognition – investment property income	x	x	x
Revenue recognition – financial investment income	x	x	x
Grant expenditure and grants payable	x	✓	x
Valuation of investment properties	x	x	x
Valuation of financial investments	x	x	x
Other significant estimates	x	x	x
Management override of controls	x	x	x

Other audit findings

[Section 3](#) sets out various comments on other important matters which we have identified from our audit.

Fraud and irregularities

[Section 4](#) sets out the Trustee and our responsibilities in respect of fraud and irregularities.

Audit materiality

The audit materiality for the financial statements set as part of our audit planning took account of the level of funds held by CBF and was set at approximately 2% of fixed asset investments. In addition, a lower materiality of 1.5% of

expenditure has been applied to auditing transactions in the Statement of Financial Activities and other balance sheet items.

We have reviewed this level of materiality based on the draft financial statements for the year ended 31 March 2024 and are satisfied that it continues to be appropriate with 2% of fixed asset investments being £32.1m and 1.5% expenditure being £1.76m.

Unadjusted misstatements

We report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be 5% of our audit materiality.

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit.

Audit completion and our Audit Report

We have substantially completed our audit in accordance with our Audit Planning Report which was sent to you and the senior management team on 14 June 2024, subject to the matters below.

- The audit file is subject to final review in some areas (outlined in Section 2 and Section 3), and clearance of any review points in turn
- Central Fraud (ISA 240) question responses from the Audit and Risk Management Committee and CBF Board
- Receipt and review of 20 remaining related party declarations
- Completion of our review of the cost allocation workings following completion of our central recharges work
- Pensions - GT audit file to be reviewed to gain assurance over the valuation of the assets in the scheme
- Conclusion of the review of the investment property valuations by Cluttons
- Receipt of responses to central Payroll queries and finalisation of our review of the payroll disclosures
- Receipt of remaining Investment & bank confirmations from respective investment managers, custodians & banks, and review of the central bank account reconciliations

- Finalisation of our review of IT systems and controls
- Completion of the post-Balance Sheet events review
- Review of the final financial statements including non-financial figures provided in the Trustee's report
- Receipt of the signed letter of representation ([Appendix 3](#))

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise from progressing these outstanding matters.

On the satisfactory completion of these matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the 2024 financial statements.

Responsibilities and ethical standards

We have prepared this report taking account of the responsibilities of the Trustee and ourselves set out in [Appendix 5](#) of this report.

The matters included in this report have been discussed with the charity's management during our audit and at our closing meeting on 21 August 2024. Karen Atkinson, Nathan Omane and Nicole Monteiro have seen a draft of this report and we have incorporated their comments and/or proposed actions where relevant.

2. Significant audit risks

As reported in our Audit Planning Report, ISA 315 (Revised) was applicable this year, and required us to consider a spectrum of inherent risk, considering both the likelihood and magnitude of a possible misstatement, with risks close to the upper end of the spectrum of inherent risk considered to be 'significant risks'.

Risk is considered in the context of how, and the degree to which, inherent and control risk factors affect the likelihood and magnitude of a misstatement occurring. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors.

In addition, the auditing standards also set out a number of areas considered to always be a significant risk. Our audit response in respect of risks not identified as significant is set out in [Section 3](#).

We have commented below on the results of our work in these areas as well as on any additional significant risks, judgements or other matters in relation to the financial statements of City Bridge Foundation identified during our audit.

2.1 Revenue recognition – investment property income

Key related judgements

Investment property income is the largest revenue stream for City Bridge Foundation, totalling £24.1m in 2023/24. Whilst comprising mostly of routinely invoiced income, there have been rent-free periods offered in the year and rent holidays requiring more complex accounting. In addition, the quarterly invoicing pattern usually followed leads to the need to partially defer invoiced income at the year-end.

This revenue stream also includes revenue released from deferred lease premiums attached to long term leases where CBF is the lessor.

Given the relative size of this revenue stream and complexities arising over cut-off and lease accounting, we consider there to be a significant risk over this revenue stream.

Crowe response

Our audit work has included the following:

- Reviewing the income recognition policy, ensuring it is in line with SORP requirements and is being appropriately applied and disclosed;
- Documenting and reviewing the systems and controls in place over investment property income. This is a key area of control to ensure

that you are recognising all income that is due and closely manage and monitor the debtor ledger;

- Obtaining a report from the property management system of current leases, and ensuring that this reconciles to the total income recognised in the year;
- Verifying a sample of property receipts to supporting tenancy agreement, invoices and receipt to bank;
- Reviewing a sample of transactions across the year end date to ensure these have been recognised in the appropriate period;
- Reviewing the calculation of the rent-free period debtor, agreeing a sample to underlying leases and ensure the aging split in the accounts is correct;
- Reviewing the year-end deferred income balances, testing a sample to support and re-calculating the split of any invoices as appropriate; and
- Reviewing the long term lease premium accounting treatments to ensure they have been accounted for in accordance with the relevant accounting standards, and that they are being released correctly.

Our conclusions and other comments

Our testing of investment property income is complete with no issues noted. Our work has not highlighted any issues in relation to the recognition of this income stream.

2.2 Revenue recognition – financial investment income

Key related judgements

Investment income is derived from the various investment holdings of CBF, including listed investments, private equity and bank deposits. CBF also co-invest with the City of London Pension Fund and City's Estate into a number of holdings and money market deposits, with a portion of the value and income then apportioned to the charity from these central pools.

Investment income including interest receivable totalled £4.8m in 2023/24.

The primary risk for this revenue stream is over the accuracy of the central split of the income allocated to CBF, as well as the completeness of the investment income reported for the year, where it might be necessary to accrue for income not yet received but for which the benefit has been earned.

Crowe response

Our audit testing in this area has included:

- Agreeing the income reported in the investment managers' reports and bank interest to the nominal ledger and third party sources and reviewing cut off to check that the income has been appropriately recognised;
- Reviewing the relevant AAF01/06 controls reports for the investment managers and custodians to gain assurance that income is being reported accurately to the Corporation and Charity; and
- Reviewing the allocation of investment income to CBF from shared holdings, ensuring it is in line with the proportion of the investment holdings allocated to the charity.

Our conclusions and other comments

Our testing of investment income is nearly complete and pending final reviews. We are still waiting on some direct confirmations from Investment Managers and Custodians.

Our testing of investment income did not highlight any material issues in relation to the recognition of this income stream.

2.3 Grant expenditure and grants payable

Key related judgements

This is the largest single expenditure item for CBF, with net awards totalling £82.9m in 2023/24 (2022/23: £60.2m). This reflects a continuation of a higher level of grant awards from the additional £200m of funds earmarked for this purpose.

Crowe response

As part of our audit work, we have:

- Used as our start point a schedule of grants, prepared by management, which reconciles the opening liability for grants to the closing creditor and the expense in the financial statements taking into account payments and awards in the year;
- Tested the completeness and accuracy of this schedule by confirming, on a sample basis, that awards approved have been included in the schedule and allocated to the appropriate period. We have been provided with copies of minutes and decision letters for this purpose; and
- Agreed a sample of grants awarded across year-end to the relevant approval and communication to ensure they have been recognised within the correct financial year.

Our conclusions and other comments

One adjustment has been noted from our audit work, where a number of grants with no movement in the year have been identified as requiring writing-back. This adjustment totals £113k and has been included in Appendix 1.

A significant judgement in this area is the discount rate applied by management on the future funding commitments. The net present value reflected in the accounts is £4.8m lower than the total commitments as at year-end, reflecting a discount rate of 4.29%. As part of our audit work we have reviewed the underlying assumptions for this and are satisfied that this is an appropriate rate to apply.

Our testing of grant expenditure has been completed with no further issues noted.

2.4 Management override of controls

Auditing standards require us to consider as a significant audit risk areas of potential or actual management override of controls. In completing our audit we have therefore considered the following matters.

Controls around journal entries and the financial reporting process

We reviewed and carried out sample testing on the charity's controls around the processing of journal adjustments (how journals are initiated, authorised and processed) and the preparation of the annual financial statements. We also considered the risk of potential manipulation by journal entry to mask fraud.

We note that only Chamberlain (finance) staff, whether they work in the corporate team or one of the units, are able to post journals and whilst journals under £100k are not subject to management review or spot checks, they should be accompanied by relevant supporting documentation. All journals over £100k are reviewed in the form of managers reviewing regular reports detailing these journals and approving them on the Oracle system. This is considered a sufficient control for City Bridge Foundation given the level of activity and volume of journals posted.

Our work on the review of journals posted to the City Bridge Foundation has been completed with no issues to note.

We did not identify any instances of management override of controls or other issues from our sample testing of CBF journals. However, we note that journal processing can be an area of potential risk and it is good practice to include consideration of this within the overall CBF risk assessment.

Significant transactions outside the normal course of business

We are required to consider the impact on the financial statements if there are any significant transactions occurring outside of the normal course of the charity's business.

No such transactions were notified to us by management, nor did any such transactions come to our attention during the course of our work.

2.5 Judgements and estimates

ISA (UK) 540 (Revised) Auditing Accounting Estimates and Related Disclosures requires additional audit focus over management's estimates, including undertaking separate risk assessments for both inherent and control risks. In respect of the former, consideration is given to the estimation uncertainty, the subjectivity and the complexity of the estimate. We are also required to consider whether the disclosures made in the financial statements are reasonable.

Management have made a number of necessary significant accounting estimates and judgements which impact the financial statements. We identified the following for specific audit review:

- The estimation of the valuation of financial investment holdings, including the total return calculations [significant – Section 2.6];
- The estimation of the valuation of investment properties [significant-Section 2.7];
- The assumptions adopted by management and used by the actuary to calculate the pension liability [significant – Section 2.8];
- The recognition of financial investment and investment property income [significant – Sections 2.1 & 2.2];
- The split of the pension scheme liability between the component entities of the City of London Corporation [significant – Section 2.8];
- The recoverability of year-end rental debtors [significant – Section 2.1]
- The discount rate applied to future grant commitments by the charity [significant – Section 2.3]
- The assessment of impairment of fixed assets [not significant];
- The assessment of the remaining useful life of assets [not significant]; and
- The split of recharged expenditure between the component entities of the City of London Corporation [not significant]

Estimates and judgements that are not considered to be significant risks are set out in [Section 3](#).

It is important that you are satisfied that the assumptions used by management are appropriate and we will ask you to provide a written representation to us to confirm this.

2.6 Estimates and judgements – Financial Investment Valuation

Key related judgements

The financial investments portfolio within City Bridge Foundation represented £850.2m as at 31 March 2024 (including short term and impact investments). There is a risk regarding the existence / ownership of the assets in the investment portfolio and their correct valuation.

As the investments are held and managed by third party service providers it is important that:

- The charity has sufficient controls in place to mitigate the risks associated with outsourcing services; and
- The controls in operation by the third-party service provider over the ownership and management of the charity's assets are sufficient; and their associated income streams are sufficiently robust.

Crowe response

Our focus was on your own internal procedures to manage and control the investments as well as the controls being operated by both the investment managers and the custodian, including consideration of the relevant AAF01/06 controls reports. We have obtained valuation confirmations directly from the investment managers.

We reviewed the reconciliations between the reports from the investment managers and the custodian's report and the records independently maintained to confirm ownership and to identify potential anomalies or significant movements in the year (particularly in relation to purchases and disposals).

We also reviewed the cash flows to, from and between the investment managers and the tracking of these movements.

Our conclusions and other comments

As part of our testing, we have obtained direct confirmation from the respective investment managers for both listed and unlisted investments. We are currently awaiting a number of investment managers and custodian reports. We are liaising with these parties to obtain the remaining confirmations outstanding.

For our testing on listed investments, we have corroborated the values of the investments held by the Foundation to third party sources. We have not found any issues as part of this work to date.

On unlisted investments, we have undertaken additional work on these investments to assess whether there are any indicators of a required impairment, including assessments of the fund performance and reviews of post year-end information.

Where they have been prepared and have been available, we have also reviewed the AAF 01/06, or equivalent controls reports, for the investment managers and custodians. We are currently awaiting the receipt of various reports, however we have not yet noted any issues.

In addition to the above, we have undertaken extra substantive tests of detail covering additions, disposals and recognition of management fees. At the time of this report, the review process on this aspect is still in progress.

Adoption of Total Return

During 2024, a new Supplemental Royal Charter gave CBF the power to adopt a 'total returns' approach to investments representing the permanent endowment, in order to release investment gains (which would previously need to be reinvested) for the purpose of funding the Foundation's bridges or funding activities. Permanent endowment funds are now being managed to maximise the amount of funds available for distribution whilst maintaining the real value of the permanent endowment fund over time.

As part of our audit we have:

- Confirmed that the Foundation has the power to adopt a total return approach to investing;
- Confirmed the opening fund values of the original gift and unapplied total return agree to underlying workings; and
- Reviewed total return disclosures within the financial statements to ensure these reflect movements in the endowment fund across the year including investment income, management fees and investment gains and losses.

Overall, our work on the adoption of total return was satisfactory, subject to final stages of review.

2.7 Estimates and judgements – Investment Property Valuation

Key related judgements

Investment properties held by the Charity totalled £800.5m as at 31 March 2024. These properties have been valued independently by two firms, with Savills valuing the full portfolio other than one property (Newington House) valued by JLL. Both valuers are registered with the Royal Institution of Chartered Surveyors (“RICS”). These valuations have been completed as at 31 March. Investment properties are carried in the financial statements at fair value.

FRS102 requires revaluation to be made with sufficient regularity to ensure that the carrying value does not differ materially from that which would be determined using fair value at the reporting date.

Crowe response

We reviewed the investment property valuation report with consideration to judgements and estimates used by the valuer with reference to market data. We also tested the inputs provided to the valuer by the entity and the ownership status via land registry.

We also reviewed the valuation adjustment and ensured any gains/losses on revaluation have been appropriately recognised in the Statement of Financial Activities.

We have also completed a wider impairment review of the investment property portfolio, considering voids, matters raised in meeting minutes, ongoing maintenance costs and other similar considerations. As part of this, we have confirmed that CBF's portfolio is not affected by the ongoing RAAC issues.

Our conclusions and other comments

Valuation reports review

As with the prior year, we have engaged Cluttons as an auditor's expert to complete a review of the Foundation's valuation report prepared by Savills, consisting of a high-level review of the full report and a more detailed review of five selected properties. This also includes challenging the methodology and inputs used by Savills to determine their reasonableness. The property valued by JLL is immaterial, with a value of £3m, and therefore a full review by Cluttons has not been deemed necessary.

At the time of writing this external review by Cluttons is currently ongoing. We will provide a verbal update on this at the committee meeting.

We are aware of two ongoing matters regarding works completed involving potential litigation and/or remedial works. We have reviewed the relevant correspondence on these matters and are satisfied that these have been reflected in the accounts as appropriate. A third matter has been resolved post year-end and the financial statements adjusted accordingly to reflect the correct accrual for the associated costs.

2.8 Estimates and judgements – Pension Liability

Key related judgements

The assumptions surrounding the FRS102 pension liability (£1.5m) calculations performed by the actuaries can make a significant difference to the result disclosed in the financial statements.

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating predominantly to the three principal funds for which it is responsible (City Fund, City's Cash and City Bridge Foundation).

At present, City Bridge Foundation includes the pension scheme liability in the accounts as reported under IAS19, with a conversion not made to FRS102 on the grounds of the difference not being material. There is a risk that this difference may in fact be material or otherwise significant.

Crowe response

As part of our audit work we included the following testing:

- Benchmarking the assumptions used by the actuary in calculating the FRS102 pension liability;
- Assessing the difference in calculating the liability between IAS19 and FRS102 to determine whether it is material or otherwise significant;
- Verifying scheme assets to third party documentation;
- Verifying (on a sample basis) the input data provided to the actuary to HR and payroll records; and
- Verifying the apportionment methodology of the pension liability across the 3 main City of London entities.

Our conclusions and other comments

Grant Thornton are currently completing the audit of the pension scheme and we currently liaising with them in order for us to complete a review of their working papers to gain comfort over the balance of the scheme assets.

Our work in this area is otherwise complete subject to any points raised as part of the final review process. We will provide a verbal update on this at the committee meeting.

3. Other audit findings

In addition to matters relating to the significant audit risks as reported in Section 2, we have also noted the following matters from our audit work which we should bring to your attention.

3.1 Income

International Standards on Auditing (ISA 240) presumes there is always a significant risk of material misstatement due to fraud in revenue recognition, unless this is rebutted.

Whilst we deem investment property income and financial investment income to be significant (see [Section 2](#)) we do not consider tourism income to be a significant risk due to its high-volume low-value nature. Other income streams are not considered a significant risk due to their immaterial nature.

Across all income streams the key risks remain the same:

- Completeness (has all income due been appropriately recognised in the period?).
- Cut off (has income been recognised in the appropriate period?).
- Fund allocation (have donor restrictions on the use of the income been appropriately captured in the financial statements?).
- Accuracy (where income is owed at year end, is it likely to be received or should it be provided against?).

Tourism income

City Bridge Foundation owns Tower Bridge, which is open to the public for an admission fee. In addition, there is a gift shop on site generating further revenue, and the venue is also rented out for events. This revenue stream totalled £10.5m in 2023/24, reflecting a growth in visitors to almost one million.

