



Audit and Risk Management Committee

Date: MONDAY, 14 JULY 2025
Time: 11.00 am
Venue: COMMITTEE ROOMS, GUILDHALL

Members:

Alderman Prem Goyal CBE (Chairman)	David Sales
Alderwoman Elizabeth Anne King, BEM JP (Deputy Chairman)	Ruby Sayed
Gail Le Coz, External Member (Deputy Chairman)	Naresh Hari Sonpar
Deputy Christopher Boden	James St John Davis (Ex-Officio Member)
Deputy Timothy Butcher	Dan Worsley, External Member
Simon Burrows	Alderman Kawsar Zaman
Stephen Hodgson	

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<https://www.youtube.com/@CityofLondonCorporation/streams>

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one civic year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

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**

To agree the public minutes and non-public summary of the previous meeting held on 12 May 2025.

For Decision
(Pages 5 - 12)

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

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

For Information
(Pages 13 - 14)

5. **COMMITTEE WORK PROGRAMME**

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

For Information
(Pages 15 - 24)

6. **AUDIT & RISK MANAGEMENT ANNUAL REPORT 2024-2025**

Report of the Head of Internal Audit.

For Decision
(Pages 25 - 32)

7. **INTERNAL AUDIT UPDATE**

Report of Group Chief Internal Auditor.

For Information
(Pages 33 - 46)

8. **CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS UPDATE 2024/25**
Report of The Chamberlain.
- For Information**
(Pages 47 - 240)
9. **COUNTER FRAUD & INVESTIGATIONS ANNUAL REPORT 2024/25**
Report of the Head of Internal Audit.
- For Information**
(Pages 241 - 252)
10. **NEW & REVISED ANTI-FRAUD & CORRUPTION STRATEGY**
Report of the Head of Internal Audit.
- For Information**
(Pages 253 - 260)
11. **RISK MANAGEMENT UPDATE**
Report of the Chief Strategy Officer.
- For Information**
(Pages 261 - 272)
12. **RISK MANAGEMENT STRATEGY 2024-2029**
Report of the Chief Strategy Officer.
- For Information**
(Pages 273 - 278)
13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
15. **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

16. **MINUTES**

To agree the non-public minutes of the previous meeting held on 12 May 2025.

For Decision
(Pages 279 - 280)

17. **NON-PUBLIC APPENDIX**

Non-Public Appendix to be received in conjunction with Item 11.

For Information
(Pages 281 - 282)

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 12 May 2025

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 12 May 2025 at 11.00 am

Present

Members:

Deputy Timothy Butcher
Simon Burrows
Alderman Prem Goyal CBE (Chairman)
Alderwoman Elizabeth Anne King, BEM JP
Gail Le Coz (External Member)
Naresh Hari Sonpar
Dan Worsley
Alderman Kawsar Zaman

Officers:

Caroline Al-Beyerty	- Chamberlain
Dionne Corradine	- Chief Strategy Officer
Barbara Hook	- Town Clerk's Department
Iain Jenkins	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Matt Lock	- Chamberlain's Department
Anu Newton	- Chamberlain's Department
Blair Stringman	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department
Sonia Virdee	- Chamberlain's Department
Thomas Wrench	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Deputy Christopher Boden, Stephen Hodgson and David Sales.

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

There were no declarations.

3. ORDER OF THE COURT OF COMMON COUNCIL RESOLVED – That, the Court Order be received.

4. ELECTION OF CHAIR

RESOLVED – That, in accordance with Standing Order 28, Alderman Prem Goyal being the only Member indicating their willingness to serve was declared to be Chairman for the ensuing year.

The Chairman thanked Members and officers for their continued support noting he looked forward to building on the excellent work already undertaken and maintaining the Committees standing City.

The Chairman also extended his sincere thanks to those who have stepped down from the committee but made valuable contributions last year: Randall Anderson, Alderman Alexander Barr, Alderman Bronek Masojada, Judith Pleasance, and Karen Sanderson.

A warm welcome was given to new Members: Deputy Timothy Butcher, Simon Burrows, Stephen Houghton, and David Sells. Members also welcomed James St John Davis, joining in his ex-officio capacity as the Finance Chairman's nominee.

5. **ELECTION OF DEPUTY CHAIR**

RESOLVED – That, in accordance with Standing Order 29 and as outline in the Court Order;

- a) Alderwoman Elizabeth King being the only Member indicating their willingness to serve, was declared to be Deputy Chairman for the ensuing year.
- b) Gail Le Coz being the only external Member expressing their willingness to serve, was duly elected as Deputy Chair for the ensuing year.

6. **MINUTES**

RESOLVED – That, the public and non-public summary of the minutes of the meeting held on 3 February 2025 be agreed as a correct record.

7. **OUTSTANDING ACTIONS OF THE COMMITTEE**

The Committee received a report of the Town Clerk concerning outstanding actions.

The following points were noted:

- A new format for presenting outstanding actions was introduced, following a request from members at the previous meeting.
- Members were advised to disregard the numbers next to office names in the registered list; formatting updates are planned post-meeting.
- It was agreed to add a "Completed" section and update the actions for the next meeting.
- Officers requested the closure of an action under the risk management update concerning Corporate Risk 30 (Climate Action). The risk has been reframed to focus on the wider impact of climate change rather than delivery of the Climate Action Strategy and associated programme.
- Officers reported that all related party transactions for 2023–24 have been received and acknowledged the start of the 2024–25 process, which is expected to be more streamlined.

RESOLVED – That, the report be noted.

8. **COMMITTEE WORK PROGRAMME**

The Committee received a report of the Town Clerk concerning the work plan for the 2025-2026 Civic Year.

RESOLVED – That, the report be noted.

9. **APPOINTMENT OF SUB-COMMITTEE**

The Committee considered a report of the Town Clerk concerning the appointment of the Nominations and Effectiveness Sub-Committee and the appointment of one Member to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

RESOLVED – That Members,

- a) Agree the appointment and Terms of Reference of the Nominations and Effectiveness Sub-Committee, subject to changing of the frequency of meetings to meet no less than once a year and agree its composition;
 - Alderman Prem Goyal
 - Alderwoman Elizabeth King
 - Gail Le Coz
 - Simon Burrows
 - Ruby Sayed
 - Vacancy
 - Vacancy
 - Vacancy
 - Vacancy
- b) Appoint Gail Le Coz the Chairman of the Nominations and Effectiveness Sub-Committee; and,
- c) Appoint Alderwoman Elizabeth King to the Resource, Risk and Estates Committee of the Police Authority Board.

10. **EXTERNAL MEMBER APPOINTMENT - UPDATE**

The Committee considered a report of the Town Clerk concerning an update on the recruitment of an external Member to the Audit Risk Management Committee.

RESOLVED – That Members,

- a) Authorise the Town Clerk to finalise the Job Description for and External Member of the Audit Risk Management Committee.
- b) Endorse a panel consisting of the Chairman, Deputy Chairman(s) of the Audit Risk Management Committee and an appropriate officer of the Corporation to conduct interviews for potential candidates.
- c) Delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman(s), to recommend a candidate to the Court of Common Council meeting in September 2025 following interviews for shortlisted candidates.

11. **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 February 2025.

The following points were noted:

- The Chief Strategy Officer highlighted a shift toward proactive risk management and a stronger organisational risk culture.
- Members received the full corporate risk register and were informed that future reporting will align with the new risk appetite framework, pending Court of Common Council approval.
- Members suggested improvements to reporting clarity, terminology and the inclusion of target risk levels on summary pages. It was also suggested that highlighting upward-trending risks in future reports may support scrutiny. Officers agreed to consider these points.
- CR16 (Information Security) remains the highest-rated risk. Improvements include 24/7 monitoring and mandatory training.
- CR29 (Information Management) has decreased due to improved data protection compliance. Recruitment for a Chief Information Security Officer is underway.
- Funding constraints were discussed in relation to risk mitigations. Officers confirmed that resource availability is being reviewed as part of risk assessments. Updates were provided on risks relating to the Medium Term Financial Plan and the Housing Revenue Account.
- Internal Audit findings on Procurement Act compliance highlighted areas for improvement. Further guidance and training are being developed.

RESOLVED – That, the report be noted.

12. **INTERNAL AUDIT UPDATE**

The Committee received a report of the Head of Internal Audit concerning an update on the work of Internal Audit during January, February and March 2025, further to the update report provided to the February meeting of this Committee.

The following points were noted:

- A red-rated issue was identified in the Environment Department (cemetery and crematorium) concerning income discrepancies. The root cause was over-reliance on verbal daily reconciliations. A high-priority recommendation to document the process was implemented immediately, and the audit received a “substantial” rating.
- A Member queried whether the outdated accounting system (approx. 30 years old) contributed to the discrepancy. An update on this would be provided after the meeting.
- The procurement audit focused on managing conflicts of interest. While interest declarations are captured, there was a significant gap in how declared interests are managed to prevent conflicts. Recommendations were well received, with several implemented immediately and others on a short timeline. A follow-up is scheduled for June.

- A Member asked whether the new procurement system would capture conflict of interest data. It was confirmed this is being considered, and the auditor has joined a procurement improvement group to provide ongoing assurance.
- The 2025–26 Internal Audit Plan includes audits on contract management and related themes. A suggestion was made to present audits thematically (e.g., by risk category) rather than by department to better align with risk management discussions.
- Internal Audit confirmed they are working on this thematic approach, including visual representations and categorisation by internal control, governance, and risk management focus. The current list format will evolve in future iterations.

RESOLVED – That, the report be noted.

13. **HEAD OF INTERNAL AUDIT ANNUAL OPINION**

The Committee received a report of the Head of Internal Audit concerning the Head of Internal Audit's opinion on the internal control environment, governance arrangements, and risk management processes within the City of London Corporation.

The following points were noted:

- In response to a question about internal control weaknesses, officers clarified that the control environment's design remains robust. Most issues relate to inconsistent application, though there is a growing concern around the design of second-line assurance activities—particularly in procurement, where increased delegation has reduced scrutiny.
- A Member inquired about access to specialist audit skills. Officers explained that the team uses the framework (hosted by London Borough of Croydon) with a small budget available for additional third-party expertise if needed.
- A Member raised a question about whether compliance issues stem from cultural factors. Officers suggested that non-compliance often arises from staff trying to expedite processes or lacking familiarity with procedures, especially in procurement. They emphasised the need for better support and training rather than attributing issues to negative culture.
- The discussion highlighted the importance of focusing audit resources on high-risk areas and training staff. There was agreement that while urgent needs arise, maintaining value for money and procedural discipline is essential.
- In response to a question raised about the independence of internal audit. Officers confirmed that there have been no instances where independence was compromised or challenged during the past year.

RESOLVED – That, the report be noted.

14. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY (RELATING TO TREASURY MANAGEMENT) 2025/26**

The Committee received a report of The Chamberlain concerning the Corporation's Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) (TMSS) for 2025/26.

A Member raised questions about interest rate exposure, specifically regarding the types of approved instruments used and how counterparty risk is assessed, particularly in relation to derivatives. Officers responded by explaining that the strategy is reviewed annually and prioritises capital preservation, liquidity, and then returns. Officers clarified that the City adopts a conservative approach, using only cash instruments and not derivatives, with a strict and highly rated counterparty list outlined on pages 145–149 of the report.

RESOLVED – That, the report be noted.

15. **STATEMENT OF ACCOUNTS UPDATE FOR CITY FUN, PENSION FUND, AND CITY'S ESTATE**

The Committee considered a report of The Chamberlain concerning an update on the production of the 2024-25 Statement of Accounts and planning for the 2024-25 audit of the City Fund, Pension Fund, and City's Estate accounts.

A representative from Grant Thornton presented the City Fund audit plan, identifying key risks such as management override of controls, valuation of London Buildings Council dwellings, investment properties, and pension fund liabilities. The representative noted the inclusion of IFRS 16 as a new area of focus and discussed changes in materiality thresholds and audit fees. They also mentioned ongoing work on the Value for Money assessment and confirmed that no new significant weaknesses had been identified at this stage.

Crowe's representative, addressed the complexities of the City Estates accounts, including multiple income streams and new VAT considerations on school fees. They also flagged the need to assess market-related liabilities. The audit partner for natural spaces and sundry trusts, elaborated on the audit approach for these entities, emphasising the importance of income completeness and upcoming changes to accounting standards, particularly around revenue recognition and leases.

A separate update was provided by Grant Thornton on the Pension Fund audit. The key focus was the valuation of Level 3 investments, which are based on unobservable inputs and valued at £221.8 million in the prior year. Materiality was set at £29 million, with a lower threshold for the fund account. The audit is scheduled to begin in July, with completion targeted for the September committee meeting.

A Member raised questions regarding the materiality change, the scale of audit fee increases, and the £20,000 threshold for exit package disclosures. Grant Thornton clarified that the materiality adjustment was minor (from 1.9% to 2%) and that all errors in exit packages, regardless of size, would be adjusted. It

was confirmed that audit fees had been benchmarked against similar-sized London boroughs and explained that the City's classification as a major audit under the PSAA framework contributed to the cost.

Grant Thornton also disclosed their office relocation from Finsbury Square to Finsbury Circus, noting that this would not affect their independence despite now paying business rates to the City. They also confirmed that their role as auditors for the London CIV, which pools the City's pension fund, does not present a conflict of interest.

A minor update was also shared regarding IFRS 9. The Government has extended the override for investments held as of 1 April 2024 to 2029. New investments after that date will not benefit from the override.

RESOLVED – That Members,

- a) Note the Indicative City Fund Audit Plan for 2024-25 as set out in Appendix 1
- b) Note the Indicative Pension Fund Audit Plan for 2024-25 as set out in Appendix 2
- c) Approve the responses from Management for both the City Fund and Pension Fund as per Appendix 3 and Appendix 4
- d) Note the Indicative City's Estate Audit Plan for 2024-25 as set out in Appendix 5

16. **ANNUAL GOVERNANCE STATEMENT (CITY FUND) 2024-25**

The Committee received a report of the Chief Strategy Officer concerning the Annual Governance Statement (AGS) 2024/25 (City Fund).

Officers were thanked for compiling the AGS, highlighting the challenge of condensing the breadth of City Fund activities into a clear and accessible document. The AGS remains succinct at 20 pages, which compares favourably with other local authorities, and includes additional detail in response to committee feedback.

The AGS affirms that good governance is in place, with internal audit independence confirmed in paragraph 4 of the report. The report also reflects the committee's prior request to include information on sustainable inputs, and references ongoing transformation efforts, including the people strategy and the DDAT (Digital, Data, Analysis and Technology) strategy. Although retrospective, the AGS also signposts future commitments, allowing the committee to hold officers accountable in 2025/26. It was noted that a request from the Deputy Chair to include prior-year metrics on page 386 would be incorporated into the final version.

During the discussion, Members praised the clarity of the document and suggested refining the table under paragraph 77 to better summarise progress. Another Member echoed the positive feedback, appreciating the inclusion of both performance assessment and forward-looking elements.

RESOLVED – That Members,

- a) Consider and approve the AGS, at Appendix 1, for signing by the Chair of the Policy and Resources Committee and the Town Clerk and Chief Executive
- b) Note that the AGS will be published alongside the 2024/25 City Fund and Pension Fund Statement of Accounts
- c) Delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

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

There were no questions.

18. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no urgent business.

19. EXCLUSION OF THE PUBLIC

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

20. MINUTES

RESOLVED – That, the non-public minutes of the meeting held on the 3 February 2025 be agreed as a correct record.

21. NON-PUBLIC APPENDIX - ITEM 11

The Committee received a non-public appendix in conjunction with item 11.

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

There were no non-public questions.

23. 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 12.30 pm

Chairman

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

Title	Action Description	Priority	Status	Action Update	Assigned to	Date reported	Estimated Completion
Outstanding Actions	Review Induction Process for New Members	Normal	In progress	<p>Town Clerk September 2024 -Induction process for new members would be reviewed when new members join. It was suggested to organise a meeting of the nominations and effectiveness sub-committee before the November meeting to discuss ideas for the induction process.</p> <p>November 2024 – Due to diary clashes and close timings, it has not been possible to arrange a NESC meeting. Suggested approach to consider January or February dates for Members to consider.</p> <p>February 2025 - Once a new external Member has been appointed, they will be referred to the various new Member inductions taking place following the Common Council elections.</p> <p>April 2025 - Advert to go out again for the recruitment of a new Member once complete induction process can begin.</p> <p>July 2025 - Advert due to close by 18th July with interviews to take place end of July and or, August.</p>	Stringman, Blair	16/09/24	September 2025

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15 September 2025	
Work Item	Link to CIPFA Position Statement
Risk Management Update (information)	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.
Draft City Fund Accounts (decision) Annual review of the Financial Statements for City Fund	<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>Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</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>

Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

17 November 2025	
Work Item	Link to CIPFA Position Statement
Internal Audit Update Report (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <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 	In relation to the authority's internal audit functions: <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.
Risk Management Update (information)	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.
Counter Fraud and Investigations 6 Month Report (information) Report summarising the outcomes from Counter Fraud and Investigation activity for the 6 months from April to September.	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.

Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

Draft City's Estate Accounts (decision) Annual review of the Financial Statements for City's Estate	<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>Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</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>
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Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

February 2026 – Date TBC	
Work Item	Link to CIPFA Position Statement
Terms of Reference of the Committee (information) Annual review of the Terms of Reference of the Committee, giving due regard to relevant legislation and professional guidance.	Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
Internal Audit Update Report (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <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 	In relation to the authority's internal audit functions: <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.
Risk Management Update (information)	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.

Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

May 2026 – Date TBC	
Work Item	Link to CIPFA Position Statement
Internal Audit Update Report (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <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 	In relation to the authority's internal audit functions: <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.
Risk Management Update (information) Annexes included: <ul style="list-style-type: none"> • Full Corporate Risk Register (first meeting of new municipal year) • Summary report of corporate risks • Summary report of red departmental risks 	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.
Group Chief Internal Auditor Annual Opinion (information) Annual report of the Group Chief Internal Auditor providing an overall opinion on the adequacy and effectiveness of the Internal Control Environment, Risk Management and Governance arrangements, as required by the Public Sector Internal Audit Standards.	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.

Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

Draft Annual Governance Statement (decision) In accordance with the Accounts and Audit Regulations (2015), the Committee should review and feed into the Annual Governance Statement. Note that this is a requirement only for City Fund activity.	Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
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July 2026 – Date TBC	
Work Item	Link to CIPFA Position Statement
Annual Report of the Committee (decision) To be prepared following a self-evaluation of the effectiveness of the Committee, to be approved by the Committee before presentation to the Court of Common Council.	Report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

<p>Internal Audit Update Report (information)</p> <p>Quarterly update from the Group Chief Internal Auditor, 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 ▪ Updated 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.
<p>Internal Audit Charter (information)</p> <p>Report of the Group Chief Internal Auditor, setting out the Internal Audit Charter. The Public Sector Internal Audit Standards require an annual review of the Charter.</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 Strategy (Information)</p> <p>Annual update on the Risk Management Strategy</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> <p>Annexes included:</p> <ul style="list-style-type: none"> • Corporate Risk register above appetite • 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>

Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

Counter Fraud and Investigations 12 Month Report (information) Report summarising the outcomes from Counter Fraud and Investigation activity for the 12 months from April to March.	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.
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Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

Additional Items to consider at the appropriate time in the Committee Calendar	
Work Item	Link to CIPFA Position Statement
Draft Bridge House Estates Accounts (decision) Annual Review of the Financial Statements for the Bridge House Estates.	<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>Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</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>

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City of London Corporation Committee Report

Committee(s): Audit Risk Management Committee – For Decision Court of Common Council – For Information	Dated: 14 July 2025 24 July 2025
Subject: Annual Report of the Audit and Risk Management Committee	Public report: For Decision
This proposal: <ul style="list-style-type: none"> provides business enabling functions 	N/A
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:	Caroline Al-Beyerty, Chamberlain
Report author:	Matt Lock, Head of Audit & Risk Management

Summary

The Chairman of the Audit and Risk Management Committee presents to the Committee the 2024/25 Annual Report of the Audit and Risk Management Committee, reporting on activity up to 31 March 2025.

Recommendation(s)

Members are asked to:

- Agree the 2024/25 Annual Report of the Audit and Risk Management Committee at Appendix 1 for onward submission to the Court of Common Council.

Main Report

Background

Current Position

1. The report outlines the Committee's progress during 2024/25 in relation to its key areas of remit, including the Annual Governance Framework, Internal Audit, Risk Management, Anti-Fraud, External Audit and Financial Reporting.

Appendices

- Appendix 1 – 2024/25 Annual Report of the Audit and Risk Management Committee

Matt Lock

Head of Audit & Risk Management

AUDIT & RISK MANAGEMENT COMMITTEE

Annual Report 2024/25

Introduction

- The Audit & Risk Management Committee (the Committee) has a wide-ranging brief that underpins the City of London Corporation's governance processes by providing independent challenge and oversight of the adequacy of risk management, the internal control and financial reporting frameworks.
- The Audit and Risk Management Committee has scrutinised the risk management process at the City Corporation and enhanced the maturity of risk management organisation wide. The Committee has continued to play an important and integral part in ensuring key risks are reviewed through regular risk updates and deep dives of corporate risks (carried out by Internal Audit Team) on a rolling basis. The Committee has also improved engagement with the work of Internal Audit through receiving regular reports on completed work and monitoring the implementation of Internal Audit recommendations. The Committee has overseen the planning and delivery of the External Audit review of the Annual Accounts produced by the City of London Corporation across all operations.
- This report details the work of the Committee for the period from 1 April 2024 to 31 March 2025 and outlines work in relation to the key remit areas of:
 - Annual Governance Framework
 - Internal Audit
 - Risk Management
 - Counter-Fraud
 - External Audit
 - Financial Reporting
- Members of the Committee have a wide range of skills in many technical and professional areas, bringing significant experience and expertise to the Committee. All the Members have some experience in relation to the governance processes they challenge; supported by a periodic skills gap analysis undertaken by the Nominations and Effectiveness Sub-Committee. The Committee is comprised of 12 Members, together with three external members who provide additional knowledge and skills to support the function. Table 1 details the current Committee Members.

Table 1: Members of the Audit & Risk Management Committee 2025/26

Alderman Prem Goyal (Chairman)
Alderwoman Elizabeth King (Deputy Chairman)
Gail Le Coz (Deputy Chair, External Member)

Christopher Boden, Deputy
Timothy Butcher, Deputy
Simon Burrows
Stephen Hodgson
David Sales
Ruby Sayed
Naresh Sonpar
James St John Davis (Ex-Officio, Member of the Finance Committee)
Dan Worsley (External Member)
Alderman Kawsar Zaman
X1 Vacancy (External Member)

- The three external members are each appointed for a three-year term, which can be renewed twice:
 - Dan Worsley (appointed for a three-year term expiring in April 2026)
 - Gail Le Coz (appointed for a three-year term expiring in April 2027)
 - Vacancy (appointed for a three-year term expiring in April 2028)

Changes Within the Year

- There were no specific change events that require mention here.

Annual Governance Framework

- The Accounts and Audit (England) Regulations 2015, which apply to the City of London's City Fund activities, require an audited body to conduct a review, each financial year, of the effectiveness of its system of internal control, risk management and governance and publish an Annual Governance Statement (AGS) each year, alongside the authority's Statement of Accounts. The AGS describes the steps the organisation has taken to evaluate the adequacy and effectiveness of its systems of governance in that year and provides an overall conclusion on this, and sets out where specific or cross-cutting improvement action has been identified for implementation, and as such will enable and sustain effective governance going forward.
- The draft AGS for 2024/25 was presented at the 12 May meeting. Members of the Committee welcomed that it
 - provided assurance that actions that had identified in the AGS for 2023/24 were completed or being delivered
 - expanded on the delivery of services that our stakeholders value
 - noted sustainability as an important area for the organisation
 - noted the lead Chief Officers who will ensure collaborative delivery cross City Corporation to implement the identified actions during 2025/26.
- The AGS was approved at this meeting for signing by the Chairman of the Policy and Resources Committee and the Town Clerk and Chief Executive.

Internal Audit

- The Committee received the Head of Audit & Risk Management's Annual Audit Opinion for the year ended 31 March 2025 in May 2025:

"The internal control environment, governance arrangements, and risk management processes within the City of London Corporation are generally effective. While there are areas for improvement, the organisation has demonstrated a strong commitment to maintaining a robust control framework and addressing identified weaknesses. The implementation of audit recommendations and ongoing efforts to enhance controls, governance, and risk management will further strengthen the organisation's overall resilience and effectiveness."

- The programme of Internal Audit work is aligned to the City's corporate and departmental objectives and key risks so that assurance can be obtained on these areas. Internal Audit's work identified a number of opportunities for improving controls and procedures, with a "Limited (Red) Assurance" opinion having been provided in 10 cases. Those recommendations raised have been accepted by management and the Committee monitors the progress in recommendation implementation. The Committee has worked with the Head of Internal Audit to develop reporting information and the mechanisms for tracking implementation.
- The programme of Internal Audit work for 2024/25 was subject to review throughout the year.

Risk Management

- The Committee is responsible for monitoring and overseeing the City of London Corporation's risk management strategy and to be satisfied that the authority's assurance framework properly reflects the risk environment.
- During FY2024/25 the Committee reviewed developments to key components of the risk management framework which supports the strengthening of our organisational risk management culture. This will remain a priority for the next year as we continue to socialise and embed best practice throughout the organisation.
 - The City of London Corporation's Risk Management Strategy 2024–2029 was adopted in May 2024 following endorsement from the Committee. A review of the first year's impact shows positive progress aligned with the Strategy's aims, increasing confidence in the risk landscape and its role in decision-making.
 - A new Risk Management Policy, applying to the whole of the City Corporation and helping support the successful delivery of our services and strategic objectives, was developed and agreed by the Audit & Risk Management Committee in November 2024. As it applies across City Corporation, and noting their separate risk reporting governance structures, endorsement was

also received from the City Bridge Foundation Board and City of London Police Authority Board in the third quarter of FY2024/25.

- Following the Risk Appetite Review, a new Risk Appetite Statement was developed during FY24/25 with input from Chief Officers, Heads of Profession and Members. This forms the final piece of the organisation's Risk Management Framework. The statement was endorsed by the Audit & Risk Management Committee, the City Bridge Foundation Board and the City of London Police Authority Board in the fourth quarter of FY2024/25 and approved by Court of Common Council on 22 May 2025.
- The Chief Officer Risk Management Group (CORMG) met regularly during this period with their work on risks and overarching themes feeding into Committee update reports and the challenges/questions raised by Members during committee meetings on risk management incorporated into CORMG discussions.
- In addition to contributing to and facilitating these core initiatives, the Committee has, over the course of 2024/25, supported effective risk management by providing oversight and assurance through its review of regular risk update reports. These reports covered corporate and red departmental-level risks, including any additions or removals from the corporate risk register, as well as broader risk management topics identified through officer governance processes.

Counter-Fraud

- During 2024/25, the Corporate Anti-Fraud team completed 65 investigations across all fraud disciplines, with an associated value of £366,256. The majority of this relates to notional or preventative savings from tenancy fraud investigations.
- In November 2024, a Member Briefing covering Counter-Fraud Activities was delivered to the Committee, providing an overview of the work streams of the Counter Fraud team, and detailing the team's response to the risks of fraud at the City of London Corporation.
- A series of fraud risk workshops have been provided by the Counter Fraud team during 2024/25, providing a platform to identify current, new and emerging fraud risks across service areas, and providing managers with the skills to develop, maintain, and better manage the risks of fraud in their service areas through the development and maintenance of fraud risk registers.
- Social housing tenancy fraud and single person discount fraud remain key fraud risks areas for the Corporate Anti-Fraud team and a concern for the Committee; the team now has the capability through the London NFI fraud hub to undertake continuous auditing of these risk areas by matching to key data sets within the London NFI fraud hub. The Committee also received an update in the counter fraud update report during 2024/25 concerning the pan-London multiple employment fraud project, that identified one City of London officer undertaking dual roles across, and who subsequently resigned following investigation by the team.

External Audit and Financial Reporting

- The progress made during 2023/24 to obtain approval of prior year accounts was reinforced during 2024/25. The Audit and Risk Management Committee were presented with the audit findings report, by Grant Thornton, for the City Fund 2023/24 and Pension Fund 2023/24 accounts at the September 2024 meeting. Following consideration and recommendation, this meant the City Fund accounts could proceed to being signed in accordance with the required statutory deadline. A further report from Grant Thornton was also brought to the November 2024 meeting which included their commentary on the City Fund's Value for Money (VfM) arrangements.
- Similar progress was also achieved on City's Estate with the draft audit report for the 2023/24 accounts being presented, by Crowe UK LLP, to the Audit and Risk Management Committee at the 4th November. This reported noted the progress made in preparation from the previous year and, following approval, again enabled the accounts to proceed and be signed formally in line with required deadlines.
- The Committee also considered the City Bridge Foundation (CBF) 2023/24 accounts at the September 2024 meeting and recommended the approval of the financial statements to the CBF Board.
- At the meeting on the 4th November, the Audit and Risk Committee also recommended for approval the annual reports of the 14 charities presented for the 23/24 financial year, to the relevant committees and trustees.
- Throughout the year, the Committee were provided with updates on progress on the preparation of these sets of accounts to ensure they had oversight of any diversion from planned timelines and changes to reporting requirements.

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Committee(s)	Dated:
Audit and Risk Management Committee	14/07/2025
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: Group Chief Internal Auditor	For Information
Report author: Matt Lock	

Summary

This report provides an update on Internal Audit activity between 1 April 2025 and 30 June 2025. 9 Internal Audit reviews have been completed to Final Report stage and work is in progress at various stages for a number of Audit reviews.

Recommendation(s)

Members are asked to:

- Note the outcomes of completed Internal Audit work.

Main Report

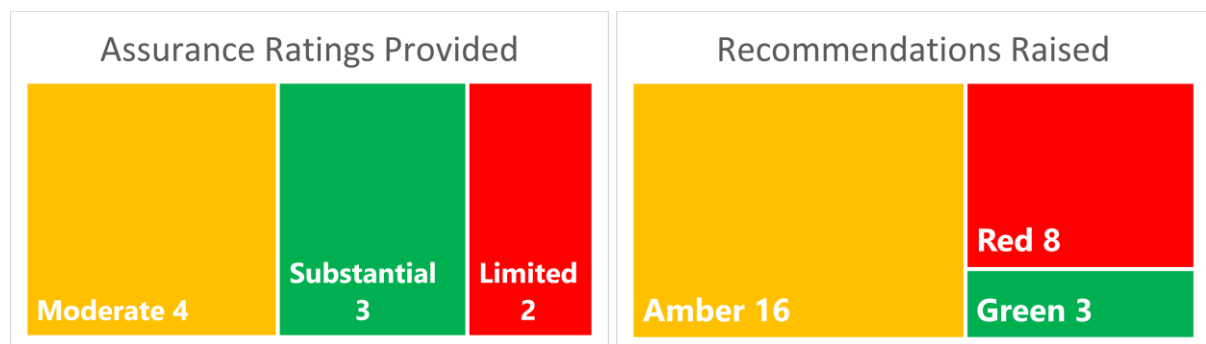
Background

1. This report provides an update on the work of Internal Audit during April, May and June 2025, the first Internal Audit update report of 2025/26. Specifically, this report provides 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 9 Audit Reviews in quarter 1 of 2025/26, resulting in 3 Substantial, 4 Moderate and 2 Limited Assurance opinions. The overall outcomes from the recently completed Audit reviews are summarised in the following table with further information provided in relation to the Limited Assurance opinions:

Department	Audit Title	Assurance Rating	Recommendations Made		
			Red	Amber	Green
Comptroller & City Solicitor's	Risk Management	Moderate	0	2	0
City of London School	Tuition Income	Limited	2	1	0
City of London Police	Information and Data Handling	Moderate	0	7	1
City of London Police	Income Collection and Cost Recovery	Substantial	0	0	0
Community and Children's Services	Direct Payments (Adults)	Substantial	0	3	1
City Bridge Foundation	Tower Bridge Contract Management	Limited	3	2	0
Community and Children's Services	Direct Payments (Children)	Substantial	0	0	1
City of London School for Girls	Income	Moderate	2	1	0
City of London Junior School	Income	Moderate	1	0	0



City of London School – Tuition Income

3. This audit was included in the agreed programme of Internal Audit assurance work to build upon the findings of the June 2023 review of the City of London School's financial control framework although refocussed on tuition fee income following an apparent £430k under-collection in Spring 2023 (impacting approx. 180 parent / student accounts), notified to Internal Audit in November 2024.
4. The Audit sought to evaluate the adequacy of the design of the internal control environment for billing, collecting and reconciling tuition fee income, assessing the extent to which this may have contributed to the discrepancy and delays in identification.
5. Testing focused on examination of the extent to which:

- There are established mechanisms to ensure the accuracy and completeness of tuition fee billing and collection, including documented procedures, defined roles and responsibilities and a variety of manual and system-enforced quality checks.
 - There are adequate mechanisms to facilitate the maintenance of parent/student accounts (including timely updates to account balances following payment of fees).
 - Reconciliation controls are undertaken frequently to validate the alignment of billing, collection and account records, and there are reporting protocols in place to facilitate effective oversight.
 - The suspected shortfall on parent accounts exists and seek to understand the root cause.
6. Limited assurance is provided in respect of the areas within the scope of the audit and recommendations have been made to strengthen the control framework. The income shortfall in early 2023 was caused by the incorrect use of a historic direct debit file, resulting in inaccurate parent account updates. More robust procedures, including timely reconciliation, could have reduced the risk of this incident or at least facilitated early identification, this audit highlights that whilst controls have improved there remain some weaknesses.

City Bridge Foundation - Tower Bridge Contract Management

7. The review formed part of a wider rolling programme of contract management checks across City of London Corporation departments: examining arrangements for local contract management and monitoring, based on a sample of contracts selected from the corporate register. According to the Contracts Register there are 8 contracts on the register under Tower Bridge with a combined annual value of approximately £3.4m and a current financial year value of approximately £1.4m. The key objective of this audit was to evaluate local application of contract management activities, focusing on supplier performance and service delivery and forward planning for contract review.
8. Overall, limited assurance is provided in respect of the control environment within the scope of the audit. Audit examination of contract register content, review of available documentation and discussion with contract managers identified both thematic and individual issues. Key findings were:
- Inaccuracies in the Tower Bridge extract of the contracts register and a local lack of awareness of this record may undermine arrangements for oversight, tracking obligations, informing financial and procurement planning, and reducing the risk of overruns / overspend.
 - Contract managers were not consistently informed of contractual requirements for which they were responsible.
 - Discussion with key contacts indicated that there is scope to increase awareness of corporate expectations and the principles of effective contract management. While guidance in respect of contract management principles, roles and responsibilities is published on the Intranet, audit testing found inconsistent local application.
 - Limited evidence of defined contractual performance / service delivery mechanisms or understanding of the same. Assurance cannot be provided that adequate performance monitoring takes place to ensure that contractual obligations are being met and outcomes achieved.
 - Inconsistent evidence of forward planning for contract review.