Historically, a significant proportion of the income is from cash sales, which is by its nature a fraud risk, however since the pandemic this proportion has decreased significantly, with tourists favouring online booking and card payments instead. In addition, given the high volume/low value and transactions nature of the income is not considered to give rise to a significant risk of material misstatement.

Crowe response

As part of our audit work, we have:

- Updated our understanding of systems and processes and complete walkthroughs, including over the new system introduced in March 2024;
- Performed analytical review of trends and variances for each tourism income stream against expectations, budget, forecast and prior years where appropriate;
- Reviewed a sample of reconciliations between the EPOS system and amounts banked;
- Traced a sample of sales through the EPOS system and ultimate receipt to bank;
- Traced a sample of events income through to supporting documentation and receipt to bank; and
- Reviewed year-end cut-off to ensure income has been recognised in the correct years, including the deferral of income relating to events booked after 31 March 2024.

Our conclusions and other comments

Included in tourism income in 2023/24 is the release of £364k from deferred income from Gantner. We understand that this income was previously deferred where customers have prebooked entry to Tower Bridge but never attended. As the tickets are non-refundable, we are satisfied that CBF have met the criteria to recognise this income. This is an historic balance which has built up over a number of years, therefore should continue to be monitored moving forwards.

No issues have arisen in our work, which has been completed.

3.2 Payroll

Payroll is the second largest single expenditure item for CBF, totalling £9.6m in 2023/24. The key risks in this area are considered to be:

- Existence (does the expenditure relate to genuine employees?).
- Accuracy (are payments made at authorised amounts and are the correct deductions made?)
- Disclosure (have all required disclosures been made in the financial statements?)

Crowe response

As part of our audit, we reviewed the controls in place over monthly processing including the reconciliation of the payroll to the nominal ledger.

We also performed analytical procedures that considered gross pay, deductions, and staff numbers year on year to ensure that all trends and relationships appeared reasonable and that the totals agreed with the ledger.

Additionally, we verified a sample of staff between the payroll and other HR records and agreed their costs to supporting documentation on a sample basis.

Our conclusions and other comments

At the time of writing this report, we are currently working to resolve queries around our detailed sample. The manager and partner reviews are to be completed. We will provide a verbal update at the committee.

3.3 Funds

City Bridge Foundation operates a number of different funds subject to various restrictions and designations. It is important to ensure that all movements on funds are correctly identified and accounted for. This requires careful consideration of the various terms and conditions which may be applied to income.

Crowe response

As part of our audit work, we have:

- Traced restricted items identified in our income testing to the relevant fund account;

- Reviewed a sample of expenses allocated to restricted funds to ensure that the expenditure was spent in accordance with the objects of the fund;
- Reviewed the analysis of net assets to ensure that it has been correctly allocated across the funds;
- Reviewed the calculation of designated funds, in particular those associated with the repairs and replacement of the bridges owned by the charity, to ensure they are reasonable and any movements appropriately approved; and
- Reviewed the processes in place to ensure that restricted transactions are completely and accurately captured and reported within the organisation and review year end balances to ensure that they appropriately reflect the restrictions that should be in force.

Our conclusions and other comments

Our audit testing has not identified any issues to date. At the time of this report, we are in the process of finalising out work and completing the review process.

3.4 Going concern

We explained in our Audit Planning Report that in preparing the financial statements to comply with Financial Reporting Standard 102 the Trustee and management are required to assess the charity's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the Trustee and management are required to consider all available information about the future of the charity in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue.

The Trustee's going concern assessment is a key area of emphasis and importance for our audit and, in accordance with the requirements of ISAs (UK), our audit report includes a specific reference to going concern.

Where the Trustee identifies possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed in the financial statements.

The Trustee may consider and take account of realistic mitigating responses open to them, considering the likely success of any response.

We have discussed this with the CBF management and explained that our work on going concern includes the following:

- Reviewing the period used by the Trustee to assess the ability of the Foundation to continue as a going concern;
- Examining budgets and forecasts prepared by management covering the period of the going concern assessment to ensure that these appropriately support the trustee's conclusion;
- Reviewing the accuracy of past budgets and forecasts by comparing the budget for the current year against actual results for the year; and
- Reviewing any other information or documentation which the Trustee has used in their going concern assessment.

Our conclusions and other comments

At 31 March 2024 City Bridge Foundation is reporting unrestricted funds totalling £628.7m (2023: £644.2m). CBF's net movement in funds for the year is (£80.7m) (2023: £109m),

CBF also has a year-end cash balance of £10.4m (2023: £7.6m) and further financial investments totalling £850.2m (2023: £855.4m). Whilst not all these investments are readily liquifiable, there are sufficient listed assets held to support the charity's operations in the short term should income from other sources be affected for any reason.

At the time of writing this report our assessment of the going concern status of the charity has been completed, with the review process currently ongoing.

We will be seeking representations that the Board has considered the forecasts and is satisfied that the going concern basis is appropriate.

3.5 Estimates and judgements

As noted in [Section 2](#), management have made a number of necessary accounting estimates and judgements which impact the financial statements. Estimates that are deemed to be significant are discussed in Section 2.

We identified the following non-significant estimates and judgements for specific audit review:

- The assessment of impairment of fixed assets;
- The assessment of the remaining useful life of assets;

- The split of recharged expenditure between the component entities of the City of London Corporation

It is important that you are satisfied that the assumptions used by management are appropriate and we will ask you to provide a written representation to us to confirm this.

Assessment of impairment of assets

We have not identified any issues on the impairment of assets as part of our testing on this area and have nothing to note on this.

Assessment of the remaining useful life of assets

No issues have been noted through our review of depreciation and useful economic life of assets held by the charity.

The split of recharged expenditure between the various entities of the City of London Corporation

Our work on recharges is currently ongoing and we will provide a verbal update to the committee at the meeting.

3.6 Related parties

In line with the ISAs which direct our audit work (ISA (UK) 550) we are obliged to ensure that any related parties are identified and that any transactions involving these parties and the group are appropriately authorised and correctly disclosed in the financial statements. The definition of a "related party" as defined in FRS 102 encompasses, in addition to the Board and Council, any members of management who can directly influence management decisions and close family members of both; the latter being of relevance if individual Trustee members or members of management are perceived to be in a position to influence the management decisions of family members or can be influenced by them.

Crowe response

We have therefore

- Reviewed the Corporation's and Charity's procedures for identifying potential related parties and ensuring all transactions are complete, including any annual declaration of interests completed by Council Members and Senior Management;
- Obtained and reviewed the related party declarations for all Council members and Aldermen; and
- Reviewed the related party disclosure included in the CBF accounts for both accuracy and completeness, vouching the disclosure back to underlying records as appropriate.

Our conclusions and other comments

As noted in prior years, a number of related party declarations remain outstanding; we have updated our prior year finding in Appendix 2 accordingly. We do note however that the number of outstanding declarations at this point has fallen considerably compared to prior years due to increased efforts to ensure their return.

Our work in this area remains ongoing whilst declarations continue to be received.

4. Fraud and irregularities and our audit reporting

Audit reporting on detecting irregularities, including fraud

In line with ISA (UK) 700 our audit report includes an additional comment to explain to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities are acts of omission or commission which are contrary to the prevailing laws or regulations. Fraud includes both fraudulent financial reporting and misstatements resulting from misappropriation of assets.

Our responsibility is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The additional reporting requirements this year placed increased emphasis on our understanding of the risks to CBF from fraud and irregularities. Our audit included discussions with management and those charged with governance to obtain their assessment of the risk that fraud may cause a significant account balance to be materially misstated as well as other procedures to obtain sufficient appropriate audit evidence.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of financial investment and investment property income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, the CBF Board and the

Audit and Risk Management Committee about their own identification and assessment of the risks of irregularities, sample testing on income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK). No internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

We have also included in [Appendix 5](#) some fraud risks that Trustee and management should be aware of.

Trustee responsibilities

The primary responsibility for safeguarding the charity's assets and for the prevention and detection of both irregularities and fraud rests with the trustee and management of the organisation. It is important that management, with oversight of those charged with governance, place a strong emphasis on fraud prevention and fraud deterrence. This involves a commitment to creating a culture of honest and ethical behaviours which can be reinforced by an active oversight by those charged with governance.

As in past years, the following statements will be included in the letter of representation which we require from the trustee when the financial statements are approved.

- The trustee acknowledge their responsibility for the design and implementation of internal control to prevent and detect fraud and errors.
- The trustee has assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
- The trustee is not aware of any fraud or suspected fraud affecting the charity involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.

- The trustee is not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, affecting the charity's financial statements.

We draw your attention to bullet point 2 above which presupposes that an assessment has been made. We have not been made aware of any actual or potential frauds which could affect the 2024 financial statements, or in the period since the previous year end.

Appendix 1 - Reporting audit adjustments

Unadjusted misstatements

International Standards on Auditing (UK) require that we report to you all misstatements which we identified as a result of the audit process but which were not adjusted by management, unless those matters are clearly trivial in size or nature.

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit.

Adjusted misstatements

The following misstatements, which have been corrected by management, were also identified during our audit work and up to the date of this report. No further adjustments to the financial statements are required for these items and this information is provided to assist you in understanding the financial statements completion process and to fulfil your governance responsibilities.

Adjustment description	Increase / (decrease) in net income £k	Increase / (decrease) in assets £k	Increase / (decrease) in liabilities £k	Increase / (decrease) in funds £k
Adjustment to write-back grant expenditure on grants with no movement in 2023/24 which have been discontinued: Dr Grants Payable Cr Grant Expenditure	113	113		
Adjustment to accrue for legal costs incurred prior to year-end not previously included in creditors. Dr Expenditure Cr Accruals	(26)	(26)		

Appendix 2 - Systems and controls

We have set out below certain potential improvements to the charity's processes and controls which we noted during our audit work and which we believe merit being reported to you.

Our evaluation of the systems of control at City Bridge Foundation was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of your business processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

We are pleased to report that we have no new audit findings with regards to general systems and controls. Please see the subsequent page for a review of the prior year control findings.

We have set out below the systems and control issues on which we reported after our audit last year together with an update on how the points raised have been addressed including information on the progress made at the time of the audit of the 2023 financial statements.

Status		Priority
Recommendation fully implemented or no longer relevant		These findings merit attention within an agreed timescale.
Recommendation partially implemented		These findings are of a less urgent nature, but still require reasonably prompt action.
These findings merit attention within an agreed timescale.		These findings are significant and require urgent action.

Observations and recommendations in 2023 or prior periods	Priority	Status	Update 2024
<p>1. Related party declarations (2022)</p> <p>As part of normal processes at the City of London Corporation all members are expected to complete a declaration of interests each year. We noted from our audit work that 26 members did not complete a declaration this year. This is a control breakdown and limits the Corporation’s ability to produce accurate information for the related parties disclosures.</p> <p><i>Crowe recommendation</i></p> <p>We recommend the importance of these declarations is stressed to Members and procedures put in place to ensure they are all completed and submitted on a timely basis.</p> <p><i>Crowe 2023 Update</i></p> <p>Whilst the Corporation as a whole have worked to improve the return rate, we note that this remains an ongoing issue, with c.50 declarations outstanding as at the time of issuing our initial report. The final number did reduce to c.30, however any declarations not received increases the risk a related party transaction being missed.</p>			<p>We understand that the Corporation have made significant efforts to improve the rate of return of the year-end declarations. As of the time of writing this report, 20 declarations remain outstanding. Whilst we expect the final number to reduce, any declarations not received increases the risk a related party transaction being missed.</p>

Appendix 3 - Draft Representation Letter

This letter must be typed on your official letterhead. It should be considered by the Trustee, CBF Board and Audit and Risk Management Committee at the same time as the Annual Report and Financial Statements and the Minutes should record the Board and Committee's approval of the letter.

The letter should be dated at the date of the approval of the financial statements.

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Dear Crowe

We provide this letter in connection with your audit of the financial statements of Bridge House Estates (known as 'City Bridge Foundation' or 'CBF') for the year ended 31 March 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the charity as at 31 March 2024 and of the results of its operations for the year then ended in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

We confirm that the following representations are made on the basis of sufficient enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation and that, to the best of our knowledge and belief, we can properly make each of these representations to you. If completion of the audit is delayed we authorise Karen Atkinson to provide an update to all representations sought.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with UK GAAP.
2. We acknowledge as Trustee our responsibility for making accurate representations to you.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and errors, and we believe we have appropriately fulfilled those responsibilities.
4. We have provided you with all accounting records and relevant information, and granted you unrestricted access to persons within the entity, for the purposes of your audit.
5. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records or other information provided to you.
6. The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting standards.
7. We have considered the adjustments in Appendix 1, proposed by you. In our judgement, these adjustments are appropriate given the information available to us. We further confirm that we have now made these adjustments to the financial statements.
8. We have disclosed to you any known actual or possible litigation or claims against the company whose effects should be considered when preparing the financial statements and these have been reflected in the financial statements in accordance with applicable accounting standards.
9. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
10. We are not aware of any breaches of our charitable trusts and have advised you of the existence of all endowments and funds maintained by us.
11. There have been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements other than those already disclosed or included in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note

thereto, we will advise you accordingly. We specifically authorise Karen Atkinson, CBF & Charities Director, or Nathan Omane, Head of Finance, to provide an update for you to cover the time period between the signing of this letter and the date of your audit report.

12. We confirm that we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
13. We are not aware of any fraud or suspected fraud affecting the charity involving those charged with governance, management or other employees who have a significant role in internal control or who could have a material effect on the financial statements.
14. We are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, which would have an impact on the charity's financial statements.
15. We are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the charity conducts its business.
16. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties other than matters that we consider have been appropriately and adequately disclosed.
17. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with applicable accounting standards and with the recommendations of the applicable charity SORP.
18. In the event that we publish the trustee's report, independent auditor's report and financial statements electronically, we acknowledge our responsibility for ensuring that controls over the maintenance and integrity of the entity's web site are adequate for this purpose.
19. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, except for those that are disclosed in the financial statements.
20. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the charity

is a going concern. We are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

Yours faithfully

.....
Trustee
Signed on behalf of the Board and Trustee

Date

Appendix 4 - Responsibilities and ethical standards

Audit purpose and approach

Our audit work has been undertaken for the purposes of forming our audit opinion on the financial statements of City Bridge Foundation prepared by management with the oversight of the trustee and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

Financial statements

The trustee and Board of CBF are responsible for the preparation of the consolidated financial statements on a going concern basis (unless this basis is inappropriate). The trustee and Board are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

Legal and regulatory disclosure requirements

In undertaking our audit work we considered compliance with the following legal and regulatory disclosure requirements, where relevant.

- Companies Act 2006
- Charities Act 2011
- Financial Reporting Standard 102 (FRS 102)
- The Charities SORP (FRS 102)

Ethical Standard

We are required by the Ethical Standard for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

As explained in our audit planning report, in our professional judgement there are no relationships between Crowe U.K. LLP and CBF or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

Independence

International Standards on Auditing (UK) require that we keep you informed of our assessment of our independence.

We confirm that we have not provided any non-audit services to CBF. We have not identified any other issues with regards to integrity, objectivity and independence and, accordingly, we remain independent for audit purposes.

In communicating with those charged with governance of the charity we consider those charged with governance of the subsidiary entities to be informed about matters relevant to them.

The matters in this report are as understood by us as at 30 August 2024. We will advise you of any changes in our understanding, if any, during our meeting prior to the financial statements being approved.

Use of this report

This report has been provided to the CBF Board and City of London Audit and Risk Management Committee to consider and ratify on behalf of the Trustee, in line with your governance structure. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

Appendix 5 - Fraud risks

As part of our audit procedures we make enquiries of management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement. However, we emphasise that the responsibility to make and consider your own assessment rests with yourselves and that the trustee, CBF Board, Audit and Risk Management Committee and management should ensure that these matters are considered and reviewed on a regular basis.

Usually fraud in the charity sector is not carried out by falsifying the financial statements. Falsifying statutory financial statements usually provides little financial benefit, as compared to say a plc where showing a higher profit could lead to artificial share prices or unearned bonuses. However, falsifying financial statements can be used to permit a fraud or to avoid detection. As a generality, charities represented by its management and its trustees do not actively try to falsify financial statements as there are not the same incentives to do so. In the charity world fraud is usually carried out through misappropriation or theft.

The trustee should be aware that the Charity Commission provides guidance (updated in January 2023) on how to protect your charity from fraud including information about fraud, how to spot it and what you can do to protect against it.

The Charity Commission's first guiding principle recognises that fraud will always happen. It is therefore important that, as part of setting their overall risk appetite, the trustee considers fraud within their tolerance for the risks associated with the management of the organisation's (and group's) funds. The development and continued assurance of a robust counter fraud control framework should then contribute to the organisation matching the risk appetite and tolerance agreed by the trustee.

A copy of our guidance and a framework on conducting fraud risk assessments can be obtained from our website here: <https://www.crowe.com/uk/insights/fraud-risk-assessment-non-profit>.

A fraud risk assessment is an objective review of the fraud risks facing an organisation to ensure they are fully identified and understood. This includes ensuring:

- fit for purpose counter fraud controls are in place to prevent and deter fraud and minimise opportunity, and

- action plans are in place to deliver an effective and proportionate response when suspected fraud occurs including the recovery of losses and lessons learnt.