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, risk management and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks.

Conclusion

10. 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 Q1 2025/26

Matt Lock

Group Chief Internal Auditor, Chamberlain's Department

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Internal Audit Dashboard: 01/04/2025-30/06/2025

Work completed in period

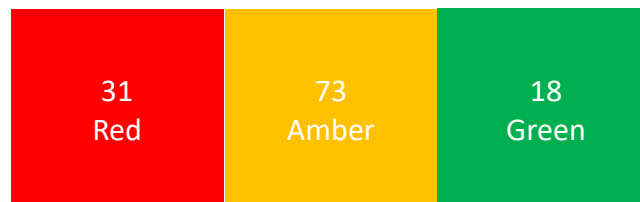
Final Audit Reports Issued

Comptroller & City Solicitor's	Risk Management	Moderate
City of London School	Tuition Income	Limited
City of London Police	Information and Data Handling	Moderate
City of London Police	Income Collection and Cost Recovery	Substantial
Community and Children's Services	Direct Payments (Adults)	Substantial
City Bridge Foundation	Tower Bridge Contract Management	Limited
Community and Children's Services	Direct Payments (Children)	Substantial
City of London School for Girls	Income	Moderate
City of London Junior School	Income	Moderate

Draft Audit Reports Issued:

- Guildhall School of Music and Drama - Non-Substantive Workforce
- Guildhall School of Music and Drama - Contract Management
- City Bridge Foundation – Grants
- Environment - Natural Environment Risk Management
- Corporate Wide – Use of Consultants
- Chamberlain's – Contract Management

All Open
Recommendations:
122





Internal Audit Dashboard: 01/04/2025-30/06/2025

Audit Reviews in Progress:

- City Surveyor- Commercial Rents (All funds)
- City of London Police - IT Service Delivery and service Management
- Barbican Health and Safety
- Corporate Wide - Code of Conduct
- Chamberlain's - Cash management
- Corporate Wide - Statutory Performance Reporting
- Corporate Health and Safety
- City Surveyor's – Property Assets: Cyclical Maintenance
- Corporate Income Collection and Debt Management
- Guildhall School - Data Quality HESA
- Chamberlain's Programmes and Projects - Change Control
- Climate Action
- Employee Relations Casework

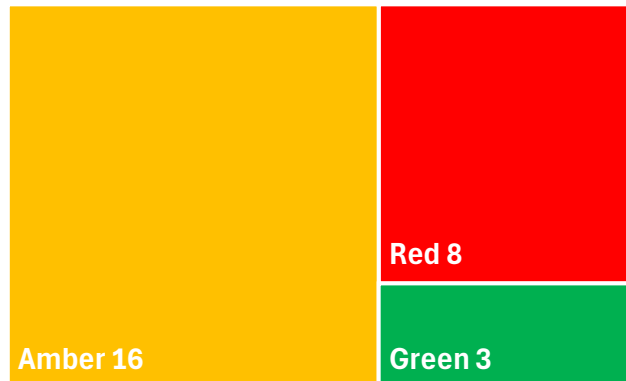
(note also work in progress for London Councils and Museum of London)

Cumulative Dashboard (from 01/04/2025)

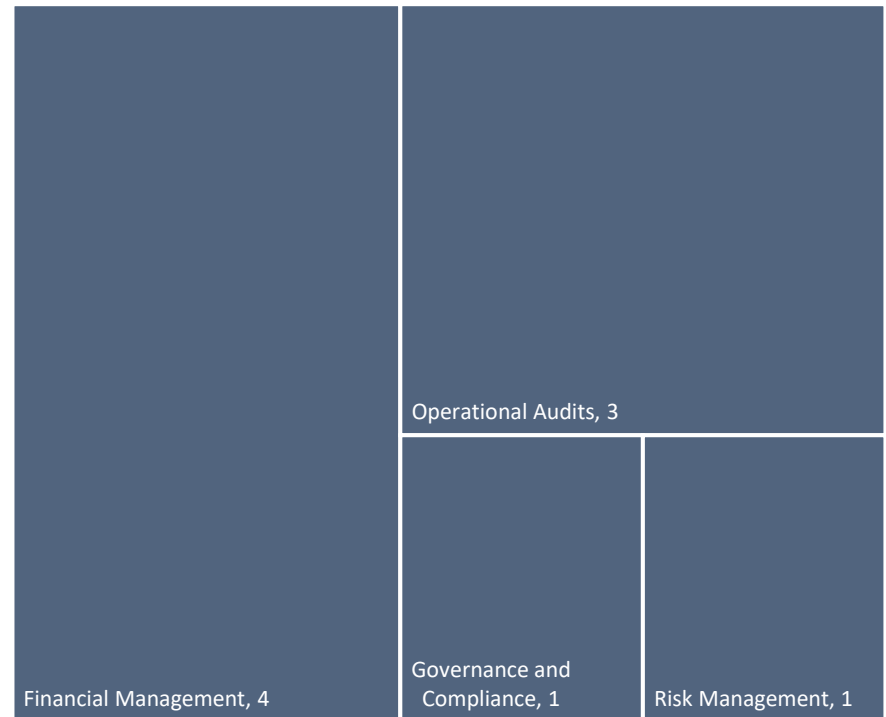
Assurance Ratings Provided



Recommendations Raised



Distribution of Assurance Work



Audit Reviews Completed in 2025/26 (cumulative report)

Final Reports

Recommendations Made

Department	Audit Title	Assurance Rating	Red	Amber	Green
Comptroller & City Solicitor's	Risk Management	Moderate	0	2	0
City of London School	Tuition Income	Limited	2	1	0
City of London Police	Information and Data Handling	Moderate	0	7	1
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Community and Children's Services	Direct Payments (Children)	Substantial	0	0	1
City of London School for Girls	Income	Moderate	2	1	0
City of London Junior School	Income	Moderate	1	0	0

Internal Audit Resource Analysis for 2025/26

**Baseline
Target:
600 Audit
Days**

**Growth
Target:
1000 Audit
Days**

**Current
Capability:
1015 Audit
Days**

Notes:

- A full time Senior Auditor equates to 180 “Audit days”.
- 1 team member currently long-term sickness absence
- Provision of Internal Audit Services to London Councils and Museum of London totals 100 Audit days (55% of 1 FTE)

Timeline to meet Growth Target: 31/03/2026

Additional Resources:

- 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
- Anticipated buy in of additional resources to meet specialist requirements and off-set sickness absence

Amendments to Internal Audit Plan for 2025/26

Audits Added

Department	Audit Title
Environment	Setting of fees and Charges
Environment	Food Hygiene
Environment	Heathrow Animal Reception Centre
Barbican Centre	Facilities Management and Maintenance
Environment	Charities Review
People	Employee Relations Casework Management

Audits Removed

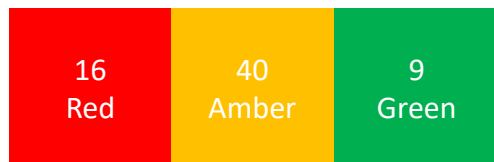
People	Recruitment and Retention (deferred)
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Internal Audit Recommendation Analysis

122 Open Recommendations compared to 175 open recommendations at 31/03/2025

27 recommendations have been raised in the current year 2025/26 80 recommendations closed Q1

Recommendations past their due
date: 65



Page 43

Current Aged Analysis of overdue recommendations:

Time past due date	Number of Recommendations
< 6 months	36
6-9 months	12
9-12 months	3
12-24 months	14
24-36 months	0
Total	65

Aged Analysis of overdue recommendations at 31/03/2025:

Time past due date	Number of Recommendations
< 6 months	20
6-9 months	3
9-12 months	24
12-24 months	39
24-36 months	6
Total	92

Overdue Red Recommendations

Audit	Recommendation	Target date
Barbican Centre – Business Continuity	The proactive Business Continuity testing programme arrangements should be re-defined, ensuring an appropriate frequency, and delivered as planned.	31/03/2025
	The outcome of Business Continuity test exercises should be clearly documented, evaluated and lessons learned highlighted to relevant parties.	31/03/2025
	Barbican Management should ensure that business continuity arrangements are revised, as necessary, following lessons learned from test exercises / plan activation.	31/03/2025
Corporate Wide – IR35 Compliance	Guidance in relation to IR35 should be reviewed and updated to ensure that it offers clarity and a consistent approach to completing the HMRC CEST tool.	31/05/2025
Community and Children's Service - Risk Management	Roles and responsibilities within the department in respect of risk management administration and determination of risks for inclusion within the risk register should be reviewed for appropriateness, ensuring that assigned staff are well-placed to fulfil these.	31/03/2025
Barbican - Contract Management	Barbican Centre management should take appropriate action to ensure that: <ul style="list-style-type: none"> • There is a complete and accurate understanding of contracts in place to facilitate procurement and financial planning. • Contract managers are fully aware and have an accurate understanding of the contracts for which they are responsible. 	31/03/2025

Overdue Red Recommendations (continued)

Audit	Recommendation	Target date
Community & Children's Services - Housing Fire Safety Management	Regular status updates should be provided at 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
	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
Chamberlain's – Commercial Services – Managing Conflicts of Interest	The Commercial Service team should establish a framework to monitor compliance with conflict of interest requirements. This framework should define roles and responsibilities, outline the scope and frequency of monitoring, and ensure ongoing compliance and integrity in the procurement process.	31/03/2025
	The Commercial Service team should develop guidance outlining key considerations for mitigating conflicts of interest to ensure a consistent and effective approach.	30/04/2025
	The Procurement Code and Conflict of Interest Policy should be updated promptly to reflect the requirements of the Procurement Act 2023.	31/03/2025
Barbican Centre – Financial Controls	Barbican management review of compliance data (including timely requisitioning and prompt payment of invoices) should be used to identify: <ul style="list-style-type: none"> Any trends – for example seasonal absences – which indicate workflow or capacity issues. Areas for staff development and targeted training requirements. 	31/01/2025

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Agenda Item 8

Committee(s): Audit and Risk Management Committee – For information Finance Committee – For information Pensions Committee – For Information	Dated: 14 July 2025 16 Sept 2025 22 Sept 2025
Subject: City Fund and Pension Fund Statement of Accounts Update 2024/25	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For information
Report author: Iain Jenkins, Chief Accountant	

Summary

This report provides an update on the publication and audit of the 2024/25 Draft Statement of Accounts for the City Fund and Pension Fund.

Recommendation(s)

The **Audit and Risk Management** Committee, the **Finance Committee**, and the **Pensions Committee** are asked to:

- **Note** the progress made on the 2024/25 Statement of Accounts
- **Note** the progress made on the external audit of the 2024/25 Statement of accounts

Main Report

Background

1. The Audit and Risk Management Committee oversees the City of London Corporation's systems of internal control and makes recommendations to the Finance Committee relating to the approval of the City Fund Annual Statement of Accounts – this includes the Pension Fund accounts.
2. The draft, unaudited 2024/25 Statement of Accounts for the City Fund, which includes the accounts for the Pension Fund, were published on the City of London Corporation's website on 30th June 2025. The document can be accessed here ([link](#)), and is also presented as Appendix 1 to this report. Publishing these accounts by 30 June 2025 met the statutory requirements set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022.
3. Following the publication of the City Fund Statement of Accounts a period of public inspection commenced, as required by the Local Audit and Accountability Act 2014. The inspection period commenced on Tuesday 1st July and runs for 30 working days, concluding on 11th August 2025. During the inspection period, members of the public may inspect the accounts, and may also question the auditor or raise objections. Further details of the inspection period are set out in the public notice which is available to view on the City Corporation's website at the following [link](#).

4. Grant Thornton (GT) are undertaking the external audit of the City Fund and Pension Fund accounts for 2024/25. The audit work commenced on 16th June 2025 and is scheduled to run through to September 2025. It is considered good practice and part of the assurance framework for the External Auditor to report to the Audit and Risk Management Committee at regular intervals.
5. Grant Thornton will report the findings arising from their work on the 2024-25 audit to this Committee following the conclusion of the audit.
6. The statutory deadline for the conclusion of the audit is 30 September 2025, by which time the final audited accounts are required to be published on the City of London Corporation website. It should be noted that “backstop” dates have been introduced for outstanding local government audits, owing to a large number of outstanding audits across the country in the sector. The backstop date for 2024/25 accounts is 27 Feb 2026, so in the event that the audit was not concluded by this date then a disclaimer opinion would apply. The audit plan and timetable have been agreed with Grant Thornton on the basis of the audit being completed prior to the 30th September deadline, with resources put in place to enable this deadline to be met. Therefore as the City of London Corporation has cleared all of its prior year audits and is up to date with its accounts it is anticipated that the audit opinion will be in place by 30th September, so the backstop will not be required.
7. As the Pension Fund accounts form part of the City Fund accounts as a whole, the Audit and Risk Management Committee retain ultimate responsibility for receiving and considering any reports arising from the audit. Any reports arising from the audit will also be reported to the Pension Fund Committee.

Current position

8. The draft 2024/25 Statement of Accounts for the City Fund are presented at Appendix 1 to this report. The Committee should note the following key points.
9. The Accounts are prepared using the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (referred to as The Code) which is published annually by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code is based upon International Financial Reporting Standards (IFRS), adapted for public sector use. The only material change to the Code for 2024/25 has been in respect of the accounting treatment for lease, due to the adoption of IFRS16 by the Code. This change requires all leased assets to be recognised on the balance sheet (with the exception for small value assets or short-term leases of less than twelve months). Under previous accounting standards a distinction was made between finance leases and operating leases, and assets acquired under operating leases were not recognised on balance sheet. The change to accounting standards removes the distinction between finance and operating leases. This change has no impact on the General Fund or usable reserves.
10. The City Corporation's Accounting Policies are also unchanged, except for updates to the accounting policy for leases, to reflect the changes to the Code. A summary of the Accounting Policies is included within the document at page 139 onwards. The accounting policy on leases is set out in section 1.18 on pages 150-152 of the accounts.
11. The provisional outturn position for the City Fund for 2024/25 is a surplus of £33.2m, as set out in the table on page 12 of the Accounts. For 2023/24 the outturn position was a surplus of £45.7m. As at 31 March 2025 there were unallocated revenue funds of

£387.3m. £20m of this will be retained within the General Fund balance, and the remainder will be held within earmarked reserves.

12. The overall movement on the City Fund balance sheet is an increase in net assets of £400.2m. This movement is comprised of the following items:

- Property, Plant and Equipment – Increase of £167.4m. Mainly due to additions of £153m of Assets Under Construction, this includes £88m for the Fleet Street development and £39m of HRA expenditure on social housing.
- Investment Property – Increase of £15.5m due to gains from fair value adjustments.
- Long Term Investments – Increase of £17.7m due to new investments entered into during 2024-25 to take advantage of favourable rates.
- Short Term Investment – Increase of £12.6m due to increase in cash available for investment.
- Short Term Creditors – Increase of £51.1m, predominantly due to an increase of £24m in collection fund creditors, due to timing differences on the collection fund
- Grants and Contributions received in advance – Decrease of £37.7m due to a decrease in the balance of S106 and S278 contributions on the balance sheet.
- Pensions Liability – Reduction in the pensions liability of £203.8m, based upon the actuary's latest assessment of the pension scheme.
- Other movements of -£3.4m

Corporate & Strategic Implications

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

Conclusion

14. The City Fund and Pension Fund Accounts for 2024-25 were published in line with statutory deadlines on 30th June 2025. The public inspection period commenced on 1st July 2025 and runs for 30 working days. The audit of the accounts commenced on 16th June 2025. It is anticipated that Grant Thornton will provide their audit opinion by the end of September 2025, subject to the conclusion of the audit. Further updates will be provided to the Committee at future meetings.

Appendices

- Appendix 1 - City Corporation City Fund draft Statement of Accounts 2024/25

Background Papers

Audit and Risk Management Committee – 12 May 2025 – Statement of Accounts update

Iain Jenkins

Chief Accountant

E: iain.jenkins@cityoflondon.gov.uk

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**THE CITY OF LONDON
CORPORATION**

**Statement of Accounts
for the City Fund**

**Year Ended
31 March 2025**

Contents

Contents	2
Preface	3
The City of London Corporation's Responsibilities	16
Independent Auditor's Report to the Members of the City of London Corporation	18
Core Financial Statements	25
Comprehensive Income and Expenditure Statement	26
Movement in Reserves Statement	27
Balance Sheet	28
Cash Flow Statement	29
Notes to the Core Financial Statements	30
Notes to the Comprehensive Income and Expenditure Statement	34
Notes to the Movement in Reserves Statement	47
Notes to the Balance Sheet	52
Notes to the Cash Flow Statement	89
Other Notes to the Accounts	92
Supplementary Accounts and Notes	98
Housing Revenue Account	99
Collection Fund Account	103
Police Pension Fund	107
Independent Auditors report to the Members of City of London Pension Fund	108
City of London Pension Fund Account	113
Accounting Policies	139
Annual Governance Statement	159
Further Information	182



Preface

AN INTRODUCTION TO THE CITY OF LONDON CORPORATION

The City of London Corporation (City Corporation) is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK. The Square Mile is the historic centre of London and is home to the 'City' – the financial and commercial heart of the UK. Our reach extends far beyond the Square Mile's boundaries and across private, public and charitable and community sector responsibilities. This, along with our independent and non-party political voice, convening power and ability to work with others, enable us to promote the interests of people and organisations across London and the UK and play a valued role on the world stage.

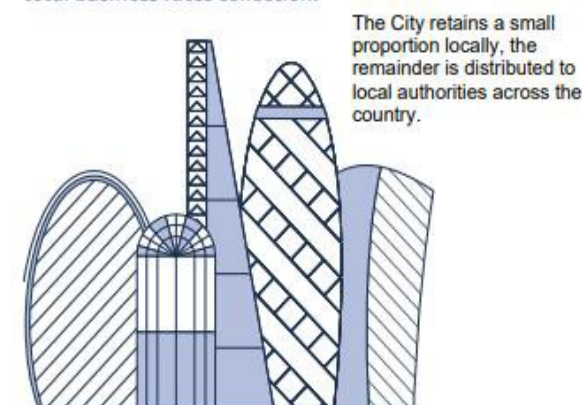
The City Corporation manages two funds, City Fund and City's Estate, and is the sole trustee of City Bridge Foundation, a 900-year old charity which owns and manages five Thames crossings- Tower, London, Southwark, Millennium and Blackfriars Bridges- at zero cost to the taxpayer. The funding arm of City Bridge Foundation distributes funds surplus to bridge requirements and is London's largest independent charitable funder. City's Estate allows us to provide services that are of importance to Greater London as well as to the City at little or no cost to the public. This report covers City Fund and more information is given in the following pages.

As the governing body of the Square Mile, we deliver the functions of a local authority and a police authority for our residents, workers, learners and visitors, as well as being the port health and animal health authorities for London. There are approximately 8,600 residents living in the Square Mile. However, we have a high daytime population in the Square Mile, which is up to 678,300 workers daily.

The City contributes to the rest of the economy, generating

£1.3bn

in business rates. This represents **5% of England's total business rates collection.**



With more large firms than Manchester, Birmingham or Leeds, the City **generates more in business rates than all three combined.**

CORPORATE STRATEGY

A new five-year City of London Corporation [Corporate Plan 2024-29](#) started in April 2024. It informs effective use of our resources and guides planning and decision-making for the City of London Corporation from 2024 to 2029 through six strategic outcomes, ensuring everything we do aligns to our mission to be world-class. Our People Strategy 2024-29 sits alongside the Corporate Plan.



The six Corporate Plan outcomes are of equal importance, reflecting the vast portfolios covered by the City of London Corporation. They are interlinked and delivered through activities across the organisation and in partnership with our stakeholders. We will strive for equity, equality, diversity and inclusion to ensure impactful delivery.

The City of London Corporation is responsible for many sector, department and subject specific strategies, programmes and plans. The Corporate Plan 2024-29 lists existing strategies, strategies in development and major programmes and plans that contain metrics key to measuring and monitoring performance in the City of London Corporate Plan 2024 to 2029. These include:

- Air Quality Strategy 2025-2030
- City of London Joint Health and Wellbeing Strategy 2024-2027
- City Plan 2040
- Climate Action Strategy 2020-2027
- Competitiveness Strategy 2021-2025
- Digital, Data and Technology Strategy 2024-2029
- Education Strategy 2024-2029
- Equality Objectives 2024-2029
- Policing Plan 2025-2028
- Safer City Partnership 2022-2025
- Social Mobility Strategy 2018-2028
- Transport Strategy 2024-2044

OUR FUNDING STRUCTURE

In common with other local authorities, City Fund receives funding via grants from central government, a share of business rates income and the proceeds of the local council tax. City Fund also generates rental and interest income to help finance its activities. A breakdown of these amounts for 2024-25 is shown in the financial summary for the year (page 11).

Whilst collecting £1.3bn in business rate income, the City Fund retains only a small proportion of the amounts collected from its area, in accordance with the national arrangements. The remainder is paid over to central government and is redistributed to local authorities throughout the country. Due to its special circumstances – notably its very low resident population and high daytime population – the City of London is allowed uniquely to set its own business rate via the business rate premium. For 2024-25 this was set at 1.8p in the £. These funds are used to support security objectives within the City with the majority being passed to the City of London Police. More information on the role and ongoing work of the City Corporation, can be found on the City's website at www.cityoflondon.gov.uk¹

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¹ The City of London Corporation is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

PERFORMANCE

We have sought to further the aims and objectives set out in our corporate plan. The below highlight some of our achievements during this year.

Barbican

- Renewed and refreshed Artistic Vision
- In depth audience research that informs programming, Comms and Brand refresh
- Delivered over 4,000 events across the Centre with over 1m visitors
- The Barbican Centre Creative Collaboration department has worked with 32 schools and 1,300 students

Chamberlain's department

- 60% of construction suppliers are now SMEs
- Over 35,000 requests and incidents resolved by the DITS team

Community and Children's Services

- Children's Services rated 'Outstanding' for a second time, 'providing excellent outcomes for children'.
- Ranked 1st in peer group for Adult Social Care Quality of Life and Carers satisfaction.
- The offer to care leavers has been strengthened with all living in suitable accommodation and in permanent accommodation by the age of 25.

- Libraries contribute to health and wellbeing, with 93% of users reporting a positive impact and 90% of people who attended Dragon Cade's mental wellbeing sessions saying it improved their mental health.

Environment

- Progressed the City Plan 2040 through the next stages of development
- Published the SME Delivery Strategy and Circular Economy Framework
- Gained approval for a new Air Quality Strategy and a revised Transport Strategy
- Licensing Team refreshed and published several policies which will support businesses, including SMEs, to thrive in the City, while maintaining a balanced approach for our residents.

Comptroller & City Solicitors

- Parliamentary elections delivered effectively without challenge in compliance with statutory requirements.
- LEXCEL (Law Society quality assurance standard) re-accreditation secured successfully

Corporate Communications

- Engagement with the resident community has been expended, and in 2024 saw 550 signups to the four City Question Time events and a physical resident newsletter going to all 6,800 doorsteps being reintroduced.
- Achieved the highest voter registration for City elections in a decade, the highest ever under the current legal framework

Further information

- The City Corporation publishes a progress report setting out the performance against the Corporate Plan 2024-29. Further detail can be found at the following link.

[Corporate Plan 24-29 Preliminary Progress Report](#)

Risk Management and Priorities for the Coming Year

Our risk management processes help us identify and manage the risks to the organisation. The Audit and Risk Management Committee monitors and oversees the City of London Corporation's risk management strategy and that its risk assurance framework is robust and effective. At an officer level, the Chief Officer Risk Management Group, a sub-committee of the Executive Leadership Board, meets at least once every two months to review the management of corporate and top red departmental risks, discuss developing risk areas and consider wider aspects of risk management within the City Corporation such as its overarching risk management culture.

During the first year of the Risk Management Strategy 2024-2029, a new Risk Management Policy was agreed by Members and a new Risk Appetite Statement developed (this was subsequently agreed by the Court of Common Council in May 2025). The focus for FY2025/26 will be on socialising and embedding this new approach within the City Corporation, to assist us in the delivery of our strategic outcomes.

OTHER DISCLOSURES

The Trade Union Regulations 2017 requires public authorities to disclose trade union activity as part of their annual accounts. The below tables set out the information required under this regulation. It outlines the volume of union activity as well as the annual cost to the City Corporation where union activity is carried out during working hours.

Trade Union representatives and full-time equivalents	
Number of trade union representatives (people)	29
FTE trade union representative	29

Total pay bill and facility time costs 2024-25	
Total City of London pay bill	£230.1m
Total cost of facility time	£124k
Percentage of pay spend on facility time	0.05%

Percentage of working hours spend on facility time by union representative	No. of People
0% of working hours	23
1% to 50% of working hours	3
51% to 99% of working hours	0
100% of working hours	3
Total	29

FINANCIAL OUTLOOK

The City Corporation has an ambitious programme of investment across its funds aimed at fulfilling its strategic aims and continuing to make the City the place people want to live, work, study, visit and enjoy. City Fund is supporting the Combined Courts project (funded with City's Estate), which will relocate the Magistrates court to a new world class facility and build a new headquarters for the City of London Police. It is also jointly supporting the relocation of the Museum of London with the GLA in our capacity as joint funders of the organisation. During 2024/25 approval was also given to proceed with the first phase of the Barbican Renewal works. These programmes require significant financial investment at a time where the City Fund is facing a number of threats to its funding and pressures on its services. These include:

- **Economic Outlook** – there remains significant uncertainty in the economic outlook linked to inflation and interest rates. Despite recent stabilization long-term projections continue to come with greater uncertainty. The impact on income streams is unknown, particularly on rental income, event bookings, and events at the Barbican. These factors pose a risk to key revenue streams funding activity, and the demand and costs of providing public services.
- The **Fair Funding Review** of local government funding is likely to shift resources away from London. Its implementation has been delayed and recent consultation documentation indicates metrics which takes funding away from London and the City Corporation in particular. We are awaiting confirmation from the Government on their implementation plans and extent of transitional funding.
- **Business Rates** – the planned reset and redistribution of Business Rate income expected for 2026/27 presents a significant risk to the City Corporation as this is a major source of funding for City Fund activity. The proposals consulted on have the potential to significantly impact the amounts retained by the City Corporation, and the timing of Business Rate revaluations and splits in multipliers only increases the uncertainty. Further detail is expected over the Summer of 2025, but this leaves little time to react to changes for 2026/27 budgets.

The below table sets out the current financial projections for City Fund across the medium-term planning horizon. Over the last decade City Fund has made substantial savings and further mitigations are proposed across the medium-term financial plan to address cost pressures, and its commitments to financing its major projects. However, projected deficits from 2026-27 require addressing as part of the financial planning process carried out in the autumn and radical thoughts are now needed as to how best to ensure City Fund remains in a financially sustainable position to deliver its corporate plan. City Fund maintains adequate levels of both general and earmarked reserves to support its functions across the short to medium term.

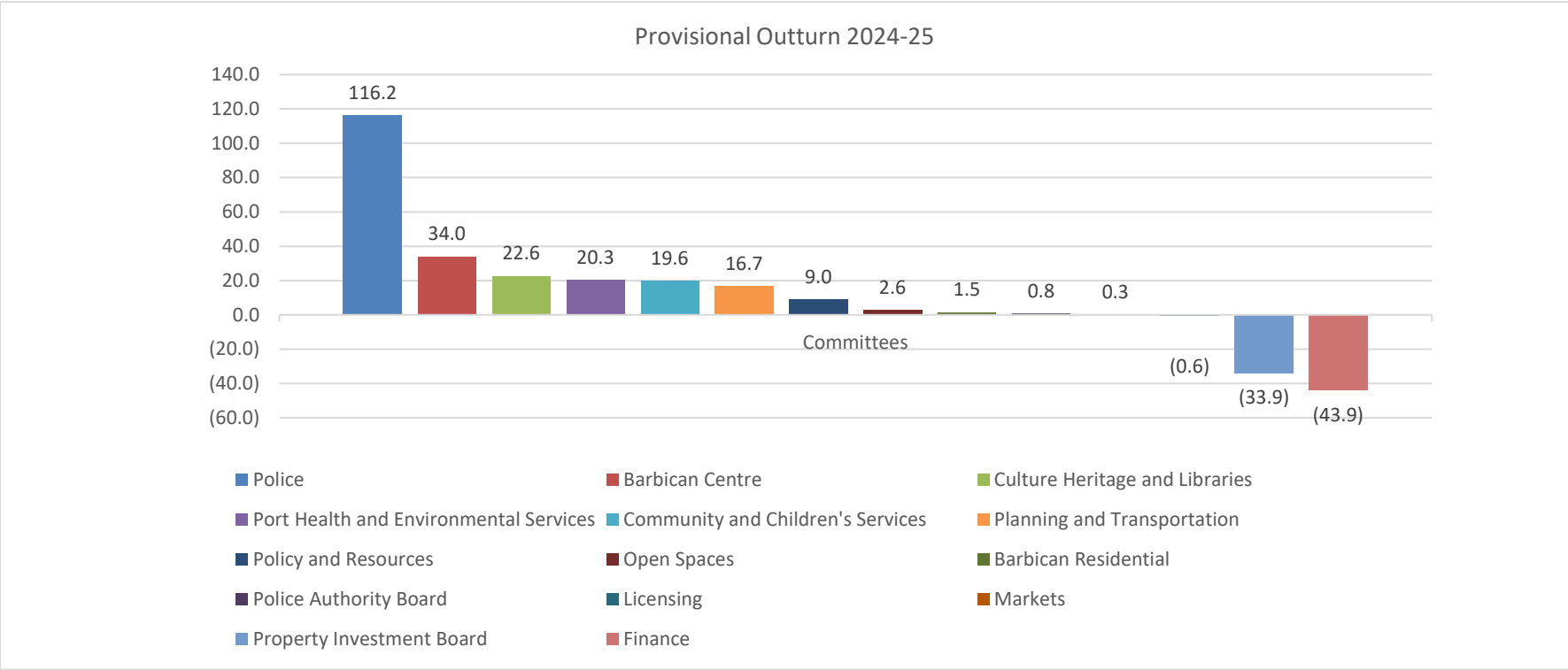
City Fund Medium Term Forecast	25/26	26/27	27/28	28/29
Surplus/(Deficit)	£m	£m	£m	£m
City Fund position including Police deficit	30.4	(9.2)	(26.1)	(22.5)
General Fund Reserve – working capital	20.0	20.0	20.0	20.0
Major Project Financing Reserve	125.9	81.3	37.9	8.4
Cyclical Works Programme Reserve	49.0	32.4	21.2	0.0
Climate Action Reserve	13.0	12.5	12.5	12.5

2024-25 FINANCIAL SUMMARY

Revenue Budget

Our budget for 2024-25 was agreed by the Court of Common Council (the City Corporation’s primary decision-making body) in March 2024 for both capital and revenue expenditure. The below chart sets out the revenue outturn by Committee, which reflects the operational areas of City Fund activity. The City Fund’s largest area of spend is the City of London Police which is largely funded via grants from government along with a contribution from the business rate premium, which for 2024-25 was set at 1.8p in the £. City Fund also benefits from a large property investment portfolio, overseen by the Property Investment Board, which generates additional income to fund our services.

The charts below provide an overview of the 24-25 revenue outturn.



Budget Outturn

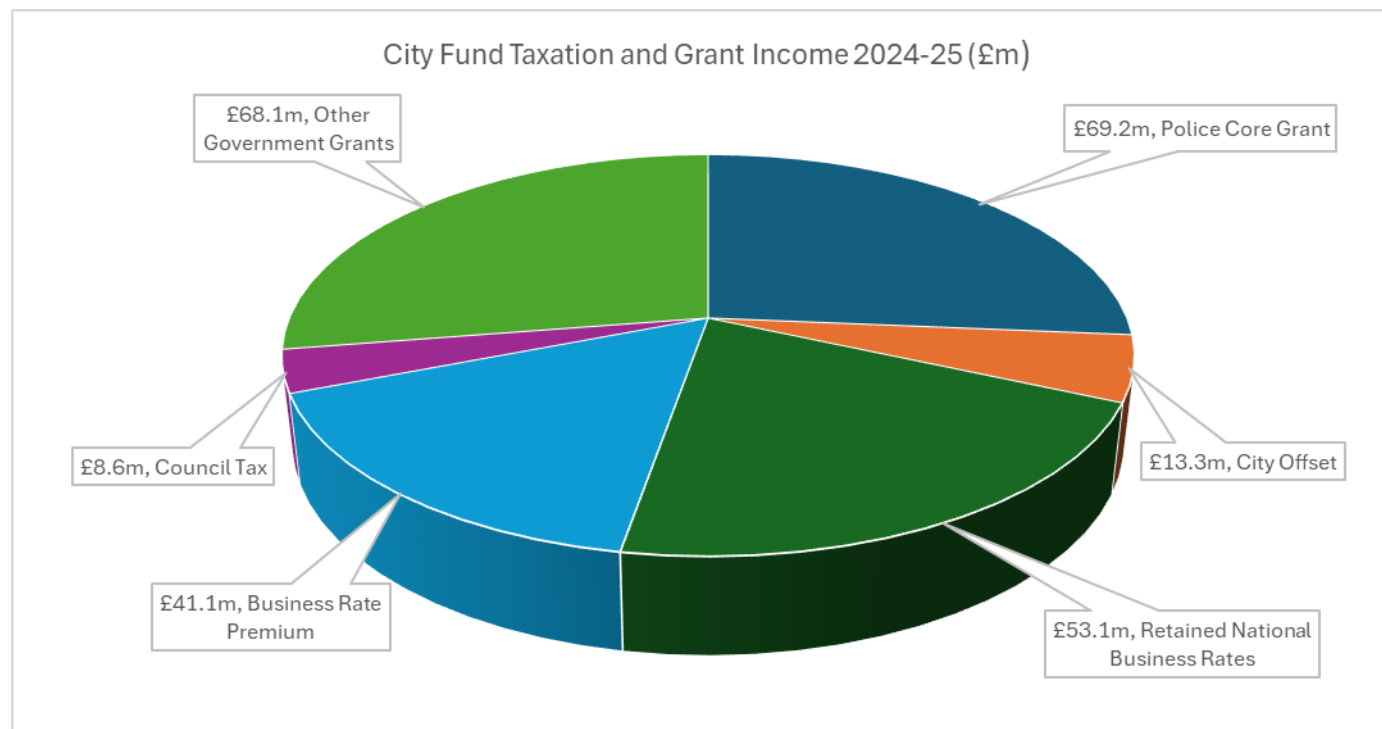
The adjacent table compares each committee outturn to its final budget for 2024-25. Taking into account service expenditure and funding from taxation and grants, the City Fund recorded a £33.2m underspend for the year. The most material variance and the reason for this is:

Finance - unused contingencies (£12.1m) have contributed to an underspend along with slippage in supplementary revenue projects (£1.8m), reduction in transfer in reserves (£7.2m) and lower than budgeted recharges (£2m). Additional income contributed to the favorable variance including interest received on cash balances (£19.4m) and customer receipts (£2.8m).

2023-24		2024-25 Budget v Outturn - City Fund Summary by Committee		
Outturn		Budget	Provisional Outturn	Variance (Better)/Worse
	Net Expenditure (Income)			
£m		£m	£m	£m
29.4	Barbican Centre	29.7	34.0	4.3
1.8	Barbican Residential	4.1	1.5	(2.6)
18.3	Community and Children's Services	19.0	19.6	0.6
22.4	Culture Heritage and Libraries	22.6	22.6	0.0
(61.2)	Finance	(8.6)	(43.9)	(35.3)
0.2	Licensing	0.4	0.3	(0.1)
(0.1)	Markets	0.3	(0.6)	(0.9)
2.0	Open Spaces	2.3	2.6	0.3
15.4	Planning and Transportation	19.3	16.7	(2.6)
103.8	Police	116.3	116.2	(0.1)
0.7	Police Authority Board	1.0	0.8	(0.2)
8.1	Policy and Resources	8.8	9.0	0.2
18.5	Port Health and Environmental Services	17.7	20.3	2.6
(36.1)	Property Investment Board	(34.5)	(33.9)	0.6
123.2	City Fund requirement to be met from government grants, local taxation and transfers to/(from) reserves	198.4	165.2	(33.2)

Funding from taxation and grants

A breakdown of the City Fund taxation and grants income for 2024-25 can be seen in the chart below:



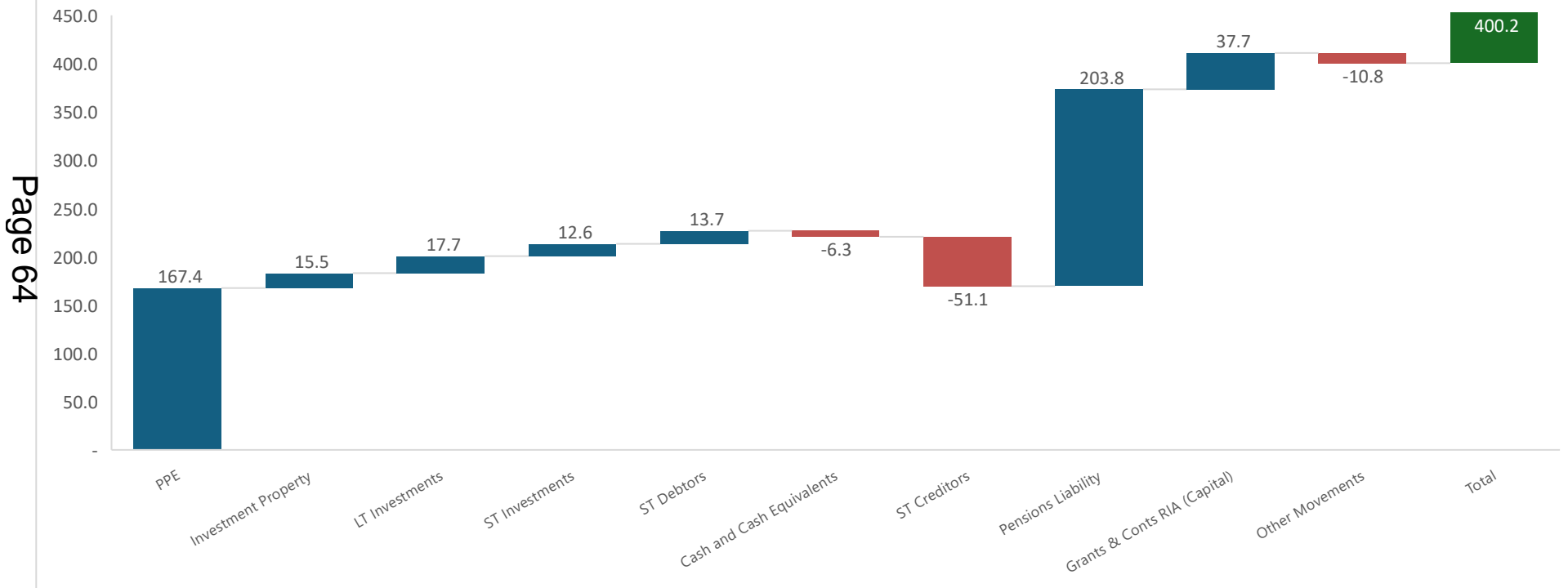
Please note the figures shown here do not take account of statutory accounting adjustments and reserve movements. These may differ to those presented in the main accounts.

Balance Sheet

The City Corporation maintains a strong balance sheet position with net assets totalling £2,488.8m at year end. The key movements which have contributed to an overall balance sheet increase of £400.2m compared to the previous year are shown below. For more detail on these movements please refer to the following notes to the accounts: Cash and Cash Equivalents – Notes 32-35, Investments – Note 18, Property, Plant and Equipment (PPE) – Note 13, Investment Properties – Note 17, Pension Liabilities – Notes 23-26, Short Term Creditors – note 21, and Grants and Contributions receipts in advance – Note 27.

2024-25 Balance Sheet Movement

■ Increase ■ Decrease ■ Total



EXPLANATION OF THE FINANCIAL STATEMENTS

The Statement of Accounts sets out the Corporation's income and expenditure for the year, and its financial position at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, which in turn is underpinned by International Financial Reporting Standards.

The **Statement of Responsibilities** sets out the respective responsibilities of the Council and Director of Resources.

The **Auditor's Report** gives the auditor's (Grant Thornton) opinion of the financial statements and of the Corporation's arrangements for securing economy, efficiency and effectiveness in the use of resources.

The **Core Statements** are:

- The **Comprehensive Income and Expenditure Statement (CIES)** – records the Corporation's income and expenditure for the year. The top half of the statement provides an analysis by service area. The bottom half of the statement deals with corporate transactions and funding.
- The **Movement in Reserves Statement (MiRS)** is a summary of the changes to the Corporation's reserves over the course of the year. Reserves are divided into “usable”, which can be invested in capital projects or service improvements, and “unusable” which must be set aside for specific legal or accounting purposes.
- The **Balance Sheet** is a summary of the Corporation's assets, liabilities, cash balances and reserves at the year-end date.
- The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities).

The Supplementary Statements are:

- The **Housing Revenue Account** – separately identifies the Corporation's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.
- The **Collection Fund**, which summarises the collection and redistribution of council tax and business rates income.
- The **Police Pension Fund**, which reports the contributions received, and payments to pensioners from the Police Pension Fund.
- The **Pension Fund Account**, which reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme.
- The **Annual Governance Statement** which sets out the governance structures of the Corporation and its key internal controls.

A **Glossary** of key terms can be found at the end of this publication.

STATEMENT OF RESPONSIBILITIES

The City of London Corporation's Responsibilities

The City of London Corporation is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has responsibility for the administration of those affairs. This officer is the Chamberlain/Chief Financial Officer (CFO).
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

The Chamberlain's Responsibilities

The Chamberlain is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code").

In preparing this Statement of Accounts, the Chamberlain has:

- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that were reasonable and prudent
- complied with the local authority Code.

The Chamberlain has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Chamberlain's Certificate

I certify that the Statement of Accounts give a true and fair view of the financial position of the City Fund and the Pension Funds of the City of London Corporation at the reporting date and of its expenditure and income for the year ended 31 March 2025.



Caroline Al-Beyerty - Chamberlain and Chief Financial Officer

Date: 30th June 2025

The City Fund and Pension Fund Accounts were considered and approved on behalf of the Finance Committee.

Henry Nicholas Almroth Colthurst, Deputy
Chairman of the Finance Committee

Andrien Meyers, Deputy
Deputy Chairman of the Finance Committee

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Independent Auditor's Report to the Members of the City of London Corporation

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Core Financial Statements

Comprehensive Income and Expenditure Statement

2023-24				Notes	2024-25		
Gross Expenditure	Gross Income	Net Expenditure/ (Income)			Gross Expenditure	Gross Income	Net Expenditure/ (Income)
£m	£m	£m			£m	£m	£m
			Services				
182.9	(97.0)	85.9	Police		186.5	(94.9)	91.6
1.0	(0.2)	0.8	Police Authority Board		1.6	(0.8)	0.8
64.4	(29.6)	34.8	Barbican Centre		68.7	(34.7)	34.0
38.9	(20.1)	18.8	Community & Children's Services		42.5	(24.5)	18.0
27.0	(17.4)	9.6	Housing Revenue Account (HRA)		23.1	(18.5)	4.6
51.9	(41.7)	10.2	Planning & Transportation		57.6	(43.9)	13.7
31.4	(17.4)	14.0	Port Health & Environmental Services		36.7	(19.5)	17.2
25.3	(3.8)	21.5	Culture, Heritage and Libraries		24.6	(2.7)	21.9
43.8	(12.3)	31.5	Finance		34.3	(10.4)	23.9
18.0	(19.9)	(1.9)	Barbican Residential		20.2	(21.9)	(1.7)
19.9	(7.4)	12.5	Policy & Resources		17.8	(8.0)	112.1
2.5	(0.7)	1.8	Open Spaces and City Gardens		3.4	(0.7)	2.7
1.0	(0.8)	0.2	Licensing		1.2	(0.9)	0.3
42.3	0.0	42.3	Major Project Cost		102.3	0.0	102.3
550.3	(268.3)	282.0	Cost of Services		620.5	(281.4)	339.1
		(2.4)	Other Operating Income	7			(7.1)
		10.2	Financing & Investment Income & Expenditure	7			(64.9)
		(301.5)	Taxation & Non-Specific Grant Income	7			(438.9)
		(11.7)	(Surplus)/Deficit on the Provision of Services				(171.8)
		44.0	(Surplus)/Deficit on the Revaluation of Property, Plant & Equipment	31			(10.6)
		(56.7)	Remeasurements of the Pensions Liability	26			(217.9)
		(12.7)	Other Comprehensive (Income) & Expenditure				(228.5)
		(24.4)	TOTAL COMPREHENSIVE (INCOME) & EXPENDITURE				(400.3)

Movement in Reserves Statement

	Notes	City Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
		£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 March 2024 carried forward		(334.1)	(0.3)	(42.1)	(46.2)	0.0	(422.9)	(1,665.6)	(2,088.5)
Movement in reserves during 2024-25									
Total Comprehensive Income & Expenditure		(176.4)	4.5	0.0	0.0	0.0	(171.9)	(228.4)	(400.3)
Adjustments between accounting basis & funding basis under regulations	11	123.3	(4.2)	(14.1)	(28.3)	(0.6)	76.1	(76.1)	0.0
Net (increase)/decrease before Transfers to Earmarked Reserves		(53.1)	0.3	(14.1)	(28.3)	(0.6)	(95.8)	(304.5)	(400.3)
Transfer to/(from) - earmarked reserves		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase) or decrease in 2024-25		(53.1)	0.3	(14.1)	(28.3)	(0.6)	(95.8)	(304.5)	(400.3)
Balance at 31 March 2025 carried forward*		(387.3)	0.0	(56.3)	(74.5)	(0.5)	(518.7)	(1,970.1)	(2,488.8)

* The City Fund balance of £387.3m comprises General Fund balance of £20m and earmarked revenue reserves of £367.3m (see note 12, page 51).

	Notes	City Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves
		£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 March 2023 carried forward		(266.8)	(0.2)	(50.7)	(83.4)	0.3	(400.8)	(1,663.4)	(2,064.2)
Movement in reserves during 2023-24									
Total Comprehensive Income & Expenditure		(18.8)	7.2	0.0	0.0	0.0	(11.6)	(12.7)	(24.3)
Adjustments between accounting basis & funding basis under regulations	11	(48.5)	(7.3)	8.6	37.2	(0.3)	(10.3)	10.3	0.0
Net (increase)/decrease before Transfers to Earmarked Reserves		(67.3)	(0.1)	8.6	37.2	(0.3)	(21.9)	(2.4)	(24.3)
Transfer to/(from) - earmarked reserves		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(Increase) or decrease in 2023-24		(67.3)	(0.1)	8.6	37.2	(0.3)	(21.9)	(2.4)	(24.3)
Balance at 31 March 2024 carried forward*		(334.1)	(0.3)	(42.1)	(46.2)	0.0	(422.9)	(1,665.6)	(2,088.5)

* The City Fund balance of £334.1m comprises unallocated revenue funds of £121.6m** and earmarked revenue reserves of £212.5m (see note 12, page 51).

**The unallocated revenue funds of £121.6m will be split as follows, £20m will be retained as the General Fund balance with the remainder being transferred to earmarked reserves in 2024/25.

Balance Sheet

31 March 2024		Notes	31 March 2025
£m			£m
1,119.2	Property, Plant and Equipment	13	1,286.5
9.0	Heritage Assets	14	9.0
1,487.1	Investment Property	17	1,502.6
1.9	Intangible Assets		1.9
11.5	Long-Term Debtors	16	11.0
28.6	Long-Term Investments	18	46.3
2,657.3	Long-Term Assets		2,856.9
846.4	Short-Term Investments	18	859.1
4.0	Assets Held for Sale		4.0
0.5	Inventories		0.5
167.0	Short-Term Debtors	20	180.7
47.2	Cash and Cash Equivalents	35	40.9
1,065.2	Current Assets		1,085.2
(351.1)	Short-Term Creditors	21	(402.8)
(10.5)	Grants and Contributions Received in Advance – Revenue	27	(10.5)
(21.1)	Provisions	22	(26.8)
0.0	Current Lease Liability		(3.2)
(382.7)	Current Liabilities		(443.3)
(875.6)	Pensions Liability	26	(671.8)
(110.8)	Grants and Contributions Received in Advance – Capital	27	(73.1)
(225.8)	Rents Received in Advance	28	(225.1)
(39.0)	Other Long-Term Liabilities	29	(40.0)
(1,251.2)	Long-Term Liabilities		(1,010.0)
2,088.6	NET ASSETS		2,488.8
(422.9)	Usable Reserves*		(518.7)
(1,665.7)	Unusable Reserves	31	(1,970.1)
(2,088.6)	TOTAL RESERVES		(2,488.8)

The Statement of Accounts was authorised for issue by the Chamberlain on 30th June 2025. Events after the balance sheet date and up to 30th June 2025 have been considered in respect of material impact on the financial statements. No adjustments have been made.

*A breakdown of Usable Reserves can be seen on the Movement in Reserves Statement on page 27.

Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of City Fund during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. Details of these movements are set out in note 32-35 of the accounts. The cash and cash equivalent balance is held in bank current accounts held by the City Corporation.

2023-24		Notes	2024-25
£m			£m
(11.6)	Net (surplus)/deficit on the provision of services		(171.8)
(23.2)	Adjustments for non-cash movements	32	(62.8)
73.9	Adjustments for items that are investing and financing activities	32	201.0
39.1	Net cash (inflows)/outflows from operating activities		(33.5)
(65.4)	Investing activities	33	38.5
11.1	Financing activities	34	1.3
(15.1)	Net (increase)/decrease in cash and cash equivalents		6.3
(32.1)	Cash and cash equivalents at the beginning of the reporting period		(47.2)
(47.2)	Cash and cash equivalents at the end of the reporting period		(40.9)



1. Critical Judgements in the Basis of Preparation and Applying Accounting Policies

In applying the accounting policies set out on page 139, the City Corporation has had to make certain judgements about complex transactions or those involving uncertainty about future events. These are as follows:

Related Parties

The City Corporation makes an assessment of the relationships it has with other entities, establishing where control and influence lay and adopting the appropriate accounting practice to reflect the relationship. After a thorough evaluation, we have determined that the Museum of London (MoL) should not be classified as a subsidiary, associate, or joint venture for accounting purposes. We therefore disclose this relationship as a related party in the relevant disclosure (note 36, page 96). This judgment is based on the following key considerations:

1. **Absence of Significant Control (IFRS 10):** CoLC does not exercise significant control over MoL's operations. While CoLC appoints board members, these members are legally obligated to act in MoL's best interests without being bound by CoLC's directives.
2. **Independent Legal Entity (Museum of London Act 1965):** MoL operates as a distinct legal entity under the Museum of London Act 1965, with its own statutory obligations, governance structure, and objectives.

Alternative Judgment:

In considering an alternative judgment, it could be argued that MoL should be classified as an associate based on the significance of CoLC's financial support and board appointments. This alternative judgment highlights the following points:

1. **Significance of Financial Support (IPSAS 36):** CoLC provides annual funding to MoL, which plays a critical role in supporting MoL's operations. However, it is important to clarify that this financial support is not indicative of significant influence or control over MoL's activities. The financial support provided by CoLC is aligned with the cultural and historical preservation objectives of MoL, and it does not lead to decision-making authority over MoL's operations. The absence of specific directives or obligations in the Museum of London Act 1965, which established MoL, regarding the funding amount further emphasises that this financial support is not tied to conditions that would imply control. Instead, it serves the broader mission and independence of MoL in fulfilling its cultural and historical preservation responsibilities.
2. **Board Appointments:** CoLC appoints members to MoL's Board of Governors, contributing to the governance structure. While these members are legally bound to act in MoL's best interests, their appointment by CoLC could suggest a level of influence. However, it is crucial to note that their primary responsibility is to act in MoL's best interests, and they are not obligated to follow directives from CoLC. This legal framework ensures MoL's operational autonomy and independence in decision-making.

Impact of the Alternative Judgment:

If the alternative judgment were adopted, it would imply the consolidation of an appropriate share of MoL's financial figures, including Total Assets of £107.9m, Total Liabilities of £21.2m, Total Income of £99.7m, and Total Expenditure of £71.8m, into the City of London Corporation's financial statements. These figures are from 2023/24 MoL Accounts as the MoL are not required by the Charity Commission to publish their 2024/25 accounts until January 2026.

Cash and Cash Equivalents

The City Fund utilises the bank account of the City of London Corporation, who are the named entity on the bank account. Monies are held by the City of London Corporation and are readily available for the City Fund. It is therefore the judgement of the City Fund that this meets the definition of a cash equivalent as per the CIPFA Code of Practice and IAS 7.

Rounding differences - Please be aware that there may be minor rounding differences between some of the disclosure notes and the figures on the core statements.

2. Assumptions Made About the Future and Other Major Sources of Estimation and Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by Management about the future or that are otherwise uncertain. The estimates and associated assumptions are continually reviewed and are based on historical experience and other factors including expectations of future events that are considered to be reasonable under the circumstances. However, because balances cannot be determined with certainty, actual results could be materially different from those estimates. Changes in accounting estimates may be necessary, if there are changes in circumstances on which the estimate was based, or as a result of new information or more experience.

The items in the authority's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions																				
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex adjustments relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and mortality rates. The actuarial firm Barnett Waddingham LLP have been appointed as the City Corporation's actuary to provide the City Fund with expert advice about the assumptions to be applied.	<p>The total value of the Pensions Liability as at the end of March 2025 is £1,387.7m (consisting of City Fund £646.8m, Police Pension Scheme £738.5m and Judges Pension Scheme £2.4m). The estimation of the net liability to pay pensions depends on a number of complex assumptions used in the calculation of the liabilities. These include the discount rate used, the rate at which salaries are projected to increase, changes to retirement ages, mortality rates and expected returns on pension fund assets. Where the outcome is different to the assumptions this will impact on the pension liability. Variations in the key assumptions will have the following impact on the net liability:</p> <table> <tr> <th rowspan="2">Assumptions</th><th colspan="2">Movement in liability</th></tr> <tr> <th>Increase in Assumption</th><th>Decrease in Assumption</th></tr> <tr> <th></th><th>£m</th><th>£m</th></tr> <tr> <td>0.1% adjustment to discount rate</td><td>(25.3)</td><td>25.9</td></tr> <tr> <td>0.1% adjustment to salary increase rate</td><td>2.4</td><td>(2.4)</td></tr> <tr> <td>0.1% adjustment to Pension increase rate</td><td>24.0</td><td>(23.4)</td></tr> <tr> <td>1 year adjustment to life expectancy</td><td>59.8</td><td>(57.4)</td></tr> </table>	Assumptions	Movement in liability		Increase in Assumption	Decrease in Assumption		£m	£m	0.1% adjustment to discount rate	(25.3)	25.9	0.1% adjustment to salary increase rate	2.4	(2.4)	0.1% adjustment to Pension increase rate	24.0	(23.4)	1 year adjustment to life expectancy	59.8	(57.4)
Assumptions	Movement in liability																					
	Increase in Assumption	Decrease in Assumption																				
	£m	£m																				
0.1% adjustment to discount rate	(25.3)	25.9																				
0.1% adjustment to salary increase rate	2.4	(2.4)																				
0.1% adjustment to Pension increase rate	24.0	(23.4)																				
1 year adjustment to life expectancy	59.8	(57.4)																				
Property, plant and equipment	The carrying values of property, plant and equipment and investment properties are primarily dependent on judgements of variables such as the state of the property market, location, asset lives, condition of the property, indices etc. All properties included on the balance sheet at current or fair value are revalued at least once within a five-year period as part of a rolling programme with subsequent	A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. The net book value of non-current operational assets subject to potential revaluation as at the end of March 2025 is £1,240.9m (£1,073.3m as at the end of March 2024). If the value of the Corporation's operational properties were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement of approximately c£124.09m.																				

Item	Uncertainties	Effect if actual results differ from assumptions
	<p>additions being included in the accounts at their cost of acquisition until the asset is next revalued. Revaluations are carried out with sufficient regularity to ensure that their carrying value is not materially different from their value at the year end, list of assets that were valued as at the end of March 2025 are available on page 57 of the accounts.</p> <p>The estimated remaining useful life of all operational assets is reviewed annually based on the advice from the Corporations external valuers.</p>	<p>An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>Depreciation charges for operational buildings will change in direct relation to changes in estimated current value.</p> <p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for assets subject to depreciation would increase by £3.2m for every year that useful lives had to be reduced.</p>
Valuation of Investment property	The Corporation's external valuers use valuation techniques to determine the fair value of investment property. This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available. In that case, the valuers use the best information available.	A reduction in estimated valuations would result in reductions to the Revaluation Reserve and/or a loss recorded as appropriate in the CIES. The net book value of investment properties as at the end of March 2025 is £1,502.6m (£1,487.1m as at the end of March 2024). If the value of the Corporation's investment properties were to reduce by 1%, this would result in a £15.02m debit to "Financing and Investment Income and Expenditure" in the CIES. Conversely, an increase in operational property values would result in increases to the Revaluation Reserve and/or reversals of previous negative revaluations to the CIES and/or gains being recorded as appropriate in the CIES.



Notes to the Comprehensive Income and Expenditure Statement

3. Expenditure and Funding Analysis

The objective of the expenditure and funding analysis is to demonstrate to council tax [and rent] payers how the funding available to the City Fund (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The expenditure and funding analysis also shows how this expenditure is allocated for decision making purposes between the City Fund's directorates [services or departments]. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2024-25					
	As Reported to Management	Adjustments to Arrive at Net Charge to General Fund and HRA Balances	Net Expenditure Chargeable to City Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
	£'m	£'m	£'m	£'m	£'m
Committees					
Police	116.2	0.9	117.1	(25.5)	91.6
Police Authority Board	0.8	0.0	0.8	0.0	0.8
Barbican Centre	34.0	0.2	34.2	(0.3)	33.9
Community and Children's Services	19.6	(1.2)	18.4	(0.5)	17.9
HRA	0.0	0.3	0.3	4.2	4.5
Planning and Transport	16.7	(7.4)	9.3	4.4	13.7
Port Health and Environmental Services	20.3	1.1	21.4	(4.1)	17.3
Culture, Heritage and Libraries	22.6	0.0	22.6	(0.7)	21.9
Finance	(43.9)	(5.4)	(49.3)	73.2	23.9
Barbican Residential	1.5	0.0	1.5	(3.2)	(1.7)
Policy and Resources	9.0	(0.7)	8.3	1.6	9.9
Open Spaces and City Gardens	2.6	(0.3)	2.9	(0.2)	2.7
Property Investment	(33.9)	0.0	(33.9)	33.9	0.0
Licensing	0.3	0.0	0.3	0.1	0.4
Markets	(0.6)	0.0	(0.6)	0.6	0.0
London NNDR Pool Strategic Investment Pot	0.0	(1.8)	(1.8)	1.8	0.0
Major Project Cost	0.0	0.0	0.0	102.3	102.3
Net Cost of Services	165.2	(13.7)	151.5	187.6	339.1
Other Income and Expenditure	(165.2)	(39.0)	(204.2)	(306.8)	(511.0)
(Surplus) or Deficit on the Provision of Services	0.0	(52.7)	(52.7)	(119.2)	(171.9)
Opening City Fund and HRA Balances			(334.5)		
Add (Surplus) or Deficit on City Fund and HRA Balance in Year			(52.7)		
Closing City Fund and HRA Balances at 31 March*			(387.3)		

*The balance of £387.3m comprises City Fund £387.3m and HRA £0m

2023-24					
	As Reported to Management	Adjustments to Arrive at Net Charge to General Fund and HRA Balances	Net Expenditure Chargeable to City Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
	£'m	£'m	£'m	£'m	£'m
Committees					
Police	103.8	0.9	104.7	(18.8)	85.9
Police Authority Board	0.7	(0.0)	0.7	0.1	0.8
Barbican Centre	29.4	5.3	34.7	0.1	34.8
Community and Children's Services	18.3	0.9	19.2	(0.4)	18.8
HRA	0.0	(0.1)	(0.1)	9.7	9.6
Planning and Transport	15.4	(6.4)	9.0	1.2	10.2
Port Health and Environmental Services	18.5	(0.3)	18.2	(4.2)	14.0
Culture, Heritage and Libraries	22.4	(0.1)	22.3	(0.8)	21.5
Finance	(61.1)	(2.3)	(63.4)	94.9	31.5
Barbican Residential	1.8	0.0	1.8	(3.7)	(1.9)
Policy and Resources	9.9	1.4	11.3	1.1	12.5
Open Spaces and City Gardens	2.0	(0.1)	1.9	0.0	1.8
Property Investment	(36.1)	0.0	(36.1)	36.1	0.0
Licensing	0.2	0.0	0.2	0.0	0.2
Markets	(0.1)	(0.1)	(0.2)	0.2	0.0
London NNDR Pool Strategic Investment Pot	0.0	(2.2)	(2.2)	2.2	0.0
Major Project Cost	(1.8)	0.0	(1.8)	44.1	42.3
Net Cost of Services	123.2	(3.0)	120.2	161.9	282.1
Other Income and Expenditure	(123.2)	(64.4)	(187.6)	(106.1)	(293.7)
(Surplus) or Deficit on the Provision of Services	0	(67.4)	(67.4)	55.8	(11.6)
Opening City Fund and HRA Balances			(267.0)		
Add (Surplus) or Deficit on City Fund and HRA Balance in Year			(67.4)		
Closing City Fund and HRA Balances at 31 March*			(334.4)		

*The balance of £334.4m comprises City Fund £334.1m and HRA £0.3m

Further information on the City Corporation's Committees can be found on the website at : <http://democracy.cityoflondon.gov.uk/mgListCommittees.aspx?bcr=1>

4. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the City Fund and HRA Balances to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

2023-24						2024-25				
Adjustments for Capital Purposes	Net Changes for Pension Adjustments	Collection Fund Adjustment Account	Other Adjustments	Total Adjustments	Committees	Adjustments for Capital Purposes	Net Changes for Pension Adjustments	Collection Fund Adjustment Account	Other Adjustments	Total Adjustments
£'m	£'m	£'m	£'m	£'m		£'m	£'m	£'m	£'m	£'m
2.4	(22.0)	0.0	0.8	(18.8)	Police	0.3	(24.4)	0.0	(1.4)	(25.5)
0.0	0.0	0.0	0.0	0.0	Police Authority Board	0.0	0.0	0.0	0.0	0.0
0.0	(0.6)	0.0	0.7	0.1	Barbican Centre	0.0	(0.9)	0.0	0.6	(0.3)
0.0	(0.2)	0.0	(0.1)	(0.3)	Community and Children's Services	(0.5)	(0.3)	0.0	0.3	(0.5)
9.5	(0.1)	0.0	0.4	9.8	HRA	4.2	(0.2)	0.0	0.2	4.2
0.0	(0.4)	0.0	1.6	1.2	Planning and Transport	0.0	(0.5)	0.0	4.9	4.4
0.0	(0.4)	0.0	(3.9)	(4.3)	Port Health and Environmental Services	0.0	(0.5)	0.0	(3.6)	(4.1)
0.0	(0.2)	0.0	(0.6)	(0.8)	Culture, Heritage and Libraries	0.0	(0.3)	0.0	(0.4)	(0.7)
35.2	0.4	0.0	59.3	94.9	Finance	19.6	(0.1)	0.0	53.7	73.2
0.0	(0.1)	0.0	(3.6)	(3.7)	Barbican Residential	0.0	(0.2)	0.0	(3.0)	(3.2)
1.4	(0.2)	0.0	(0.1)	1.1	Policy and Resources	1.9	(0.3)	0.0	0.0	1.6
0.0	0.0	0.0	(0.1)	(0.1)	Open Spaces and City Gardens	0.0	(0.1)	0.0	(0.1)	(0.2)
0.1	0.0	0.0	36.0	36.1	Property Investment	0.0	0.0	0.0	33.9	33.9
0.0	0.1	0.0	0.0	0.0	Licensing	0.0	0.1	0.0	0.0	0.1
0.0	0.0	0.0	0.3	0.3	Markets	0.0	(0.1)	0.0	0.7	0.6
0.0	0.0	0.0	2.2	2.2	London NNDR Pool Strategic Investment Pot	0.0	0.0	0.0	1.8	1.8
44.1	0.0	0.0	0.0	44.1	Major Project Cost	102.3	0.0	0.0	0.0	102.3
92.7	(23.7)	0.0	92.8	161.9	Net Cost of Services	127.8	(27.8)	0.0	87.6	187.6
(24.4)	43.1	(1.9)	(122.9)	(106.1)	Other Income and Expenditure	(112.1)	42.0	(3.0)	(233.7)	(306.8)
68.3	19.4	(1.9)	(30.1)	55.8	Surplus or Deficit on Provision of Services	15.7	14.2	(3.0)	(146.1)	(119.2)

Adjustments for Capital Purposes

This column adjusts for capital items which need to be included in the CIES such as:

- the net gain on the disposal of fixed assets
- revaluation gains or losses on investment properties
- income from capital grants.

Net Changes for Pensions Adjustments

This column removes the employer pension contributions charges to services during the year and replaces them with pension related expenditure and income calculated in accordance with International Accounting Standard (IAS) 19 *Employee Benefits*.

Collection Fund Adjustment Account

This is a timing difference between what is chargeable under statutory regulations for business rates and council tax, which is largely based on estimates at the start of the year, and the income recognised under generally accepted accounting practices.

Other Adjustments

This column includes:

- the re-mapping of items reported to service committees to financing and investment income and expenditure in the CIES. Such items include income and expenditure relating to investment properties reported to the Property Investment Board, trading activities reported to the Markets Committee and interest on cash balances reported to Finance Committee
- the elimination of recharges between committees which would otherwise result in gross expenditure and income being overstated in the CIES.

The above adjustments are reallocation of figure and therefore have no overall impact on the total amount.

The net difference remaining relates to annual leave entitlement and financial instrument adjustments.

5. Expenditure and Income Analysed by Nature

City Fund income and expenditure included in the net cost of services is analysed below.

2023-24		2024-25
£'m		£'m
	Expenditure	
212.2	Employee expenses	230.1
268.7	Other service expenses	329.7
40.0	Support service recharges	43.1
51.2	Depreciation, amortisation and impairments	36.9
39.5	Interest payments	41.5
0.3	Precepts and levies	0.5
302.8	Business rates tariff and levy payments to Government	339.6
59.2	Unrealised loss on revaluation of investment properties	5.9
974.0	Total expenditure	1,027.4
	Income	
(184.7)	Fees, charges and other service income	(194.9)
(52.1)	Interest and investment income	(50.3)
(400.5)	Business rates and council tax income	(458.7)
(345.1)	Government grants and other grants, contributions and reimbursements	(465.0)
0.0	Unrealised (gains)/loss on revaluation of investment properties	(16.3)
(3.2)	Gain on the disposal of assets	(14.1)
(985.7)	Total Income	(1,199.3)
(11.6)	(Surplus) or Deficit on the Provision of Services	(171.9)

6. Grant Income

2023-24	Credited to Services	2024-25
£m	Revenue Grants (Government)	£m
	Home Office	
(19.3)	Police Pensions	(18.1)
(8.1)	Counter Terrorism	(8.0)
(10.0)	National Cyber Security Programme	(9.3)
(4.3)	National Fraud Intelligence Bureau	(4.6)
(4.9)	National Lead Force for Fraud	(4.4)
(2.2)	Police Uplift Programme	(0.2)
(2.9)	Asset Recovery Incentivisation Scheme	(1.7)
(9.4)	Action Fraud Managed Services	(0.6)
0.0	Mutual Aid	(0.2)
(0.2)	National Law Enforcement Data Service	(0.1)
(7.1)	Fraud Reform	(4.3)
(5.1)	Fraud and Cyber Crime Reporting Analysis System	(28.4)
(5.4)	Other	(7.1)
	Department for Work and Pensions	
(3.7)	Housing and Council Tax Benefit	(4.2)
(0.1)	Other	(0.1)
(7.5)	HM Courts and Tribunals Service	(7.5)
	Department for Education	
(3.9)	Dedicated Schools Grant	(1.7)
(1.0)	Other	(0.8)
	Ministry of Levelling up, Housing, Communities	
(5.8)	Other	(7.5)

2023-24	Credited to Services	2024-25
£m	Revenue Grants (Government) Continued	£m
	Department for Health	
(2.2)	Public Health	(0.8)
(0.7)	Other	(1.8)
(1.8)	Transport for London	(1.9)
(2.1)	Intellectual Property Office	(2.2)
(1.5)	Greater London Authority	(2.5)
	Department for Energy Security and Net Zero	
(0.2)	Discretionary grants to Businesses	0.0
(1.1)	Department for Environment, Food & Rural Affairs	(0.3)
(0.4)	HM Treasury	0.0
(0.3)	Arts Council England	0.0
(2.5)	Other revenue grants (Government)	(2.2)
	Non Government revenue grants and contributions	
(3.2)	S106/S278 and other developer contributions	(3.6)
(26.2)	Other	(31.3)
(143.1)	Total	(155.4)

7. Income and Expenditure below Cost of Services

20223-24		2024-25
Net Expenditure/ (Income)		Net Expenditure/ (Income)
£m		£m
(3.2)	Net Gain on Disposal of Fixed Assets	(8.2)
0.2	Inner and Middle Temple Precepts	0.4
0.2	Local levies	0.2
0.5	Pension Fund Administration Expenses	0.5
(2.3)	Total Other Operating Income and Expenditure	(7.1)
	Investment Properties	
(35.9)	Operational	(33.4)
59.2	(Gain)/loss on revaluation	(16.3)
(52.1)	Interest receivable and similar income	(50.3)
42.6	Pension Interest Cost	41.5
(0.2)	Contribution from Trading Services	(0.7)
(0.1)	Impairment gains/losses	(3.8)
(3.2)	Financial instrument (gain)/loss	(1.9)
10.3	Total Financing and Investment Income and Expenditure	(64.9)

There are no restrictions on the City Fund's ability to realise the value inherent in its Investment Property or on the City Fund's right to the remittance of income and the proceeds of disposal.