Good practice suggests that to be most effective the risk assessment should be undertaken at a number of levels within the organisation:

- Organisational – to assess the key policy, awareness raising and behavioural (including leadership commitment) requirements that need to be in place to build organisational resilience to counter fraud.
- Operational – a detailed analysis of the fraud risk and counter fraud control framework at the operational level – by function (activity) or individual business unit (including programmes and projects).

Any fraud risk assessment should not be seen as a standalone exercise but rather an ongoing process that is refreshed on a regular basis. Carrying out the fraud risk assessment may reveal instances of actual or suspected fraud. Should this happen next steps will be determined on circumstances, the existing control framework (including any response plan(s)), and in consultation with the key members of the organisation's management team.

Considering risks of fraud

There is evidence that during times of economic instability there is an increased risk of fraud. This may be because resource constraints can reduce internal controls and oversight and also because individuals facing hardship may be more likely to consider fraudulent practices.

The following provides further information on the three kinds of fraud that charities such as CBF should consider.

a) *Frauds of extraction*

This is where funds or assets in possession of the charity are misappropriated. Such frauds can involve own staff, intermediaries or partner organisations since they require assets that are already in the possession of the entity being extracted fraudulently. This could be by false invoices, overcharging or making unauthorised grant payments.

Essentially such frauds are carried out due to weaknesses in physical controls over assets and system weaknesses in the purchases, creditors and payments cycle. The cycle can be evaluated by considering questions such as who authorises incurring a liability and making a payment. On what evidence? Who records liabilities and payments? Who pays them and who checks them?

The latest [Fraud Advisory Panel research](#) indicates that 43% of charities reported a fraud or attempted fraud in 2023, an increase from 36% in the previous year. The report highlights the following as the main types of fraud carried as being the misappropriation of cash or other assets, staff expenses fraud and authorised push payment fraud (more commonly known as mandate fraud).

In terms of the main perpetrators of frauds reported, the most common were staff members, volunteers and trustees (50%), followed by individuals with no connection to the charity concerned (23%).

The close monitoring of management accounts, ledger entries and strict budgetary controls are generally seen as an effective way of detecting and deterring frauds in this area.

Insufficient due diligence around requests to amend supplier or payroll details has led to payments to unauthorised individuals so sufficient checks in these areas is of increasing importance. All employees should exercise real

scepticism and not make any payments which are not properly supported and / or outside the normal payment mechanisms.

It is also important to consider other policies and procedures, such as conflict of interest and whistleblowing policies, and carrying out fraud awareness training.

b) Backhanders and inducements

There is also an inherent risk that individuals who are able to authorise expenditure or influence the selection of suppliers can receive inducements to select one supplier over the other. This risk can be mitigated by robust supplier selection and tendering procedures.

c) Frauds of diversion

This is where income or other assets due to CBF are diverted before they are entered into the accounting records or control data. Essentially, it is easy to check what is there but very difficult to establish that it is all there. Therefore, ensuring the completeness of income provided to a charity becomes difficult.

It is important to consider the different income streams and when and how they are received. So income received directly into the charity's bank account will be a lower risk than income being received by home based fundraisers.

Appendix 6 - External developments

We have summarised below some of the developments and changes in the charity sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below.

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold webinars and therefore encourage you to visit our website (<https://www.crowe.com/uk/industries/webinars#nonprofit>) or register to our mailing list (nonprofits@crowe.co.uk) to stay updated on these. Any webinars which you have missed remain available on demand on our website.

Compliance

The Economic Crime and Corporate Transparency Act 2023

In October 2023, the Economic Crime and Corporate Transparency Act (the Act) received Royal assent and began coming into effect in stages. Secondary legislation will be needed before some of the key changes can be implemented.

The Act aims to improve the accuracy and quality of data filed with the Registrar of Companies, helping to tackle economic crime and boost confidence in the UK economy.

From a company secretarial point of view, the most significant change introduced by the Act is the reform of Companies House.

Key changes

Registered office address to be 'appropriate'

All companies must now have an 'appropriate address' as their registered office. This means that documents sent to the registered office address will reach someone acting on behalf of the company and that delivery can be acknowledged. Companies are not allowed to use a PO Box address. In the event of non-compliance, Companies House will change the registered office address to a default address.

Registered email address

Both existing and new companies must provide Companies House with a registered email address for communication purposes. This information must be included when filing the next confirmation statement with a statement date

of 5 March 2024 onwards or at the time of incorporation. A new company cannot be incorporated without this information, and existing companies will not be able to file a confirmation statement without it.

Statement of lawful purpose

After 4 March 2024, new companies must confirm that they are being incorporated for a lawful purpose. Existing companies will need to confirm annually in the confirmation statement that their intended future activities will be lawful.

Broadening of Registrar's powers

The Registrar will have enhanced powers to question information filed at Companies House and request additional information to ensure that documents are timely, accurate, and not misleading. Companies House will have greater authority to scrutinise, query, and reject information that is filed or is in the process of being filed.

Authorised Corporate Service Provider (ACSP)

Under new identity verification measures, most documents filed at Companies House must be delivered by an ACSP. This includes incorporations, officer appointments (directors, secretary, members of LLP, partner of LP) and PSC appointment. This means if you are filing these documents with Companies House then you will need professional corporate service providers to do this for you or you will have to follow the additional identity verification steps to be introduced by Companies House.

Changes to be introduced to Company Accounts

Companies House is currently working on mandating digital filing and full

tagging of financial information in an iXBRL format. The number of times a company can shorten its Accounting Reference Period will be reduced. Small companies will be required to file a profit and loss account and a directors' report, while micro-entities will need to file a profit and loss account. The option to file abridged accounts will be removed, and companies claiming an audit exemption will need to provide an additional eligibility statement.

Restrictions on the use of corporate directors

All directors (or director equivalents) of the entity that have been appointed as a corporate director must be natural persons, and those natural person directors must have undergone an appropriate identity verification process. Historically, any corporate entity could be appointed as a corporate director of a UK company. However, moving forward, only UK-registered entities will be eligible for appointment as corporate directors, and all directors (or director equivalents) of such entities must be natural persons. Companies with existing corporate directors will be given 12 months to comply; within that time, they must either ensure their corporate director is compliant with the principles or resign them.

Considering the recent changes introduced by the Act, boards of directors will need to review their current processes for filing at Companies House, adopt new systems for verifying filings, monitor identity verification requirements, introduce new policies on director changes, and review the appropriateness of the company's registered office address.

Virgin Media pension case

Until it was abolished in April 2016, defined benefit pension schemes could contract out of the State schemes. In return for lower employer and employee National Insurance contributions, a scheme was required to meet certain minimum requirements in relation to the benefits provided through the scheme. Before 6 April 1997 a contracted-out salary-related scheme was required to provide each member with a Guaranteed Minimum Pension. The 1995 Pensions Act ended that regime and with effect from 6 April 1997 contracted-out schemes had to satisfy the Reference Scheme Test, which had to be assessed and certified by the scheme actuary that the minimum level of benefits under the reference scheme test would continue to be satisfied after the amendment was made.

On 25 July 2024, the Court of Appeal upheld the High Court's decision in relation to Virgin Media v NTL Pension Trustees II Limited that the statutory

actuarial confirmation was required, and without this, alterations are void. This decision could potentially have a significant impact for other schemes where changes have been made without actuarial confirmation.

The question appealed was whether a confirmation was required for changes to future service benefits or just past service benefits. The Court of Appeal upheld the High Court's decision that confirmation was required for amendments to future accruals, before legislation changes in 2013. Legislation does allow the Government to make retrospective regulations to validate amendments that are void due to the absence of such written confirmation. Therefore, depending upon the outcome of any subsequent appeal to the Supreme Court, the industry may call on the Government to take action.

On 25 July 2024, the Court of Appeal upheld the High Court's decision that the statutory actuarial confirmation was required, and without this, alterations are void. The question appealed was whether a confirmation was required for changes to future service benefits or just past service benefits. The Court of Appeal upheld the High Court's decision that confirmation was required for amendments to future accruals, before legislation changes in 2013. Legislation does allow the Government to make retrospective regulations to validate amendments that are void due to the absence of such written confirmation. Therefore, depending upon the outcome of any subsequent appeal to the Supreme Court, there is the possibility that DWP may take action to validate scheme rule amendments which would otherwise be invalidated by the principle in the Virgin Media case.

On 29 July 2024 a joint statement was issued a working group formed by the Association of Consulting Actuaries, the Association of Pension Lawyers and the Society of Pension Professionals proposing that the Secretary of State for Work and Pensions make regulations to validate retrospectively any scheme rule amendment affecting reference scheme test benefits, that is held to be invalid solely because a written actuarial confirmation was not received before that amendment was made. If such regulations were to be made, this would provide a fallback position for DB schemes and their sponsoring employers if issues of invalidity of scheme rule amendments were to be raised based on the Virgin Media case. Other industry bodies have also begun lobbying government to make these changes.

In the meantime, scheme actuaries may need to consider whether they need to take account of matters raised through the Virgin Media case and take into account the impact on funding updates and triennial actuarial valuations. To date actuaries have not been explicitly referred to this matter in their actuarial valuations.

From a pension scheme accounting perspective, unless the possibility of settling the contingent liability is remote or it is not material disclosure should be made in the notes to the financial statements of the estimated financial effect and an indication of the uncertainties relating to the amount or timing. Trustees of pension schemes should assess whether disclosure is required in their accounts.

Employers will also need to consider the impact of the case on their accounts, and this will include retrospective and future liabilities and therefore will be a larger amount. If the amount is not included in actuarial valuations due to lack of information, there will need to be an assessment as to whether a disclosure is required.

Financial and other reporting

FRC Amendments to FRS 102

The Financial Reporting Council (FRC) issued amendments to financial reporting standards on 27 March 2024, the changes are mostly effective for accounting periods beginning or after 1 January 2026. This follows the consultation impact assessment during 2023.

The amendments include:

- a new model of revenue recognition in FRS 102 and FRS 105 based on the IFRS 15 five-step model for revenue recognition with appropriate simplifications
- a new model of lease accounting in FRS 102 based on IFRS 16 on-balance sheet model (again with appropriate simplifications)
- various other incremental improvements and clarifications

The FRC intends to publish new editions of the standards and updated staff factsheets with guidance during 2024.

The SORP committee are reflecting on these amendments and exploring how they will impact the remaining stages of the SORP development process with updates to follow.

The full amendment documents can be obtained here:

<https://www.frc.org.uk/news-and-events/news/2024/03/frc-revises-uk-and-ireland-accounting-standards/>

Taxation

VAT and charity fundraisers: dual purpose?

UK VAT law allows one-off fundraising events to benefit from applying the VAT exemption to the income generated. It could also zero-rate programmes, children's clothing, and the sale of donated goods.

The Tribunal decision involving the Yorkshire Agricultural Society (YAS) focused on the conditions imposed when applying the fundraising exemption. VAT law states that a charged event cannot qualify for VAT exemption unless its primary purpose is fundraising. HMRC had taken a rigid approach to interpreting this rule, insisting that there can be no other motive behind the event to qualify for the exemption.

This approach has restricted the application of the fundraising exemption from organisations that they consider 'run such events anyway' (and so do not meet this fundraising primary purpose test).

The YAS decision was heavily influenced and referred frequently to the Loughborough decision, which HMRC won. However, in YAS the Tribunal did not read Loughborough as determining that fundraising must be the sole or overriding purpose of an event. This appears to have undermined HMRC's arguments significantly.

YAS run an annual show which has a dual educational and fundraising purpose. HMRC argued that the event income could not be VAT exempt as the primary intention was not fundraising. The Tribunal determined that there can be more than one primary purpose in this instance, without undermining the conditions of the exemption.

The Tribunal also agreed with the Upper Tier Tribunal case involving Loughborough Students' Union (and others) in another important point around the fundraising event rules. It agreed that the requirement to clearly hold out

(advertise) an event as a fundraiser as an exemption condition, was ultra vires of EU VAT Law.

HMRC sought to argue that its assessment was all made within the relevant time limits but lost on these points also. HMRC are out of time if both of the following time limits are exceeded:

- the VAT period is more than two years old
- HMRC had the full facts for more than one year.

HMRC argued that they hadn't been given the full facts until the most recent adviser's letter,

but from the evidence, it was clear this merely re-confirmed the full facts already provided.

Whilst this case does not set a legal precedent as a First-Tier decision, it does rely very heavily on the Upper Tribunal decision in Loughborough, which set a legal precedent. It appears to have pushed back the boundaries of HMRC's restrictive approach to charity events qualifying for the fundraising VAT exemption. HMRC must abide by time limits when assessing taxpayers.

Gift Aid of waived loans and refunds

In February 2024, HMRC published new detailed guidance explaining when they will consider donations made by waiver of a right to a refund or loan repayment to be eligible for Gift Aid. The new guidance replaces previous detailed guidance, which had been largely withdrawn in early 2023.

The new guidance explains HMRC's evidence requirements which depend on the type of arrangement. For a waiver of a refund, a record of correspondence will generally be sufficient. For a loan waiver, HMRC will expect to see a legally enforceable document in place.

Importantly, the new guidance states that where a loan waiver is made by a company to a charity, HMRC take the view that for corporation tax purposes, this transaction is governed by the loan relationship rules rather than the rules for charitable donations. Under the loan relationship rules, debt releases made between connected companies are not usually deductible for tax purposes. Charity subsidiaries that donate their taxable profits annually to their parent charities should take note of this in particular.

HMRC's updated guidance is available here:

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes/chapter-3-gift-aid#chapter-345-claiming-gift-aid-on-waived-refunds-and-loan-repayments>

VAT: Changes to penalty regime

For VAT accounting periods starting on or after 1 January 2023 there are new penalties for VAT returns that are submitted late and VAT which is paid late, in addition the way interest is charged has also changed. The changes are aimed at simplifying and separating penalties and interest.

The system has changed to a penalty points system, where for each return submitted late, a penalty point is issued. The penalty point threshold is determined by the accounting period, with a higher threshold for more frequent submissions. When the threshold is reached, a penalty of £200 will be issued, with a further £200 penalty for each further late submission.

Penalty points will have a lifetime of two years, after which they will expire. The period is calculated from the month after the month in which the failure occurred, e.g. submission due January 2024, so the penalty point will expire in February 2026.

Once a taxpayer reaches the threshold, all points accrued will be reset to zero when the following conditions are met:

- a period of compliance
- the taxpayer has submitted all submissions in the previous two years (even if late).

The new late payment penalty will apply in instances where the return is submitted on time but the payment is not. This penalty considers the length of the delay in making payment and the penalty increases over time.

As part of the new penalty regime, HMRC has also updated its Late Payment Interest (LPI) rules to bring these in line with other tax regimes.

Full details of the updated regime can be found here:

<https://www.gov.uk/guidance/penalty-points-and-penalties-if-you-submit-your-vat-return-late>

Employment Tax: what's keeping us hot this summer?

In the recent Budget and fiscal events, the net impact on changes to employment taxes have been relatively low-key.

However, we are seeing three key areas which employers are seeking our assistance with:

- compliance and de-risking
- cost reduction
- driving efficiencies.

Compliance and de-risking

Recently, we have seen HMRC increase their programme of performing checks of employer records. This is unsurprising as a [Public Accounts Committee](#) report informs that HMRC recovers £18 in income tax/ National Insurance Contributions (NICs) for every £1 spent on compliance activities. This contrasts with the reported £4 return for every £1 spent on the task force recovering Coronavirus Job Retention Scheme (CJRS) claim error or fraud.

The total [tax gap](#) (being the difference between the tax HMRC expects to collect and that actually paid) in 2020/21 was £32 billion, and Income Tax/NICs made up £12.7 billion (39%) of the gap. Therefore, it's not surprising HMRC target employers for potential income tax and NICs irregularities.

To mitigate the risk of undergoing an invasive HMRC check, employers can initiate a self-review and voluntarily disclose any income tax/ NIC irregularities to HMRC. Voluntary disclosure may be beneficial as it can be viewed as good behaviour by HMRC. Additionally, this can also help protect the employer's reputation as a "good citizen", and support ESG considerations.

Cost reduction

The cost-of-living crisis remains a concern for all, including the social purpose and non profit sector.

An effective salary sacrifice arrangement can help both employees and employers, and potentially ease some of the economic pressures. This is a way to provide attractive, ethical, and environmentally responsible benefits to employees at a time when the need to attract and retain key talent is a high priority for employers.

Salary sacrifice is, in simple terms, an arrangement whereby an employee gives up some of their gross pay in return for a non-cash employer provided benefit. Typically, we see salary workplace pension contributions paid via salary sacrifice.

An effective salary sacrifice means that although the employee's gross pay is lower, their take-home pay increases through NIC savings and tax savings on some benefits. Employers will also save on NICs.

Driving efficiencies

During the pandemic, there was talk about what the 'new' normal would look like.

Employers should now take stock of their employment tax processes and procedures, to check that their current ways of working are effective and efficient. Some areas of focus should include:

- identify areas of robustness and conversely, where improvements could be made
- maximise available tax exemptions
- restructure and streamline current processes
- tighten controls to reduce errors or fraud
- underpin with sound governance.

VAT rates on new buildings, energy supplies and disabled building works

0%, 5%, or 20%? Navigating the VAT rate for the various activities that your organisation is involved in can be challenging.

Can I get zero-rating on a new charity building?