Operational Investment Properties is comprised of income of £53.1m and operating expenses of £19.7m.

Contribution from Trading Services comprises a turnover of £9.9m and expenditure of £9.3m

2023-24		2024-25
Income		Income
£m		£m
(42.9)	Retained National Business Rates	(53.1)
(32.7)	City Fund Non Domestic Rates Premium	(41.1)
(12.5)	City Fund Offset	(13.3)
(9.6)	Council Tax Income	(8.6)
	Non Ringfenced Government Revenue Grants	
(7.2)	Revenue Support Grant	(7.7)
(62.5)	Police Core Grant	(66.3)
(14.2)	Police Other Grants	(19.1)
(48.1)	NNDR Grants	(41.1)
(0.5)	Other	(1.3)
	Capital Grants & Contributions	
(11.2)	Home Office	(4.5)
0.0	Greater London Authority	(55.1)
0.0	City's Estate	(35.4)
(2.1)	Ministry of Justice	(2.7)
0.0	Department of Education	(18.6)
(31.0)	Section 106 and CIL	(64.4)
(27.0)	Other Capital Grants and Contributions	(6.6)
(301.5)	Total Taxation and Non-Specific Grant Income	(438.9)

Capital Grants and Contributions include at £55m grant from the Greater London Authority for work on the Museum of London restoration. This is a one - off grant for 2024-25.

8. Dedicated Schools Grants

In 2024-25, the City Fund received a specific grant from the Department for Education, the Dedicated Schools Grant (DSG), of £3.3m (2023-24: £3.4m). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget as defined in the School Finance (England) Regulations 2019. The Schools Budget includes elements for a range of education services provided on an authority-wide basis and for the Individual School Budget for maintained schools.

Details of the deployment of DSG receivable for 2024-25 are as follows:

2023-24	Schools Budget Funded by DSG		
	Central Expenditure	Individual School Budget	Total
	£m	£m	£m
Final DSG for 2023-24 before Academy recoupment	1.3	2.1	3.4
Academy Figure recouped for 2023-24	0.0	0.0	0.0
Total DSG after Academy recoupment for 2023-24	1.3	2.1	3.4
Plus: Brought forward from 2022-23	1.1	0.0	1.1
Less: Carry forward to 2023-24 agreed in advance	0.0	0.0	0.0
Agreed initial budgeted distribution in 2023-24	2.4	2.1	4.5
In year adjustments	0.0	0.0	0.0
Final budgeted distribution for 2023-24	0.0	0.0	4.5
Less: Actual central expenditure	(1.8)	0.0	(1.8)
Less: Actual ISB deployed to schools	0.0	(2.1)	(2.1)
Plus: Local authority contribution for 2023-24	0.0	0.0	0.0
Carry forward to 2024-25	0.6	0.0	0.6

2024-25	Schools Budget Funded by DSG		
	Central Expenditure	Individual School Budget	Total
	£m	£m	£m
Final DSG for 2024-25 before Academy recoupment	1.3	2.0	3.3
Academy Figure recouped for 2024-25	0.0	0.0	0.0
Total DSG after Academy recoupment for 2024-25	1.3	2.0	3.3
Plus: Brought forward from 2023-24	0.6	0.0	0.6
Less: Carry forward to 2024-25 agreed in advance	0.0	0.0	0.0
Agreed initial budgeted distribution in 2024-25	1.9	2.0	3.9
In year adjustments	0.0	0.0	0.0
Final budgeted distribution for 2024-25	0.0	0.0	3.9
Less: Actual central expenditure	(1.7)	0.0	(1.7)
Less: Actual ISB deployed to schools	0.0	(2.0)	(2.0)
Plus: Local authority contribution for 2024-25	0.0	0.0	0.0
Carry forward to 2025-26	0.2	0.0	0.2

9. Remuneration and Exit Packages of Employees

Tables 1 to 3 set out the information required in accordance with the Accounts and Audit Regulations 2015 for 2024-25 and 2023-24 respectively.

The number of officers whose remuneration, excluding employer's pension contributions, were £50,000 or more grouped in rising bands of £5,000 is set out in Table 1 (only bands which include officers are shown in the table). Officers have been classified between those employees charged wholly to the City Fund, including Police officers, and those employees charged partly to the City Fund and partly to other funds of the City Corporation.

The information in Table 1 relates to those officers' full salary and not just the part charged to the City Fund. This excludes senior officer salaries which are included in table 2.

The salary figures in Table 2 (Senior Officer Remuneration) are calculated as the total salary multiplied by the proportion charged to the Local Authority or Police Authority.

Table 3 relates to the Exit packages of employees.

Table 1 – Remuneration in Bands

Proportion to City Fund			Proportion to City Fund			
Wholly charged		Partially Charged		Wholly charged		Partially Charged
2023-24			Salary Range	2024-25		
Police Officers	Other		£	Police Officers	Other	
197	109	172	50 - 54,999	137	82	175
157	59	110	55 - 59,999	239	27	137
96	48	116	60 - 64,999	172	41	125
77	13	66	65 - 69,999	104	19	80
65	15	70	70 - 74,999	76	10	67
26	6	33	75 - 79,999	69	7	69
20	11	27	80 - 84,999	34	5	40
4	1	16	85 - 89,999	16	6	21
2	7	11	90 - 94,999	15	3	27
7	2	8	95 - 99,999	5	1	5
2	1	10	100 - 104,999	3	3	6
3	3	6	105 - 109,999	4	3	7
1	0	4	110 - 114,999	2	3	5
0	1	1	115 - 119,999	1	1	7
0	0	4	120 - 124,999	0	0	4
0	1	1	125 - 129,999	0	0	0
0	0	7	130 - 134,999	0	0	4
0	0	2	135 - 139,999	0	1	3
0	0	0	140 - 144,999	0	0	3
0	0	1	145 - 149,999	0	0	2
657	277	665	Total	877	212	787

Table 2 - Senior Officer Remuneration

2024-25	Proportion charged to Local or Police Authority Activities	Total Salary	Salary (including fees & allowances)	Bonus	Benefits in Kind	Compensation for Loss of Office	Other Payments (Police Officers only)	Total Remuneration excluding pension contributions	Pension Contributions	Total Remuneration including Pension Contributions
	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salary is £150,000 or more a year										
Managing Director Barbican Centre – C. Spencer	100%	373	257	0	0	80	0	337	35	373
Town Clerk & Chief Executive – I. Thomas	55%	362	199	0	0	0	0	199	0	199
Comptroller – M. Cogher	65%	330	180	0	0	0	0	180	35	215
Chamberlain – C. Al-Beyerty	60%	300	149	0	0	0	0	149	31	180
Commissioner – P. O'Doherty	100%	295	230	0	0	0	0	230	65	295
Managing Director Innovation & Growth - Brussels Office - N. Collier	100%	285	235	0	0	0	0	235	49	284
Deputy Commissioner National – N. Adams	100%	277	201	0	22	0	0	222	55	277
Deputy Commissioner Local – P. Betts	100%	273	206	0	0	0	0	206	67	273
City Surveyor - P Wilkinson	40%	271	90	0	0	0	0	90	19	108
Managing Director Barbican Centre – D. Barnsworth	100%	255	190	0	25	0	0	215	40	255
Director of Community & Children's Services –J. Finlay	100%	254	207	0	0	0	0	207	46	254
Chief Strategy Officer – D. Corradine	40%	229	76	0	0	0	0	76	16	92
Chief People Officer – A. Littlewood	45%	220	82	0	0	0	0	82	17	99
Executive Director Corporate Communications & External Affairs – E. Tofield	100%	207	150	0	0	30	0	180	27	207
Commander – U. Khan	100%	199	151	0	0	0	0	151	48	199
Director Innovation & Growth – D. Nussbaum	67%	198	110	0	0	0	0	110	23	133
Deputy Town Clerk – G. Moore	55%	181	82	0	0	0	0	82	17	100
Director of Environment – K. Stewart	100%	175	145	0	0	0	0	145	30	175
Service Delivery Director – C. Bell	100%	164	135	0	0	0	0	135	28	164
Joint Chief Finance Officer – A. Cook	100%	164	135	0	0	0	0	135	28	164
Temporary Commander – A. Gould	100%	159	119	0	0	0	0	119	40	159
Temporary Commander – O. Shaw	100%	158	118	0	0	0	0	118	39	158
Detective Chief Superintendent – M. Bradford	100%	156	117	0	0	0	0	117	39	156
Director of Markets - B. Milligan	100%	155	128	0	0	0	0	128	27	155
Salary is between £50,000 and £150,000										
Chief Operating Officer	100%	118	98	0	0	0	0	98	21	118
Police Commissioner	100%	103	80	0	0	0	0	85	18	103
Interim Executive Director of Environment	100%	56	56	0	0	0	0	56	10	66

2023-24	Proportion charged to Local or Police Authority Activities	Total Salary	Salary (including fees & allowances)	Bonus	Compensation for Loss of Office	Other Payments (Police Officers only)	Total Remuneration excluding pension contributions	Pension Contributions	Total Remuneration including Pension Contributions
	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salary is £150,000 or more a year									
Town Clerk & Chief Executive – I. Thomas	55%	297.0	163.0	0.0	0.0	0.0	163.0	0.0	163.0
Managing Director I&G - Brussels Office - N. Collier	100%	230.0	230.0	0.0	0.0	0.0	230.0	48.0	278.0
Comptroller & City Solicitor - M.Cogher	65%	216.0	140.0	0.0	0.0	0.0	140.0	29.0	169.0
Managing Director Barbican Centre - C. Spencer	100%	214.0	214.0	0.0	0.0	0.0	214.0	45.0	259.0
Police Commissioner - A. McLaren	100%	197.0	197.0	11.0	0.0	22.0	230.0	60.0	290.0
Chamberlain - C. Al-Beyerty	60%	192.0	115.0	0.0	0.0	0.0	115.0	24.0	139.0
City Surveyor - P Wilkinson	40%	190.0	76.0	0.0	0.0	0.0	76.0	16.0	92.0
Temporary Commissioner - P.O'Doherty	100%	187.0	187.0	11.0	0.0	0.0	198.0	52.0	250.0
Chief Operating Officer - E.Moore - Left Jan 2024	65%	184.0	120.0	0.0	0.0	0.0	120.0	22.0	142.0
Assistant Commissioner - P.Betts	100%	172.0	172.0	11.0	0.0	0.0	183.0	52.0	235.0
Director of Innovation and Growth - D.Nussbaum	67%	160.0	107.0	0.0	0.0	0.0	107.0	22.0	129.0
Salary is between £50,000 and £150,000									
Chief Strategy Officer	40%	145.0	58.0	0.0	0.0	0.0	58.0	12.0	70.0
Temp Assistant Commissioner	100%	144.0	144.0	11.0	0.0	22.0	177.0	38.0	215.0
Director of Community & Children's Services	100%	135.0	135.0	0.0	0.0	0.0	135.0	0.0	135.0
Chief People Officer	45%	134.0	60.0	0.0	0.0	0.0	60.0	12.0	72.0
Executive Director of CC & EA	100%	133.0	133.0	0.0	0.0	0.0	133.0	28.0	161.0
Executive Director of Environment	100%	131.0	131.0	0.0	0.0	0.0	131.0	0.0	131.0
Joint Chief Finance Office	100%	130.0	130.0	0.0	0.0	0.0	130.0	27.0	157.0
Service Delivery Director	100%	129.0	129.0	0.0	0.0	0.0	129.0	27.0	156.0
Commander	100%	126.0	126.0	11.0	0.0	41.0	178.0	38.0	216.0
Interim Executive Director of Environment	100%	125.0	125.0	0.0	0.0	0.0	125.0	26.0	151.0
Director of Markets & Consumer Protection	55%	121.0	66.0	0.0	0.0	0.0	66.0	14.0	80.0
Interim Deputy Town Clerk	55%	121.0	67.0	0.0	0.0	0.0	67.0	14.0	81.0
Temporary Commander	100%	112.0	112.0	0.0	0.0	0.0	112.0	32.0	144.0

Table 3 - Exit Packages charged to City Fund

2023-24				2024-25				
Number of Compulsory Redundancies (FTE No.)	Number of Other Departures Agreed (FTE No.)	Total Number of Exit Packages by Cost Band (FTE No.)	Total Cost of exit Packages in Each Band (£'000)		Number of Compulsory Redundancies (FTE No.)	Number of Other Departures Agreed (FTE No.)	Total Number of Exit Packages by Cost Band (FTE No.)	Total Cost of exit Packages in Each Band (£'000)
4.0	2.0	6.0	46.7	£0 - £20,000	1.0	5.0	6.0	53.1
1.0	3.0	4.0	92.8	£20,001 - £40,000	2.0	3.0	5.0	138.6
1.0	1.0	2.0	96.1	£40,001 - £60,000	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	£60,001 - £80,000	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	£80,001 - £100,000	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	£100,001 - £150,000	0.0	0.0	0.0	0.0
6.0	6.0	12.0	235.6	Total	3.0	8.0	11.0	191.7

10. Audit Fees

Estimated costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections provided by the City Fund's external auditor, are set out in the adjacent table.

The 2024-25 audit will be carried out by Grant Thornton. Audit Fees of £95,000 (2023-24: £39,500) in respect of the City of London Pension Fund are met by the Pension Fund and are not included in the table.

*Note: The figure shown for grant certifications includes claims and returns in relation to prior financial years.

2023-24		2024-25
£'000		£'000
340.0	External audit services carried out by the appointed auditor under the National Audit Office Code of Audit Practice in accordance with the Local Audit and Accountability Act 2014.	491.6
75.0	Certification of grant claims and returns by the appointed auditor*	205.0
31.4	Audit Standards Procedural Review (ISA 315 & 240) and additional work completed	0.0
20.0	Fees payable in respect of other services provided by Grant Thornton	0.0
466.4		696.6

Notes to the Movement in Reserves Statement

11. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against.

City Fund Balance

This is the statutory fund into which all receipts are required to be paid and out of which all liabilities are to be met in respect of the City Fund's activities as a local authority, police authority and port health authority, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the City Fund unallocated reserve, which is not necessarily in accordance with proper accounting practice. The City Fund Balance is not available to fund Housing Revenue Account (HRA) services. With this exception, the City Fund Balance therefore summarises the resources that the City Fund is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the City Fund is required to recover) at the end of the financial year.

Housing Revenue Account (HRA) Balance

The HRA Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund the City Fund's HRA landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Capital Receipts Reserve

This reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

This reserve holds the grants and contributions received towards capital projects which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Major Repairs Reserve

The City Fund is required to maintain this reserve, which controls an element of resources limited to being used on capital expenditure on HRA assets or the financing of historic capital expenditure by the HRA. The balance shows the resources that have yet to be applied at the year-end.

2024-25	Usable Reserves					Movement in Unusable Reserves
	City Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	
	£m	£m	£m	£m	£m	£m
Adjustments to the Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements						
Pensions costs (transfers to or from the Pensions Reserve)	(14.1)					14.1
Council Tax and Non-Domestic Rates (transfers to or from the Collection Fund Adjustment Account)	3.0					(3.0)
Holiday pay (transfers to or from the Accumulated Absences Reserve)	0.2					(0.2)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (transfers to or from the Capital Adjustment Account)	31.6	(6.3)				(25.3)
Transfer of deferred non-current assets sale proceeds from revenue to the Deferred Capital Receipts Reserve	0.0					0.0
Transfer to the Pooled Investment Reserve	1.9					(1.9)
Total Adjustments to Revenue Resources	22.6	(6.3)	0.0	0.0	0.0	(16.3)
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	13.8		(13.8)			0.0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0.0					0.0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	4.2					(4.2)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	43.1					(43.1)
Capital resources to meet revenue expenditure funded from capital under statute (expenditure)	(101.8)					101.8
Posting of HRA resources from revenue to the Major Repairs Reserve		2.1			(2.1)	0.0
Contribution from Community Infrastructure Levy to fund revenue expenditure	(2.7)			2.7		0.0
Transfer of capital grants and contributions to Capital Grants Unapplied	144.1			(144.1)		0.0
Total Adjustments between Revenue and Capital Resources	100.7	2.1	(13.8)	(141.4)	(2.1)	(54.6)
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure			0.0			0.0
Use of the Major Repairs Reserve to finance capital expenditure					1.5	(1.5)
Application of capital grants to finance capital expenditure (transferred to the Capital Adjustment Account)				113.2		(113.2)
Cash payments in relation to deferred capital receipts			(0.3)			0.3
Total Adjustments to Capital Resources	0.0	0.0	(0.3)	113.2	1.5	(114.4)
Total Adjustments	123.3	(4.2)	(14.1)	(28.2)	(0.6)	(76.1)

2023-24	Usable Reserves					Movement in Unusable Reserves
	City Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	
	£m	£m	£m	£m	£m	£m
Adjustments to the Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements						
Pensions costs (transfers to or from the Pensions Reserve)	(19.2)					19.2
Council Tax and Non-Domestic Rates (transfers to or from the Collection Fund Adjustment Account)	1.9					(1.9)
Holiday pay (transfers to or from the Accumulated Absences Reserve)	(1.1)					1.1
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (transfers to or from the Capital Adjustment Account)	(65.0)	(9.4)				74.4
Transfer of deferred non-current assets sale proceeds from revenue to the Deferred Capital Receipts Reserve	0.0					0.0
Transfer to the Pooled Investment Reserve	3.2					(3.2)
Total Adjustments to Revenue Resources	(80.2)	(9.4)	0.0	0.0	0.0	89.6
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	6.2		(6.2)			0.0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0.0					0.0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	1.4					(1.4)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	43.3					(43.3)
Capital resources to meet revenue expenditure funded from capital under statute (expenditure)	(46.0)					46.0
Posting of HRA resources from revenue to the Major Repairs Reserve		2.1			(2.1)	0.0
Contribution from Community Infrastructure Levy to fund revenue expenditure	(1.1)			1.1		0.0
Transfer of capital grants and contributions to Capital Grants Unapplied	27.8			(27.8)		0.0
Total Adjustments between Revenue and Capital Resources	31.7	2.1	(6.2)	(26.7)	(2.1)	1.3
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure			15.0			(15.0)
Use of the Major Repairs Reserve to finance capital expenditure					1.8	(1.8)
Application of capital grants to finance capital expenditure (transferred to the Capital Adjustment Account)				63.8		(63.8)
Cash payments in relation to deferred capital receipts			(0.3)			0.3
Total Adjustments to Capital Resources	0.0	0.0	14.7	63.8	1.8	(80.4)
Total Adjustments	(48.5)	(7.3)	8.6	37.2	(0.3)	10.2

12. Transfers (to)/from Earmarked Revenue Reserves

This note sets out the amounts set aside within the City Fund Balance in earmarked revenue reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet City Fund expenditure in 2024-25.

	Notes	Balance at 31 March 2023	Transfers Out 2023-24	Transfers In 2023-24	Balance at 31 March 2024	Transfers Out 2024-25	Transfers In 2024-25	Balance at 31 March 2025
		£m	£m	£m	£m	£m	£m	£m
Highway Improvements	I	(56.2)	8.2	(10.6)	(58.6)	12.45	(15.39)	(61.54)
Major Projects Reserve	li	(67.5)	49.6	(36.8)	(54.7)	42.35	(142.39)	(154.74)
Business Rate Equalisation	lii	(3.8)	0.0	(1.5)	(5.3)	1.00	0.00	(4.30)
Cyclical Works Programme Reserve	lv	(30.0)	0.0	0.0	(30.0)	0.82	(38.00)	(67.18)
Build Back Better Reserve	v	(14.8)	0.0	0.0	(14.8)	1.61	0.00	(13.19)
London NNDR Pool SIP	vi	(5.8)	0.0	(2.2)	(8.0)	0.00	(1.77)	(9.77)
Crime Reduction Initiatives	vii	(7.4)	4.1	(2.6)	(6.0)	2.33	(0.29)	(3.86)
Police Future Expenditure	viii	(10.7)	5.1	(3.5)	(9.2)	0.00	(1.00)	(10.10)
Other Earmarked Reserves	ix	(24.5)	1.9	(3.4)	(26.0)	4.34	(21.04)	(42.70)
Total		(220.7)	68.8	(60.6)	(212.5)	64.90	(219.88)	(367.38)

- (i) Highway Improvements - Created from on-street car parking surpluses to finance future highways related expenditure and projects as provided by section 55 of the Road Traffic Regulation Act 1984, as amended by the Road Traffic Act 1991.
- (ii) Major Projects Reserve – This reserve has been established to fund the 2 major projects funded from City Fund resources, Police Accommodation and the Museum of London Relocation.
- (iii) Business Rate Equalisation Reserve – This reserve will be used to fund collection fund deficits that will be accounted for in future years.
- (iv) Cyclical Works Programme Reserve – This reserve is ringfenced to support cyclical works on our operational properties.
- (v) Build Back Better Reserve – Funds set aside to finance the build back better programme which seeks to support the Climate action strategy to net zero.
- (vi) Unallocated London NNDR Pool Strategic Investment Pot (SIP) – This relates to yet to be allocated SIP funds generate through the London NNDR Pool. The City Corporation acts a lead authority for the pool and in that role has the final say on the allocation of SIP funds.
- (vii) Police Future Expenditure Reserve - Revenue expenditure for the City Police service is cash limited. The net position each year is taken from/to this reserve to fund future service costs.
- (viii) Under the guidelines of the Proceeds of Crime Scheme funds received by the City Police must be ring fenced for “crime reduction initiatives”.
- (ix) Other Earmarked Reserves – The total for all other reserves set aside for specific purposes including service projects, VAT, the School’s reserve and renewals and repairs.

A photograph of a courtyard with a stone wall, a fountain, and a church tower in the background. The courtyard features a central circular fountain with a stone basin, surrounded by a paved path and several wooden benches. The wall on the left has arched windows and is covered in moss. A large, leafy plant is in the foreground on the right, and a modern building is visible in the background.

Notes to the Balance Sheet

13. Property, Plant and Equipment

Movements on Balances 2024-25	Council Dwellings	Other Land & Buildings	Leasehold Improvements	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Right of Use Assets	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost or valuation									
at 1 April 2024	240.1	589.9	7.6	126.5	1.6	199.1	0.4	0.0	1,165.2
Additions	6.9	12.2	0.0	3.9	0.0	153.2	0.0	12.6	188.8
Transfers	0.1	0.3	0.0	0.0	0.0	(0.4)	0.0	0.0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	5.3	(4.0)	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(5.5)	(2.1)	0.0	0.0	0.0	0.0	0.0	0.0	(7.6)
Derecognition – disposals	(4.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4.4)
at 31 March 2025	242.5	596.3	7.6	130.4	1.6	351.9	0.4	12.6	1,343.4
Accumulated Depreciation and Impairment									
at 1 April 2024	(0.1)	(3.8)	(3.0)	(85.0)	0.0	0.0	0.0	0.0	(91.9)
Depreciation Charge	(1.8)	(11.3)	(0.7)	(5.9)	0.0	0.0	0.0	(3.0)	(22.7)
Depreciation written out to the Revaluation Reserve	0.5	8.7	0.0	0.0	0.0	0.0	0.0	0.0	9.2
Depreciation written out to the Surplus/Deficit on the Provision of Services	1.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0	3.0
Derecognition – disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
at 31 March 2025	0.0	(4.7)	(3.7)	(90.9)	0.0	0.0	0.0	(3.0)	(102.4)
Net Book Value									
at 31 March 2024	240.0	586.1	4.6	41.5	1.6	199.1	0.4	0.0	1,073.3
at 31 March 2025	242.4	591.6	3.9	39.5	1.6	351.9	0.4	9.6	1,240.9

Property, Plant and Equipment (Continued)

Movements on Balances 2023-24	Council Dwellings	Other Land & Buildings	Leasehold Improvements	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost or valuation								
at 1 April 2023	249.2	611.8	7.8	126.1	1.5	138.7	0.4	1,135.5
Additions	14.6	8.2	(0.2)	1.5	0.1	85.5	0.0	109.7
Transfers	6.3	19.3	0.0	0.0	0.0	(24.9)	0.0	0.7
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(13.4)	(45.1)	0.0	0.0	0.0	0.0	0.0	(58.5)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(16.3)	(4.3)	0.0	0.0	0.0	(0.2)	0.0	(20.8)
Derecognition – disposals	(0.3)	0.0	0.0	(1.1)	0.0	0.0	0.0	(1.4)
at 31 March 2024	240.1	589.9	7.6	126.5	1.6	199.1	0.4	1,165.2
Accumulated Depreciation and Impairment								
at 1 April 2023	(0.1)	(7.3)	(2.2)	(80.2)	0.0	0.0	0.0	(89.8)
Depreciation Charge	(1.8)	(11.7)	(0.8)	(5.7)	0.0	0.0	0.0	(20.0)
Depreciation written out to the Revaluation Reserve	0.8	14.0	0.0	0.0	0.0	0.0	0.0	14.8
Depreciation written out to the Surplus/Deficit on the Provision of Services	1.0	0.5	0.0	0.0	0.0	0.0	0.0	1.5
Derecognition – disposals	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.9
at 31 March 2024	(0.1)	(4.5)	(3.0)	(85.0)	0.0	0.0	0.0	(92.6)
Net Book Value								
at 31 March 2023	249.1	604.5	5.6	45.9	1.5	138.7	0.4	1,045.7
at 31 March 2024	240.0	586.1	4.6	41.5	1.6	199.1	0.4	1,073.3

Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code of Practice on infrastructure assets, this note does not include disclosure of gross costs and accumulated depreciation. This is due to historical reporting practices and resultant information deficits meaning that this would not faithfully represent the asset position to the users of the financial statements and would not provide the basis for these users to take economic or other decisions relating to infrastructure assets.

We have also utilised the provisions granted under The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 SI 1232/2022 which allows for the derecognition of replaced elements of infrastructure assets to be assumed to be at nil value and confirms that prior year adjustments are not required in relation to this matter. This means that the figures presented below represent the spend and depreciation calculated for this asset class.

2023-24	Infrastructure Assets Movement on Balances	2024-25
£m		£m
44.8	Opening Net Book Value at 1 April	45.7
9.2	Additions	8.4
(8.3)	Depreciation	(8.6)
45.7	Closing Net Book Value at 31 March	45.5

Reconciliation of Property, Plant and Equipment

The table below reconciles the individual disclosure notes to the total property, plant and equipment balance on the face of the balance sheet.

2022-24	Reconciliation of Property, Plant and Equipment	2024-25
£m		£m
1,073.3	Other PPE Assets	1,240.9
45.7	Infrastructure Assets	45.5
1,119.0	Total PPE Assets Net Book Value	1,286.4

The authority has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Depreciation

The useful lives and depreciation rates generally used in the calculation of depreciation are listed below.

• General operational buildings	50 years
• Council Dwellings	65 years
• Certain listed ³ operational buildings	75 – 125 years
• Leasehold Improvements	10 – 30 years
• Infrastructure	10 – 25 years
• Heavy vehicles and plant	7 years
• Equipment	5 -12 years
• Cars and light vans	5 years
• Assets under construction	None
• Community Assets	None

Where there is a material impact on depreciation and/or the carrying value, components are treated as separate assets and depreciated over their own useful economic lives. Indicative economic lives of typical asset components include:

• Internal fit-out	10-25 years
• Plant and Machinery	15-25 years

HRA Dwelling Valuations

Dwellings are valued at their 'existing use with vacant possession' and then reduced to reflect 'existing use for social housing'. The reduction is a measure of the economic cost of providing council housing at less than open market rents. Current DLUHC guidance (guidance for valuers – 2016) identifies a vacant possession adjustment factor for London of 25%. This factor has been adopted in establishing the Existing Use Value-Social Housing. The estimated vacant possession value of HRA dwellings at 31st March 2025 is £710.4m (£705.2m at 31st March 24) which has been reduced by 75% to £177.7m (£176.3m at 31st March 24) to reflect social housing.

The City Fund also maintains the Barbican Estate which, whilst classed as Council Dwellings, sits outside of the HRA and is not subject to the adjustment factor.

³ A building which is included on the statutory list of 'buildings of special architectural or historic interest'.

Commitments

Total capital commitments of £374.5m were outstanding at 31 March 2025 (£488m at 31 March 2024), significant commitments above £1m are detailed as:

- £298m relating to Salisbury Square demolition and development scheme
- £20m for York Way Estate Provision of Social Housing
- £13m for Sydenham Hill Provision of Social Housing
- £3m for FCCRAS
- £2m for Middlesex Street Car Park - Eastern Base Feasibility
- £2m for St Pauls Gyratory Transformation
- £1m for Pedestrian Priority Program- King William Street
- £1m for Barbican Centre Renewal
- £1m for Southwark Estate Windows Replacement Programme
- £1m for Barbican Centre - Fire Safety Project

- Bishopsgate Police Station
- Central Criminal Court
- City of London Cemetery and Crematorium properties
- City of London Information Centre
- Golden Lane Community Centre
- Cleansing Depot and Offices at Walbrook Wharf
- Guildhall
- Housing Commercial Properties (shop units, garages and parking spaces)
- Housing Dwellings (including guest flats)
- Public Conveniences
- Spitalfields Market
- Surplus Properties
- Investment Properties

Revaluations

The following have been revalued at 31 March 2025 in accordance with the Rolling Five Year Programme of Revaluation or to reflect material changes in value:

- Barbican Centre, including the Barbican lending library
- Barbican Estate residential properties, baggage stores, and car bays
- Barbican Commercial

The City Fund is not aware of any material change in value of any other assets and therefore the valuations have not been updated. The current asset values used in the accounts for the Barbican Centre, Central Criminal Court, Public Car Parks, Public Conveniences, Walbrook Wharf (depot and offices), Golden Lane Recreation Centre, Cemetery and Crematorium, Police Station, and the investment properties are based on assessments by external valuers. The firms of chartered surveyors who have prepared valuations for the City Fund are Knight Frank LLP, Gerald Eve LLP, JLL LLP and Savills (UK) Ltd.

All other asset values have been prepared by registered RICS valuers employed in the City Corporation's City Surveyor's Department.

14. Heritage Assets

The carrying value of heritage assets currently held in the Balance Sheet at historic cost is £9.0m (2024-25 £9.0m) which relates almost exclusively to one asset – the capital's only Roman Amphitheatre. The amphitheatre was discovered in Guildhall Yard during an archaeological dig taking place in preparation for a building project. In 2002, the doors to the amphitheatre opened for the first time in nearly 2,000 years.

The London Metropolitan Archives look after 105km of books, maps, films and photographs about London and Londoners dating from as far back as 1067. Guildhall Library also specialises in the history of London with a printed books collection from the 15th century onwards and many special collections including those devoted to Samuel

Pepys, John Wilkes and Sir Thomas More. Reliable valuations are not available for these assets and the cost of obtaining such valuations in order to recognise them on the balance sheet would outweigh the benefit of such recognition to the users of the financial statements.

Further information on the Roman Amphitheatre and the London Metropolitan Archives, including opening times and details of the collections held by the LMA, can be found on the City Corporation website (<https://www.cityoflondon.gov.uk/things-to-do/history-and-heritage/london-metropolitan-archives>)

15. Capital Expenditure and Finance

The total amount of capital expenditure incurred in the year is shown, in the table adjacent, together with the resources that have been used to finance it. Where assets are acquired under finance leases (see note 30) the transactions are considered to be the same as if the City Fund had purchased the assets and financed this by taking out a loan. Liabilities are therefore recognised for the same amount as the assets acquired under finance leases.

A nil or negative Capital Financing Requirement (CFR) indicates that the City Fund's provision for debt is equal to or greater than the debt incurred. Where capital expenditure is to be financed in future years by charges to revenue the expenditure results in a positive CFR, a measure of the capital expenditure incurred historically that has yet to be financed. The net increase in the capital financing requirement of £90.5m reflects the recognition of £94.7m of additional borrowing requirement to fund capital schemes and the implementation of IFRS16, partially offset by a £4.2m minimum revenue provision made in the year.