There is often a common misconception that a new building purchased or built by a charity should automatically be zero-rated.

A recent VAT Tribunal case (Paradise Wildlife Park) has reconfirmed the position that for the building to be zero-rated, the building must be used by the charity in one of the following ways:

- otherwise than in the course and further of business
- as a village hall or similarly in providing social or recreational facilities for the local community.

It is important that charities are aware of whether their activities are deemed to be business under the interpretation of VAT law. Only last year, HMRC issued new guidance on what they consider to be in the course and

furtherance of business. The tests are easy to meet where the activities undertaken by the charity in the building, are done for free or totally funded by grants and donations.

However, as seen in the Paradise Wildlife Park decision, it is important to note that not charging VAT does not automatically mean that you are not in business.

There is a small 5% threshold for business use in a charitable building but in our experience, many charities acquire or construct a new building which will be used for business purposes exceeding this level and will therefore not qualify for zero-rating.

If the building does qualify for zero-rating, the charity is required to issue a certificate to the supplier of the property who is either selling the building to the charity or constructing it for the charity.

Can I get the reduced rate of 5% on gas and electricity?

A charity can only get the reduced rate of 5% on gas and electricity when it applies to a building that is used by a charity for a 'qualifying use'.

This means that the reduced rate of 5% is not automatically applied by virtue of charity status.

Although there are various de minimis limits and tests, for the most part the 5% qualifying use applies to gas and electricity used for:

- buildings used by a charity for a relevant charitable purpose (a non-business use)
- relevant Residential Properties
- domestic Properties.

If you have a building that does qualify for the reduced rate and the supplier has been incorrectly charging you VAT at 20%, you can get the VAT incorrectly charged to you amended to the correct 5% for the preceding four years.

Please note there may be buildings owned by a charity which have 'mixed use' of qualifying and non-qualifying areas. These buildings can have the charges apportioned with the 5% VAT levied on the qualifying areas, based upon any fair and reasonable method of calculation. The remaining part will be charged at the full standard rate of 20%.

If more than 60% qualifies at the reduced rate, the entire building can be invoiced at 5% although the charity has a responsibility to review this situation on a regular basis to ensure the apportionments remain consistent and reflective of how the building is being used.

VAT reliefs on building works and disability

This is not an exhaustive list and takes only part of the VAT law, but all charities are entitled to zero rating on ANY of their buildings in relation to the following building works:

Services to facilitate a disabled persons entry to or movement within any building.

The supply to a charity for the service of providing, extending, or adapting a washroom or lavatory to use by disabled persons in a building, or any part of a building, used principally by a charity for charitable purposes.

If you have been incorrectly charged 20% VAT by your supplier for building works that should have been zero-rated, you can go back four years and have the VAT incorrectly charged to you refunded.

Charities are not always able to recover VAT in full on costs, therefore it is important to take advantage of VAT rates below the standard 20%. In all the above scenarios it should be noted that the charity is required to issue a certificate to the supplier in order to get the zero or reduced-rate of VAT.

HMRC guidance states that a certificate incorrectly issued could lead to a penalty of up to 100% of the VAT which has not been charged to them. Charities should check their status before claiming the reduced or zero-rates and issuing a certificate to their supplier. If you have been overcharged there is still an opportunity to reclaim the VAT from the supplier.

A non-business activity leading to a taxable supply

The First-tier Tribunal judgement of The Towards Zero Foundation (TZF) case, provided many charities with an opportunity to consider whether they have a claim to make for input tax.

The judgement confirmed that where a charity can prove that a non-business activity has a direct and immediate link to a subsequent taxable business supply, some if not all of the VAT incurred on the non-business activity becomes recoverable.

VAT incurred in relation to a non-business activity is normally fully non-deductible, however, VAT incurred in relation to a taxable supply is fully recoverable.

The VAT Tribunal heard that TZF tested car's safety features as a secret buyer, to highlight any issues that car companies need to change. The foundation's aim is to have no road deaths caused by a lack of safety features in cars.

TZF levied no charge for the secret buyer trial testing making this a non-business activity. Where cars failed the safety standards manufacturers were notified of the areas of concern, and re-testing was then ordered by

manufacturers to show where improvements had been made. The manufacturers commissioned TZF to issue a retesting report, this was a business supply for which TZF charged the manufacturer a fee plus VAT.

HMRC argued that as the first part was non-business TZF could not have the input tax incurred on the initial testing back. The Court accepted that there was a business intention throughout the process, despite non-business activity at the outset.

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Agenda Item 8

Committee(s)	Dated:
Audit and Risk Management Committee	23/09/2024
Subject: Internal Audit Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Internal Audit	For Information
Report author: Matt Lock	

Summary

This report provides an update on Internal Audit activity for the year so far up to 31 August 2024. 2 Internal Audit reviews have been completed to Final Report stage and work is in progress at various stages for a number of Audit reviews including 7 Audits at Draft Report stage and 6 reviews at Fieldwork stage.

The significant resourcing challenges reported earlier in the year are now resolved with successful recruitment of 2 Senior Auditors: filling a pre-existing vacancy and a subsequent vacancy following conclusion of a long-term sickness absence.

Positive action is being taken to address the longer-term capacity issues within the Internal Audit function; additional funding has been allocated from Finance Committee Contingency for the remainder of 2024/25 and for subsequent years via a budget uplift. This funding provides for the creation of new Deputy Head of Internal Audit position (recruitment now initiated) and the provision of third-party resource to support delivery and development of the team.

Recommendation(s)

Members are asked to:

- Note the outcomes of completed Internal Audit work.

Main Report

Background

1. This report provides an update on the work of Internal Audit during 2024 so far and up to 31 August, specifically, an overview of the outcomes from completed Internal Audit reviews. Appendix 1 to the report shows analysis in relation to completed Audit work.

Current Position

2. Final Audit Reports have been issued in respect of 2 Audit Reviews, both resulting a Limited Assurance opinion. The overall outcomes from the recently completed Audit reviews are summarised in the following table with further information provided below:

Audit Assignment	Assurance Rating	Recommendations Made		
		Red	Amber	Green
Barbican Centre – Business Continuity	Limited	3	7	0
City of London Junior School – Key Financial Controls	Limited	0	15	0

Barbican Centre – Business Continuity

3. Limited assurance was provided largely due to lack of evidence to support the detailed arrangements in operation, Audit recommendations have been made to strengthen the control framework. The key findings were:
- Limited evidence was available to demonstrate the mechanisms for review and update of the business continuity arrangements to ensure ongoing fitness for purpose.
 - Evidence was not available to demonstrate rollout / implementation of the plans and delivery of associated training to relevant staff; this was attributed to contractor turnover.
 - Internal Audit were informed that business continuity plans were tested regularly by a private contractor to gauge their effectiveness but assurance cannot be provided that this took place as described; no documentation was available to confirm the existence of a testing programme, to demonstrate that tests were undertaken in line with this, or to reflect action taken in response to test outcomes.
 - No evidence was provided to demonstrate relevant reporting Senior Management and Members other than the brief mention of business continuity as a relevant mitigation in Major Incident risk updates.

City of London Junior School – Key Financial Controls

4. Overall, limited assurance was provided in respect of the effectiveness of the School's key financial controls. Audit testing confirmed the presence of control weaknesses in most areas examined, the Audit report highlighted the key issues and associated risks for management attention. Recommendations have been made to strengthen control in respect of:
- Calculation, billing and collection of income, incorporating validation checks, robust reconciliation arrangements, and reduction of manual processing to minimise the risk of error.
 - Debt management, improving the clarity and transparency of records maintained, and enhancing oversight of direct debit administration.

- Budget monitoring processes to support the School in managing its financial resources in line with its approved Revenue budget.
 - Procurement activities, ensuring consistently transparent and compliant practices which demonstrate the pursuit of Value for Money, and meet corporate targets in respect of payment performance.
 - Purchase card usage, taking prompt and appropriate action in respect of non-compliance with the corporate Scheme.
 - Maintenance of the School's inventory of high value, portable assets to ensure that relevant items are reflected and can be accounted for.
5. Internal Audit noted that activity is already in progress to identify and address the need for process improvements.

Follow-up Work

6. Follow-up work has been undertaken in respect of 11 Internal Audit reviews covering 93 recommendations, of which 29 have been closed. Again, with limited capacity at the start of the year, the programme of follow-up work was small, expanding and gaining pace later in the period as vacancies were filled. Work is currently in progress to review the implementation status of the 15 overdue high-priority recommendations (listed in the Internal Audit Dashboard).
7. Further Analysis of open recommendations is incorporated within Appendix 1 Internal Audit Dashboard.

Forward Programme of Internal Audit Work

8. Appendix 2 shows the indicative forward programme of Internal Audit work for the remainder of 2024/25. It should be noted, however that this is subject to review and change pending the outcome of a detailed review of the short and longer term Internal Audit Plan which Members will be consulted on later in the year.

Corporate & Strategic Implications

9. The work of Internal Audit is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks.

Conclusion

10. Reduced capacity within the Internal Audit team has resulted in limited delivery of planned Audit work at the start of the year although significantly increased as new team members started in post. This is demonstrated by the number of audit reviews currently completed to Draft Report stage. With the exception of the newly created Deputy Head of Internal Audit position, there are currently no vacancies on the team.
11. While Internal Audit work identifies areas for improvement within the systems and processes examined, the findings of Audit work have been well received by

Management and appropriate actions have been identified to resolve the control weaknesses raised.

Appendices

- Appendix 1 – Internal Audit Dashboard
- Appendix 2 - Internal Audit Current Programme of Work

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Internal Audit Dashboard: 01/04/2024-31/08/2024

Work completed in period

Final Audit Reports Issued

Barbican Centre	Business Continuity	Limited Assurance
City Junior School	Key Financial Controls	Limited Assurance

Follow-up
Reviews: 11

Committee
Reports: 9

Corporate Risk Assurance:
CR01, CR36

Follow-up outcomes in period

Total Recommendations Reviewed:
93

29
Implemented

64
Outstanding

All Open Recommendations: 127

24
Red

101
Amber

2
Green

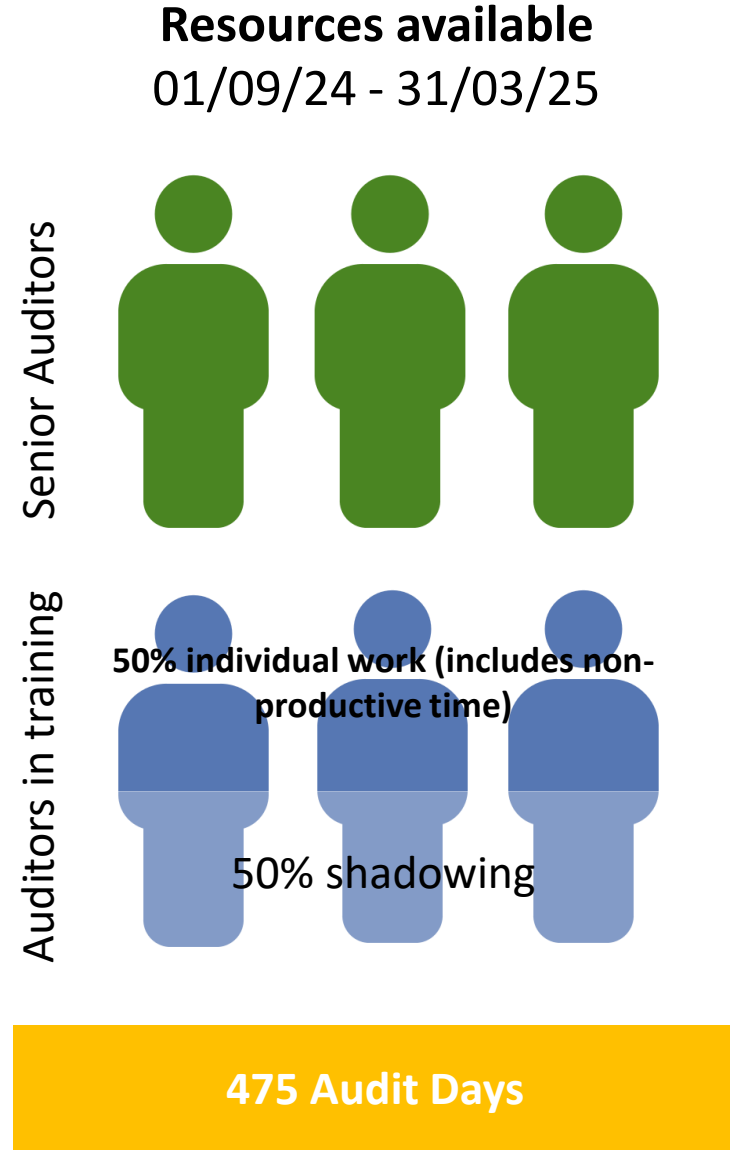
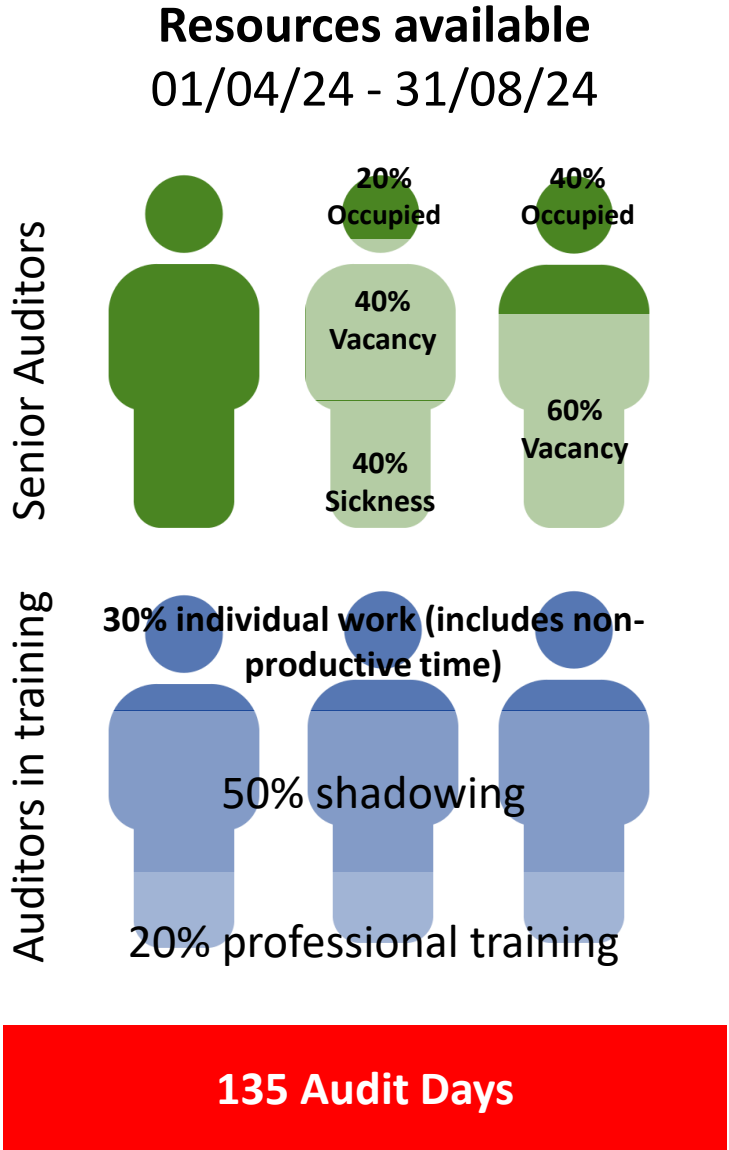
Date Prepared: 09/09/2024

Audit Reviews in Progress:

- Corporate Strategy and Performance – Application of Risk Management Framework **(Draft Report)**
- Community and Children’s Services – Risk Management **(Draft Report)**
- Innovation & Growth – Operational Expenditure **(Draft Report)**
- Corporate Wide – IR35 **(Draft Report)**
- Barbican Centre – Financial Procedures Framework **(Draft Report)**
- Guildhall School – Financial Management **(Draft Report)**
- Chamberlains – Procurement Transparency (PAR) **(Draft Report)**
- Environment – Planning Governance **(Fieldwork)**
- City of London Police – Information and Data Handling **(Fieldwork)**
- City of London Police - Payroll **(Fieldwork)**
- City of London Police – Accommodation **(Fieldwork)**
- Barbican Centre – Contract Management **(Fieldwork)**
- Environment Department – Risk Management (City Operations) **(Fieldwork)**
- Chamberlain’s Department – Contractor AP Approval Responsibilities **(Fieldwork)**
- Guildhall School – Non-Substantive Workforce **(Planning)**
- Environment Department – Planning Data **(Planning)**

(note also work in progress for London Councils and Museum of London)

Internal Audit Resources Available in 2024/25



Internal Audit Resource Analysis for 2024/25

**Baseline
Target:
600 Audit
Days**

**Current
Capability:
610 Audit
Days**

**Growth
Target:
1000 Audit
Days**

Timeline to Growth Target: 31/03/2026

Notes:

- A full time Senior Auditor equates to 180 “Audit days”.
- Auditors in training are all due to complete current professional studies by 30 September 2024, from which point proportion of “individual work” increases to at least 50%, with the proportion of time shadowing decreasing over the following year.
- Provision of Internal Audit Services to London Councils and Museum of London totals 100 Audit days (55% of 1 FTE)