2023-24		2024-25
£m		£m
94.1	Opening Capital Financing Requirement	99.8
	Capital Investment	
118.9	Property, Plant and Equipment	184.6
3.1	Investment Properties	0.7
(0.1)	Intangible Assets	0.1
46.0	Revenue Expenditure Funded for Capital Under Statute	101.8
0.0	Right of Use Assets	12.6
	Sources of Finance	
(1.4)	Minimum Revenue Provision	(4.2)
(15.0)	Capital Receipts	(0.0)
(107.2)	Capital grants, contributions and donations	(156.3)
(1.8)	Major Repairs Reserve	(1.5)
(36.8)	Direct revenue contributions	(51.5)
0.0	Adjustment to CFR	0.0
99.8	Closing Capital Financing Requirement	186.1

2023-24		2024-25
£m		£m
	Explanation of movement in year	
(1.4)	Minimum Revenue Provision	(4.2)
7.1	Increase in underlying need to borrow	90.5
0.0	Adjustment to CFR	0.0
5.7	Increase/(decrease) in Capital Financing Requirement	86.3

16. Long Term Debtors

31 March 2024		31 March 2025
£m		£m
8.8	Net Investment in Finance Leases	8.3
1.6	Rent	2.0
1.0	Loans to Museum of London	0.8
0.1	Other Loans	0.0
11.5	Total	11.0

17. Investment Properties

2023-24		2024-25
£m		£m
1,543.2	Balance at start of the year	1,487.1
0.0	Transfers	0.0
	Additions:	
0.0	Purchases	0.0
0.0	Construction	0.0
3.1	Subsequent expenditure	0.7
0.0	Disposals	(1.5)
	Revaluations:	
(59.2)	Net gains from fair value adjustments	16.3
1,487.1	Balance at end of the year	1,502.6

Investment Property valued using Level 3 inputs as at 1 April 2024 was £1,260.5m and Investment Property valued using Level 3 inputs as at 31 March 2025 was £1,277.4m. Investment Property valued using Level 1 inputs (lease premium adjustments) as at 1 April 2024 was £226.5m and Investment Property valued using Level 1 inputs as at 31 March 2025 was £225.1m.

18. Financial Instruments

The financial instruments recognised in the City Fund financial statements include trade debtors and creditors, bank deposits and investments.

Categories of Financial Instruments

The financial instruments disclosed in the Balance Sheet are made up of the following categories under IFRS 9.

Long Term 31 March 24	Current 31 March 24		Long Term 31 March 25	Current 31 March 25
£m	£m		£m	£m
		Investments		
0.0	447.0	Fair value through profit and loss	0.0	452.2
28.6	399.4	Amortised Cost	46.3	406.8
28.6	846.4	Total Investments	46.3	859.0
		Debtors		
11.5	54.2	Amortised Cost	11.0	70.2
11.5	54.2	Total Debtors	11.0	70.2
		Creditors		
0.0	(103.2)	Amortised Cost	0.0	(122.5)
0.0	(103.2)	Total Creditors	0.0	(122.5)
		Long Term Liabilities		
(3.8)	0.0	Amortised Cost	(9.8)	0.0
(3.8)	0.0	Total Long Term Liabilities	(9.8)	0.0

Investments

The City Fund's investments comprise cash that is not required for day to day purposes invested in deposits of varying fixed lengths and money market funds (including short dated bonds). Investments in fixed term deposits, call accounts and notice accounts are classified as amortised cost financial assets because they comprise of cash flows which are solely payments of principal and interest. Investment in money market funds are classed as fair value through profit or loss financial assets as the net asset value of these funds can vary slightly.

Fair Value of Assets and Liabilities

Financial assets held at fair value through profit and loss are valued using unadjusted quoted prices in active markets for identical assets (level 1 inputs in the fair value hierarchy).

All other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Short-term investments, debtors and creditors are carried at cost as this is a fair approximation of their value.

Income, Expense, Gains and Losses

The gains and losses recognised in the CIES in relation to financial instruments are made up as follows:

2023-24		2024-25
£m		£m
(3.2)	Net(gain)/loss on financial assets at fair value through profit and loss	(1.9)
(3.2)	Total net (gains)/losses in Surplus or Deficit on the Provision of Services	(1.9)
(54.0)	Interest (income)/expenses from financial assets	(54.2)
(54.0)	Total interest revenue in Surplus or Deficit on the Provision of Services	(54.2)

31 March 2024			31 March 2025	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£m	£m		£m	£m
		Financial assets		
4.3	4.3	Long Term Debtors - investment properties	4.3	4.3
7.2	7.2	Long Term Debtors – other	6.7	6.7
28.6	28.6	Long Term Investments	46.3	46.3
846.4	846.4	Short Term Investments	859.0	859.0
54.2	54.2	Short Term Debtors	70.2	70.2
940.7	940.7	Total financial assets	986.5	986.5
		Financial liabilities		
(103.2)	(103.2)	Short Term Creditors	(122.5)	(122.5)
(3.8)	(3.8)	Long Term Liabilities	(9.8)	(9.8)
(107.0)	(107.0)	Total financial liabilities	(132.3)	(132.3)

The fair value of long term debtors in relation to investment properties (comprising finance lease debtors) have been assessed based on the investment property fair values categorised within Level 2 of the fair value hierarchy (see accounting policy 1.21). Other long term debtors consist mainly of a loan to and finance lease debtor with the Museum of London. As there is no active market for these items, the fair value is assumed to be the same as the carrying value categorised within level 3 of the fair value hierarchy.

19. Nature and Extent of Risks arising from Financial Instruments

The City Fund's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to City Fund
- Liquidity risk – the possibility that the City Fund might not have enough funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise as a result of changes in factors that affect the overall performance of the financial markets such as interest rates, stock market movements and foreign exchange rates.

The City Corporation has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and sets treasury management indicators to control key financial instrument risks in accordance with CIPFA's Prudential Code. The City Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Court of Common Council in the annual treasury management strategy statement.

Credit Risk

Credit risk arises from deposits with banks, other financial institutions and other local authorities, as well as credit exposures to the City Fund's customers. Deposits are only made with banks with a minimum Fitch (a leading credit rating agency) "rating" of Long term A and Short term F1 or are building societies with assets over £10bn (or which have a minimum credit rating similar to that set for the banks). The City Fund also invests in money market funds, which are subject to a minimum credit rating of AAmmf (Fitch) or equivalent. The City Fund also holds investments in two Short Dated Bond Funds. These financial instruments typically do not obtain their own standalone credit rating. Instead, the funds will invest in a wide array of investment grade instruments, which the City Corporation actively monitors in terms of the fund's composition and credit quality of its underlying assets.

The creditworthiness of the counterparties on the City Fund's lending list is carefully monitored. The lending list is reviewed on a regular basis using advice from credit rating agencies and in-house judgements based partially on credit default swap rates. Security of the investments is the prime criteria when selecting investments with liquidity and yield being secondary and tertiary considerations. The lending limits attributable to HSBC, Barclays, Goldman Sachs International Bank, NatWest and Santander UK were maintained at maximum lending limits of £100m each during 2024-25, with Standard Chartered Bank added to the counterparty list during the year with a maximum lending limit of £100m, and Lloyds Bank was fixed at £150m (Lloyds being the City of London Corporation's banker). The lending limit for the Nationwide Building Society was £100m. The maximum duration for such loans is fixed at three years. The lending limits for the Yorkshire, Coventry, Skipton and Leeds Building Societies were maintained at £20m each and the duration for such loans is fixed at 1 year. The list also contains twelve foreign banks with individual limits of £100m with a maximum loan duration of three years. The included foreign banks are Australia and New Zealand Banking Group, National Australia Bank, Bank of Montreal, Royal Bank of Canada, Toronto-Dominion Bank, Landesbank Hessen-Thüringen Girozentrale, Cooperatieve Rabobank, DBS Bank, United Overseas Bank, Skandinaviska Enskilda Banken, Swedbank, and Svenska Handelsbanken. The lending list also includes five highly rated money market funds (Aberdeen Sterling Liquidity Fund, CCLA Public Sector Deposit Fund, Deutsche Managed Sterling Fund, Federated Hermes Short-

Term Sterling Prime Fund, and Invesco Sterling Liquidity Portfolio); three highly rated Ultra-Short Dated Bond Funds (Federated Hermes Sterling Cash Plus Fund, Aberdeen Standard Investments Short Duration Managed Liquidity Fund and Payden Sterling Reserve Fund); and two Short Dated Bond Funds (Legal & General Short Dated Sterling Corporate Bond Index Fund and Royal London Investment Grade Short Dated Credit Fund). The City Corporation also lends to other UK local authorities with a limit of £25m to any individual authority.

The City Fund's maximum exposure to credit risk in relation to its investments in banks, building societies, local authorities and money market funds cannot be assessed generally, as the risk of any institution failing to make interest payments or failing to repay the principal amount borrowed would be specific to each individual institution. No credit limits were exceeded during the reporting period and the City Fund does not expect any losses from non-performance by any counterparty in relation to outstanding deposits. As at 31 March 2025, the City Fund had £956.9m in cash, cash equivalents and investments.

The City Fund, along with other Funds of the Corporation, share a common Corporation cashbook and at any time cash balances will be put out to investments in bank notice accounts, money market funds or deposit accounts. Each fund has a share of the invested balances in proportion to this relative holding in the Corporation cashbook. There is little exposure to credit risk arising from these investments.

The City Fund does not generally allow credit for customers. Therefore, the potential maximum exposure to credit risk is with customers for which prudent provision for bad debts and expected credit losses has been included within the accounts based on the length of time past the due date and progress on recovery action.

31 March 2025	<3 months	3-6 months	6-12 months	>1 year	Total
Expected loss rate	3%	3%	25%	26%	9%
Gross carrying amount (£m)	18.1	5.6	1.1	8.3	33.0
Loss provision (£m)	0.6	0.2	0.3	2.1	3.1

Liquidity risk

The authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loans Board, for access to longer term funds. The authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. At present, the City Fund has no borrowing exposure.

Market risk

Interest rate risk (narrative updated)

The authority is exposed to significant risk in terms of its exposure to interest rate movements on its investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- investments at variable rates – the interest income credited to the CIES will rise,
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Changes in interest receivable on variable rate investments are posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement. The Treasury Management Team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget, quarterly during the year. According to this assessment strategy, if interest rates had been 1% higher with all other variables held constant, the financial effect at 31 March on investments with variable rates would be:

2023-24		2024-25
£m		£m
	Increase in interest receivable on investments held at variable rates	
4.6	City Fund	4.3
4.6	Total	4.3

The impact of a 1% fall in interest rates would be as above but with the movements being reversed. The majority of the City Fund’s financial investments held at amortised cost are due to mature within twelve months as at 31 March 2025, except for two investments of £46.3m, and therefore the impact of a 1% movement in interest rates on the fair value of fixed rate investment assets would not be material. Within its financial investments held at fair value through profit or loss, the City Fund holds two short dated bond fund investments whose value is sensitive to fluctuations in interest rates. Based on the combined modified duration of these investments as at 31 March 2025, the Corporation estimates that a 1% increase (decrease) in interest rates will decrease (increase) their carrying value by £4.3m.

Foreign exchange risk

The authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movements in exchange rates.

Other price risks

The City of London Corporation has no material investments in equity shares attributable to the City Fund.

20. Short-term debtors

31 March 2024 Restated	Short-term Debtors by Nature	31 March 2025
£m		£m
	Trade and Rental Debtors	
11.8	Trade Debtors	13.8
20.0	Rents	21.9
(9.9)	Less: Allowances for expected credit losses and doubtful debts	(5.7)
22.0	Sub-Total Trade and Rental Debtors	30.0
	Collection Fund Debtors	
32.6	Collection Fund Debtors	25.5
(15.3)	Less: Impairment allowances for collection fund debtors	(9.0)
17.3	Sub-Total Collection Fund Debtors	16.4
	Sundry Debtors	
98.4	Accruals	94.9
18.0	Payments in Advance	28.2
6.4	VAT Debtors	9.0
0.1	London Business Rates Pool	0.3
4.9	Other	1.9
127.7	Sub-Total Sundry Debtors	134.3
167.0	Total	180.7

The table provides a breakdown of the short-term debtor balance including the allowance made for expected credit losses and bad debts. Many of the amounts due to the City Corporation relate to transactions with other public bodies where grants and reimbursements are due to fund our activities. The remaining amounts relate to outstanding business rate arrears, rental income, Penalty Charge Notice income, payments made in advance and recovery of VAT paid to suppliers.

31 March 2024 Restated	Short-term Debtors by Counterparty	31 March 2025
£m		£m
62.3	Central Government	40.1
1.4	Greater London Authority and Transport for London	3.7
103.3	All Other Parties	137.0
167.0	Total	180.7

The table provides an alternative breakdown of the short-term debtor balance by counterparty. This analysis is required to comply with the City Corporation’s disclosure requirements in relation to transactions with related parties.

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21. Short-term creditors

31 March 2024 Restated	Short-term Creditors by Nature	31 March 2025
£m		£m
	System Creditors	
(10.5)	Trade Creditors	(13.5)
(23.9)	Goods Received Not Invoiced	(22.8)
(34.5)	Sub-Total System Creditors	(36.3)
	Service Area Specific Creditors	
(7.5)	Deposits	(7.6)
(11.3)	Barbican Control Accounts	(11.6)
(5.6)	Police Control Accounts	(5.6)
(15.6)	Project Accounting Accruals	(24.1)
(40.0)	Sub-Total Service Area Specific Creditors	(48.9)
	Sundry Creditors	
(32.9)	Sundry Accruals	(39.5)
(6.5)	Mayoral CIL	(7.3)
(23.7)	Receipts in Advance	(25.7)
(2.2)	London Business Rates Pool	(12.3)
(199.7)	Collection Fund Creditors	(223.2)
(11.6)	Other	(9.7)
(276.6)	Sub-Total Sundry Creditors	(317.7)
(351.1)	Total	(402.8)

The table provides a breakdown of the short-term creditor balance. The largest individual balance relates to creditors associated with the Collection Fund, including the share of the Collection Fund due to Central Government and the GLA.

The remaining balances primarily relate to supplier invoices, goods received but not invoiced, creditors associated with specific service areas, manual accruals of amounts owed to other entities, Community Infrastructure Levy (CIL) collections due to the GLA, amounts received in advance including rents, and the London Business Rates Pool.

The London Business Rates Pool position relates to the City Corporation's role as lead authority to account for all the outstanding movement for the Pool. The year-end balance represents the amount owed by the Pool to external local authorities.

31 March 2024	Short-term Creditors by Counterparty	31 March 2025
£m		£m
(65.4)	Central Government	(74.8)
(103.2)	Greater London Authority and Transport for London	(114.7)
(182.4)	All Other Parties	(213.4)
(351.1)	Total	(402.8)

The table provides an alternative breakdown of the short-term creditor balance by counterparty. This analysis is required to comply with the City Corporation's disclosure requirements in relation to transactions with related parties.

22. Provisions

With the introduction of the Business Rates Retention Scheme from 1 April 2013, Local Authorities are liable for successful appeals against business rates in their proportionate share. A provision is recognised for the best estimate of the City Fund's liability at the year-end for appeals. The estimate has been calculated using the Valuation Office Agency (VOA) ratings list of appeals outstanding as at 31 March 2025 and an analysis of successful appeals and trends in 2024-25.

	National Business Rates	City Fund Premium on Business Rates	Total
	£m	£m	£m
Balance at 1 April 2024	(20.4)	(0.7)	(21.1)
Appeals settled in 2024-25	28.7	3.2	31.9
Provisions made in 2024-25	(32.6)	(5.0)	(37.6)
Balance at 31 March 2025	(24.3)	(2.5)	(26.7)

23. Pension Schemes

As part of the terms and conditions of employment of its employees, the City Fund makes contributions towards the cost of post-employment benefits. Employees are members of the following pension schemes:

- The City of London Corporation Pension Scheme
- The Police Pension Schemes (1987, 2006 and 2015)
- The Judges' Pension Scheme
- The Teachers' Pension Scheme.

These schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees working for the City Corporation. Notes 24 to 26 provide further information on each of the above schemes.

City of London Pension Scheme

The City Corporation Pension Scheme (the "Scheme") is operated under the regulatory framework for the Local Government Pension Scheme (LGPS) with policy determined in accordance with Pension Fund Regulations. It is a funded defined benefit scheme, meaning that the employers and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets. Prior to 1 April 2014, LGPS pension benefits were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme.

The City Corporation administers the Scheme on behalf of its participating employers. The City Corporation's Corporate Services Committee is responsible for personnel and administration matters, whilst its Pensions Committee is responsible for appointing fund managers and monitoring performance. These functions were previously carried out by the Establishment Committee and the Financial Investment Board.

The principal risks to the authority of the scheme are the mortality rate assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

As an employer participating in the Scheme the City Corporation's estimated share of the net deficit is the responsibility of the City Corporation as a whole. The Corporation and its three funds have a policy in place to share the net defined benefit cost of the pension fund across the three funds. As such the City Fund recognises the net defined benefit cost along with a share of scheme assets and scheme liabilities. The total net defined benefit cost is apportioned across the City Corporation's three funds based on the proportion of pensionable payroll of each fund.

Disclosures in relation to City Corporation and the City Fund's share of the overall scheme which satisfy the requirements of a defined benefit pension scheme are set out in this note. This information is not used to determine the employer's pension contribution rate. This is calculated at the triennial valuation and updated by any subsequent interim valuations. The most recent triennial valuation was as at 31 March 2022 and found that the Pension Fund's funding position had improved to 98% (from 90% as at 31 March 2019). The valuation informed consideration of the level of employer's pension contribution to be charged from 1 April 2023 to 31 March 2026, which remain unchanged since 2019-20 at 21.0% per annum.

Assets and Liabilities in Relation to Retirement Benefits

a. Reconciliation of present value of the scheme liabilities

CITY OF LONDON CORPORATION	CITY FUND SHARE 51%		CITY OF LONDON CORPORATION	CITY FUND SHARE 51%
31 March 2024	31 March 2024		31 March 2025	31 March 2025
£m	£m		£m	£m
(1,406.2)	(717.2)	1 April	(1,426.3)	(727.4)
(30.4)	(15.5)	Current Service Cost	(32.6)	(16.6)
(66.6)	(34.0)	Interest Cost	(68.9)	(35.1)
		Remeasurement gains/losses:		
19.7	10.0	Actuarial Gains/losses arising from demographic assumptions	3.7	1.9
24.0	12.2	Actuarial gains/losses arising from changes in financial assumptions	211.1	107.6
(4.4)	(2.2)	Other Actuarial Gains/Losses	3.4	1.7
(1.2)	(0.6)	Past Service Cost, including curtailments	(0.3)	(0.1)
(2.2)	(1.1)	Liabilities extinguished on settlements	(0.1)	(0.1)
53.5	27.3	Benefits paid	56.0	28.5
(12.9)	(6.6)	Contributions from scheme participants	(14.6)	(7.4)
0.4	0.2	Unfunded Pension Payments	0.4	0.2
(1,426.3)	(727.4)	31 March	(1,268.2)	(646.8)

Liabilities are discounted to their value at current prices, using a discount rate of 5.85% (based on the annualised Merrill Lynch AA rated corporate bond yield curve where the spot curve is assumed to be flat beyond the 30 year point). [Discounted rate 4.90% in 2023-24]

b. Reconciliation of fair value of the scheme assets

CITY OF LONDON CORPORATION	CITY FUND SHARE 51%		CITY OF LONDON CORPORATION	CITY FUND SHARE 51%
31 March 2024	31 March 2024		31 March 2025	31 March 2025
£m	£m		£m	£m
1,263.7	644.5	1 April	1,376.4	702.0
60.6	30.9	Interest on Assets	67.5	34.4
		Remeasurement gains/losses:		
54.8	28.0	Return on Assets less interest	(39.9)	(20.4)
(1.0)	(0.5)	Administration expenses	(1.0)	(0.5)
37.1	18.9	Contributions by Employer	42.3	21.6
12.9	6.6	Contributions by Scheme Participants	14.6	7.4
(53.9)	(27.5)	Benefits Paid	(56.4)	(28.7)
2.3	1.2	Settlement Prices Received/(Paid)	0.3	0.1
1,376.4	702.0	31 March	1,403.8	715.9

Scheme assets consist of the following categories, by proportion of the total assets held:

31 March 2024		31 March 2025
%		%
56	Equity Investments	51
1	Cash	2
13	Infrastructure	18
16	Absolute return portfolio	16
14	Bonds	13
100		100

The analysis of investments held and valuations are included in the accompanying Pension Fund accounts.

c. Overall net deficit

CITY OF LONDON CORPORATION	CITY FUND SHARE 51%		CITY OF LONDON CORPORATION	CITY FUND SHARE 51%
31 March 2024	31 March 2024		31 March 2025	31 March 2025
£m	£m		£m	£m
(142.6)	(72.7)	1 April	(49.9)	(25.4)
(20.1)	(10.2)	change in liabilities	158.1	80.7
112.7	57.5	change in assets	27.4	14.0
(49.9)	(25.4)	31 March	135.6	69.2

Basis for Estimating Assets and Liabilities

The liabilities have been valued by the City of London's independent consulting actuaries (Barnett Waddingham LLP) using the projected unit method, based upon the latest full valuation of the scheme as at 31 March 2022 and updated to the balance sheet date. The main assumptions used in the calculations are as follows:

2023-24		2024-25
	Mortality assumptions:	
	Life expectancy in years from age 65	
	Retiring today	
20.8	Men	20.7
23.3	Women	23.3
	Retiring in 20 years	
22.0	Men	22.0
24.7	Women	24.7
3.20%	Rate of Inflation – RPI	3.20%
2.90%	Rate of Inflation – CPI	2.90%
3.90%	Salary Increases	3.90%
2.90%	Pension Increases	2.90%
4.90%	Discount Rate	5.85%

Impact on defined benefit obligation from changes to actuarial assumptions

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out above. The following table, prepared on an actuarial projected unit basis, shows the impact on the defined benefit obligation from changes to various actuarial assumptions. The sensitivity analysis has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

Change in assumptions at 31 March 2025				
	CITY OF LONDON CORPORATION		CITY FUND SHARE 51%	
	Increase	Decrease	Increase	Decrease
	£m	£m	£m	£m
0.1% change in rate for discounting scheme liabilities	(18.3)	18.7	(9.3)	9.5
0.1% change in rate of increase in salaries	1.3	(1.3)	0.7	(0.7)
0.1% change in rate of increase in pensions	17.9	(17.5)	9.1	(8.9)
One year change in rate of mortality assumption	47.8	(45.8)	24.4	(23.4)

Impact on the City Fund's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Corporation has agreed a deficit recovery period of 20 years from 2015-16 with the scheme's actuary. Funding levels are monitored on an annual basis.

The liabilities show the estimated underlying commitments that the City Fund has in the long run to pay post-employment (retirement) benefits. The net liability of £25.4m has a substantial impact on the net worth of City Fund as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the City Fund remains sound. The deficit will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

The total employer contributions expected to be made to the scheme for the City of London Corporation across all its funds in the year to 31 March 2025 are £42.3m (estimated City Fund Share £21.6m).

The scheme actuary has estimated that the weighted average duration of the defined benefit obligation for scheme members is 15 years.

24. The Police Pension Scheme

There are three Police Pension Schemes - the 1987 Scheme, the 2006 Scheme and the 2015 Scheme. Except where otherwise stated, the "Police Pension Scheme" is used generically to cover all the schemes. The Police Pension Scheme is defined benefit and unfunded. It is administered by the City of London in accordance with Home Office regulations and is not a multi-employer scheme.

The Scheme is funded on a pay as you go basis, with the employer contributing a percentage of police pay into the Pension Fund and the Home Office meeting the balance. At the year end the Police Pension Fund Account is balanced to nil by either receiving a contribution from the City Fund equal to the amount by which the amounts payable from the Pension Fund for the year exceed the amounts receivable or, by paying to the City Fund the amount by which sums receivable by the Fund for the year exceed the amounts payable.

Where the City Fund makes a transfer into the Pension Fund, the Home Office will pay an equivalent top-up grant to the City Fund. Where the City Fund receives a transfer from the Pension Fund, the City Fund must pay the amount to the Home Office. The Police Pension Scheme 2015 came into effect from 1 April 2015 and any benefits accrued from that date will be based on career average revalued salaries.

The Police Pension liability represents the pension benefits Officers have accrued as at 31 March 2025 as assessed via actuarial calculation. These benefits, however, will not be payable until Officers have retired. As an unfunded scheme, the liabilities will be met through employee and employer contributions with any deficit being met by the Home Office.

The last full valuation of the Police Pension Scheme was at 31 March 2020 by the Government Actuary's Department and set contributions for the period 1 April 2024 to 31 March 2027.

Liabilities in Relation to Retirement Benefits

As the scheme is unfunded, it has no assets.

Reconciliation of present value of the scheme liabilities

31 March 2024		31 March 2025
£m		£m
(838.3)	1 April	(847.6)
(12.6)	Current Service Cost	(13.0)
(39.4)	Interest Cost	(40.7)
	Remeasurement gains/losses:	
3.5	Actuarial Gains/losses arising from demographic assumptions	2.3
7.3	Actuarial gains/losses arising from changes in financial assumptions	122.5
(2.1)	Other Actuarial Gains/Losses	1.9
38.9	Benefits paid	41.7
(5.8)	Contributions from scheme participants	(6.3)
0.6	Injury Benefits Paid	0.7
(847.9)	31 March	(738.5)

Impact on defined benefit obligation from changes to actuarial assumptions

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out above. The following table, prepared on an actuarial projected unit basis, shows the impact on City Fund's defined benefit obligation from changes to various actuarial assumptions. The sensitivity analysis has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

Basis for Estimating Liabilities

The liabilities have been valued by the City of London's independent consulting actuaries (Barnett Waddingham LLP) using the projected unit method, based upon the last full valuation of the scheme updated to the balance sheet date. The main assumptions used in the calculations are as follows

2023-24	Mortality assumptions:	2024-25
	Life expectancy in years from age 65	
	Retiring today	
21.3	Men	21.2
23.4	Women	23.4
	Retiring in 20 years	
22.5	Men	22.5
24.7	Women	24.8
3.25%	Rate of Inflation – RPI	3.20%
2.95%	Rate of Inflation – CPI	2.90%
3.95%	Salary Increases	3.90%
2.95%	Pension Increases	2.90%
4.90%	Discount Rate	5.80%

Change in Assumptions at 31 March 2025

Impact on the Defined Benefit Obligation in the Scheme		
	Increase	Decrease
	£m	£m
0.1% change in rate for discounting scheme liabilities	(11.2)	11.4
0.1% change in rate of increase in salaries	1.4	(1.3)
0.1% change in rate of increase in pensions	10.4	(10.1)
One year change in rate of mortality assumption	25.4	(24.5)

Impact on the City Fund's Cash Flows

The liabilities show the estimated underlying commitments that the City Fund has in the long run to pay post-employment (retirement) benefits. The net liability of £738.5 has a substantial impact on the net worth of the City Fund as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the City Fund remains sound. Future contributions are expected to be met by an annually assessed grant from the Home Office.

The total employer contributions for the combined position of the Police Pension Schemes 1987, 2006 and 2015 for the year to 31 March 2026 are expected to be £16.4m and the expected top up grant from the Government is £19.0m.

The scheme actuary has estimated that the weighted average combined duration of the defined benefit obligation for the schemes is 15 years.

25. Judges' Pension Scheme

The Judges' Pension Scheme is defined benefit and unfunded. The scheme is subject to the provisions of the Judicial Pensions and Retirement Act 1993. The Treasury is responsible for payment of Judges' pensions and the City of London reimburses them in accordance with regulations made under the Act.

Liabilities in Relation to Retirement Benefits

As the scheme is unfunded, it has no assets.

Reconciliation of present value of the scheme liabilities

31 March 2024		31 March 2025
£m		£m
(2.2)	1 April	(2.5)
(0.1)	Current Service Cost	(0.2)
(0.1)	Interest Cost	(0.1)
	Remeasurement gains/losses:	
0.0	Actuarial Gains/losses arising from demographic assumptions	0.0
(0.0)	Actuarial gains/losses arising from changes in financial assumptions	0.2
(0.0)	Other Actuarial Gains/losses	0.0
0.1	Benefits paid	0.1
(2.3)	31 March	(2.4)

Basis for Estimating Liabilities

The liabilities have been valued by the City of London's independent consulting actuary (Barnett Waddingham LLP) using the projected unit method, based upon the last full valuation of the scheme updated to the balance sheet date. The main assumptions used in the calculations are as follows:

2023-24	Mortality assumptions:	2024-25
	Life expectancy in years from age 65	
	Retiring today	
20.8	Men	20.7
23.3	Women	23.3
	Retiring in 20 years	
22.0	Men	22.0
24.7	Women	24.7
3.45%	Rate of Inflation – RPI	3.35%
2.95%	Rate of Inflation – CPI	2.90%
3.95%	Salary Increases	3.90%
2.95%	Pension Increases	2.90%
4.80%	Discount Rate	5.60%

Impact on defined benefit obligation from changes to actuarial assumptions

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out above. The following table, prepared on an actuarial projected unit basis, shows the impact on the City Fund's defined benefit obligation from changes to various actuarial assumptions. The sensitivity analyses have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

Change in Assumptions at 31 March 2024

Impact on the Defined Benefit Obligation in the Scheme		
	Increase	Decrease
	£m	£m
0.1% change in rate for discounting scheme liabilities	(0.02)	0.02
0.1% change in rate of increase in salaries	0.00	0.00
0.1% change in rate of increase in pensions	0.02	(0.02)
One year change in rate of mortality assumption	0.10	(0.09)

Impact on the City Fund’s Cash Flows

The liabilities show the estimated underlying commitments that the City Fund has in the long run to pay post-employment (retirement) benefits. The net liability of £2.4m has an impact on the net worth of the City Fund as recorded in the Balance Sheet. However, the City Fund has set aside funds in an earmarked reserve to assist with meeting its share of liabilities.

The scheme actuary has estimated that the weighted average combined duration of the defined benefit obligation for the scheme is 10 years.

26. Transactions Relating to Post-employment Benefits within the Financial Statements

The Teachers' Pension Scheme is accounted for as if it is a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the CIES is charged with the employer's contributions payable to Teachers' Pension Scheme in the year.

Retirement benefits from schemes accounted for on a defined benefit basis (City of London, Police and Judges') are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge against council tax is based on cash payable in the year, so the real cost of retirement benefits is reversed out of the City Fund and Housing Revenue Account via the Movement in Reserves Statement.

The cumulative amount of actuarial gains and losses recognised in Other Comprehensive Income and Expenditure in the actuarial gains or losses on pensions assets and liabilities line was at 31 March 2025 a gain of £217.9m (at 31 March 2024 it was a gain of £56.7m). The amount included in the Balance Sheet arising from the City Fund's estimated obligation in respect of the defined benefit plans is as follows:

31 March 2024		31 March 2025
£m		£m
	Present Value of the defined benefit obligation	
(725.8)	City of London Pension Scheme - City Fund	(645.4)
(839.5)	Police Pension Schemes	(731.5)
(2.5)	Judges Pension Scheme	(2.4)
	Fair Value of plan assets	
702.0	City of London Pension Scheme - City Fund	715.9
	Present value of unfunded obligation	
(1.6)	City of London Pension Scheme - City Fund	(1.4)
(8.1)	Police Pension Schemes	(7.1)
(875.6)	Net liability on balance sheet	(671.8)

There are no outstanding or pre-paid employee contributions at the balance sheet date.

The table summarises the entries in the financial statements for the City of London, Police and Judges' Schemes:

2023-24					2024-25			
Police	Judges	City of London City Fund	Total		Police	Judges	City of London City Fund	Total
£m	£m	£m	£m		£m	£m	£m	£m
				Comprehensive Income & Expenditure Statement (CIES)				
				Cost of Services:				
12.6	0.1	15.5	28.2	Current service cost	13.0	0.2	16.6	29.8
0.0	0.0	0.6	0.6	Past service costs	0.0	0.0	0.1	0.1
0.0	0.0	(0.1)	(0.1)	(gain)/loss from settlements	0.0	0.0	(0.1)	(0.1)
				Other Operating Income				
0.0	0.0	0.5	0.5	Administration expenses	0.0	0.0	0.5	0.5
				Financing & Investment Income & Expenditure				
0.0	0.0	0.0	0.0	Current service cost	0.0	0.0	0.0	0.0
39.4	0.1	3.1	42.6	Interest cost	40.7	0.1	0.7	41.5
52.0	0.3	19.6	71.9	Total Retirement Benefit Charged to the Surplus or Deficit on the Provision of Services	53.6	0.3	17.9	71.8
				Other Comprehensive Income & Expenditure				
				Remeasurement of the net defined benefit liability:				
0.0	0.0	(28.0)	(28.0)	Return on plan assets	0.0	0.0	20.4	20.4
(3.5)	0.0	(10.0)	(13.5)	Actuarial (gains) & losses - changes in demographic assumptions	(2.3)	(0.0)	(1.9)	(4.2)
(7.3)	0.0	(12.2)	(19.6)	Actuarial (gains) & losses - changes in financial assumptions	(122.5)	(0.2)	(107.6)	(230.4)
2.1	0.0	2.2	4.3	Actuarial (gains) & losses – Other	(1.9)	(0.0)	(1.7)	(3.6)
(8.8)	0.0	(48.0)	(56.7)	Total Other Comprehensive Income & Expenditure	(126.7)	(0.2)	(90.9)	(217.9)
43.2	0.2	(28.3)	15.1	Total Retirement Benefit Charged/(Credited) to the CIES	(73.1)	0.0	(73.0)	(146.1)
				Movement in Reserves Statement				
(52.0)	(0.3)	(19.6)	(71.9)	Reversal of net charges/credits for retirement benefits in accordance with the Code	(53.6)	(0.3)	(17.9)	(71.8)
33.7	0.1	18.9	52.7	Actual amount charged against the City Fund and HRA Balances	36.0	0.1	21.7	57.9

27. Grants and Contributions Received in Advance

A number of grants and contributions have yet to be recognised as income as they have conditions attached to them which if they are not met, will require the monies to be returned to the provider. The balances at the year-end are as follows:

31 March 2024		31 March 2025
£m		£m
	Grants and Contributions Received in Advance - Capital (Long-term)	
(110.8)	S106 / S278 Contributions	(73.1)
	Grants and Contributions Received in Advance - Revenue (Short-term)	
(1.9)	S31 Grant for NNDR Reliefs due to Central Government	(2.9)
(0.4)	COVID Additional Relief Fund Receipt in Advance from Central Government	(0.1)
(8.2)	Other Revenue Grants and Contributions	(7.5)
(10.5)	Total	(10.5)

28. Rents Received in Advance

Premiums received at the commencement of operating leases for investment properties are effectively rents received in advance and are released to revenue on a straight-line basis over the lease term. This totals £225.1m (2023-24: £225.8m).