Additional Resources:

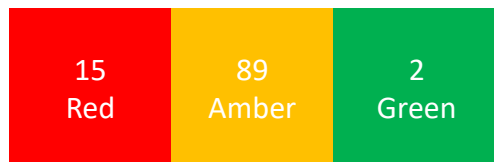
- Currently engaged Temporary Audit Manager to support Internal Audit Planning
- Recruitment campaign for Deputy Head of Internal Audit initiated
- Partnered with Gartner UK for Assurance Leaders, providing access to extensive specialist support and advisory services and reference and training materials to support the development of the Internal Audit function
- Benchmarking to be undertaken in September/October to baseline service maturity and formulate growth plan

Internal Audit Recommendation Analysis

127 Open Recommendations compared to 119 open recommendations at 31/03/2024.

25 recommendations have been raised in the current year 2024/25

Recommendations past their due date: 106



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Current Aged Analysis of overdue recommendations:

Time past due date	Number of Recommendations
< 6 months	54
6-9 months	30
9-12 months	9
12-24 months	12
24-36 months	1
Total	106

Aged Analysis of overdue recommendations at 31/03/2024:

Time past due date	Number of Recommendations
< 6 months	65
6-9 months	8
9-12 months	5
12-24 months	23
24-36 months	4
Total	105

Overdue Red Recommendations

Audit	Recommendation	Target date
City of London School - Key Financial Controls	Proposed management action: Put in place at least termly budget monitoring, with reporting to the Head / SLT.	31/12/2023
	Proposed management action: £188,000 of the £390,000 was written back onto the accounts during 2022/23 although there remain reconciliation issues in 2022/23. Termly reconciliation and improvements in the Shared Services Team including training of staff and clear procedures will help to prevent future reconciliation issues. Further work is required on reconciliation of carried forward balances, which will help determine if the 2021/22 write off can be written back to the accounts or if this is to remain written off.	31/03/2024
	Proposed management action: Resume at least termly budget monitoring reports to governors.	31/12/2023
City of London School for Girls - Key Financial Controls	Proposed management action: Put in place at least termly budget monitoring, with reporting to the Head / SLT.	31/12/2023
	Proposed management action: Resume at least termly budget monitoring reports to governors.	31/12/2023
Community & Children's Services - Timeliness of Housing Repairs	<p>As Contract Manager, the Head of Asset Management should ensure that a robust approach is taken to holding the contractor to account for under-performance in the timely delivery of repairs. To facilitate this:</p> <ul style="list-style-type: none"> (i) The Head of Asset Management should raise formally with the contractor the ongoing issues with performance and should seek appropriate resolution. This escalation should be documented and followed up if unsuccessful. (ii) the frequency of Contract Monitoring meetings should be increased until these issues are resolved; (iii) 'Traffic Light' Dashboard reports, published by the Housing Management Team on a quarterly basis, should be presented at contract monitoring meetings, where appropriate. 	31/01/2023

Overdue Red Recommendations (continued)

Audit	Recommendation	Target date
Corporate Health and Safety	The Corporate Health Safety and Wellbeing Committee should devise arrangements for monitoring the extent to which City departments or business areas have adequate arrangements in place for identifying, assessing, recording and monitoring health and safety risks together with escalating health and safety risks for corporate attention, where required.	31/03/2024
	The Corporate Health, Safety and Wellbeing Committee should report regularly to both the Corporate Services Committee and Executive Leadership Board, setting out the extent to which the City's health and safety risk management framework is operating effectively.	31/12/2023
Community & Children's Services - Housing Fire Safety Management	Regular status updates should be provided to the Sub-Committee at least quarterly in relation to delivery of the programme of inspections and fire risk assessments.	02/10/2023
	Fire Safety status reports should be made to the Sub-Committee at least quarterly, showing timely updates in relation to completed or overdue actions.	02/10/2023
	Fire safety status reports should incorporate summary information so as to better illustrate the strategic implications of the data. [Some examples have been discussed and shared with management alongside this report.]	31/12/2023
	The status of inspections and fire risk assessments should be reported to the first available Sub-Committee following completion.	02/10/2023
Community & Children's Services - Charges for Repairs and Maintenance	The contract Schedule of Rates must be applied, where this is not possible, works must be specified and costed via quotation and the quotation attached to the works order.	27/11/2023
	The Housing Repairs Team should ensure that market testing (seeking alternate quotes) is undertaken in relation to non-SOR items, management may wish to set a financial threshold for this. Evidence should be retained.	27/11/2023
	The Housing Repairs Team should introduce, as a minimum, spot-checking to validate the completion of works and, for some categories of repair, part-completion. Evidence should be retained to demonstrate this.	27/11/2023

Internal Audit current programme of work: 01/09/2024 – 31/03/2024

Work in progress:

Department	Audit (and status)
Environment	Planning Governance (Fieldwork)
City of London Police	Information and Data Handling (Fieldwork)
City of London Police	Payroll (Fieldwork)
City of London Police	Accommodation (Fieldwork)
Barbican Centre	Contract Management (Fieldwork)
Environment Department	Risk Management (City Operations) (Fieldwork)
Chamberlain's Department	Contractor AP Approval Responsibilities (Fieldwork)
Guildhall School	Non-Substantive Workforce (Planning)
Environment Department	Planning Data (Planning)

Planned work:

City of London Police	Income Collection and Cost Recovery
City of London School	Income - including fees
City of London School for Girls	Income - including fees
City of London Freeman's School	Income - including fees
City of London Junior School	Income - including fees
City Surveyors	Service Charges
City Surveyors	Commercial Rents
Guildhall School	Data Quality – HESA
Corporate Wide	P-Card Performance (various departments)
Corporate Wide	Fees and Charges (various departments)
Corporate Wide	Contract Management (various departments)
Community and Children's Services	Commissioning

Notes:

- Includes work in progress
- Represents approximately 300 Audit days
- Does not include Follow-up work
- Does not include programme of work for London Councils and Museum of London
- Currently developing a formalised Internal Audit Plan for the 6 months from 1st October which may result in changes to this programme of work.

Resourcing:

- No vacancies at Senior Auditor, Auditor or Trainee Auditor level
- Auditors in Training now almost fully completed Apprenticeship Programme

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Committee(s): Audit and Risk Management Committee	Dated: 23/09/2024
Subject: Risk Management Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chief Strategy Officer	For Information
Report author: Thomas Wrench, Corporate Strategic Development Lead	

Summary

This report provides the Committee with an update on the corporate and top red departmental risk registers since they were last reported to the Committee in July 2024. Further details can be found in the appendices listed at the end of this report.

Recommendation

Members are asked to note:

- This report and the corporate and top red departmental risk registers attached to this report. Since the previous update:
 - The number of corporate risks has decreased from 16 to 15 with *CR21 Air Quality* de-escalated to a departmental risk.
 - The number of departmental red risks increased from 20 to 21. Two risks have been added and one risk has been de-escalated from Red 16 (Impact 4 Major x Likelihood 4 Likely) to Green 4 (Impact 1 Minor x Likelihood 4 Likely).¹
- That the development of a new Risk Management Policy and the continued delivery of training for officers in line with the Risk Management Strategy 2024-2029 will help to ensure the regular and accurate updating of risks and mitigating actions and improve the City Corporation's risk management culture.
- That a review and refresh of the City Corporation's risk appetite levels is in progress and is likely to be completed by the end of the 2024-2025 financial year.

¹ Risk de-escalated: CHB004 *Casual Staff Pensions Entitlement/Enrolments*

Main Report

Background

1. The corporate and red departmental risks are reported to this Committee as a minimum on a quarterly basis to enable the Committee to exercise its role in the monitoring and oversight of risk management within the City of London Corporation (CoLC). An update on the ongoing Risk Appetite Review, as reported to the Committee at its July 2024 meeting, is at paragraph 18.
2. The corporate and red departmental risk registers were reviewed by Chief Officer Risk Management Group (CORMG) on 7 August 2024 as Senior Officers accountable for CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-Corporation risk management themes).
3. In response to feedback given by Members at the July Audit and Risk Management Committee meeting, officers have been reminded about the importance of regular and accurate risk reporting. This includes the differentiation of risks from issues, ensuring risk register accuracy in relation to target dates and appropriate risk titles, concerns about sensitive content being shared in the public domain through committee reports and discrepancies between business plans and risk registers, with the delivery of mitigating actions not being recorded. Ensuring mitigating actions address likelihood and impact will be taken to the Risk Management Forum as a learning item in September 2024.
4. The corporate risk management training offer continues to develop in line with the Risk Management Strategy 2024-2029. Recently, this has included engagement with departmental senior leadership teams on risk identification, a workshop for the Environment Department led by Zurich, and sharing guidance and best practice during Risk Management Forum sessions.
5. The development of a new Risk Management Policy is underway, and a draft will be presented to the Committee in November for endorsement. Initial assumptions about the scope, content, and application of the policy were tested with CORMG on 7 August and discussions on these are taking place with risk leads across the City Corporation, including in the Institutions (e.g., City Bridge Foundation and City of London Police).
6. The proposed mayoral priorities of the next Lord Mayor, Alderman Alastair King (subject to election) includes a pillar of activity around growth optimisation in the financial services sector, with engagement with regulators, chief executives and chief risk officers to advocate appropriate risk appetite. Officers in the Corporate Strategy & Performance Team, Innovation & Growth and the Office of the Lord Mayor are co-ordinating to ensure alignment between the mayoral theme – *Growth Unleashed* – and City Corporation risk management objectives. This will continue throughout the mayoral year.

Current Position

All Risks

7. Table 1 below shows the overall number and risk ratings of all risks recorded on the Ideagen risk management system as of 9 September 2024 compared with 24 June 2024 (the figures last seen by the Committee).

Risk rating (RAG)	September 2024	June 2024	Difference
Red	59	60	-1
Amber	235	230	+5
Green	113	114	-1
Total	407	404	+3

Table 1: September 2024: Overall Risk Numbers by RAG Rating on Ideagen

8. Table 2 below shows the breakdown of the red, amber and green rated risks by risk level as of 9 September 2024 compared with 24 June 2024.

Risk rating	Red		Amber		Green	
	Sept 2024	June 2024	Sept 2024	June 2024	Sept 2024	June 2024
Risk level						
Corporate	6	6	9	9	0	1
Departmental	21	20	84	84	25	24
Service	32	34	142	137	88	89
Total	59	60	235	230	113	114
Difference	-1		+5		-1	

Table 2: September 2024: Breakdown of RAG Risks by Risk Level (no team or PPM risks recorded as of 9 September)

Corporate Risks

9. There are currently 15 corporate risks on the corporate risk register (6x Red and 9x Amber). Since the last report to the Committee one risk has been de-escalated to departmental level (no scoring changes as at 9 September). Attached to this paper at Appendix 1 is the corporate risk register showing the nine risks above appetite.² Corporate risks are being reviewed by CORMG to ensure they accurately reflect the greatest threats and concerns to the City Corporation.
10. Risk de-escalated: *CR21 Air Quality* has been de-escalated from corporate risk to an Environment departmental risk following CORMG agreement. This decision was supported by the significant improvement in air quality, meeting national standards in most locations, with expectations to meet them everywhere within the next two-to-three years. Statutory obligations have been consistently fulfilled, with annual reports submitted to the Greater London Authority and the Department for Environment, Food & Rural Affairs. Additionally, the introduction

² CR41 *Tree Maintenance* added to above appetite risk register report; CR21 *Air Quality* removed. We are reviewing the reporting of our above appetite risks as part of the risk appetite refresh.

of a new (draft) Air Quality Strategy aims to exceed national standards, further demonstrating our commitment to maintaining and improving air quality.

11. Following discussion at CORMG, *CR37 Maintenance and Renewal of Corporate Physical Operational Assets* will be redrafted to disaggregate and fully reflect the ongoing corporate risk. Separately, Internal Audit will use this risk as an example to explore how Heads of Profession can be better utilised to effectively and proactively manage (corporate) risks.

12. The RAG matrices below show the distribution of corporate risks as of 9 September 2024 (Table 4) and 24 June 2024 (Table 5):

	Minor	Serious	Major	Extreme
Likely			3	1
Possible			8	1
Unlikely			1	1
Rare				

Table 4: September 2024 Corporate Risk Heatmap

	Minor	Serious	Major	Extreme
Likely			3	1
Possible	1		8	1
Unlikely			1	1
Rare				

Table 5: June 2024 Corporate Risk Heatmap

13. The highest scoring corporate risks – 1x Red 32 (Impact 8 Extreme x Likelihood 4 Likely) and 1x Red 24 (Impact 8 Extreme x Likelihood 3 Possible) are:

- CR41 Tree Maintenance – Red 32. Continues to be monitored as a corporate risk with a view to de-escalating this once the necessary resources are in place to clear the outstanding works at Epping Forest and funding for ongoing tree works across all sites has been identified.
- CR16 Information Security – Red 24

14. Table 3 below shows a summary of all CoLC corporate risks as of 9 September 2024.






























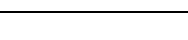





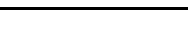









Code	Title	Current Risk Score	Current risk score icon	Trend Icon	Risk flight path (last 12 assessments)	Risk Creation Date (Ideagen)	Risk Added to CR Register (year)
CR41	Tree Maintenance	32				23 February 2024	2024
CR16	Information Security (formerly CHB IT 030)	24				10 May 2019	Pre-Pentana (2014)
CR36	Protective Security	16				10 January 2022	2022
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)	16				04 November 2019	2022
CR38	Unsustainable Medium-Term Finances - City's Estate	16				31 October 2022	2024
CR40	PSTN Switch Off 2025 (formerly CHB DITS 045)	16				26 February 2024	2023
CR01	Resilience Risk	12				20 March 2015	Pre-Pentana (2014)
CR02	Loss of Business Support for the City	12				22 September 2014	Pre-Pentana (2014)
CR09	Health, Safety and Fire Risk Management System	12				22 September 2014	Pre-Pentana (2014)
CR29	Information Management	12				08 April 2019	Pre-Pentana (2014)
CR30	Climate Action	12				07 October 2019	2020
CR33	Major Capital Schemes	12				14 February 2020	2020
CR35	Unsustainable Medium-Term Finances - City Fund	12				19 June 2020	2022
CR39	Recruitment and Retention	12				21 February 2023	2023
CR10	Adverse Political Developments	8				22 September 2014	Pre-Pentana (2014)

Table 3: September 2024: List of Current Corporate Risks by Current Risk Score

Red Departmental Risks

15. There are currently 21 departmental red risks. Since the last report to the Committee, two risks have been added to the register and one risk has been de-escalated. A summary of the top red departmental risks can be found at Appendix 2.

16. Changes to the register:

Risks added:

- i) *SUR SMT 016 Investment Property Group staffing and Capacity*: added at Red 16 (Impact 4 Major x Likelihood 4 Likely). This risk reflects the new skill sets and additional capacity required in this business unit. This is in response to changing corporate investment targets, organisational requirements and access to market. Plans are being submitted to relevant service committees to address this risk.
- ii) *BBC Buildings 010 BBC Conservatory Glazing*: added at Red 24 (Impact 8 Extreme x Likelihood 3 Possible) relates to the restoration and refurbishment of the Barbican Conservatory.

Risks de-escalated:

- iii) *CHB004 Casual Staff Pensions Entitlement/Enrolments* has been de-escalated from Red 16 (Impact 4 Major x Likelihood 4 Likely) to Green 4 (Impact 1 Minor x Likelihood 4 Likely) following confirmation that the Pensions Regulator is satisfied with the City Corporation's remediation approach.

Risks renamed:

- iv) *SUR MKT WM 001 MCP* has been renamed as *SUR SMT 017 MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works*.
- v) *BBC H&S 005* has been retitled *Fire Regulation Compliance*.

17. During the July 2024 Audit and Risk Management Committee meeting, further information about *CJS 001 Inadequate finances or financial plans* was requested. This City of London Junior School risk was escalated from Amber 12 (Impact 4 Major x Likelihood 3 Possible) to Red 16 (Impact 4 Major x Likelihood 4 Likely) and relates to the shift to a new shared services model between the City of London School, the City of London School for Girls and the City of London Junior School. This change reflects the Junior School's transition from start-up to business-as-usual and the checks that took place to ensure its risks and mitigations were appropriately recorded (the Junior School had opened before the shared services model was fully operational). Over the summer, the Chair of Governors and the school's Head of Finance undertook a formal internal review of the business model and mitigation work is likely to reduce the risk in the near future.

Risk Appetite Review

18. Following the presentation of Zurich Resilience Solutions' report on risk management culture and appetite to the Committee on 8 July 2024, work to refresh the City Corporation's risk appetite levels has continued. A series of broad risk themes, which will sit above corporate-level risks at the

strategic/system level, is proposed. The risk themes will be endorsed by Members following officer recommendations and inform the approach to the handling of top-level (corporate) risks.

19. To inform this work, a risk appetite workshop was attended by CORMG and Heads of Profession on 7 August, during which overarching risk themes and next steps were confirmed. We are seeking additional views and best practice through other sessions, including informal discussion with External Members of the Audit and Risk Management Committee.
20. Over the coming months, a series of risk appetite statements for each proposed theme will be drafted against appetite levels. These will be considered by CORMG and the Executive Leadership Board (ELB) in the autumn and recommendations will be presented to Members in early 2025.
21. Risk appetite is intended to help us successfully manage our risks, consider opportunities, and achieve our strategic outcomes/priorities. It will apply across the City Corporation, including Institutions, and will be integrated into the emerging Risk Management Policy. Discussions on risk appetite form part of the ongoing engagement with City Corporation Institutions – particularly the City of London Police and City Bridge Foundation.