29. Other Long-term Liabilities

At the 31 March 2025 the City Fund has long term liabilities of £40.0m (2023-24: £39.0), which consists of £30.2m (2023-24: £35.3m) of outstanding London NNDR Pool Strategic Investment Pot (SIP) project funding due to be released over the life span of agreed projects and £9.8m (2023-24: £3.7m) of financial lease liabilities.

30. Leases

Finance Leases

Right of Use Assets

City Fund adopted IFRS 16 from 1st April 2024 as required by the Code of Practice, this resulted in some previously classified operating leases being added as right of use assets. The primary impact of IFRS 16 is the removal of the distinction between finance leases and operating leases. Finance leases have historically been accounted with on the balance sheet with an asset and liability, operating leases have been treated as charge to revenue in the year they are paid and no requirement to reflect this in the balance sheet. IFRS 16 requires all substantial leases to be accounted for on the balance sheet, recognising the rights acquired to use an asset.

Items of low value and leases that expire on or before 31st March 2025 are exempt from the new arrangements. IFRS 16 has been applied retrospectively but with the cumulative effect recognized at 1st April 2024. This means that right of use assets and liabilities have been calculated as if IFRS16 has always been applied but recognized in 2024/25 and not by adjusting prior years figures. The weighted average of the incremental borrowing rates used to discount liabilities was 5%, using PWLB rates.

The table below shows the breakdown of the new right of use asset additions along with subsequent depreciation charges. An additional liability resulting from this change in the accounting approach is also highlighted in the tables.

Movements on Balances 2024/25	ROU Other Land and Buildings	ROU Plant and Vehicles	Total
	£m	£m	£m
Cost or valuation			
at 1 April 2024 (Restated)			
Additions	11.6	1.0	12.6
Transfers	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	-	-	-
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	-	-
Derecognition - disposals	-	-	-
at 31 March 2025	11.6	1.0	12.6
Accumulated Depreciation and Impairment			
at 1 April 2024 (Restated)			
Depreciation Charge	(2.7)	(0.3)	(3.0)
Depreciation written out to the Revaluation Reserve	-	-	-
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	-	-
Derecognition - disposals	-	-	-
at 31 March 2025	(2.7)	(0.3)	(3.0)
Net Book Value			
at 31 March 2024	-	-	-
at 31 March 2025	8.9	0.7	9.6

	31st March 2025
ROU Liabilities	
	£m
Current	3.2
Non Current	6.6
Total	9.8

City Fund as Lessee

Existing finance Leases at the end of financial year 2024/25 are permissible to be reported under the previous IAS 17 guidance.

The assets acquired under these leases are carried as Property, Plant and Equipment and Investment Properties in the City Fund's Balance Sheet at the following net amounts:

31 March 2024		31 March 2025
£m		£m
	Property, Plant and Equipment	
10.5	Other Land and Buildings	8.0
0.5	Vehicles, Plant and Equipment	0.0
28.2	Investment Properties	28.0
39.3		36.0

The rental payments for most of the property leases are immaterial, the highest being £600 per annum. Consequently, no liabilities are recognised in the balance sheet for these leases and the rental payments are met in full from revenue over the terms of the leases rather than being apportioned between finance charges (interest) and reductions in the outstanding liabilities.

For two investment property leases and the vehicles the City Fund will make payments over the term of the leases to meet the costs of the long term liabilities and the finance costs payable.

The leases are carried under other long term liabilities on the balance sheet:

31 March 2024		31 March 2025
£m		£m
3.2	Investment Property	3.2
0.5	Cleansing Vehicles	0.0
3.7	Long Term Liabilities	3.2

The minimum lease payments in relation to the investment property are:

Total Future Minimum Lease Payments	Present Value of Future Lease Payments		Total Future Minimum Lease Payments	Present Value of Future Lease Payments
31 March 2024	31 March 2024		31 March 2025	31 March 2025
£m	£m		£m	£m
0.7	0.5	Not later than one year	0.1	0.0
0.5	0.0	Later than one year and not later than five years	0.5	0.0
12.7	3.2	Later than five years	12.6	3.2
13.9	3.7	Total	13.2	3.2

City Fund as Lessor

The gross investment is made up of the following amounts:

31 March 2024		31 March 2025
£m		£m
	Finance lease debtor (net present value of minimum lease payments)	
0.3	Current	0.3
8.3	Non-current	8.0
17.0	Unearned finance income	16.5
25.6	Gross investment in the lease	24.8

The gross investment in the leases and the minimum lease payments receivable will be received over the following periods:

Gross Investment in Lease	Net Present Value of Minimum Lease Payments		Gross Investment in Lease	Net Present Value of Minimum Lease Payments	
31 March 2024	31 March 2024		31 March 2025	31 March 2025	
£m	£m		£m	£m	
0.5	0.3	Not later than one year	0.5	0.3	
2.2	1.1	Later than one year and not later than five years	7.4	1.2	
23.1	7.1	Later than five years	26.2	6.8	
25.8	8.5	Total	35.7	8.3	

The City Fund has a gross investment in finance leases relating to the minimum lease payments expected to be received over the remaining terms. There is no residual value anticipated for the properties when the leases come to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the properties acquired by the lessees and finance income that will be earned by the City Fund in future years whilst the debt remains outstanding.

The minimum lease payments receivable are not contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. Income from investment properties is set out in note 7.

There are no commitments in respect of finance leases entered into before the year end but whose term has yet to commence.

Operating Leases*City Fund as Lessee*

The future minimum lease payments due under non-cancellable leases in future years are shown below.

31 March 2024		31 March 2025
£m		£m
2.7	Not later than one year	0.7
2.8	Later than one year and not later than five years	2.7
14.8	Later than five years	14.2
20.3	Total	17.6

City Fund as Lessor

The City of London has granted leases in respect of several City Fund properties, principally Investment Properties, which are treated as operating leases. The future minimum lease payments receivable under non-cancellable leases in future years are shown below.

31 March 2024		31 March 2025
£m		£m
46.5	Not later than one year	44.6
151.5	Later than one year and not later than five years	143.0
3,452.6	Later than five years	3,471.9
3,650.6	Total	3,659.5

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

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31. Unusable Reserves

31 March 2024		Note	31 March 2025
£m			£m
(303.7)	Revaluation Reserve	A	(309.4)
(2,218.4)	Capital Adjustment Account	B	(2,308.6)
875.6	Pensions Reserve	C	671.8
(26.6)	Collection Fund Adjustment Account	D	(29.6)
4.0	Accumulated Absences Account	E	3.8
(8.6)	Deferred Capital Receipts Reserve	F	(8.3)
0.2	Financial Instrument Revaluation Reserve	G	0.2
11.9	Pooled Investment Adjustment Account	H	10.0
(1,665.6)	Total Unusable Reserves		(1,970.1)

a. Revaluation Reserve

The Revaluation Reserve contains the gains arising from increases in the value of Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account (see note B).

2023-24		2024-25
£m		£m
(353.5)	Balance at 1 April	(303.7)
(6.1)	Upward revaluation of assets	(15.2)
50.1	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	4.7
44.0	Surplus on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(10.5)
5.8	Difference between fair value depreciation and historical cost depreciation	4.8
0.0	Assets reclassified as investments	0.0
0.0	Accumulated gains on assets sold or scrapped	0.0
5.8	Amount written off to the Capital Adjustment Account	4.8
(303.7)	Balance at 31 March	(309.4)

b. Capital Adjustment Account

The Capital Adjustment Account includes entries for the financing of capital expenditure and other capital transactions. The account contains the amount of capital expenditure financed from revenue, capital receipts and other sources. It is reduced by the amounts provided for depreciation and for the write-down of revenue expenditure funded from capital under statute and adjustments for disposals of long-term assets. The account contains accumulated gains and losses on Investment Properties. It also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2023-24		2024-25
£m		£m
(2,207.7)	Balance at 1 April	(2,218.4)
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
28.2	Charges for depreciation, impairment and revaluation losses of non-current assets	31.3
24.7	Revaluation gains on Property, Plant and Equipment	4.6
0.8	Amortisation of intangible assets	0.5
46.0	Revenue expenditure funded from capital under statute	101.8
0.6	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	5.9
100.4	Total reversal of items relating to capital expenditure debited or credited to the CIES:	144.2
(5.8)	Adjusting amounts written out of the Revaluation Reserve	(4.8)
94.6	Net written out amount of the cost of non-current assets consumed in the year	139.5
	Capital financing applied in the year:	
(15.0)	Use of the Capital Receipts Reserve to finance new capital expenditure	0.0
(1.8)	Use of the Major Repairs Reserve to finance new capital expenditure	(1.5)
(43.3)	Capital grants, contributions & donations credited to the CIES that have been applied to capital financing	(43.1)
(63.8)	Application of grants to capital financing from the Capital Grants Unapplied Account	(113.2)
(1.4)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(4.2)
(36.8)	Capital expenditure charged against the City Fund & HRA balances	(47.3)
(162.1)	Total Capital financing applied in the year:	(213.4)
56.5	Movements in the market value of Investment Properties debited or credited to the CIES	(16.3)
0.2	Museum of London loan principle	0.0
(2,218.4)	Balance at 31 March	(2,308.6)

c. Pension Reserve

2023-24		2024-25
£m		£m
913.2	Balance at 1 April	875.6
(56.7)	Remeasurements of the net defined benefit liability	(217.9)
71.9	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	71.8
(52.7)	Employer's pension contributions less direct payments to pensioners payable in the year	(57.7)
875.6	Balance at 31 March	671.8

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. Post-employment benefits in the CIES are recognised as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as employer's contributions are paid to pension funds. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. The negative pension reserve matches the estimated liabilities on the City of London (City Fund share), Police and Judges' Pension Schemes as determined by independent actuaries using the projected unit method and in accordance with IAS19.

d. Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of national business rates and council tax income in the CIES as it falls due from business rate and council tax payers compared with the statutory arrangements for paying across amounts to the City Fund from the Collection Fund. A surplus of £29.6m has arisen in the account. This surplus is largely due to timing differences between our submission of estimated business rate income for the year, submitted in January for the preceding financial year.

e. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the City Fund unallocated reserve from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the City Fund unallocated reserve is neutralised by transfers to or from the Account.

f. Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets, but for which cash settlement has yet to take place. Under statutory arrangements, these gains are not treated as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

g. Financial Instrument Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the authority arising from increases in the value of its investments that are measured at fair value through other comprehensive income.

h. Pooled Investment Reserve

The Pooled Investment Reserve accounts for the fair value movements in Pooled Investments, which are required to be held in a ring-fence reserve until these movement are realised.



Notes to the Cash Flow Statement

32. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following item:

2023-24		2024-25
£m		£m
(28.2)	Depreciation, impairments and impairment reversal	(31.3)
90.0	(Increase)/Decrease in creditors	(53.6)
(8.1)	Increase/(Decrease) in debtors	13.2
(0.1)	Increase/(Decrease) in inventories	0.0
(19.1)	Movement in pension liability	(14.1)
(0.6)	Carrying amount of non-current assets sold	(5.9)
(59.2)	Movement in investment property values	16.3
(1.3)	Deferred credits	0.7
0.3	(Increase)/Decrease in contributions to provisions	(5.7)
3.2	Other non-cash items charged to the net surplus or deficit on the provision of services	17.6
(23.2)	Total	(62.8)

The surplus/deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2023-24		2024-25
£m		£m
(52.1)	Interest received	(50.3)

The surplus on the provision of services has been adjusted for the following non-cash movements:

2023-24		2024-25
£m		£m
3.8	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	13.8
70.1	Capital grants credited to the net surplus or deficit on the provision of services	187.2
73.9		201.0

33. Cash Flow Statement – Investing Activities

2023-24		2024-25
£m		£m
112.2	Purchase of property, plant and equipment, investment property and intangible assets	181.8
(1,740.3)	Proceeds from short-term and long-term investments	(2,061.4)
1,646.6	Purchase of short-term and long-term investments	2,087.6
(3.8)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(15.3)
(80.1)	Capital grants received	(158.9)
0.1	Other receipts from investing activities	4.7
(65.4)	Net cash outflows/(inflows) from investing activities	38.5

34. Cash Flow Statement – Financing Activities

2023-24		2024-25
£m		£m
10.5	Billing Authorities - Council Tax and NNDR Adjustments	10.6
0.6	Reduction/(increase) in finance lease liability	(9.3)
11.1	Net cash inflows from financing activities	1.3

35. Cash and Cash Equivalents

31 March 2024		31 March 2025
£m		£m
0.0	Cash	0.0
47.2	Cash Equivalents (cash readily available and held by City of London Corporation)	40.9
47.2	Total	40.9

Cash equivalents are represented by cash in hand readily available to the City Fund, held by the City of London Corporation, and deposits with financial institutions repayable without penalty on notice of not more than 24 hours less cheques and BACS payments issued but not presented.

The City Fund utilises the bank account of the City of London Corporation, who are the named entity on the bank account. The City Fund does not hold cash at bank.



Other Notes to the Accounts

36. Related Party Transactions

The City Fund is required to disclose information on material “related party transactions” with bodies or individuals that have the potential to control or influence the authority or be controlled or influenced by the authority.

Disclosure

Members are required to disclose their interests, and these can be viewed online at <http://democracy.cityoflondon.gov.uk/mgMemberIndex.aspx?bcr=1>. Members and Chief Officers have been requested to disclose related party transactions of £10,000 or more in 2024-25, including instances where their close family has made transactions with the City of London.

During 2024-25 the following transactions have been disclosed. This is where Members held positions of control or significant influence in related parties to City Fund are:Can

Related party	Connected party	2024-25 £000	2023-24 £000	Detail of transaction
Addleshaw Goddard Ltd	A Member's spouse is a Partner	-	(11)	Income received by City Fund for Room hire
Allen & Overy LLP	A Member's spouse is a Senior Associate	-	(36)	Income received for building managed by City Fund
Aviva	A Member is Head of HR	(44)	(67)	Provision of service costs received by City Fund/ Contribution to Sculptures in the City project
Blue Moon	A member is the founder & chief executive	(30)		Credit note in relation to fees paid for services to City Fund
CBRE	A member is an executive director and a member is employed by CBRE	68	156	Payment of service costs and management fees to City Fund
Deloitte LLP	A Member is a Partner	(51)	24/(13)	Provision of service costs received by City Fund
Deutsche Bank	A Member is a Director & a members spouse is a managing director	(135)	(120)	Provision of service costs received by City Fund
EC Business Improvement District	A member is a director	4,427/(207)	-	Levy paid to BID/ income related to maintenance/ cleansing services provided by City Fund
Home Office	A Member was the Lead NED	-	6/7,885	Police Grants from Home office to City Fund
Hiscox Group	A Member is Chairman of Hiscox Group	-	1/(27)	Contribution received by City Fund

London & Partners	A Member is a Director	8	45/(2)	Licence fee paid by City Fund
London Councils	A member is a Director in London Councils Ltd	12/(37)	(8)/(24)	Council Grants to City Fund & contributions to London Councils
London Metropolitan University	A Member is the Chair of the University	-	(1,597)	Income received by City Fund for provisions of services to the University
Lord Mayors Appeal Ltd	Two members are directors & 2 members are trustees	14	-	Donation of Beerfest profits
National CRC Group Limited	A Member is the Chair	-	446	Fees paid by City Fund for services provided
New London Architecture	A member is Chair of New London Architecture	-	52/(235)	Management Fees paid by City Fund and the provision of service costs received by City Fund
Lloyds of London	A Member is a member of council and Deputy Chair, a member is an owner of an LLP at Lloyds of London	(14)	(1,815)	Funds to City Fund for Project Works
Partnership for Young London	A Member is a Director, Two members are trustees	(15)/(10)	15/(10)	Reversal of prior year creditor in relation to Pan London CiCC contract; central support charges received by City Fund
Phoenix Group Holdings PLC	A Member is Chairman for Phoenix Group Holdings PLC	-	(55)	Income to City Fund for Sponsorship and logo for Net Zero Summit
UBS	A Member is the Chief Operating Officer of UBS	-	-	Membership Fees

The following transactions have been disclosed where Members have declared an interest in parties that have transactions with the City Fund during 2024-25.

Related party	Connected party	2024-25	2023-24	Detail of transaction
		£000	£000	
Barbican Association	Five members are members of the Barbican Association	19	-	Payment of expenses by City Fund
St Bart's Hospital	A Member is a Patron	-	2/(28)	Provision of service costs received by City Fund
Bloomberg LP	A Member is an Employee	(246)	(168)	Payment to City Fund for Sponsorship Fees & contribution to Sculptures in the City project
City of London Guides and Lecturers Association	A Member is a Member of the COL Guides and Lecturers Association	-	(15)	Provision of service costs received by City Fund
City University London	A member is an independent member of the council	(354)	(198)	Provision of service costs received by City Fund
DLA Piper UK LLP	One member is an equity partner and one member is a consultant to DL A Piper UK LLP	(15)	-	Membership fees received by City Fund
Islington Council	A Member is an Employee	-	414/(934)	National Non-Domestic Rates payment to City Fund and Income received for Services provided by City Fund
Islington Primary School	A Member is an Employee		49	Education Grant paid by City Fund
Keltbray Ltd	A Member is a Consultant in Keltbray Ltd	(24)	(30)	Provision of service cost received by City Fund and a refund to Keltbray for services provided
Lloyds Banking Group	A Member is an Employee	(799)	(6)/(162)	Provision of Services costs received by City Fund
London Borough of Sutton	A Member is the Head of Pensions Investments	(227)	(729)/(201)	Provision of service costs received by City Fund
Merchant Taylors' Company	A member is a Court Assistant	-	10/(2)	Provision of service costs received by City Fund
Royal Borough of Kingston	A Member is the Head of Pensions Investments	(225)	(229)	Income received by City Fund for the Provision of Services
Ministry of Defence	Member is a TA officer	(56)	-	Provision of service costs received by City Fund
PWC LLP	A Member is an Advisor of PWC LLP		(8,397)/(111)	Consultancy fees paid for services provided by PWC and income received by City Fund for room rental and sponsorship costs
Museum of London	Four Members are on the Board of Governors	5,639/(395)	5,451/(447)	Grants' paid by City Fund to MOL and Rental Income received from MOL to City Fund

Related Party Transactions with the Museum of London

The Museum of London is financed by the City of London and the Greater London Authority with the latter being the major funder as a co-sponsor. The City of London's contribution in 2024-25 was £100.2m (2023-24: £42.3m) and the City Fund received £1.05m for rent, loan repayments and other services. At 31st March 2024 there was an outstanding receivable of £1.02m relating to rent and loan repayments. For 2024-25, City Fund is committed to provide £5.64m (£5.46m in 2023-24) of grant funding for the running costs of the Museum.

Half of the appointments to the Board are made by the City of London and a Member has declared an interest in the Museum. However, the City of London does not exercise control of the Museum.

Related Party Transactions with City's Estate and City Bridge Foundation

During 2024-25, City's Estate provided a grant of £35.4m to City Fund for the Salisbury Square Development.

During the year, City Bridge Foundation contributed for its share of costs - £0.313m (2023-24: £0.114m) towards Corporate IT projects and were credited £0.075m (2023-24: £0.091m) in respect of the "Secure City" project, relating to CCCTV and telecommunications. The balance owed to CBF at year end was nil (2023-24: nil).

Related Party Transactions not disclosed elsewhere in the Accounts

The UK government has significant influence over the general operations of City Fund. It is responsible for providing the statutory framework within which the City Fund operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that City Fund has with other parties (e.g. council tax bills, housing benefits). Grants from government departments are shown in Note 6. Amounts due to and from central government departments at 31 March 2025 are shown in notes respectively. Disclosures are made in respect of other public bodies which are subject to common control by central government in other parts of the accounts as follows:

- Precepts from other Authorities
- Pension Fund

Amounts paid to HM Revenues and Customs in respect of employer's national insurance contributions of £18.92m (2024: £16.77m).

In the City of London Police's role as lead force for cybercrime the City Corporation has assumed responsibility of National CRC Group Limited (company no 13027672), which is a company limited by guarantee tasked with promoting the effectiveness and efficiency of the Police Service in connection to the protection from and prevention of cybercrime through England and Wales. The City Corporation assumed this role from December 2021. As the only Member of the company this would be considered a subsidiary of the City Corporation, specifically of City Fund. However, due to the limited activity of the company to date and small financial value (total balance sheet value at 31 March 2025 was £127,388), no consolidation has taken place.

37. Members Allowances

In 2021, the Court of Common Council introduced an annual, flat rate, allowance for Members, based on the City Corporation's rate for inner-London Weighting. The allowance is optional and is intended to recompense Members for the duties they undertake on behalf of the City Corporation, while also enabling those who chose not to claim from the scheme to maintain their status as volunteers. During the year, £0.436m in remuneration from the City Fund was claimed for Members undertaking their duties (2023-24: £0.269m).

Members may also claim travelling expenses in respect of activities outside the City and receive allowances in accordance with a scale when attending a conference or activity on behalf of the City Corporation. These costs totaling £3,647.78 (2023-24: £2,452.42) across all of the City's activities. These costs were met from the endowment funds of the City Corporation and not charged to City Fund.

38. Contingent Liabilities

There are no contingent liabilities to disclose as at 31 March 2025.

39. Events after the reporting period

In preparing these accounts the City Fund is required to consider events that may have an impact on the financial statements since 31 March 2025. Events after this date have been considered in respect of material impact on the financial statements. No adjustments have been made.

40. Agency Transactions

The City Fund carries out certain work on an agency basis for this it is fully reimbursed. The City Fund has acted as a Lead Authority for the London Business Rate Pool, which operated from 2018-19 through to 2020-21. This role includes acting as finance lead for the pool, which involves aggregating business rate income from participating authorities and distributing funds on behalf of the pool.

In 2022-23 the City of London alongside Brent, Barnet, Enfield, Hackney, Haringey, Tower Hamlets and Waltham Forest, formed the "Eight Authority Pool". The arrangements for the Eight Authority Pool are the same as those of the London Business Rates Pool with the City of London acting as lead authority.

Although the London-wide Business Rates Pool did not operate during 2024-25, the Eight Authority Pool continued in 2024-25. Residual balances relating to prior year pool activity remain on the City Fund balance sheet pending completion of external audits of all members and completion/settlement of outstanding funds.

The outstanding debtors, cash and creditors balances in relation to both pools are shown below. Please note this excludes London NNDR Pool SIP balances which are included in the City Fund CIES and Balance Sheet.

Business Rate Pool Balances	Balance as at 31 March 2025 £m
Short-Term Debtors	0.0
Cash & Cash Equivalents	12.3
Short-Term Creditors	(12.3)



Supplementary Accounts and Notes

Housing Revenue Account

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the HRA Statement.

The HRA continues to be carefully monitored both in year and over the medium term. A financing plan is being developed to ensure that a planned surplus is delivered and replenishes the reserves, pending new housing units coming on stream to bring additional rental income into the HRA

Income and Expenditure Statement				
2023-24		Notes	2024-25	
£m			£m	£m
	Expenditure			
5.8	Repairs and maintenance		7.4	
8.8	Supervision and management		8.8	
2.1	Depreciation of non-current assets		2.1	
7.2	Revaluation (gain)/loss on HRA dwellings		4.2	
0.1	Movement in the allowance for bad debts	1	(0.2)	
24.0	Total Expenditure			22.3
	Income			
(11.5)	Dwelling rents		(12.4)	
(1.9)	Non-dwelling rents		(1.8)	
(3.3)	Charges for services and facilities		(3.9)	
(0.3)	Contributions towards expenditure		(0.2)	
(17.0)	Total Income			(18.3)
7.0	Net Expenditure/(Income) of HRA Services as included in the City Fund CIES cost of services			4.0
	HRA share of other income and expenditure included in the City Fund CIES			
0.0	Net (gain)/loss on Disposal of Fixed Assets		0.0	
0.2	Interest and investment income		0.5	
0.0	Investment property (gain)/loss on revaluation		0.0	
7.3	(Surplus)/deficit for the year on HRA Services		4.5	

Movement on the HRA Statement				
2023-24		Notes	2024-25	
£m			£m	£m
(0.2)	Balance on the HRA at the end of the previous year			(0.3)
7.3	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement		4.5	
(7.3)	Adjustments between accounting basis and funding basis under statute	2	(4.2)	
(0.1)	(Increase)/decrease in year on the HRA			0.3
(0.3)	Balance on the HRA at the end of the current year			0.0

1. Impairment Allowance for Bad and Doubtful Debts

2023-24		2024-25
£m		£m
0.85	Provision at 1 April	0.93
(0.03)	Bad Debts written off	(0.08)
0.11	Decrease in Provision	(0.23)
0.93	Provision at 31 March	0.62

2. Adjustments between Accounting Basis and Funding Basis under Statute

Note 11 to the City Fund Financial Statements provides further analysis of the adjustments between the accounting basis and funding basis under statute.

3. Housing Stock

As at 31 March 2025 the City Corporation's HRA rental stock was 1,858 dwellings. The HRA also includes costs and service charge income relating to properties sold on long leases of which there were 942 as at 31 March 2025 (2023: 940).

31 March 2024		31 March 2025
No.		No.
27	Houses and Bungalows	27
1,833	Flats	1,831
1,860	Total	1,858

31 March 2024		31 March 2025
No.		No.
1,860	Stock at 1 April	1,860
(3)	Sales	(3)
3	New Build	1
1,860	Stock at 31 March	1,858

4. Arrears of Rent, Service and Other Charges

As at 31 March 2025 the total arrears for rent, service charges and other charges were £7.7m (31 March 2024: £6.7m) as follows:

31 March 2024		31 March 2025
£m		£m
0.2	Former residential tenants	0.1
0.4	Current residential tenants	0.4
1.5	Commercial tenants	1.5
4.7	Service charges	6.1
(0.1)	Other charges	0.4
6.7	Total arrears	7.7

5. HRA Property, Plant and Equipment

The value of council dwellings within the HRA does not include all council dwellings owned by the City Fund (see note 13) as some council dwellings are held outside of the HRA such as the Barbican Estate.

2023-24				2024-25				
Council Dwellings	Other Land & Buildings	Assets under construction	Total	Movements on Balances	Council Dwellings	Other Land & Buildings	Assets under construction	Total
£m	£m	£m	£m		£m	£m	£m	£m
				Cost or valuation				
180.3	36.6	48.9	265.8	1 April	176.3	32.0	61.0	269.3
14.6	0.0	17.8	32.4	Additions	6.9	0.1	39.8	46.8
5.7	0.0	(5.7)	0.0	Transfers	0.1	(3.5)	(0.1)	(3.5)
(7.6)	(4.5)	0.0	(12.1)	Revaluation increase/(decrease) recognised in the Revaluation Reserve	0.2	2.7	0.0	2.9
(16.3)	(0.1)	0.0	(16.4)	Revaluation decreases recognised in the Surplus/Deficit on the Provision of Services	(5.5)	0.0	0.0	(5.5)
(0.3)	0.0	0.0	(0.3)	Derecognition – disposals	(0.3)	0.0	0.0	(0.3)
0.0	0.0	0.0	0.0	Assets reclassified (to)/from Held for Sale	0.0	0.0	0.0	0.0
176.4	32.0	61.0	269.4	31 March	177.7	31.3	100.7	309.7
				Accumulated Depreciation and Impairment				
(0.1)	(0.2)	0.0	(0.3)	1 April	0.0	(0.2)	0.0	(0.2)
(1.8)	(0.3)	0.0	(2.1)	Depreciation Charge	(1.7)	(0.3)	0.0	(2.0)
0.8	0.2	0.0	1.0	Depreciation written out to the Revaluation Reserve	0.4	0.2	0.0	0.6
1.0	0.1	0.0	1.1	Depreciation written out to the Surplus/Deficit on the Provision of Services	1.3	0.0	0.0	1.3
0.0	0.0	0.0	0.0	Derecognition – disposals	0.0	0.0	0.0	0.0
(0.1)	(0.2)	0.0	(0.3)	31 March	0.0	(0.3)	0.0	(0.3)
				Net Book Value				
180.2	36.4	48.9	265.5	1 April	176.3	31.8	61.0	269.1
176.3	31.8	61.0	269.1	31 March	177.7	31.0	100.7	309.4

6. Housing Asset Valuation

Dwellings are valued at their 'existing use with vacant possession' and then reduced to reflect 'existing use for social housing'. The reduction is a measure of the economic cost of providing council housing at less than open market rents. Current DLUHC guidance (guidance for valuers – 2016) identifies a vacant possession adjustment factor for London of 25%. This factor has been adopted in establishing the Existing Use Value-Social Housing. The estimated vacant possession value of HRA dwellings at 31st March 2025 is £710.4m (£723.5m 31st March 24) which has been reduced by 75% to £177.7m (£182.5m at 31st March 24) to reflect social housing.

7. Major Repairs Reserve

2023-24		2024-25
£m		£m
0.4	Balance 1 April	0.0
	Transfer from HRA equal to depreciation	
(2.1)	Dwellings	(2.1)
0.0	non dwellings	0.0
0.0	Additional contribution to/(from) HRA	0.0
1.8	Capital expenditure (dwellings)	1.5
(0.0)	Balance 31 March	(0.6)

The reserve is used to finance capital expenditure and the balance is included with other capital reserves in the City Fund Balance Sheet.

8. HRA Capital Expenditure

Expenditure for capital purposes and methods of financing are set out below.

2023-24		2024-25
£m		£m
	Expenditure in year	
	Fixed assets	
17.8	Assets under construction	39.8
14.6	Dwellings	6.9
0.0	Other	0.1
0.0	Revenue expenditure funded from capital under statute	0.0
32.4	Total Expenditure	
	Methods of financing	
0.0	GF Appropriation	3.5
8.4	Capital Receipts	0.0
1.8	Major Repairs Reserve	1.5
22.2	Grants and contributions	41.8
32.4	Total Financing	46.8

Collection Fund Statement

The Collection Fund shows the transactions of the billing authority in relation to the collection of council tax and non-domestic rates from local taxpayers, and its subsequent distribution to local authorities and the Government. The City Corporation's share of council tax and business rates income is reflected in the CIES on an accruals basis in line with the Code.

2023-24			Notes	2024-25		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£m	£m	£m		£m	£m	£m
			INCOME			
(10.0)	0.0	(10.0)	Council Tax Receivable	(10.7)	0.0	(10.7)
(0.2)	0.0	(0.2)	Transfer from City Fund (Reliefs)	(0.2)	0.0	(0.2)
	(1,259.6)	(1,259.6)	National Business Rates	1	(1,292.8)	(1,292.8)
	0.0	0.0	National Business Rates transitional protection payments		0.0	0.0
	(42.8)	(42.8)	GLA Business Rate Supplement		(43.9)	(43.9)
	(35.2)	(35.2)	City Business Rate Premium		(43.2)	(43.2)
(10.2)	(1,337.6)	(1,347.8)	TOTAL INCOME	(10.9)	(1,379.9)	(1,390.8)
			EXPENDITURE			
			Council Tax Precepts and Demands			
8.9	0.0	8.9	City	2	9.0	9.0
1.3	0.0	1.3	GLA		1.4	1.4
0.1	0.0	0.1	Impairment of debt for Council Tax		(0.1)	(0.1)
			National Business Rates Precepts and Demands	2		
	340.8	340.8	City		359.5	359.5
	420.4	420.4	GLA		443.3	443.3
	374.9	374.9	Central Government		395.4	395.4
	(5.5)	(5.5)	National Business Rates transitional protection payments		(0.8)	(0.8)
	42.2	42.2	Business Rate Supplement collected on behalf of GLA		43.3	43.3
	32.7	32.7	City Business Rate Premium		41.3	41.3
	12.5	12.5	City Offset	5	13.3	13.3
	1.1	1.1	Interest paid on refunds		3.6	3.6

2023-24			Notes	2024-25		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
			EXPENDITURE CONTINUED			
			Impairment of debts for Business Rates			
	12.4	12.4	National		(16.2)	(16.2)
	0.6	0.6	GLA		0.5	0.5
	0.5	0.5	Premium		0.1	0.1
			Impairment of appeals for Business Rates			
	84.8	84.8	National		12.9	12.9
	2.0	2.0	Premium		1.8	1.8
			Cost of Collection Allowance			
	1.9	1.9	National Business Rates		2.0	2.0
	0.0	0.0	GLA Business Rate Supplement		0.1	0.1
			Contributions towards previous year's estimated Collection Fund Surplus/(Deficit)			
0.8	2.9	3.7	City	0.0	20.6	20.6
0.1	3.6	3.7	GLA	0.0	25.4	25.4
	3.2	3.2	Central Government		22.7	22.7
11.2	1,331.0	1,342.2	TOTAL EXPENDITURE	10.3	1,368.8	1,379.1
1.0	(6.6)	(5.6)	(Surplus)/Deficit for Year	(0.6)	(11.1)	(11.7)
(0.8)	(80.8)	(81.6)	Balance 1 April	0.0	(87.4)	(87.4)
0.2	(87.4)	(87.4)	Balance 31 March	(0.6)	(98.5)	(99.1)

1. Income from Business Rates

The Local Government Finance Act 1988 replaced the Locally Determined Non-Domestic Rate with a National Non-Domestic Rate (NNDR) set by the Government. In addition to the NNDR, there is a discounted rate for small businesses known as the Small Business Non-Domestic Rate (SBNDR). In 2024-25 the City of London set a non-domestic rating multiplier of 0.564 (56.4p in the £) and a small business non-domestic rating multiplier of 0.517 (51.7p in the £). This comprises the NNDR and SBNDR multipliers of 0.546 and 0.499 respectively, plus a premium of 1.8p in the £ to provide additional funding to enable the City Corporation to continue to support Police, security, resilience and contingency planning at an enhanced level.

In addition, for those business premises which have a rateable value of more than £75,000, the Greater London Authority (GLA) is levying a business rate supplement (BRS) multiplier of 2p in the £ for the 2024-25 financial year to finance the Crossrail project. The City Corporation collects the BRS on an agency basis on behalf of the GLA. The rateable value at the 31 March 2025 was £2.683bn.

2023-24		2024-25
£m		£m
(1,373.3)	National Business Rates	(1,422.7)
78.4	Less: Voids	86.8
14.1	Mandatory and discretionary relief	18.4
20.6	Expanded retail, leisure, and hospitality relief	24.4
0.7	Partly occupied allowance	0.3
(1,259.6)	Net income from national business rates	(1,292.8)

2. Calculation of Council Tax

The Local Government Finance Act 1992 introduced the Council Tax from 1 April 1993, replacing the Community Charge. The Act prescribes the detailed calculations that the City of London Corporation, as a billing authority, has to make to determine the Council Tax amounts. The City of London set a basic amount of £1,051.62 for a Band D property, inclusive of a 2.99% general increase and a 2% increase for Adult Social Care.