Corporate & Strategic Implications

Strategic implications – Reporting in line with CoLC Corporate Risk Management Strategy.

Financial implications – None applicable

Resource implications – None applicable

Legal implications – None applicable

Risk implications – None applicable

Equalities implications – None applicable

Climate implications – None applicable

Security implications – None applicable

Conclusion

This risk update and accompanying document (see appendices) are aimed at providing assurance to the Audit and Risk Management Committee that risks within the City of London Corporation are being effectively handled.

Appendices

- Appendix 1: Corporate Risk Register Report – detailed report above appetite only
- Appendix 2: All Red Departmental Risks – short summary report

Thomas Wrench

Corporate Strategic Development Lead

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Corporate Risk Detailed Register EXCLUDING completed actions by risk appetite

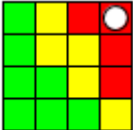
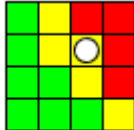

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Rows are sorted by Risk Score

Code & Title: CR Corporate Risk Register 9

Risk Appetite Level Description Risk above appetite

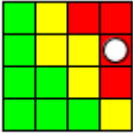
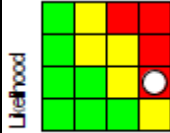
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
<p>CR41 Tree Maintenance</p>	<p>Cause:</p> <ul style="list-style-type: none"> Trees are subject to decline, physical damage and infection. As trees deteriorate, they are increasingly likely to shed limbs or fall in strong winds and the potential to cause harm increases. Therefore, a robust programme of proactive and reactive tree inspections is in place at each of the City of London open spaces to identify trees which require works to make them safe. The impact of drought and a rise in tree disease, combined with more frequent extreme weather events due to climate change, is increasing the risk of trees failing. During the Covid pandemic lockdowns and associated staff limitations, the number of vulnerable trees requiring work built up across the City's open spaces. 	<p>  Likelihood Impact </p> <p>32</p>	<p>Risk escalated from Departmental to Corporate following agreement from CORMG on 5 June 2024.</p> <p>Regular tree inspections are carried out at each open space to identify vulnerable trees that require work. Works are then prioritised in order of risk. At all sites, climate change, and the associated greater frequency of severe storms, extreme weather conditions, and tree disease, is resulting in more frequent tree (and tree limb) failures and this will continue to increase over time.</p> <p>Long term funding: Officers are</p>	<p>  Likelihood Impact </p> <p>12</p>	<p>31-Dec-2024</p>	<p></p>

<ul style="list-style-type: none"> • In some areas there is difficulty recruiting arborists (tree surgeons) due to higher pay offered in the private sector: we currently do not have sufficient funds to recruit enough staff resource to clear the outstanding works. • There is, as a result, an increasingly large number of vulnerable trees across our open spaces which require works to prevent failure. • There have been a series of incidents of tree failures where trees have fallen onto vehicles and buildings. • Our sites have more than 100 miles of highway verge predominately lined with trees. <p>Event:</p> <ul style="list-style-type: none"> • More frequent tree (or tree limb) failures. • Trees adjacent to busy roadways and residential properties falling onto vehicles, properties and other infrastructure. <p>Effect:</p> <ul style="list-style-type: none"> • Public safety - serious injury/death. • Damage to City of London's physical assets. • Disruption to public highways. • Damage to cars and adjoining properties with increased exposure to public liability claims. • Adverse media attention and significant reputational damage to the City of London Corporation. • Financial impact of insurance claims. 			<p>working in collaboration with colleagues in the Chamberlain's Department to consider options for increasing our budgets for tree management in the long term.</p> <p>Epping Forest outstanding works: There are currently a number of trees at Epping Forest which require work (approx. 3,600 trees). In recent years, ongoing staff shortages have enabled only the highest priority works to be completed. In the meantime, more frequent tree failures are being experienced and the number of trees requiring work continues to grow.</p> <p>Specialist contractors have been employed to supplement the in-house teams, but we have not been able to find, or fund, enough to address all outstanding works.</p> <p>We are exploring the possibility of employing up to six new fixed-term arborists which should enable us to clear the outstanding works over the next two years, and reduce the risk, but this will require additional financial resource of £300,000 (over two years).</p> <p>Once the outstanding works are cleared, and providing we are able to maintain fully staffed in-house arborist teams, we will be able to manage ongoing tree safety works as 'business as usual'.</p> <p>The 'target date' to reduce the risk score to Amber 12, is the time by which we hope to have the necessary financial and human resources in</p>				
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03-Jul-2024 Katie Stewart				place to be confident that we will be able to clear the outstanding works at Epping Forest and have identified funding for ongoing tree works across all sites. 04 Sep 2024			Reduce	Constant
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR41 005b Epping Forest: funding for outstanding works	Explore options to secure additional funding to address outstanding tree safety works at Epping Forest, in liaison with Corporate colleagues.	<p>We require additional funding of £300,000 (over two years) to clear the outstanding tree safety works at Epping Forest.</p> <p>We are working closely with colleagues in the Chamberlain's Department, to identify possible sources of funding.</p> <p>The Epping Forest arborist team is fully staffed but will not have capacity to tackle all outstanding works. We are exploring the possibility of employing up to six new fixed-term arborists but will need to find extra resources to do so.</p> <p>Epping Forest received £210,000 from City Cash Contingency for the financial year 2023/24. This has been fully spent on external arborist contracts and purchase of equipment for future tree safety work efficiency including a MEWP (mobile elevated work platform) for roadside working at greater speed without closing the road.</p> <p>The 'due date' of this action is when we hope to have the necessary financial and human resources in place to be confident that we will be able to clear the outstanding works and reduce the risk.</p>	Katie Stewart	04-Sep-2024	31-Dec-2024
CR41 005e Funding for ongoing tree works	Explore options to identify funding for the ongoing management of tree safety across all Environment Department sites.	We are working with colleagues in the Chamberlain's Department to consider options for increasing budgets for tree management at all sites in the long-term.	Katie Stewart	04-Sep-2024	31-Dec-2024
CR41 005f Tree Safety Policy	Review Natural Environment Division Tree Safety Policy.	The Natural Environment Division Tree Safety Policy sets out the requirements and processes that must be in place at all sites for proactive tree inspection programmes, based upon prioritisation criteria, and reactive inspections following incidents such as severe weather events. The Policy is based upon guidance issued by the National Tree Safety Group (NTSG) and has proven effective when tested following previous incidents.	Katie Stewart	04-Sep-2024	31-Dec-2024

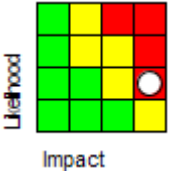
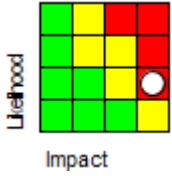

		<p>The Natural Environment Division's Tree Safety Group will review the Policy to check that it is being implemented fully across the Division and amend the content as necessary to reflect any changes.</p> <p>When the NTSG releases its revised guidance (date to be confirmed but expected later this year), the Divisional Group will further review the Policy to ensure it aligns with the National Guidance.</p>			
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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR16 Information Security (formerly CHB IT 030) Page 155 10-May-2019 Caroline Al-Beyerty	Cause: Breach of City of London Corporation IT Systems resulting in unauthorised access to data by internal or external sources. Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures. Effect: a) Failure of all or part of the IT Infrastructure with associated business systems failures. b) Harm to individuals. c) A breach of legislation such as the Data Protection Act 2018 and UK-GDPR. d) Incurrence of a monetary penalty. e) Corruption of data. f) Reputational damage to City of London Corporation as an effective body.	 Likelihood Impact	24	The project to implement a raft of new security improvements is complete. A decision was made to define a minimum-security baseline for all parts of the corporation. The Director of DITS will work with IMS to put this together. The security service provided by Agilisys has now been brought in-house, giving greater control and visibility over Security controls. We are committed to increasing our Secure Score month on month, and this is now being reported to Digital Services Committee as well as Information Management Board.	 Likelihood Impact	16	31-Dec-2024	Constant
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16q User behaviour monitoring	Monitoring user activity on the network for any suspicious or unauthorized behaviour	Currently, our network activity monitoring is operational but lacks a sophisticated behavioural analytics component to detect anomalous behaviour accurately. Integrating a behavioural analytics solution is crucial for enhancing our detection capabilities, significantly reducing the risk of ransomware attacks. This solution will leverage machine learning and AI algorithms to analyse patterns of user behaviour, identifying deviations that could indicate a security threat. Implementing this will not only improve our preventative measures against ransomware attacks but also strengthen our overall cybersecurity posture.	Gary Brailsford-Hart	04-Sep-2024	31-Dec-2024

		<p>Steps for Implementation</p> <p>Market Research Vendor Selection Pilot Testing Training and Awareness Full Deployment Continuous Improvement</p> <p>This approach ensures that the action is not only about monitoring but actively improving our capability to detect and respond to cybersecurity threats, particularly ransomware, through advanced behavioural analytics.</p>			
CR16r Access control monitoring	Monitoring access control systems and processes to ensure that only authorized users have access to sensitive information	<p>Controls are in place to manage the access control to the estate; improvements have been made in the application of multifactor authentication. However, the escalation and acceptance of privileged accounts remains within the IT department and is not subject to independent scrutiny.</p> <p>Steps for implementation</p> <p>Assessment of Current Practices Development of an Independent Oversight Protocol Implementation of a Formal Privileged Access Policy Regular Audits and Reviews Segregation of Duties Training and Awareness Enhanced Authentication and Monitoring for Privileged Accounts Feedback and Continuous Improvement</p> <p>By implementing these steps, the City can strengthen its control over privileged accounts, ensuring they are granted appropriately and are subject to rigorous and independent scrutiny.</p>	Gary Brailsford-Hart	04-Sep-2024	31-Dec-2024
CR16s Incident response	Developing and implementing a plan to respond to any security incidents that occur.	<p>We have drafted an organisational Cyber Incident Plan as well as developing operating cyber testing exercises. However, there is a need to produce further playbooks and develop more testing and exercising events.</p> <p>Testing remains outstanding and is a priority for the next quarter.</p>	Gary Brailsford-Hart	04-Sep-2024	31-Dec-2024
CR16t Security information and event management (SIEM)	Using software tools to collect and analyse data from various security sources to detect and respond to security incidents.	<p>Tooling is in place and operating.</p> <p>Microsoft Sentinel is in place and collecting activity from across CoL. This has been monitored and managed by the InfoSec team who have been detecting and investigating incidents highlighted by the SIEM.</p> <p>Tooling is in place but resources to review, analyse and action remain outstanding.</p>	Gary Brailsford-Hart	04-Sep-2024	31-Dec-2024

CR16u Security awareness training	Providing regular training to staff and employees on cyber security best practices to prevent security breaches.	<p>Over the last 12 months we have deployed cyber security awareness from the information security team through the use of internal communications and training via the MetaCompliance platform.</p> <p>With the expiry of the MetaCompliance platform, the next 12 months will see communications and awareness messages continue from the security team but structured training will now be dependent on the NCSC "Top Tips for Staff" module. This may present a risk in our ability to provide specific training in response to cyber threats and trends.</p> <p>This is an area under review.</p>	Gary Brailsford-Hart	04-Sep-2024	31-Dec-2024
CR16v Security Baseline assessment – COL/COLP/Institutions	Security Baseline assessment – COL/COLP/Institutions	<p>Initial assessment complete, work is ongoing to identify trends and a developments plans and updates to the CAF will continue.</p> <p>Feedback from the institutions is positive and the NCSC CAF is accepted as a baseline standard. The appetite for review has been agreed as annual owing to resource constraints and the likely timeframes for improvements to be made.</p> <p>Further engagement has taken place and a detailed paper on the subject has been submitted to Committee for consideration (13/05/2024).</p>	Gary Brailsford-Hart	04-Sep-2024	31-Dec-2024

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR36 Protective Security	<p>Cause: Lack of appropriate governance, inadequate security risk assessments, prioritisation, and mitigation plans. Inadequate, poorly maintained or time expired security infrastructure and policies; lack of security culture and protective security mitigation; poor training, inadequate vetting, insufficient staff.</p> <p>Event: Security of an operational property and event space is breached, be that internal threat, protest and/or terrorist attack. Publicly accessible areas for which the Corporation are responsible for are subject to an undisrupted Terrorist attack.</p> <p>Effect: Injury or potential loss of life caused by an undisrupted attack, unauthorised access to our estate by criminals/protestors/terrorists; disruption of business/ high profile events; reputational damage.</p>		<p>16</p>	<p>Security governance continues to be lead through Senior Security Board (SSB). There is clearer clarity and leadership on security through the City Surveyor's department with leadership on Markets and CCC as well as the Primary estate. The new Head of Security for the City Surveyors, with corporate lead for protective security across the estate and events within, has now started, shadowing the outgoing Head who retired including shadowing the State Banquet of Japan.</p> <p>POOLRE VSAT system continues to be utilised across our estate, with new locations being considered continually to go through this process to quality assure our assets, in line with best practise. Head of Security leads and will report back to SSB, although set for 3 years, we will be utilising an annual review to ensure embedded and valid.</p> <p>Systematic Assessment of Site Security (SASS) The main aim of a SASS is to provide a quantified assessment of an organisation's ability to control or mitigate the risks it faces. The process identifies risks and vulnerabilities and provides commensurate and proportionate security advice. CoLP CTSA undertake the task. There are only two outstanding reports</p>		<p>16</p>	<p>30-Jun-2025</p>	

			<p>(Barbican/Mansion House) which are currently being surveyed and assessments finalised. This will come to SSB once received.</p> <p>The Bridges Security Board lead by the COO of BHE has embedded GLA and TFL into the Planning and is currently scoping permanent HVM solutions. For the bridges, currently mitigated by the temporary solutions.</p> <p>2024 continues to present security challenges that will continue to be met by strong governance and effective partnership relationships, with continual partnership relations with both COLP and MPS. There are multiple threat actors both global and local that are addressed through joint partnership and police meetings, both preplanned and spontaneous when required.</p> <p>Pool Re undertook blast an analysis survey at locations across the city, these being Barbican, CCC, Tower Bridge and One New Change. Under the banner of Project Fleet. The vulnerability summaries have been provided to respective site security leads and work is being undertaken to develop mitigations. The Head of Security will report back to the SSB on action taken. Of note is that Hostile Vehicle Mitigation (HVM) was one of the significant pieces of work to be recommended for CCC and work will begin to install on the 2nd of September.</p> <p>In early 2024 the corporate risk score was reduced from 12 to 8 (having</p>				
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10-Jan-2022
 Gregory Moore

previously been one of the highest rated risks across the organisation), this was due to the vast amount of mitigation work and longevity of legacy implementation, with continuous monitoring of this it was recommended the risk maintains at an ongoing score of 8. During the formal review at SSB on 21/5/24 (this board sits each quarter with SSB and this the internal board for corporate security.) The board felt that the impact score should be moved to 16 Extreme rather than 8 Major. The rationale being that any impact would more likely fall into this category rather than Major. The ongoing work maintains it at this level and will be monitored through SSB and its subsidiary boards. It was advised that this is the appetite score that should be accepted and continually monitored. A task from SSB was to review this risk approach with that of Cyber Risk that is currently at 16. This review has now been done. Although both areas have had a huge amount of work done, and continue to do so and are monitored the impact is felt that it would potentially be at Extreme hence an uplift score to 16.

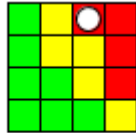
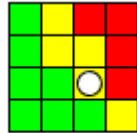

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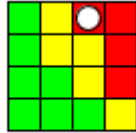
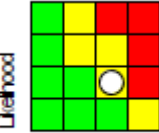

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR36c Command and Control	Incident/Event/Protest Command	<p>All SLT have now had training on Command Control and Co-ordination, with legal, crisis communication and humanitarian specialist inputs, Civil Contingencies Act (CCA), Security and Risk. There is now a 24/7 on call rota for SLT GOLD. All events continue to be risk assed RAG, with appropriate command teams in place.</p> <p>There is a bespoke MAGIC course being organised, due to limited space across London, although we are sending SLT as and when gaps appear, Director of HR attending next one. This is now booked for January 2025.</p> <p>There has been a recent refresh on loggist training covering Security Threat Risk mitigation, JESIP JDM CCA and legal responsibilities on Audit and accountability.</p> <p>There is now a new Silver course being booked, with various table tops booked in covering different matters. This was an agenda item at SSB 21/5/24.</p>	Richard Woolford	02-Sep-2024	30-Jun-2025
CR36d Prevent	Prevent	Prevent continues to be monitored across COLC in support of COLP. This was an agenda item at SSB 21/5/24	Valeria Cadena	02-Sep-2024	30-Jun-2025
CR36f City of London Corporation Buildings	Protect	<p>We are currently working with COLP in review all delivery of previous security footprints to ensure up to date and independent audit of works done.</p> <p>Continual monitoring continues.</p> <p>The previously report VSAT system has now been fully adopted and working parallel with site protect packs, this has now been reviewed across the City Surveyors estate to asses where we are in relation to protective security across our estate.</p> <p>COLP have introduced a new NaCTSO security assessment product that has been applied to Guildhall, Barbican, Tower Bridge, CCC, Mansion House and Leadenhall Market.</p> <p>The Protect Duty is anticipated and this is expected to create an additional level of governance but there is a high degree of confidence that City sites already exceed anything the Act will introduce. A full review will take place again once implemented, however in the interim we have reviewed and exceed current understandings of the proposed Act.</p> <p>Pool Re, under Project Fleet, have completed a maximum probable loss study from a credible worst case scenario terrorist attack at 4 locations in the City. This will better inform business continuity planning and vulnerability management. This was an agenda item at SSB 21/5/24. Paper accepted all sub boards tasked to review with Gap Analysis to be over seen by Head</p>	Neil Evans	02-Sep-2024	30-Jun-2025

		Security City Surveyor. A meeting took place post, with ongoing dialogue with COLP. Of note is that Hostile Vehicle Mitigation (HVM) was one of the significant pieces of work to be recommended for CCC and work will begin to install on the 2nd of September			
CR36g Protect Public Realm Board	Protect	<p>The programme of protective measures to address the priority locations identified in the immediate aftermath of 2017 terrorist attacks have been completed. A small number of subsequent locations are now being addressed with works expected to complete by end 2024.</p> <p>Partnership working under the umbrella of the Public Realm Protect Board remains crucial, with the City Corporation working alongside colleagues at the City Police and TFL to identify risk and to consider proportionate mitigations.</p> <p>The boards ongoing focus remains new public spaces planning development and the likely implications from the upcoming Protect Duty. As per agenda item in SSB.</p>	Ian Hughes	02-Sep-2024	30-Jun-2025

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Estate 31-Oct-2022 Caroline Al-Beyerty	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p>Effects: The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital programme and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>		16	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25 through carried forward from 2023/24 underspends. On-going pressures totalling £3.8m, plus net 3% inflation uplift approved in 2024/25 budgets.</p> <p>The five-year financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision for works going forward totalling £71m.</p> <p>Earning more income from property investment portfolio – diversification of asset portfolio.</p> <p>The funding strategy identifies where best to bring third-party capital, reducing demand on own Reserves.</p> <p>Key mitigations include quarterly monitoring of capital programme against budgets and developing comprehensive business cases and implementation plans for income generation opportunities.</p> <p>Renewed approach to transformation under pinned by a clear communication plan to Members.</p> <p>04 Sep 2024</p>		8	31-Mar-2025	
		Reduce			Constant			

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme • Monitor the use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, the Consumer Prices Index (CPI) rose by 2.2% in the 12 months to July 2024, up from 2.0% in June 2024.	Sonia Virdee	04-Sep-2024	31-Mar-2025
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams • i.e. rental income from the property investment portfolio.	This is being monitored monthly, with action being taken to within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to; Lord Mayor Show and events across the Corporation, advertising and sponsorship, Filming inside and outside the Square Mile, retail opportunities and Fees and Charges. Benchmarking exercises are currently being undertaken to provide a market comparison. An update on individual workstreams will be presented to Efficiency and Performance working party in November 2024.	Sonia Virdee; Genine Whitehorse	04-Sep-2024	31-Mar-2025
CR38f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable. Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information will be incorporated into the budget monitoring reports from Autumn 24 onwards to help inform Members of key risks and progress. Savings programmes/initiatives are being considered as work commences on budget setting for the 2025/26 year.	Sonia Virdee	04-Sep-2024	31-Mar-2025
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	Monthly updates and budget monitoring on major projects forecasts and issues arising. Projects are routinely reviewed by the Chamberlain's Assurance Board. Cessation of option 10b on Market Co-Location Programme approved by Court of Common Council in July. Further options being drawn up to be presented to Policy and Resources	Sonia Virdee	04-Sep-2024	31-Mar-2029

		Committee, then Court of Common Council in the Autumn 2024.			
CR38h Third Party Capital Funding	Bringing third party capital to surplus operational property opportunities.	Identified initial opportunities which have been supported by Resource Allocation Sub Committee. Proposals for each opportunity to be worked up and submitted for member consideration to relevant Committees, due in Autumn 2024.	Sonia Virdee; Paul Wilkinson	04-Sep-2024	31-Oct-2024
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	The ability for charities to fundraise and generate more income to support ambitions for activities and operational property requirements. Update to Efficiency and Performance Working Party scheduled for September 2024 ahead of paper presented to Finance Committee in December 2024.	Emily Brennan; Sonia Virdee	04-Sep-2024	31-Dec-2024
CR38j Plans in place to reduce future deficits.	City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the cumulative deficit is forecast to be £490m (including drawdown of financial asset gain of £158m). This is not sustainable over the longer-term period and radical decisions are needed now on how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation, over and above those already identified (income generation, , operational property review, investment property review and charity review) underpin by a clear communication plan to all members, so they are aware of the challenges ahead. Review of Executive Leadership Board planning for getting back to balance and operationalising the Corporation plan will be taken to Resource Allocation Sub Away day in July.	City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the cumulative deficit is forecast to be £490m (including drawdown of financial asset gain of £158m). This is not sustainable over the longer-term period and radical decisions are needed now on how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation, over and above those already identified (income generation, operational property review, investment property review and charity review) underpinned by a clear communication plan to all members, so they are aware of the challenges ahead. Transformation programme in flight, supported at Resource Allocation Sub away day. Progress reporting to the Efficiency and Performance Working Party to ensure corporate focus and pace.	Sonia Virdee; Genine Whitehorse	04-Sep-2024	31-Mar-2025

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR40 PSTN Switch Off 2025 (formerly CHB DITS 045) 26-Feb-2024 Caroline Al-Beyerty	<p>Cause: BT will retire their PSTN (Copper) Network at the end of 2025. Rendering all current connections redundant.</p> <p>Event: All current PSTN (Copper) connections will become unusable by the end of 2025. Forcing an upgrade to digital fibre or mobile services.</p> <p>Effect: All of our PSTN connections will cease at the end of 2025. This is in the range of 8,500 connections, which are linked to Lift/BMS/Fire Alarms and Door entry systems. Should these systems fail to be upgraded by the end of 2025, this could lead to essential services being inactive, without anyone being aware. This work will have significant financial impact to complete and failure to complete will have significant reputational impact.</p>		16	<p>BT Group announced in May 24, their intention to reset the date for the switching off of the Public Switched Telephone Network (PSTN). The original date we've all been working towards was December 2025. BT Group announced this month the reset of this date to 31 January 2027 for all PSTN connections, both residential and business.</p> <p>This provides an additional 13 months to the original timeline to migrate our PSTN connections. This switch off date doesn't affect the connections migrated to MPF.</p> <p>Gateway 2 Paper for PSTN has been approved at Corporate Projects Board and DSC in July. The papers will be submitted to PAB, CBF and Projects and Procurement Sub Committee in September. The papers seeks funding to conduct the audit of all connections across COL, COLP and Institutions, which will identify redundant connections and support discovery activity.</p>		8	31-Jan-2027	
		Lifelihood Impact			Lifelihood Impact			

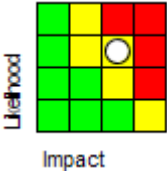
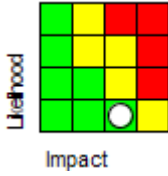

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR40a Conduct investigations into the entire estate	Investigations into the 8,500 connections identified as part of PSTN sunset in Jan 2027.	Our ongoing investigation, initiated and scheduled to conclude in June 2024, aims to identify the scope and dependency of the 8,500 connections on the PSTN infrastructure. The purpose is to gain insights into the services that are live, understand their criticality, and assess the potential impact of the sunset on each connection.	Sudeep Chatterjee	04-Sep-2024	31-Oct-2024
CR40c Service Assessment	Undertake a Service Assessment	Upon completion of the investigation, a comprehensive assessment of live services will be conducted. This will include identifying alternative communication services, and understanding the upgrade paths/timings available for each connection.	Sudeep Chatterjee	04-Sep-2024	31-Oct-2024
CR40e Notify business owner	Business owner notification	By Sep 2024, a detailed report outlining the findings of the investigation will be compiled. This report will then be distributed to FM (CoL/CoLP), H&S, ED&I and Security Operations. The notification will include information about the potential risks associated with the PSTN sunset, details on the current services in use, and recommended upgrade paths.	Sudeep Chatterjee	04-Sep-2024	31-Oct-2024
CR40f Creating Remediation Plan	Remediation Plan	The Facilities Management (CoL/CoLP), H&S, ED&I and Security Operations will be responsible for developing and implementing a remediation plan for their respective services. This plan will outline the necessary steps to migrate or upgrade the affected connections to alternative and sustainable communication solutions.	Matt Baker; Sudeep Chatterjee	04-Sep-2024	31-Oct-2024
CR40g Review the Remediation Plan	Review Plan	DITS PMO will review the remediation plans with FM (CoL/CoLP), H&S, ED&I and Security Operations. Making sure they are fit for purpose and capture all the relevant details.	Sam Collins	04-Sep-2024	01-Oct-2024
CR40h Order New Lines and Hardware	Order New Lines and Hardware	DITS PMO will place the orders for the new connections along with any hardware requirements identified within the remediation plans.	Sam Collins	04-Sep-2024	01-Dec-2024
CR40i Coordinate New Services	New Services	DITS PMO will assist in the co-ordination of the implementation of new services, along with any installation of new hardware required	Sam Collins	04-Sep-2024	31-Oct-2025
CR40j Undertake	Testing	DITS PMO will co-ordinate the post implementation testing for all new services and or hardware.	Sam Collins	04-Sep-2024	15-Nov-2025

Testing					
CR40k Continuous Monitoring	Continuous Monitoring	DITS will provide continuous monitoring of progress, tracking the remediation efforts to help identify and address any issues promptly. This includes regular communication with business owners, providing support, and making adjustments to the plan as necessary.	Sam Collins	04-Sep- 2024	31-Dec- 2025

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR01 Resilience Risk 20-Mar-2015 Gregory Moore	Cause - Lack of appropriate planning, leadership and coordination Event - Emergency situation related to terrorism or other serious event/major incident is not managed effectively Effect - Major disruption to City business, failure to support the community, assist in business recovery. Reputational damage to the City as a place to do business.	 Likelihood Impact	12	Risk is ongoing – Castellan (formerly Clearview) Risk Connect BC management tool continues to be implemented rollout has begun across Col depts – Continues Risk Connect / Castellan is a continuing rollout process with departments implementing their BIA Business Impact Analysis with support of resilience team 31st December 2024 02 Sep 2024	 Likelihood Impact	8	31-Dec-2024	 Constant
							Accept	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR01L Business Continuity Management	Assurance process with Cabinet Office College Provide refresher and initial training for Col staff, this training intended to increase knowledge to ensure BC plans are able to support the Col maintain its business during a major incident, provide an in-depth independent oversight of the Col business impact analysis, identifying its most critical business areas Challenges around re structure of depts/teams identifying business continuity leads new member of the resilience team joining. Meetings have taken place with risk connect to continue supporting moving forward. There is an admin and user training session due to take place 29th January 2024	<p>The BC software product now Risk connect has been built with rollout beginning across the CoLC January 2023 the onboarding process is now taking place. The intention is for the Dept BC leads end users to familiarise themselves and be confident using the system over the next few months and to input their BIA.</p> <p>Training set now for 29th January 2024. This will also cover admin users and the aim is for key depts staff to support others across the use of the system, this is in development. Work also started on identifying key depts BIA business impact analysis. Work also taking place with new member of the resilience team to develop BC policy linked to the BIA development. Work is continuing and going well with departments supporting the BIA and critical services process. To support staff with BC responsibility the resilience team has commissioned a 1-day BC management training event to take place April 24th. Procurement are also aware of the contract renewal with risk connect July 2024</p>	Gary Locker	02-Sep-2024	31-Dec-2024
CR01M Review	process, training, call out process to strengthen the City	LALO support role. This is a revolving process and further refresher and new staff	Gary	02-Sep-	31-Dec-

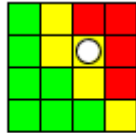
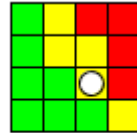

of LALO Local authority liaison officer	capability and resilience in responding to major incident and complying with the wider London boroughs standardisation programme	development training and exercise in this role will be sought during 2024 Currently sufficient capability No further training required to be reviewed December 2024	Locker	2024	2024
CR01N Standardisation procedures including Gold leadership Training	to increase City capability and resilience in also supporting wider London boroughs during major incident response, covers the key support functions of emergency centres and Gold strategic leadership	Gold major incident awareness training day completed for new Col Chief Officers 21/10/21 module 1 included Media. Training event planned for 22/9/23 implications, Humanitarian aspects, Civil Contingencies Act & Command structure responsibilities. Module 2/3 to follow 2022 Legal Implications & Public Inquiries session New senior staff to be identified for further training and awareness process continues as organisation changes continue. All Completed To identify new course dates and potential new candidates. 2 senior staff Comptroller and COO have been given notice of MAGIC course dates 2023. National Multi agency Gold Incident Command GOLD course completed September 22nd, 2023; next course set for 26th March 2024 SLT now attended 1 day internal Gold course 26/3/24 and Gold On call rota in place further strengthening the out of Hours on call process at strategic Gold level Gold course now complete 26/3/24 all SLT have now attended the internal bespoke training course. TC has also authorised a bespoke 4-day MAGIC course for SLT to attend with funding agreed week of 8th March centrally by the Chamberlain. Negotiations with the Police college MAGIC delivery team will begin once PO and funds agreed and a suitable date with SLT agreed. MAGIC course date agreed with College January 2025 Emergency centres staffed by Col Crisis support team 40 staff currently. Refresher training and call for new volunteers 2024	Gary Locker	02-Sep-2024	30-Sep-2024
CR01Q Rolling DR tests	Plan an annual calendar of IT DR tests, covering critical systems and services	A 12-month plan of rolling failover/DR tests has been produced and will commence toward the end of the year. These will each cover a specific area of the technology service, starting with the lower risk, lower impact services and ending with a simulation of a cloud Data centre failure Following final configuration, the secondary Guildhall internet connection has been failover tested and is confirmed running Active/active. This is Scenario 3 in the BCDR Plan, in which we now have 7 scenarios agreed Owing to P1 operational issues over the last 6 months, further DR tests have been unable to take place. The next Resilience/failover tests is yet to be planned, but responsibility for this will sit with the new permanent AD CIS, who is due to onboard before June 2024.	Chris Rawding	11-Jul-2024	30-Aug-2024

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR30 Climate Action Oct-2019 Damian Nussbaum	Cause: Insufficient resources and prioritisation allocated to Climate Action. Event: The City Corporation fails to reduce and mitigate the impact and effect of climate change. PHASE 2: DELIVER AND REFINE ACTION PLAN – To be addressed in completion of phase 1. Impact: As the governing body of the Square Mile dedicated to the City, there are a range of potential impacts including: <ul style="list-style-type: none"> • failing to deliver on the net zero targets in our Climate Action Strategy • reducing our ability to effectively reduce carbon emissions in the next two carbon budget periods (2022 and 2027) • damaging the City’s credibility in Green Finance and Insurance markets; • reducing our ability to champion sustainable growth globally and enhance the relevance and reputation of the Square Mile • failing to adequately invest in climate resilience measures leading to negative impacts on social, economic and environmental outcomes • failing to adequately invest in net zero initiatives leading to negative impact on our financial and property investments 		12	We remain off track to meet our net zero target in 2027, but are implementing additional mitigating measures. Slower than planned decarbonisation of the national grid (external factor outside of our control) has had a significant impact on our performance against interim targets, requiring us to deliver more emissions reduction activity than initially planned in order to meet the 2027 target. We continue to frequently assess performance and mitigate as needed, reporting accordingly. 04 Sep 2024		4	31-Mar-2027	 Constant
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR30k Impact on City financial and	Ongoing political and international relationship management	Progress towards net-zero and climate resilience targets and other sustainability reporting (e.g. Climate Action Scorecards, CDP) fuels positive media coverage. Stakeholder engagement plan unlocks political & international collaboration avenues enabling positive influence.	Damian Nussbaum	04-Sep-2024	31-Mar-2027