To this £1,051.62 is added £166.27 in respect of the precept from the Greater London Authority to arrive at the total Council Tax of £1,217.89 for a Band D property in 2024-25. Prescribed proportions are applied to this basic amount to determine the Council Tax amounts for each of the bands as follows:

BAND	Proportion	Council Tax
		£
A	6/9	811.93
B	7/9	947.25
C	8/9	1,082.57
D	9/9	1,217.89
E	11/9	1,488.53
F	13/9	1,759.18
G	15/9	2,029.82
H	18/9	2,435.78

3. Tax Bases 2024-25

The table below shows the number of chargeable dwellings in each valuation band converted to an equivalent number of Band D dwellings. The totals for each area are described as "aggregate relevant amounts" which reflects the number of dwellings adjusted for applicable discounts and exemptions. These amounts, multiplied by the collection rate of 97%, produce the tax base for each of the areas shown.

This amount was approved by the Chamberlain under the delegated authority of the City of London together with the Council Tax bases for each part of the City's area.

BAND	MIDDLE	INNER	CITY AREA	TOTAL
	TEMPLE	TEMPLE	EXCLUDIN G	CITY
			TEMPLES	AREA
A	-	-	2.33	2.33
B	-	-	140.86	140.86
C	-	-	441.96	441.96
D	-	-	803.69	803.69
E	9.78	0.92	3,007.40	3,018.10
F	32.14	24.56	1,612.88	1,669.58
G	24.17	61.25	2,106.70	2,192.12
H	-	4.00	565.00	569.00
AGGREGATE RELEVANT AMOUNTS	66.09	90.73	8,680.82	8,837.64
COLLECTION RATE	97%	97%	97%	
TAX BASES	64.11	88.01	8,420.4	8,572.52

4. City Fund Offset

To reflect the unique characteristics of the square mile, the Government allows the City Fund to retain an amount from the NNDR paid by City businesses. This totalled £13.3m in 2024-25 (2023-24: £12.5m).

5. (Surplus)/Deficit for the year

A business rates surplus of £11.1m was achieved for the year, but this was in large part due to a prior year surplus of £6.5m which was payable in 2024-25. After adjusting for the prior year surplus, the in year position was a surplus of £17.6m.

Breakdown of Business Rate Collection Fund Deficit	Total	City	GLA	Central Govt
Percentage allocation		30%	37%	33%
Opening collection fund surplus/(deficit)	87.4	26.2	41.3	19.8
Prior year surplus/(deficit)	68.7	20.6	25.4	22.7
In-year surplus/(deficit)	79.8	23.9	29.5	26.3
Closing Surplus/(deficit)	98.5	29.5	45.4	23.4

Police Pension Fund

Police Pension Fund Account for the year ended 31 March 2024

2023-24		2024-25	
£m		£m	£m
	Contributions receivable		
	- from employer		
(13.4)	normal	(16.2)	
0.0	early retirements	(1.0)	
(5.8)	- from members	(6.3)	
(19.2)			(23.5)
(0.1)	Transfers in from other Police Authorities		0.0
	Benefits payable		
31.9	- pensions	34.4	
6.7	- commutations and lump sums	7.1	
38.6			41.5
	Payments to and on account of leavers		
0.0	- Transfers out to other Police Authorities	0.0	
0.0	- Other	0.1	
19.3	Sub-total: Net amount payable for the year before transfer from Police Authority	18.1	
(19.3)	Additional contribution from Police Authority	(18.1)	

- i. The Police Pension Fund was established under the Police Pension Fund Regulations 2007 (SI 2007 No. 1932).
- ii. It is a defined benefits scheme, administered internally by the City of London and all City of London police officers are eligible for membership of the pension scheme.
- iii. The fund's financial statements have been prepared using the accounting policies adopted for the City Fund financial statements set out on pages 140 to 158. The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. Information on the long-term pension obligations can be found in the City Fund financial statements (see notes 23 to 26, page 69-79).
- iv. Under the rules of the scheme, members may elect to commute a proportion of their pension in favour of a lump sum. Where a member has taken a commutation option, these lump sums are accounted for on an accruals basis from the date the option is exercised.
- v. Transfer values represent the capital sums in respect of members' pension rights either received from or paid to other pension schemes in respect of members who have joined or left the service.
- vi. The scheme is unfunded and consequently has no investment assets. Benefits payable are funded by contributions from employers and employees and any difference between benefits payable and contributions receivable is met by a top-up grant from the Home Office.
- vii. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to triennial revaluation by the Government Actuary's Department.
- viii. The account is prepared on an accruals basis and normal contributions, both from the members and the employer, are accounted for in the payroll month to which they relate.

Independent auditor's report to the members of City of London Corporation on the pension fund financial statements of City of London Corporation Pension Fund

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City of London Pension Fund Account

Fund Account for the year ended 31 March 2025

Net Asset Statement as at 31 March 2025

2023-24	Notes	2024-25
£m		£m
	Dealings with members, employers and others directly involved in the Fund	
(53.1)	Contributions	7
(5.7)	Transfers in from other pension funds	(7.3)
(58.8)		(67.6)
58.4	Benefits	8
5.7	Payments to and on account of leavers	9
64.1		67.7
5.3	Net (additions)/withdrawals from dealings with members	0.1
8.2	Management expenses	10
13.5	Net withdrawals including fund management expenses	8.3
	Returns on investments	
(5.8)	Investment income	11
(128.1)	Profit and losses on disposal of investments and changes in the value of investments	12
(133.9)	Net return on investments	(37.8)
(120.4)	Net (increase)/decrease in the net assets available for benefits during the year	(29.5)
(1,375.4)	Opening net assets of the scheme	(1,495.8)
(1,495.8)	Closing net assets of the scheme	(1,525.3)

2023-24	Notes	2024-25
£m		£m
0.2	Long-term investments	0.2
1,483.6	Investment assets	12
1,483.8	Total net investments	1,501.9
14.0	Current assets	18
(2.0)	Current liabilities	19
1,495.8	Net assets of the Fund available to fund benefits at the end of the reporting period	1,525.3

1. Description of the City of London Pension Fund

a) General

The City of London Pension Fund is part of the LGPS and is administered by the City of London. The City of London is the reporting entity for this pension fund.

The City of London Pension Fund is a funded defined benefits scheme established in accordance with statute. With the exception of serving police officers, teachers and judges who have their own schemes, all City of London staff are eligible for membership of the Local Government Pension Scheme (LGPS).

Benefits include retirement pensions and early payment of benefits on medical grounds and payment of death benefits where death occurs either in service or in retirement. The benefits payable in respect of service from 1st April 2014 are based on career average revalued earnings and the number of years of eligible service. Pensions are increased each year in line with the Consumer Price Index.

The Fund is governed by the Public Service Pensions Act 2013 and the following secondary legislation:

- The LGPS Regulations 2013 (as amended)
- The LGPS (transitional Provisions, Savings and Amendment) Regulations 2014 (as amended) and
- The LGPS (Management and Investment of Funds) Regulations 2016.

The Fund is administered internally by the City of London. The Fund's investments are managed externally by several fund managers with differing mandates determined and appointed by the City of London.

b) Membership of the Fund

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. Organisations participating in the City of London Pension Fund include:

- Scheduled bodies, which are automatically entitled to be members of the Fund
- Admitted bodies, which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

The following table summarises the membership numbers of the scheme:

	31 March 2025			31 March 2024	
	Current contributors	Beneficiaries in receipt of pension	Deferred members	Total	Total
	No.	No.	No.	No.	No.
ADMINISTERING AUTHORITY					
City of London Corporation	4,816	4,649	4,877	14,342	13,825
	4,816	4,649	4,877	14,342	13,825
SCHEDULED BODIES:					
Museum of London	274	320	699	1,293	1,271
Magistrates Court	0	16	9	25	28
Multi Academy Trust	26	0	7	33	20
	300	336	715	1,351	1,319
ADMITTED BODIES:					
Irish Society	5	11	1	17	16
Parking Committee for London	0	7	4	11	11
Guildhall Club	0	5	4	9	8
City Academy - Southwark	109	15	155	279	254
Schools Plus Ltd	1	0	0	1	0
Sir John Cass (Brookwood)	0	1	0	1	1
AMEY (Enterprise)	0	6	3	9	9
Eville and Jones	0	0	1	1	1
London CIV	7	2	19	28	28
Turning Point	1	0	0	1	1
Agilysis	0	6	13	19	20
Agilysis (police)	0	1	1	2	3
Bouygues (EDTE)	0	0	1	1	1
Cook & Butler	0	1	1	2	2
1SC Guarding Limited	0	3	0	3	3
Skanska	4	1	0	5	5
Veolia	3	1	1	5	5
	130	60	204	394	368
TOTAL	5,246	5,045	5,796	16,087	15,512

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the Local Government Pension Scheme Regulations 2013 and ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. Employers' contributions are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2022. For 2024/25, employer contribution rates range from 15.0% to 21.0% of pensionable pay.

d) Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Prices Index.

A range of other benefits are also provided including early retirement, disability pensions and death benefits, as explained on the [LGPS website](#).

2. Basis of preparation

The statement of accounts summarises the Fund's transactions for the 2024/25 financial year and its financial position at 31 March 2025. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25* (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Paragraph 3.3.1.2 of the Code requires disclosure of any accounting standards issued but not yet adopted. IAS 21 'The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)' which was issued in August 2023 clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. Implementation

of IAS 21 is not expected to have a material impact on the Pension Fund.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The Pension Fund has opted to disclose this information in Note 17.

The accounts have been prepared on a going concern basis. The administering authority is confident that the Fund will have sufficient resources to meet obligations as they fall due over the foreseeable future.

3. Accounting policies

- i. The pension fund accounts are accounted for on an accruals basis for income and expenditure, with the exception of transfer values in and out, which are accounted for on a cash basis.

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

Financial Assets

- ii. Investment assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the fund account.
- iii. The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 13). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Acquisition costs are included in the purchase costs of investments.

Foreign Currency Transactions

- iv. Assets and liabilities in overseas currencies are translated into sterling at the exchange rates ruling at the net asset statement date. Transactions during the year are translated at rates applying at the transaction dates. Surpluses and deficits arising on conversion are dealt with as part of the change in market values of the investments.

Management Expenses

- v. The Fund discloses its pension fund management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses (2016), as shown below. All items of expenditure are charged to the Fund on an accruals basis as follows:

Administration expenses	All staff costs of the pensions administration team are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
Oversight and governance	All staff costs associated with governance and oversight are charged direct to the Fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the Fund.
Investment management expenses	Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments.

- vi. Where an investment manager's fee note has not been received by the balance sheet date, an estimate based upon the most recent available equivalent trailing reporting period is used for inclusion in the fund account.

Investment Income

- vii. Income from investments is accounted for on an accruals basis. Investment income arising from the underlying investments of the Pooled Investment Vehicles is typically reinvested within the Pooled Investment Vehicles and reflected in the unit price.

The change in market value of investments during the year are recognized as income and comprises all increases and decreases in the market value of investments held at any time during the year, including profit and losses realised on sales of investments and unrealised changes in market value.

Contribution Income

- viii. Normal contributions, both from members and employers, are accounted for in the payroll month to which they relate at rates as specified in the rates and adjustments certificate.

Additional Voluntary Contributions

- ix. Additional contributions from employers are accounted for in accordance with the agreement under which they are paid, or in the absence of such agreement, when received.

Benefits Payable – Retirement grants

- x. Under the rules of the Scheme, members may receive a lump sum retirement grant in addition to their annual pension. Lump sum retirement grants are accounted for from the date of retirement. Where a member can choose to take a greater retirement grant in return for a reduced pension these lump sums are accounted for on an accruals basis from the date the option is exercised.

Transfers to and from other schemes

- xi. Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations 2013. Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Cash and Cash Equivalents

- xii. Cash comprises cash at the Bank, all cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes in value.

Actuarial present value of promised retirement benefits

- xiii. The actuarial present value of promised retirement benefits is

assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 17).

Contingent Assets, Contingent Liabilities and Contractual Commitments

- xiv. A contingent asset arises where an event has taken place giving rise to a possible asset whose existence will only be confirmed or otherwise by future events. A contingent liability arises where an event prior to the year-end has created a possible financial obligation whose existence will only be confirmed or otherwise by future events. Contingent liabilities can also arise when it is not possible at the Balance Sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognized in the net asset statement but are disclosed by way of narrative in the notes.

4. Critical judgements in applying accounting policies

The Fund was not required to make any critical judgements when applying its accounting policies.

5. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made considering historical experience, current trends and

other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

The items in the net assets statement at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 17)	Estimation of the net liability to pay pensions depend on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied. This uncertainty relates solely to the disclosures made in Note 18 and does not impact on the Net Asset Statement or Pension Fund Account.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance: <ul style="list-style-type: none"> a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £20m a 0.1% increase in assumed earnings inflation would increase the value of liabilities by approximately £1m a one-year increase in assumed life expectancy would increase the liability by approximately £49m.
Private equity investments (Note 13)	Private equity investments are valued at fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines (2022) and use valuation techniques that rely on unobservable inputs.	Private equity investments are valued at £21.2m in the accounts. There is a risk that this investment may be under or overstated significantly if the underlying valuation assumptions change. Please refer to Note 13 for a sensitivity analysis demonstrating the impact of a change in assumptions.
Infrastructure and pooled property investments (Note 13)	Infrastructure and pooled property investments are valued at fair value using valuation techniques that rely on unobservable inputs.	Infrastructure and pooled property investments are valued at £161.7m and £118.0m, respectively in the accounts. There is a risk that this investment may be under or overstated significantly if the underlying valuation assumptions change. Please refer to Note 13 for a sensitivity analysis demonstrating the impact of a change in assumptions.

6. Events after the reporting date

There are no events occurring after the reporting date that necessitate adjustments (adjusting events) or disclosure (non-adjusting events).

7. Contributions receivable

By Category

2023-24		2024-25
£m		£m
(13.9)	Employees' contributions	(15.7)
	Employers' contributions	
(34.9)	Normal contributions	(39.7)
(4.0)	Deficit recovery contributions	(4.5)
(0.3)	Pensions strain contributions	(0.4)
(39.2)	Total employers' contributions	(44.6)
(53.1)		(60.3)

By type of employer

2023-24		2024-25
£m		£m
(49.6)	Administering authority	(56.5)
(2.5)	Scheduled bodies	(2.9)
(1.0)	Admitted bodies	(0.9)
(53.1)		(60.3)

8. Benefits payable

By Category

2023-24		2024-25
£m		£m
50.7	Pensions	54.6
6.0	Lump sum retirement benefits	7.2
1.7	Lump sum death benefits	1.6
58.4		63.4

By type of employer

2023-24		2024-25
£m		£m
54.7	Administering authority	59.2
3.1	Scheduled bodies	3.4
0.6	Admitted bodies	0.8
58.4		63.4

9. Payments to and on account of leavers

2023-24		2024-25
£m		£m
5.5	Individual transfers out	4.1
0.2	Refunds to members leaving service	0.2
5.7		4.3

10. Management expenses

2023-24		2024-25
£m		£m
0.7	Administration expenses	0.6
7.1	Investment management expenses	7.2
0.4	Oversight and governance*	0.4
8.2		8.2

*Includes audit fees of £39,500 that have been charged to the Pension Fund (2023-24: £35,000). The fee payable for the 2024-25 audit is estimated to be £95,000.

a. Investment management expenses

2023-24					2024-25			
Management Fees	Performance Related Fees	Transaction Costs	Total		Management Fees	Performance Related Fees	Transaction Costs	Total
£m	£m	£m	£m		£m	£m	£m	£m
0.6	0.4	0.0	1.0	Infrastructure funds	0.8	0.8	0.0	1.6
4.4	0.0	0.0	4.4	Pooled investments**	3.9	0.0	0.4	4.3
0.6	0.0	0.0	0.6	Pooled property investments	0.6	0.0	0.0	0.6
0.3	0.8	0.0	1.1	Private equity	0.2	0.5	0.0	0.7
5.9	1.2	0.0	7.1	Total	5.5	1.3	0.4	7.2

**Included £1.7m charged to the Pension Fund by the London CIV regional asset pool (£1.1m in 2023-24).

11. Income from investments

2023-24		2024-25
£m		£m
(0.3)	Infrastructure funds	(0.4)
(1.1)	Interest	(1.2)
(0.3)	Pooled Investments	(21.1)
(3.3)	Pooled property investments	(3.7)
(0.8)	Private equity	(0.5)
(5.8)	Total	(26.9)

The Pension Fund's investment policies are focused on capital accumulation in pooled vehicles and private equity investments. Dividends and interest are typically retained at pool level. Where any shortfall of the Net Deductions on Contributions and Benefits Paid was previously covered by investment income, it is intended that the Fund will sell holdings in the pooled vehicles, as necessary, to cover any shortfalls. There are no limitations imposed by the fund managers on the selling of these pooled vehicle funds.

12. Investments

Market Value 31-03-2024		Market Value 31-03-2025
£m		£m
	Investment assets	
	Pooled funds	
212.7	Corporate Bonds	203.3
109.6	Diversified growth funds	113.4
635.6	Global equity	621.7
129.8	Multi asset credit	130.2
174.3	UK equities	132.4
1,262.0		1,201.0
	Other investments	
78.2	Infrastructure funds	161.7
119.0	Pooled property investments	118.0
24.4	Private equity funds	21.2
221.6		300.9
0.0	Investment income due	0.0
1,483.6	Total investment assets	1,501.9
	Long-term investments	
0.2	Equities	0.2
1,483.8	Net investment assets	1,502.1

a. Reconciliation of movements in investments

The table below shows the movement in market values by asset type

	Market Value 31-03-2024	Purchases During the Year	Sales During the Year	Change in Value	Market Value 31-03-2025
	£m	£m	£m	£m	£m
Infrastructure funds	78.2	88.2	(6.5)	1.8	161.7
Long-term investments	0.2	0.0	0.0	0.0	0.2
Pooled investments	1,262.0	271.2	(340.6)	8.4	1,201.0
Pooled property investments	119.0	0.0	(1.7)	0.7	118.0
Private equity funds	24.4	0.2	(3.4)	0.0	21.2
	1,483.8	359.6	(352.2)	10.9	1,502.1
Investment income due	0.0				0.0
Net investment assets	1,483.8				1,502.1

	Market Value 31-03-2023	Purchases During the Year	Sales During the Year	Change in Value	Market Value 31-03-2024
	£m	£m	£m	£m	£m
Infrastructure funds	75.6	0.2	(1.1)	3.5	78.2
Long-term investments	0.2	0.0	0.0	0.0	0.2
Pooled investments	1,153.0	207.0	(226.6)	128.6	1,262.0
Pooled property investments	108.2	15.0	(1.7)	(2.5)	119.0
Private equity funds	29.2	1.1	(4.4)	(1.5)	24.4
	1,366.2	223.3	(233.8)	128.1	1,483.8
Investment income due	0.0				0.0
Net investment assets	1,366.2				1,483.8

b. Investments analysed by fund manager

Market value 31-03-2024			Market value 31-03-2025	
£m	%		£m	%
		Investments managed by the London CIV		
192.9	13%	LCIV Global Alpha Growth Fund*	187.5	12%
0.0	0%	LCIV Global Equity Value Fund**	114.8	8%
0.0	0%	LCIV Global Equity Quality Fund**	154.4	10%
129.8	9%	LCIV Alternative Credit Fund*	130.2	9%
105.5	7%	LCIV Buy and Maintain Fund (Short Duration)*	105.5	7%
107.2	7%	LCIV Buy and Maintain Fund (Long Duration)*	97.8	6%
0.0	0%	LCIV Renewable Infrastructure Fund	12.6	1%
0.0	0%	M&G UK Residential Property Fund**	42.3	3%
0.2	0%	London CIV	0.2	0%
535.6	36%		845.3	56%
		Investments managed outside the London CIV		
40.8	3%	Alternative assets	33.4	2%
119.9	8%	Artemis Institutional Equity Income Fund*	132.4	9%
40.8	3%	Aviva Lime Property Fund	40.2	3%
173.0	12%	C Worldwide Global Equities**	165.0	11%
117.1	8%	Harris Associates Global Equity Fund#	0.0	0%
61.8	4%	IFM Global Infrastructure (UK)	64.9	4%
0.0	0%	JP Morgan Infrastructure Investments Fund**	72.0	5%
54.5	4%	Lindsell Train UK Equity Fund#	0.0	0%
42.9	3%	M&G UK Residential Property Fund**	0.0	0%
35.3	2%	M&G Secured Property Income Fund	35.5	2%
109.6	7%	Ruffer Absolute Return Fund*	113.4	8%
152.5	10%	Veritas Global Focus Fund#	0.0	0%
948.2	64%		656.8	44%
1,483.8	100%	Total	1,502.1	100%
0.0		Investment income due	0.0	
1,483.8		Net investment assets	1,502.1	

*These investments each singularly represent over 5% of the net assets of the Fund.

** The M&G UK Residential Property Fund was moved under pool management from 1 July 2024.

As at 31 March 2025 alternative assets comprise of private equity and infrastructure investments managed through ten separate investment managers.

#During the year 2024/25 the Pension Fund invested in three new funds, the LCIV Global Equity Value Fund (£116.0m), LCIV Global Equity Quality Fund (£155.2m) and the JP Morgan Infrastructure Investments Fund (£75.0m).

LCIV Global Equity Value Fund (GEV)

The Pension Fund agreed to move its investment from the Harris Associates Global Equity Fund to the LCIV GEV Fund due to the Managers similar 'value' style investment bias, increasing the Pension Fund's percentage of assets pooled with the LCIV. The investment was made in three tranches, two tranches of £38.0m each were made in October 2024 and the final tranche of £40.0m was completed on 7 November 2024. The Pension Fund fully divested from equity manager Harris.

LCIV Global Equity Quality Fund (GEQ)

The Pension Fund moved its investment from the Veritas Global Focus Fund to the LCIV GEQ Fund to due to the Managers similar 'quality' style investment bias, increasing the pooled asset percentage with the LCIV. The investment was made in two tranches on 15 November 2024 (£78.0m) and 21 November 2024 (£77.2m). The Pension Fund fully divested from equity manager Veritas.

JP Morgan Infrastructure Investments Fund

The Pension Fund agreed to invest £75.0m in an Open-ended Infrastructure Fund in September 2024 as part of the asset allocation. The Manager issued a drawdown notice and investment was made in full on 2 January 2025. To fund the new investment, the Pension Fund fully disinvested from Lindsell Train, made a drawdown from equity manager C Worldwide and used Cash in the Bank Account.

13. Fair value - basis for valuation

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques*.

Item	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key Sensitivities affecting the valuations provided
Pooled investments - equity funds (UK and Global)	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Pooled investments – multi-asset funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Pooled property investments	Level 3	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Valuations could be affected by significant changes in rental growth, vacancy levels, and the discount rate applied to future cash flows as well as more general changes in market conditions.
Private equity funds	Level 3	Comparable valuation of similar companies in accordance with international private equity valuation guidelines.	Earnings before interest, tax, depreciation and amortisation (EBITDA) multiple, revenue multiple, discount for lack of marketability.	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.
Infrastructure funds	Level 3	Discounted cashflows applied to equity and debt instruments. The Funds determine fair value for these securities by engaging external valuation services.	Earnings before interest, tax, depreciation and amortisation (EBITDA) multiple, revenue multiple, discount for lack of marketability.	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.

* Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

	Assessed valuation range	Market value 31-03-2025	Value on increase	Value on decrease
	(+/-)	£m	£m	£m
Private equity funds	10%	21.2	23.3	19.1
Pooled property investments	10%	118.0	129.8	106.2
Infrastructure funds	10%	161.7	177.9	145.5
		300.9	331.0	270.8

a. Fair value hierarchy

Assets have been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 must be traded in active markets, this includes quoted equities, quoted fixed securities, quoted index linked securities and exchange traded unit trusts.

Level 2

Financial instruments at level 2 are those where quoted market prices are not available for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value. Products classified as level 2 comprise open ended pooled investment vehicles which are not exchange traded, unquoted bonds and repurchase agreements.

Level 3

Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include private equity investments and infrastructure funds which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of pooled property investments are based on valuations provided by the fund managers which in turn represent estimates by independent professional valuers of the open market value of those investment as at the reporting date.

The values of the investment in private equity and infrastructure funds are based on valuations provided by the general partners to the private equity funds in which City of London Pension Fund has invested.

These valuations are prepared in accordance with the international private equity and venture capital valuation guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are typically undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Guidance released by the Pensions Research Accountants Group (PRAG) in 2016 provides further clarification on the classification of pooled investment vehicles as level 1, 2 and 3. Pooled funds that are not quoted on an exchange are classed as level 2, as these do not meet the definition of level 1 investment: *The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date*. The table that follows provides an analysis of the assets of the Pension Fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Values as at 31 March 2024					Values as at 31 March 2025				
Quoted market price	Using observable inputs	With significant unobservable inputs			Quoted market price	Using observable inputs	With significant unobservable inputs		
Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
£m	£m	£m	£m		£m	£m	£m	£m	
				Financial assets at fair value through profit and loss					
0.0	0.0	78.2	78.2	Infrastructure funds	0.0	0.0	161.7	161.7	
0.0	0.0	0.2	0.2	Long-term investments	0.0	0.0	0.2	0.2	
0.0	1,262.0	0.0	1,262.0	Pooled investments	0.0	1,201.0	0.0	1,201.0	
0.0	0.0	119.0	119.0	Pooled property investments	0.0	0.0	118.0	118.0	
0.0	0.0	24.4	24.4	Private equity funds	0.0	0.0	21.2	21.2	
0.0	1,262.0	221.8	1,483.8	Total investment assets	0.0	1,201.0	301.1	1,502.1	
0.0	0.0	0.0	0.0	Investment income due	0.0	0.0	0.0	0.0	
0.0	1,262.0	221.8	1,483.8	Net investment assets	0.0	1,201.0	301.1	1,502.1	

b. Reconciliation of fair value measurements within level 3

The table below shows the movements in level 3 disclosures for 2024-25

Disclosures for level 3	Market value at 31-03-2024	Transfers into level 3	Transfers out of level 3	Purchases at cost	Sales	Unrealised gains / (losses)	Realised gains / (losses)	Market value at 31-03-2025
	£m	£m	£m	£m	£m	£m	£m	£m
Private equity	24.4	0.0	0.0	0.2	(3.4)	0.0	0.0	21.2
Pooled property investments	119.0	0.0	0.0	0.0	(1.7)	0.7	0.0	118.0
Infrastructure	78.2	0.0	0.0	88.2	(6.5)	1.8	0.0	161.7
Long term investment	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Total level 3	221.8	0.0	0.0	88.4	(11.6)	2.5	0.0	301.1

The table below shows the movements in level 3 disclosures for 2023-24

Disclosures for level 3	Market value at 31-03-2023	Transfers into level 3	Transfers out of level 3	Purchases at cost	Sales	Unrealised gains / (losses)	Realised gains / (losses)	Market value at 31-03-2024
	£m	£m	£m	£m	£m	£m	£m	£m
Private equity	29.2	0.0	0.0	1.1	(4.4)	(2.5)	1.0	24.4
Pooled property investments	108.2	0.0	0.0	15.0	(1.7)	(2.5)	0.0	119.0
Infrastructure	75.6	0.0	0.0	0.2	(1.1)	3.5	0.0	78.2
Long term investment	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Total level 3	213.2	0.0	0.0	16.3	(7.2)	(1.5)	1.0	221.8

14. Financial Instruments

a. Classification of financial instruments

at 31 March 2024				at 31 March 2025		
Fair Value through profit and loss	Assets held at amortised cost	Total		Fair Value through profit and loss	Assets held at amortised cost	Total
£m	£m	£m		£m	£m	£m
			Financial assets			
78.2	0.0	78.2	Infrastructure funds	161.7	0.0	161.7
0.0	0.2	0.2	Long-term investments	0.0	0.2	0.2
1,262.0	0.0	1,262.0	Pooled investments	1,201.0	0.0	1,201.0
119.0	0.0	119.0	Pooled property investments	118.0	0.0	118.0
24.4	0.0	24.4	Private equity funds	21.2	0.0	21.2
0.0	13.8	13.8	Cash	0.0	25.6	25.6
0.0	0.0	0.0	Investment income due	0.0	0.0	0.0
0.0	0.0	0.0	Other debtors*	0.0	0.0	0.0
1,483.6	14.0	1,497.6		1,501.9	25.8	1,527.7
			Financial liabilities			
0.0	0.0	0.0	Creditors*	0.0	0.0	0.0
1,483.6	14.0	1,497.6	Total	1,501.9	25.8	1,527.7

*The table above *excludes* debtors valued at £0.1m (31 March 2024: £0.2m) and creditors valued at £2.5m (31 March 2024: £2.1m) which are non-contract based transactions and balances and therefore do not meet the criteria of financial instruments. Further information on current assets and current liabilities outstanding at the reporting date is detailed in notes 18 and 19 below.

b. Net (Gains) and Losses on Financial Instruments

2023-24		2024-25
£m		£m
	<u>Financial Assets</u>	
128.1	Fair value through profit and loss	10.9
128.1		10.9

15. Risk and risk management

The Pension Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio.

The Fund's investments are actively managed by ten main external fund managers who are charged with the responsibility to increase asset values, whilst maintaining market risk to acceptable levels. They achieve this mainly through diversification of stock portfolios across several geographical locations, various industrial sectors and asset classes. The managers' investing practices are controlled by pre-defined levels of tolerance.

Concentration risk is also controlled and monitored with a maximum proportion cap over the levels held in individual stocks as a set percentage of each manager's overall portfolio of stocks.

As part of each of the external fund managers' investing there is also a strict adherence to the principles of liquidity risk management in order to ensure cash flow requirements are met as and when they fall due.

All of the investing policies and practices are reviewed regularly after thorough consideration of economic and market conditions, and overall care is taken to identify, manage and control exposure to the price movements of several categories of investments.

Market risks

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising investment return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors, asset classes and individual securities. To mitigate market risk, the Pension Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

Price risk

In consultation with its investment consultant, Mercer Ltd, the Fund has determined that the following movements in market price risk are reasonably possible for 2024-25, assuming that all other variables, in particular foreign exchange rates and interest rates, remain the same:

Asset type	Value as at 31 March 2025	Change	Value on increase	Value on decrease
	£m	%	£m	£m
Pooled and Long term investments				
Developed market global equities	721.6	20.9%	872.4	570.8
Emerging market global equities	32.7	25.3%	41.0	24.4
Fixed Income	203.3	11.6%	226.9	179.7
Diversified growth funds	113.4	14.1%	129.4	97.4
Multi asset credit	130.2	12.8%	146.9	113.5
	1,201.2		1,416.6	985.8
Pooled Property Investments				
UK property (proxy for residential property)	82.5	16.6%	96.2	68.8
Long lease UK property	35.5	11.2%	39.5	31.5
	118.0		135.7	100.3
Private Equity Funds				
Private equity	21.2	27.0%	26.9	15.5
	21.2		26.9	15.5
Infrastructure Funds				
Unlisted infrastructure	161.7	12.3%	181.6	141.8
	161.7		181.6	141.8
Total	1,502.1		1,760.8	1,243.4

Asset type	Value as at 31 March 2024	Change	Value on increase	Value on decrease
	£m	%	£m	£m
Pooled and Long term investments				
Developed market global equities	775.7	20.7%	936.3	615.1
Emerging market global equities	34.4	26.0%	43.3	25.5
Fixed Income	212.7	10.9%	235.9	189.5
Diversified growth funds	109.6	13.1%	124.0	95.2
Multi asset credit	129.8	12.4%	145.9	113.7
	1,262.2		1,485.4	1,039.0
Pooled Property Investments				
UK property (proxy for residential property)	42.9	17.2%	50.3	35.5
Long lease UK property	76.1	11.2%	84.6	67.6
	119.0		134.9	103.1
Private Equity Funds				
Private equity	24.4	26.7%	30.9	17.9
	24.4		30.9	17.9
Infrastructure Funds				
Unlisted infrastructure	78.2	14.7%	89.7	66.7
	78.2		89.7	66.7
Total	1,483.8		1,740.9	1,226.7

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. The pooled multi-asset investments are indirectly subject to interest rate risks, as underlying holdings include fixed income instruments, and this represents the risk that the fair value of these financial instruments will fluctuate because of changes in market interest rates. Fund managers have the discretion to manage interest risk exposure through the use of derivatives.

The Fund's indirect exposure to interest rate movements as at 31 March 2025 and 31 March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value. Bonds and cash balances are exposed to interest rate risk. The table below demonstrates the change in value of these assets had the interest rate increased or decreased by 1%.

Value as at 31 March 2024	Change	Value on increase	Value on decrease	Assets exposed to interest rate risk	Value as at 31 March 2025	Change	Value on increase	Value on decrease
£m	%	£m	£m		£m	%	£m	£m
13.8		13.8	13.8	Cash and cash equivalents	25.6		25.6	25.6
182.2	1.00%	179.1	185.3	Bonds	388.9	1.00%	373.4	404.4
196.0		192.9	199.1	Total	414.5		399.0	430.0

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments owned directly or through a pooled structure, that are denominated in any currency other than the functional currency of the Fund (UK sterling).

The table above summarises the position as at 31 March 2025, and the comparable position as at 31 March 2024 is shown below. The analysis uses historical currency volatility data sourced from the fund custodian, BNY.