ability to champion sustainable growth if not hitting net zero targets / maintaining resilience		Completion of action is expected in 2027 when first net zero target is met and risk is mitigated.			
CR30l Risk of not hitting net zero and resilience targets for City Corporation operational and investment assets, whilst maximising returns	Deliver programme of works across operational and investment portfolios	<p>Progress remains low due to volume of capital works still to be deployed.</p> <p>Delays in decision making on the Corporate asset stock changes (i.e. Guildhall Master Plan, Barbican Arts Centre, Markets Co-location) has delayed decarbonising efforts here and requires additional investment elsewhere in the portfolio in order to meet 2027 target.</p> <p>The national grid has decarbonised slower than emission models predicted, with an increase in emissions factor in 2023. This requires even more energy consumption reduction to outweigh the increase in emissions.</p> <p>Recent increases to the cost of capital works present a significant risk to CAS target delivery.</p> <p>Unprecedented rises in energy prices limit actual financial savings seen by capital projects delivered, meaning limited funds are returned to the Build Back Better Fund for future deployment on capital works.</p> <p>Mitigation in place includes introduction of behavioural management programme in buildings, procurement of additional contractors to speed up delivery of capital works.</p>	Paul Wilkinson	04-Sep-2024	31-Mar-2027
CR30m Risk of not hitting net zero targets for financial investments and supply chain	Monitor and drive performance against net zero and financial targets for financial investments and supply chain, continually refreshing learning	<p>Continually improving calculation methodologies for emissions from supply chain and financial investments clouds real progress made but this is to be expected. Opportunity for further engagement with particular suppliers to drive significant change.</p> <p>On track for interim target in 2027 and net zero in 2040.</p>	Caroline Al-Beyerty	04-Sep-2024	31-Mar-2027
CR30n Resilience risks of Square Mile infrastructure and public realm and risk of not hitting net zero targets for	Monitor and drive performance against net zero and resilience targets, continually refreshing learning	<p>On track to deliver planned climate resilience mitigation measures.</p> <p>Cool Streets & Greening continue to deliver climate resilient measures, including new projects (including tree planning, replanting, landscaping, and SuDS), making use of the completed Cubic Mile (below ground mapping) project.</p> <p>Phase 2 of pedestrian priority programme is very important to reach net zero in the City.</p>	Katie Stewart	04-Sep-2024	31-Mar-2027

developments and transport					
CR30o Reaching carbon removal targets through open spaces	Set out carbon removal action plan and mobilise	New Project Manager and Project Officer have been appointed, and works have commenced with deer management and wildflower replanting. Baseline measurements and surveys are taken to improve data quality - an ongoing challenge with sequestration.	Katie Stewart	04-Sep-2024	31-Mar-2027
CR30p Delivery delays and failures due to stakeholder / public action / inaction	Run overarching engagement programme with our stakeholders and partners (phase 3 of engagement plan) and quality assure engagement for projects	Stakeholder engagement is incorporated as part of the Strategy Implementation Support plan, delivered in conjunction with colleagues across the Corporation. This is supported by a dedicated engagement plan under each project. Dedicated stakeholder engagement lead built into PMO function.	Damian Nussbaum	04-Sep-2024	31-Mar-2027
CR30q Protecting vulnerable groups who are most likely to be impacted by climate change and fulfilling Public Sector Equalities Duty	Carry out impact assessments and equalities analysis on projects and stakeholder research and use their findings to shape future engagement and delivery	All CAS project deliverables are assessed and equality assessment tests are completed as part of project delivery. Purchased Goods & Services are due to complete an Equality Impact Assessment in Q2 2024.	Judith Finlay	04-Sep-2024	31-Mar-2027
CR30r That the scope, budget, timescales, targets and/or commitments of the climate action strategy are not delivered upon through the climate action programme of work	Agree to and implement appropriate governance to embed Climate Action in departmental scrutiny. Ensure appropriate capacity and capabilities are in place including for regular KPI progress reporting via the CPF. Ensure mechanisms in place for releasing staged financing. Set up regular tracking of impact of our actions on targets.	<p>Target process tracking is done through the Climate Action Dashboard, which is updated quarterly and governed by a Dashboard Data Governance & Reporting Procedure which is reviewed annually. The dashboard allows tracking across an initial 31 management KPIs as well as the main 21 reporting KPIs of our carbon footprint as expressed in tonnes of CO2e (Carbon Dioxide Equivalent). This dashboard is used as the basis for progress reporting to Committees.</p> <p>To manage risk effectively in the programme, all projects have a risk log and the overall risks are reported at a programme level to Policy & Resources Committee and via this CR30 corporate risk update. Project risks are monitored quarterly as part of the status report update in the Risks and Benefits Log.</p> <p>Project performance is monitored quarterly against projected achievement trajectories. These movements are closely monitored between Member and officer governance, including Project Boards and Committee Chair briefings.</p>	Damian Nussbaum	04-Sep-2024	31-Mar-2027

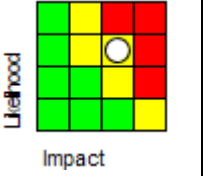
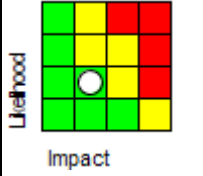

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances - City Fund	<p>Causes: Persistent high inflation,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

19-Jun-2020 Caroline Al-Beyerty				04 Sep 2024			Reduce	Constant
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a Impact of inflation	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme • Use of inflation contingency	<ul style="list-style-type: none"> Regular monitoring the office of budget responsibility's inflation forecasts, the Consumer Prices Index (CPI) rose by 2.2% in the 12 months to July 2024, up from 2.0% in June 2024. Identify areas that are forecasting to exceed budget envelope due to inflation increases. 	Sonia Virdee	04-Sep-2024	31-Mar-2026
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	<p>Monthly update on major projects forecasts and issues arising.</p> <p>Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Portfolio Board chaired by the Town Clerk/Chief Executive.</p> <p>Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.</p>	Sonia Virdee	04-Sep-2024	31-Mar-2029
CR35f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority) • Develop income generation opportunities	<p>Court of Common Council approved reprofiling of remaining fundamental review savings, to allow sufficient time to embed these through income generation opportunities.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to Lord Mayor Show and events across the Corporation, advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges.</p> <p>; Remaining £0.4m unidentified savings from the 12% savings programme is being worked on and expected to be delivered during 2024/25.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information will be incorporated into the budget monitoring reports from Autumn 24 onwards to help inform Members of key risks and progress.</p> <p>Savings programmes/initiatives are being considered as work commences on budget setting for the 2025/26 year.</p>	Alistair Cook; Sonia Virdee; Genine Whitehorse	04-Sep-2024	31-Mar-2026

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CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	<p>The medium-term financial plan is only balanced over the next four years with the use of general fund reserves and further savings and/or revenue raising by increasing Council Tax and Business Rate Premium. City Fund moves into deficit position from 2026/27 onwards. However, with the change of Government it is now expected that the business rates reset will come later than expected in the existing MTFP. As such the current MTFP will be updated as part of the 25/26 budget process.</p> <p>Whilst some positives may come from the 25/26 budget setting process, this does not address future deficits, previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible. Radical decisions are now needed on how best to bring down the annual operating deficit, over and above those already identified (income generation, operational property review, investment property review), including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation underpin by a clear communication plan to all members, so they are aware of the challenges ahead.</p>	Sonia Virdee; Genine Whitehorne	04-Sep-2024	31-Mar-2026

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR39 Recruitment and Retention 21-Feb-2023 Alison Littlewood Page 177	Cause: The Corporation had an employee turnover rate of 18.69% for the period 1 January to 31 December 2022. This is a high and is affected by a wide range of factors including labour market shortages and high levels of employment in the wider economy. Like many employers, the Corporation is competing for scarce talent, particularly in highly skilled areas such professional services. Event: Unable to attract and retain the best talent due to factors such as remuneration, working conditions and benefits becoming out of line with competitor organisations. Effect: The corporation is at risk of failing to deliver its corporate objectives. Costs of delivering services increase due to high turnover, and increased reliance on agency workers and interims, particularly in shortage areas. This means our ability to deliver objectives is at risk. This affects both outcomes for policy objectives and statutory functions, as well as the brand and reputation of the organisation.		12	Score remains the same overall and is anticipated to be broadly stable until the completion of all actions. Turnover trends are still positive, and we are moving ahead with the remaining actions for completion on this risk. 30 Aug 2024		4	31-Jul-2025	 Constant
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR39b Ambition 25 Reward Review	Full review of pay, terms and conditions to update working patterns and reward to improve recruitment and retention. Phase 1 completed by April 2023 with options for change. Phase 2 implementation of agreed options for change by Autumn 2024	Inadequate Data (R004) 1. Data, particularly Job Descriptions, is incomplete or inconsistent with roles, impacting the project's accuracy. Resource Challenges (People and Time): 1. Insufficient resources leading to extended project timelines and the need for additional personnel. 2. Key stakeholders' limited availability and interest may cause decision delays. Stakeholder Engagement and Understanding: 1. Risk of resistance from stakeholders due to concerns about perceived unfairness,	Alison Littlewood	08-Jul-2024	30-Apr-2025

compensation level changes, or resistance to change. 2. Ensuring stable union engagement is crucial. 3. Risk of limited understanding and a siloed mentality in the organisation, potentially restricting communication about impacts on the corporation. 4. Some of the Senior Leadership Team(s) may not understand the importance and impact of the project, leading to potential pushback and concerns about messaging filtering down. 5. The risk that institutions may not agree to be part of the City of London Corporation.

Financial:

1. There is a risk that the pay envelope and reward model may not align as intended. **Pay Protection Policy:** The existence of a pay protection policy may introduce complexities in aligning the pay envelope with the reward model. **Affordability for Institutions:** Balancing the reward model with institutional affordability poses a potential challenge. Inconsistencies between actual pay and intended reward structures & Potential dissatisfaction among employees.

Communications:

1. There is a risk that City of London Corporate staff will not feel adequately informed about the project.

Legal:

1. Non compliance with employment laws, equal pay risks etc.

Project Governance and Decision-Making:

1. Without absolute clarity on group responsibilities, project decisions may face delays. 2. Strict timelines for sign-off agreements are crucial; changes to meetings may disrupt timelines.

Project Scope & Design:

1. Various departments or individuals may attempt to modify project outputs/revisit decisions.. Potential compromise of project integrity and objectives. 2. City Corporation may address all project issues simultaneously causing a detrimental impact on the overall program due to resource strain and conflicting priorities. 3. Potential issues with the application of the MSF process, especially concerning new job families. Delays and inconsistencies in project implementation and data collection. 5. Failure to adequately plan the project end to end leading to delays in project completion and potential cost overruns.

Implementation Challenges:

1. New reward strategy may face obstacles like resistance from managers or employees,

		technical difficulties, and unforeseen complexities. Possible delays, reduced strategy effectiveness, and negative impact on employee morale. 2. Aligning program outputs with future-proofing roles and modernising practices may be challenging. Risks include role inefficiencies, outdated management practices, and recruitment difficulties. 3. There is a risk that implementation delivery and resource planning is not carried out on a timely basis			
CR39c Alternative Service Delivery models and the Contingent Labour review project	To assure the Corporation that a robust contingent labour provider and process is implemented, a review of the current service will be undertaken. Amongst other benefits this is to support with temporary workers to cover hard to fill roles and provide additional capacity when in house capacity is stretched. Options will be shared with SLT, ELB and CSC between February and April 2024 with a view to commissioning a new managed service supplier to supply both temporary and permanent workers by July 2025.	A provider has been selected following a robust tender exercise. We are currently in a period of embargo until mid-October. SLT and Committees will be updated under confidential. Subject to approval, we will commence the mobilisation and implementation plan towards the end of this year. The Contract Manager position which is critical to this project and the ongoing management of the contract is now being recruited to.	Alison Littlewood ; Dionne Williams-Dodoo	30-Aug-2024	31-Jul-2025
CR39j Vision and Values	We recognise that having a positive employment brand helps to attract potential candidates. This also relates closely to defining our employee offer and the work set out as part of The My Talent, My Development workstream of the 2024-2029 People Strategy sets out the elements of work associated with this important work. This work will help us to better define what it means to be an employee and sell the Corporation to future candidates.	Work with the potential delivery partner is progressing with the intention of taking the proposal to committees for approval in September 2024.		15-Jul-2024	31-Mar-2025
CR39k Staff engagement survey	Our next Our People Survey which will measure staff engagement and provide feedback on working experiences at the City of London will launch on the 15th April 2024. Through the survey we will do the follow: 1, Understand the drivers that are contributing to any potential negative experiences at working at the City. 2, Understand what City of London corporation is doing well for its employees. 3, Understand themes and develop action plans that will enable us to position ourselves as the employer of choice. With a view that the summary of findings will feed into keeping the People Strategy as a living breathing document.	Presentations now completed, ELB to finalise the organisations strategic response and departments will commence their local action plans, will report back bi monthly. An updated committee report will go to CSC in November 2024.		15-Jul-2024	30-Sep-2024
CR39M	Approach to hard to fill roles -	Pipeline of roles has been built up and this post is supporting on a number of live recruitments.		30-Aug-	31-Mar-

Approach the hard to fill roles	<p>We have recruited a Strategic Campaigns and Resourcing Projects Lead on a 12 month FTC. This post will support with creating targeted and bespoke recruitment campaigns for senior/ exec recruitment and hard to fill posts at the City of London Corporation. A range of methods, including the use of appropriate search and select agencies, proactive candidate search and engagement, events etc. will be used to promote the City of London Corporation as a destination to work at.</p> <p>We will be looking to raise the employer profile of the City of London Corporation.</p> <p>We will also consider how and where we look for supply of talent e.g. engaging with our competitors as needed.</p>	Data is being closely monitored to understand the ROI and impact of this service model and approach. So far, the results in terms of engagement and interactions with posts via LinkedIn is positive.		2024	2025
CR39N Pay Award 2024/2025	Alongside our broader review of the existing pay architecture and approach to Reward underway, we have been working with Members, our senior leadership and our Trade Unions to agree the Pay Award for 2024/25. This is with a view to achieving the best possible outcome in line with our affordability on pay within our existing structures.	Discussions with the trade unions are still ongoing and so the target end date has been revised to reflect this. Incremental progression, contribution pay and the Recognition scheme for grades A-C have been administered and are on track to be implemented in October.		30-Aug-2024	31-Oct-2024

Top red risks only - short summary by department

Report Type: Risks Report

Generated on: 06 September 2024



Rows are sorted by Risk Score

Department Description Barbican Centre

Department Description: Barbican Centre 4

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
BBC Buildgs 027	Failure to maintain and renew Buildings and Estates Infrastructure	8	4	32		05 Sep 2024	4	1	4		31-Dec 2025	Reduce	
BBC Buildings 010	BBC Conservatory Glazing	8	3	24		05 Sep 2024	8	2	16		31-Dec 2026		
BBC H&S 002	Failure to deal with Emergency/Major Incident/Risk of Terrorism	8	2	16		05 Sep 2024	8	1	8		30-Sep 2024	Reduce	
BBC H&S 005	Fire Regulation Compliance	8	2	16		05 Sep 2024	2	1	2		31-Dec 2025	Reduce	

Department Description Chamberlain’s

Department Description: Chamberlain’s 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CHB 002	Housing Revenue Account Financials	4	4	16		03 Jul 2024	4	2	8		31-May 2025	Reduce	

Department Description City of London Freeman’s School

Department Description: City of London Freeman’s School 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
F-016	Financial Sustainability	4	4	16		29 Aug 2024	2	2	4		31-Aug 2025	Reduce	

Department Description City Junior School

Department Description: City Junior School 2

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CJS 001	Inadequate finances or financial plans	4	4	16		04 Sep 2024	2	3	6		31-Dec 2024	Reduce	
CJS 004	Failure to Maintain Buildings and Site	4	4	16		04 Sep 2024	2	2	4		31-Dec 2024	Reduce	

Department Description City of London Schools for Girls










Department Description: City of London Schools for Girls 3

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CLSG-07	School facilities (SA5-Operations)	8	3	24		04 Sep 2024	4	3	12		31-Dec 2024	Reduce	
CLSG-01	External pressures on financial model (SA5-Operations)	4	4	16		04 Sep 2024	4	3	12		31-Dec 2024	Reduce	
CLSG-13	Governance	4	4	16		04 Sep 2024	4	3	12		31-Dec 2024	Reduce	

Department Description City Surveyor's




Department Description: City Surveyor's 6

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
SUR SMT 017	MCP disruption necessitating the Markets remaining in existing buildings, requiring further investment in maintenance works.	8	3	24		02 Sep 2024	4	1	4		31-Dec-2026	Reduce	
SUR SMT 005	Construction and Service Contracts Price Inflation beyond that which was anticipated or planned	4	4	16		12 Jul 2024	2	3	6		31-Mar-2025	Reduce	
SUR SMT 006	Construction Consultancy Management	4	4	16		30 Aug 2024	4	1	4		31-Mar 2025	Reduce	

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
SUR SMT 009	Recruitment and retention of property professional	4	4	16		05 Sep 2024	4	2	8		31-Mar 2025	Reduce	
SUR SMT 011	Contractor Failure	4	4	16		21 Aug 2024	2	2	4		31-Mar 2025	Reduce	
SUR SMT 016	Investment Property Group staffing and Capacity	4	4	16		20 Aug 2024	2	1	2		31-Mar 2025	Reduce	




Department Description Department of Community & Children’s Services

Department Description: Department of Community & Children’s Services 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CCCS HS 007	Blake Tower – Barbican Estate	4	4	16		29 Aug 2024	2	2	4		27-Sep-2024	Reduce	



Department Description Environment

Department Description: Environment 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
ENV-SLT 001	Maintenance and renewal of physical assets	4	4	16		04 Sep 2024	2	3	6		31-Mar 2025	Reduce	



Department Description Guildhall School of Music and Drama

Department Description: Guildhall School of Music and Drama 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
GSMD DDP 002	Reduced Recruitment and Retention of Key Staff	4	4	16		05 Sep 2024	2	2	4		31-Dec 2024	Reduce	

Department Description Town Clerk's

Department Description: Town Clerk's 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
DTC PA 03	Fraud and Cyber Crime Reporting & Analysis Service (FCCRAS) Procurement	8	3	24		29 Aug 2024	8	2	16		31 Dec 2024	Reduce	

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