As at 31 March 2025				
Currency	Value	Change	Value on increase	Value on decrease
	£m	%	£m	£m
US Dollar	612.2	2.42%	627.0	597.4
Euro	232.3	1.28%	235.3	229.3
Japanese Yen	48.4	2.58%	49.6	47.2
Hong Kong Dollars	14.7	2.37%	15.0	14.4
Swedish Krona	13.0	2.14%	13.3	12.7
Taiwanese Dollar	11.6	1.80%	11.8	11.4
Mexican Peso	10.5	0.00%	10.5	10.5
Indian Rupee	10.1	2.13%	10.3	9.9
Swiss Franc	8.5	1.70%	8.6	8.4
Danish Krone	8.3	1.30%	8.4	8.2
Other overseas	28.0	0.44%	28.1	27.9
Overseas total	997.6		1,017.9	977.3
Sterling	504.5			
Net investment assets	1,502.1			

As at 31 March 2024				
Currency	Value	Change	Value on increase	Value on decrease
	£m	%	£m	£m
United States Dollar	545.3	2.41%	558.4	532.2
Euro	194.4	1.29%	196.9	191.9
Japanese Yen	36.4	2.53%	37.3	35.5
Swiss Franc	17.4	0.00%	17.4	17.4
Swedish Krona	12.6	1.75%	12.8	12.4
Danish Krone	12.2	0.00%	12.2	12.2
Taiwanese Dollar	10.5	1.82%	10.7	10.3
Mexican Peso	10.4	2.35%	10.6	10.2
Indian Rupee	9.8	2.03%	10.0	9.6
South Korean Won	8.5	2.11%	8.7	8.3
Other overseas	34.9	3.74%	36.2	33.6
Overseas total	892.4		911.2	873.6
Sterling	591.4			
Net investment assets	1,483.8			

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. Officers monitor cash flows and take steps to ensure that there are adequate cash resources to meet the Fund's commitments. The Fund has immediate access to its cash holdings.

Liquid assets are those that can be converted to cash within three months, subject to normal market conditions. As at 31 March 2025, liquid investment assets were £1,201.0m representing 80% of total fund assets (£1,262.0m at 31 March 2024 representing 85% of the Fund at that date). These investments can in fact be liquidated within a matter of days.

Credit Risk

Credit risk represents the risk that the counterparty to a financial transaction will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. The selection of high-quality counterparts, brokers and financial institutions minimises credit risk that may occur through the failure of third parties to settle transactions in a timely manner.

16. Funding arrangements

In accordance with statutory regulations a triennial valuation of the Pension Fund was completed by the City's independent consulting actuaries, Barnett Waddingham LLP, as at 31 March 2022 using the projected unit method and the resulting employers' contribution were implemented for the three financial years commencing 1 April 2023.

The main funding assumptions which follow were incorporated into the funding model used in the 31 March 2022 valuations (Consumer Price Inflation has been used as basis to reflect the actuarial assumption in real terms):

	March 2022	
	% p.a.	Real % p.a.
Financial assumptions		
Discount rate	4.6	2.9
Retail Price Inflation	3.2	1.0
Consumer Price Inflation	2.9	-
Pension increases	2.9	-
Pay increases	3.9	1.0

The discount rate reflects the asset allocation embedded in Fund's long-term strategy; the below table outlines how these assumptions translate into an overall discount rate assumption as at 31 March 2022.

Future assumed returns at 31 March 2022	Percentage of Fund	Return Assumption	Real (relative to CPI)
	%	%	%
Equities	55	6.9	5.2
Property and infrastructure	15	6.4	4.7
Absolute return fund - inflation plus 3.2%	30	4.9	3.2
Expenses (deduction)		(0.2)	(0.2)
Neutral estimate of discount rate based on long-term investment strategy		6.0	4.3
Prudence allowance		(1.4)	(1.4)
Discount rate		4.6	2.9

Demographic assumptions

The assumed life expectancy from age 65 is shown below for the 31 March 2022 valuation.

Life expectancy from age 65		31 March 2022
Retiring today	Males	21.0
	Females	23.5
Retiring in 20 years	Males	22.3
	Females	24.9

Commutation assumption

As part of the 31 March 2022 valuation the actuary assumed that members on average exchanged pension to get approximately 50% of the maximum available cash on retirement.

50:50 membership

The actuary has assumed that existing members will continue to participate in their current section.

Funding Position at Valuation date

The valuation at 31 March 2022 revealed that the relationship between the values placed on the assets held by the Fund and the liabilities accrued in respect of pensionable service at that date were as follows:

March 2022	
Past service liabilities	£m
Active members	(448.0)
Deferred pensioners	(286.0)
Pensioners	(670.0)
Total	(1,404.0)
Assets	1,371.0
Deficit	(35.0)
Funding level	98%

Based on the above data the derivation of the basic rate of employer's contribution is set out below.

March 2022	
	Contribution rate %
Future service funding rate	18.5
Past service adjustment	2.5
Total contribution rate	21.0

The secondary rate contributions agreed with individual employers were set at the 31 March 2022 valuation to restore the Fund to a funding position of 100% over a recovery period of no longer than 11 years.

Whilst the Fund level contribution rate is now 21.0% per annum, within this individual employer contribution rates vary. Having considered the basic rate of employer's contributions above, the City of London Corporation set contribution rates applicable to its employees of 21.0% for each of the financial years 2023-24 to 2025-26. Exceptions are City Academy and the Multi Academy Trust who both pay 17.1% p.a., the London CIV (15.0%) and the Museum of London (16.1%).

17. Funded Obligation of the Overall Pension Fund

31 March 2024		31 March 2025
£m		£m
(1,536.6)	Present Value of the defined benefit obligation*	(1,365.2)
1,495.8	Fair Value of Fund Assets (bid value)	1,525.2
(40.8)	Net Liability	160.0

*The present value of the funded obligation consists of £1,352.3m in respect of vested obligations and £12.9m in respect of non-vested obligations (2023/24: £1,520.9m and £15.7m respectively).

The above figures show the total net liability of the Fund as at 31 March 2025 and have been prepared by the fund actuary (Barnett Waddingham LLP) in accordance with IAS26. In calculating the disclosed numbers, the value of Fund's liabilities calculated for the funding valuation as at 31 March 2022 have been rolled forward, using financial assumptions that comply with IAS19.

at 31 March 2024		Assumptions	at 31 March 2025	
% p.a.	Real % p.a.*		% p.a.	Real % p.a.*
2.90	-	CPI increase	2.90	-
3.90	1.00	Salary increase	3.90	1.00
2.90	-	Pension increase	2.90	-
4.90	-	Discount Rate	5.90	-

* Consumer Price Inflation has been used as basis to reflect the actuarial assumption in real terms.

Life expectancy from age 65		31 March 2024	31 March 2025
Retiring today	Males	20.8	20.7
	Females	23.3	23.3
Retiring in 20 years	Males	22.0	22.0
	Females	24.7	24.7

McCloud and Sargeant judgments

The Government reformed public service pension schemes in 2014 and 2015 and introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023.

Guaranteed Minimum Pension (GMP) Equalisation

On 23 March 2021, the Government published the outcome to its GMP Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016. Details of the consultation outcome can be found [here](#).

18. Current assets

Current assets include cash balances of £25.6m at 31 March 2025 (£13.8m at 31 March 2024) and accruals for contributions of £0.1m (£0.2m at 31 March 2024).

19. Current liabilities

Current liabilities represent accruals for investment management expenses, custodian fees and benefits payable of £2.5m (2023/24: £2.0m).

20. Additional voluntary contributions

Market Value at 31 March 2024		Market Value at 31 March 2025
£m		£m
2.3	Prudential	2.4
0.7	Standard Life Investments	0.7
0.1	Utmost Life and Pensions	0.1
3.1		3.2

Additional voluntary contributions (AVCs) are managed externally and independently from the rest of the Pension Fund. They are paid by members to the Corporation and transferred directly to the relevant fund managers – Prudential, Standard Life Investments and Utmost Life and Pensions (formerly Equitable Life). AVCs of £0.37m were paid in 2024-25 (2023-24: £0.37m).

In accordance with Regulation 4(1) (b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid, and the assets of these investments are not included in the Fund's accounts.

21. Related party transactions

The City of London Pension Fund is administered by the City of London Corporation. Consequently, there is a strong relationship between the local authority and the Pension Fund.

During the reporting period, the administering authority incurred salary expenses amounts to £0.6m (2023-24: £0.6m) which were recharged to the Pension Fund.

The Corporation is also the single largest employer of members of the Pension Fund and the employer contributions paid by it was £41.5m in 2024-25 (2023-24: £36.4m).

22. Key management personnel

The key management personnel of the Fund as at 31 March 2025 were the Chamberlain, Corporate Treasurer, Pensions Manager (Administration) and Group Accountant for Treasury and Investments. Total remuneration payable from the Pension Fund to key management personnel is set out below and has been apportioned based on an estimate of management personnel's time attributable to the Pension Fund.

2023-24		2024-25
£m		£m
0.2	Short-term benefits	0.2
0.2		0.2

23. Contingent liabilities and contractual commitments

As at 31 March 2025, the Fund had external outstanding capital commitments relating to Renewable Infrastructure of £63.9m (31 March 2024: £75m). Further outstanding capital commitments at 31 March 2025 totalled £5.7m (31 March 2024: £8.6m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

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Accounting Policies

Accounting Policies

1. Accounting Policies

The accounting policies set out the specific principles, bases, conventions, rules and practices applied in preparing and presenting the financial statements.

1.1. Basis of Preparation

This Statement of Accounts is prepared for the City of London Corporation (“the City Corporation”) only to the extent that it exercises functions in relation to the collection fund of the Common Council, the City Fund administered by the Common Council (collectively referred to as “the City Fund”), as required by the Local Audit and Accountability Act 2014. Accordingly, the reporting entity, for the purpose of these accounts, is the City Fund which is a portion of the City Corporation but is not in itself a legal entity. This means the legal party to transactions and balances allocated to the City Fund is the City Corporation.

Assets, liabilities and transactions of the City Corporation are allocated to the City Fund where they relate to the economic activity of the City Corporation’s local authority function, for example where they relate to education, housing, social care; policing; and port health authority functions. Similarly, transactions and balances that relate to the City Corporation’s other economic activities are excluded from these accounts.

The basis of allocation has been made on a consistent basis for a number of years and are reported in more detail in the section below – Applying Accounting Policies.

The Statement of Accounts summarises the authority’s transactions for the 2024-25 financial year and its position at the year end of 31 March 2025. The Statement of Accounts have been prepared on the base that the Corporation will remain a “going-concern” and will continue to operate in the foreseeable future. The accounts are prepared in accordance with proper accounting practices as required by the Accounts and Audit Regulations 2015. This comprises the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2. Accruals of Expenditure and Income

The accounts of the City Fund are maintained on an accruals basis. Consequently, activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is subsequently identified that debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3. Cash and Cash Equivalents

Cash equivalents are represented by cash in hand readily available to the City Fund, held by the City of London Corporation, and deposits with financial institutions repayable without penalty on notice of not more than 24 hours less cheques and BACS payments issued but not presented. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The City Fund does not hold cash at bank.

1.4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the City Fund's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period and are disclosed in the notes.

1.5. Charges to Revenue for Non-current Assets

Services are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The City Fund is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, if it had a borrowing requirement it would be required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount, the Minimum Revenue Provision (MRP), calculated on a prudent basis determined in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation would then be replaced by the MRP by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves.

1.6. Employee Benefits

(a) Short-term employee benefits

Short-term benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, wages, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service.

The cost of leave earned but not taken by employees at the end of the period is recognised within the Surplus or Deficit on the Provision of Services to the extent that employees are permitted to carry forward leave into the following period. However, statutory regulations require this cost to be reversed out of the accounts and this is achieved by crediting the revenue account for 'adjustments between accounting basis and funding basis under regulations' within the Movement in Reserves and debiting the 'statutory adjustments account' on the balance sheet.

(b) Termination benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service in the CIES at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the City Fund Balance to be charged with the amount payable by the employer to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

(c) Retirement benefit costs

(i) Pension Costs – City of London Staff

With the exception of serving police officers and teachers, City of London staff are eligible to contribute to the City of London Pension Fund, which is a funded defined benefits scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three funds (City Fund, City's Estate and City Bridge Foundation). The Corporation and its three funds have a policy in place to share the net defined benefit cost of the pension fund across the three funds. As such the City Fund recognises

the net defined benefit cost along with a share of scheme assets and scheme liabilities. The total net defined benefit cost is apportioned across the Corporation's three funds based on the proportion of pensionable payroll of each fund.

- The liabilities attributable to the City Fund are included on the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions including mortality rates, employee turnover rates and projections of earning for current employee
- Liabilities are discounted to their value at current prices
- The assets attributable to the City Fund are included in the balance sheet at their fair value using estimated bid values where necessary.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - current service cost, the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked
 - past service cost, the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the CIES as part of non-distributed costs
 - net interest on the net defined benefit liability is charged to the financing and investment income and expenditure line of the CIES. The interest is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments
- Remeasurements comprising:
 - the return on plan assets, excluding amounts included in the net interest on the net defined benefit liability, charged to the pensions reserve as other comprehensive income and expenditure
 - actuarial gains and losses, changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the pensions reserve as other comprehensive income and expenditure
- Contributions paid to the Pension Fund, cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the City Fund unallocated reserve to be charged with the amount payable to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are transfers to and from the pension reserve to remove the notional debits and credits for retirement benefits and replace them with debits for cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the pension reserve thereby measures the beneficial impact to the City Fund unallocated reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

(ii) Pension Costs – Police Officers and Judges’

The Police Pension Scheme is unfunded. Prior to 1 April 2006 each police authority was responsible for paying the pensions of its own former employees on a “pay as you go” basis. Under the current arrangements the City Fund no longer meets pension costs directly; instead it contributes a percentage of police pay into the Police Pension Fund. At the year end the Police Pension Fund is balanced to zero by either receiving a contribution from the City Fund equal to the amount by which the amounts payable from the Pension Fund for the year exceed the amounts receivable or, by paying to the City Fund the amount by which sums receivable by the Pension Fund for the year exceed the amounts payable. Where the City Fund makes a transfer to the Pension Fund, the Home Office will pay an equivalent top-up grant to the City Fund. Where a transfer is made out of the Pension Fund, the City Fund must pay the amount to the Home Office.

The payment of pensions to former judges’ is the responsibility of the Treasury with the City of London reimbursing the Treasury for the City Fund’s share of the liability. The City Fund’s estimated liability has been determined by independent actuaries in accordance with IAS19.

The accounting treatment for the estimated liabilities on the Police and Judges’ schemes are similar to that outlined above for the City of London Pension Scheme.

(iii) Pension Costs – Teachers

The payment of pensions to former teachers under the Teachers’ Pension Scheme is administered by Capita Teachers’ Pensions on behalf of the Department for Education (DfE). The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority. However, the arrangements for the teachers’ scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Community and Children’s Services line in the CIES is charged with the employer’s contributions payable to Teachers’ Pensions in the year.

1.7. Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

(a) Adjusting Events

Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

(b) Non-adjusting Events

Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.8. Financial Instruments

(a) Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

(b) Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

(i) Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

(ii) Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets (excluding statutory amounts such as council tax and NNDR) held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

The City Corporate currently has finance lease debtors for ground rents due on leases properties. Due to the low value of these rents compared to the investment lessees have made in these properties it is highly unlikely that default will occur and therefore no expected credit loss has been applied to these amounts.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

(iii) Financial Assets Measured at Fair Value through Profit of Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

(iv) Financial Assets Measured at Fair Value through Other Comprehensive Income (designated equity instruments)

The authority has designated an equity investment in the Municipal Bonds Agency as a financial asset measured at FVOCI on the basis that it is not held for trading and is held for strategic purposes. Fair Value gains and losses are recognised through other comprehensive income and expenditure. Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

The City Fund is not party to any material finance guarantees and therefore no adjustment to the accounts has been made.

1.9. Interest Income

Interest is credited to the City Fund and Housing Revenue Account based upon average balances held by the Chamberlain and invested by her in the London Money Markets.

1.10. Government Grants and Other Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as income at the date that the authority satisfies the conditions of entitlement to the grant/contribution, there is reasonable assurance that the monies will be received.

Where a grant or contribution has been received but the conditions of entitlement have not been satisfied, the grant or contribution is treated as a receipt in advance.

(a) Revenue

Specific, ring-fenced, revenue grants are credited to the appropriate service revenue accounts. Non ring-fenced grants to finance the general activities of a local authority (e.g. Revenue Support Grant) are disclosed in the CIES within taxation and non-specific grant income.

(b) Capital

Where a capital grant or contribution has been recognised as income in the CIES, and the expenditure to be financed from the grant or contribution has been incurred at the Balance Sheet date, the grant or contribution is transferred from revenue to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

Where a capital grant or contribution has been recognised as income in the CIES, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date, the grant or contribution is transferred to the Capital Grants Unapplied Account within the usable reserves section of the balance sheet reflecting its status as a capital resource available to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

When, at a future date, the expenditure to be financed from the grant or contribution is incurred, the grant or contribution is transferred from the Capital Grants Unapplied Account to the Capital Adjustment Account, reflecting the application of capital resources to finance expenditure. This transfer is reported in the Movement in Reserves Statement.

1.11. Business Improvement Districts

A Business Improvement District (BID) scheme applies across an area of the City (Cheapside & Aldgate). The scheme is funded by a BID levy paid by non-domestic ratepayers. The Authority acts as principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the CIES.

1.12. Community Infrastructure Levy

The City Corporation has elected to charge a Community Infrastructure Levy (CIL). The levy is charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The City Corporation charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects to support the development of the area. CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

1.13. Heritage Assets

Heritage assets are those assets intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Where the cost or value of heritage assets cannot be obtained at a cost which is commensurate with the benefits to the users of the financial statements, such assets will not be recognised in the Balance Sheet. The City Corporation does not consider the expense of obtaining information on cost or values to be justified and therefore recognises on the City Fund balance sheet only those heritage assets for which information on costs is readily available. The City Corporation considers that heritage assets will have indeterminate lives and high residual values; hence the City Corporation does not consider it appropriate to charge the City Fund depreciation for these assets (see note 14, page 57, for details of these assets).

1.14. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the Unallocated Reserve. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Unallocated Reserve. The gains and losses are therefore reversed out of the Unallocated Reserve in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.15. Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the City Fund. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the debtor (or cash where consideration has been received) and the related revenue are recognised in the financial statements of the period in which the change in circumstances occurs. Where an inflow of economic benefits or service potential is probable (rather than virtually certain) and can be reliably measured, contingent assets are disclosed as notes to the accounts.

1.16. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the City Fund. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a note to the accounts, a provision is recognised in the financial statements for the period in which the change in probability occurs (except in circumstances where no reliable estimate can be made). Where a contingent liability exists, but a reliable estimate cannot be made, a note is disclosed in the accounts unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.17. Provisions

Provisions are made where an event has taken place that gives the City Fund a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the City Fund may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation from the City Fund. Provisions are charged as an expense to the appropriate service line in the CIES in the year that the City Fund becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the City Fund settles the obligation.

1.18. Leases

(i) The City Fund as lessee

The City of London classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The City of London initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the City's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the City is reasonably certain to exercise
- lease payments in an optional renewal period if the City is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the City is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn,

nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. In accordance with Code requirements, The City Fund will use the cost model as a proxy for fair value unless the conditions indicating that this would be a materially unreliable proxy are present.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the City Fund changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the City Fund excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the City Fund is reasonably certain to exercise and any termination options that the City Fund is reasonably certain not to exercise).

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straightline depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

(ii) The City Fund as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Where the City of London grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the City's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Operating leases

Where the City of London grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.19. Overheads

The costs of support service overheads are generally apportioned between all services on the basis of employee time spent or other resources consumed on behalf of user services. Similarly, with the exception of vacant properties, the costs of support service buildings (including capital charges) are

apportioned on the basis of the office area utilised by each service.

1.20. Property, Plant and Equipment

Property, plant and equipment comprises the following classes of tangible long-term assets; council dwellings, other land and buildings, leasehold improvements, vehicles plant and equipment, infrastructure assets, community assets, assets under construction and surplus assets.

(a) Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised provided that the expenditure is material (generally in excess of £50,000) and the asset yields benefits to the City Fund, and the services it provides, for a period of more than one year. This excludes expenditure on routine repairs and maintenance of property, plant and equipment which is charged directly within service costs.

(b) Valuation

Property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset so that it is capable of operating in the manner intended. Assets are then carried in the Balance Sheet using the following measurement bases:

- Properties regarded as operational - current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), or where this cannot be assessed because there is no market for the subject asset, the depreciated replacement cost, based on modern equivalent assets, as an estimate of current value.
- Council dwellings – current value, determined using the basis of existing use value for social housing
- Non-operational assets under construction – historic cost
- Infrastructure, community and heritage assets - historic cost, net of depreciation, where appropriate
- Vehicles, plant and equipment - cost, net of depreciation, as a proxy for current value.
- Surplus assets – fair value, estimating highest and best use

All properties included on the balance sheet at current or fair value are revalued at least once within a five year period as part of a rolling programme with subsequent additions being included in the accounts at their cost of acquisition until the asset is next revalued. Revaluations are carried out sufficiently regularly to ensure that their carrying value is not materially different from their value at the year end.

Housing Asset Valuation - Dwellings are valued at their 'existing use with vacant possession' and then reduced to reflect 'existing use for social housing'. The reduction is a measure of the economic cost of providing council housing at less than open market rents. Current DLUHC guidance (guidance for valuers – 2016) identifies a vacant possession adjustment factor for London of 25%. This factor has been adopted in establishing the Existing Use Value-Social Housing.

(c) Revaluations

An increase arising on revaluation is taken to the revaluation reserve unless the increase is reversing a previous impairment loss charged to Surplus or Deficit on the Provision of Services on the same asset or reversing a previous revaluation decrease charged to Surplus or Deficit on the Provision of Services on the same asset, in which case it is credited to expenditure to the extent of the loss or decrease previously charged there.

Where the carrying amount of an item of property, plant and equipment is decreased as a result of a revaluation, i.e. a significant decline in an asset's

carrying amount during the period that is not specific to the asset (as opposed to impairment – see below), the decrease is recognised in the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, against the Surplus or Deficit on the Provision of Services.

Legislation prescribes that revaluation gains or losses charged to Surplus or Deficit on the Provision of Services are not proper charges to the City Fund.

Such amounts are transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal inception following implementation from the 2007 Statement of Recommended Practice. Gains arising before that date have been consolidated in the Capital Adjustment Account.

(d) Impairments

An impairment loss arises if the carrying amount of an asset exceeds its recoverable amount. This could be caused by such factors as a significant decline in an asset's value during the period (i.e. more than expected as a result of the passage of time, normal use or general revaluation), evidence of obsolescence or physical damage of an asset, a commitment by the authority to undertake a significant reorganisation, or a significant adverse change in the statutory or other regulatory environment in which the authority operates.

An annual assessment takes place as to whether there is any indication that an asset may be impaired. An impairment loss is recognised in the Revaluation Reserve to the extent that there is a balance on that reserve relating to the specific asset and thereafter to the Surplus or Deficit on the Provision of Services.

The reversal of an impairment loss previously recognised in Surplus or Deficit on the Provision of Services will not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Any excess above this carrying amount is treated as a revaluation gain and charged to the Revaluation Reserve.

Legislation prescribes that impairment losses and reversal of impairment losses charged to Surplus or Deficit on the Provision of Services are not proper charges to the City Fund. Such amounts are transferred to the Capital Adjustment Account and reported in the Movement of Reserves Statement.

(e) De-recognition

The carrying amount of an item of property, plant and equipment (except for infrastructure assets) is derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an asset is the difference between the net disposal proceeds, if any, and the carrying amount of the asset. The gain or loss arising from de-recognition of an asset is included in Surplus or Deficit on the Provision of Services under other operating expenditure.

Legislation prescribes that the gain or loss is not a proper charge to the City Fund or Housing Revenue Account. As a result, the City Fund or Housing

Revenue Account is debited (in the case of a gain) or credited (in the case of a loss) with an amount equal to the gain or loss on disposal with the consequent entry being:

- an increase in the Capital Receipts Reserve of an amount equal to the disposal proceeds
- a charge to the Capital Adjustment Account of an amount equal to the carrying amount of the asset.

If the asset derecognised was carried at a re-valued amount, an additional entry is required; the balance on the Revaluation Reserve is written off to the Capital Adjustment Account and reported in the Movement in Reserves Statement. The Capital Receipts Reserve can only be used for new capital investment or set aside to reduce any underlying need to borrow (the capital financing requirement). A proportion of receipts relating to Housing Revenue Account disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government.

For infrastructure assets, the provisions under The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 SI 1232/2022 allow for the derecognition of replaced elements of infrastructure assets to be assumed to be at nil value. This provision has been utilised in forming the statement of accounts. In the event that a disposal proceed was received for an infrastructure asset, the accounting treatment describe above would be utilised for this receipt.

(f) Depreciation

Depreciation is provided for on all property, plant and equipment with a finite useful life, other than freehold land. The depreciation charge is calculated by allocating the Balance Sheet value of the asset, less its residual value, to the periods expected to benefit from its use; generally the straight-line method has been adopted.

The costs of services include charges for depreciation for all property, plant and equipment used in the delivery of services based on the value of assets at the start of the year. Where the effects of major additions or disposals occurring during the year are material, these are also reflected in capital charges to service revenue accounts. Freehold land, certain community assets and assets under construction are not directly used in the delivery of services and therefore do not attract a charge for capital.

(g) Components

Assets other than Housing Revenue Account (HRA) Dwellings

Large assets, for example a building, are reviewed to ascertain whether differences in the useful lives of components would have a material impact on the level of depreciation and/or carrying value of the overall assets. These reviews are undertaken:

- when an asset is acquired
- when an asset is enhanced
- when an asset is revalued.

Where there is a material impact on depreciation and/or the carrying value, the components are treated as separate assets and depreciated over their own useful economic lives.

HRA Dwellings

The components of HRA dwellings are reviewed at the same stages as indicated above. However, upon review, all the main components in HRA dwellings (e.g. roofs, windows, central heating, lifts and electrics) are treated as separate assets and depreciated over their own useful economic lives. This facilitates the use of the Major Repairs Reserve which is classified by Government as 'capital' funding.

1.21. Fair value measurement

The authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability; or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

1.22. Reserves

Specific amounts have been set aside as reserves for future policy purposes or to cover contingencies. Details of the City Fund's earmarked reserves are set out in note 12 (page 51). Certain reserves are required by the Code to manage the accounting process for long-term assets and retirement benefits

and do not represent usable resources. Details of these unusable reserves are set out in note 31 (page 85-88).

1.23. Revenue expenditure funded from capital under statute

Legislation allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a long-term asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to revenue and impact on that year's council tax. These items are generally grants and expenditure on property not owned by the authority and amounts directed under statute.

Such expenditure is charged to Surplus or Deficit on the Provision of Services in accordance with the general provisions of the Code. Any statutory provision that allows capital resources to meet the expenditure is accounted for by debiting the Capital Adjustment Account and crediting the City Fund unallocated reserve and inclusion as a reconciling item in the Movement in Reserves Statement.

1.24. Value Added Tax

Income and expenditure excludes any amounts related to VAT as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

1.25. Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the local authority financial statements. Therefore schools' transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

1.26. Accounting for Council Tax and National Non Domestic Rates

The council tax and National Non Domestic Rates (NNDR) income included in the CIES is the City Fund's share of accrued income for the year. However, regulations determine the amount of council tax and NNDR that must be included in the City Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the City Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the City Fund's share of the end of year balances in respect of council tax and NNDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

1.27. Accounting for the London Business Rates Pool Pilot

In 2020-21, the City of London undertook the role of Lead Authority for the 100% London Business Rates Pool Pilot which brought together the business rates generated across the 32 London Boroughs, the City Corporation and the GLA. In 2023-24, the City of London undertook the role of Lead Authority for the 8 Authority Business Rates Pool which brought together the business rates generated across 7 London Boroughs and the City Corporation. In its role as Lead Authority, the City Corporation has received funds and made payments on behalf of the pool and retaining funds for distribution to pool members in the future. The City Corporation has treated these transactions as an agent on behalf of the pool members and therefore has not accounted for these

transactions in its CIES. Any outstanding transaction to or from the pool are shown as a debtor or creditor balances on the City Corporation balance sheet.

2. Accounting Standards issued but not yet adopted

2.1 At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom (the Code):

- **IAS21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability).** Issued August 2023

This amendment:

- Clarifies how an entity should assess whether a currency is exchangeable
- Clarifies how it should determine a spot exchange rate when exchangeability is lacking
- Requires the disclosure of information that enables readers of the accounts to understand the impact of a currency not being exchangeable.

This amendment is not expected to have a material impact on the financial statements.

- **IFRS17 Insurance Contracts.** Issued May 2017

IFRS17 replaces IFRS4 and sets out the principles for recognition, presentation and disclosure of insurance contracts.

This amendment is not expected to have a material impact on the financial statements.

- **Measurement of non-investment assets** – adaptations and interpretations of **IAS16 Property, Plant and Equipment** and **IAS38 Intangible Assets**

These changes include:

- Setting out three revaluation processes for operation property, plant and equipment
- Requiring indexation for tangible non-investment assets
- A requirement to value intangible assets using the historical cost approach

These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS8. However the adaptations also include a relief from the requirements of IAS8 following a change in accounting policy, as confirmed in paragraph 3.3.1.4 of the 2025-26 Code. Therefore this change will be applied prospectively, with no restatement of prior year figures.



Annual Governance Statement

Annual Governance Statement (City Fund) 2024-25

Executive Summary

1. The City Corporation has approved and adopted a code of [Corporate Governance](#) which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*. The City of London Corporation has complied with this code and met the requirements of [regulation 6\(1\) of the Accounts and Audit \(England\) Regulations 2015](#), which requires all relevant bodies to prepare an annual governance statement.

2. **This Annual Governance Statement (City Fund) statement sets out**
 - a. **our assessment of effectiveness in 2024-25**
 - b. **where our governance needs to improve and our commitment to do this during 2025-26**
 - c. **how we have improved our governance arrangements in 2024-25, and**
 - d. **provides a forward look on governance**

3. **The City of London Corporation is satisfied that appropriate fit for purpose governance arrangements are in place and are operating effectively.** Chief Officers and their teams input to this report, as the 1st line of Defence assurance, noting any areas of improvement that have been identified and that are to be implemented over the coming year. 2nd line of Defence assurance is achieved through corporate functions, such as Corporate Health and Safety, Corporate Risk Management and the Central Finance Function. These functions and any identified improvements are also noted. The City of London Corporation is committed to demonstrating effective governance and taking action that will strengthen this position further. Actions identified for implementation in 2025-26 include continuing to implement transformation across the City of London Corporation, for example in HR and Finance with the next stages of embedding Programme Sapphire, continuing delivery of the People Strategy's five themes, moving forward with phase 2 of the EEDI Review and phase 2 of the Transformation Programme, progressing the Health and Safety Action Plan and preparing for a Local Authority Peer Review which will take place during 2025/26 .

Delivering Good Governance in Local Government (CIPFA and Solace, 2016)



4. 3rd line of Defence assurance is achieved through Internal Audit. **The Head of Internal Audit has provided an annual opinion stating that the City of London Corporation has adequate and effective systems of internal control (which includes governance arrangements) in place to manage the achievement of its objectives.** This is informed by completed Audit work, discussion with key officers and observation of the governance process in operation.
5. External Assurance Providers provide External Audits and Inspections. Grant Thornton UK LLP provides the external audit of the City Fund and Pension Fund accounts, and as part of their work, review the Annual Governance Statement to be assured that it is consistent with our financial statements and is in line with the requirements set by CIPFA . Other providers of external audit include Ofsted and the Care Quality Commission.
6. This annual governance statement was approved by the City Corporation's Audit and Risk Management Committee on 12 May 2025.

Chris Hayward
Policy Chairman

Ian Thomas CBE
Town Clerk and Chief Executive

DRAFT

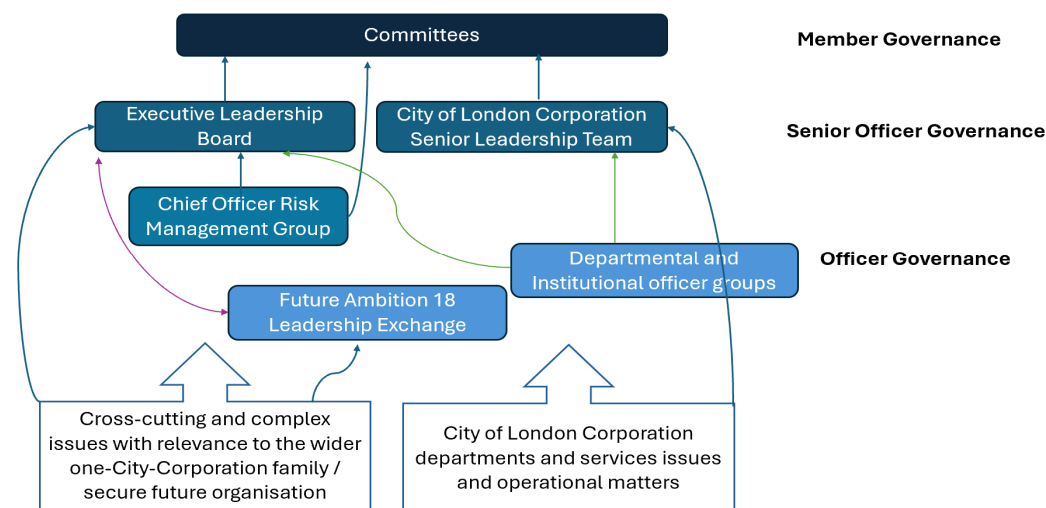
Our assessment of Effectiveness

Governance

7. The Annual Governance Statement (City Fund) 2024-25 has been produced from inputs provided by our Chief Officers and their teams for areas within their portfolios and using internal audits findings, and considering performance measures and various legal and statutory duties, including those reported in the public domain via our governance. We recognise the importance of appropriate controls, effective processes, and good management in ensuring the successful delivery of services for our communities and have in place **a robust system of governance**.
8. Our Code of [Corporate Governance](#) is a series of regulatory documents and protocols which govern how the City Corporation operates and takes decisions. These procedures, covering both the Local Authority and Police Authority roles and also applied to our private and charitable functions, where appropriate, are followed to ensure that our actions are fair, efficient, transparent and accountable. [Key elements](#) of the City Corporation's Governance Framework are explained (for example how the [Court of Common Council](#), the City of London Corporation's primary decision making assembly, appoints Grand Committees each year to provide scrutiny and oversight on its behalf) and some of the ways in which the City of London Corporation is consistent with the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*'s seven principles are listed.
9. Our [Corporate Plan 2024-2029](#) communicates six key outcomes we want to achieve over five years. Progress will be set out in an Annual Progress Report from 2026 onwards, as was noted in the [Corporate Plan 2024-2029 Preliminary Progress Report](#) published in February 2025. In addition, there will be twice yearly reporting on the City of London Corporation's People Strategy.
10. Appropriate **Member scrutiny and oversight** is vital in assuring the robustness of the City of London Corporation's governance. On being elected, new Members receive induction to enable them to understand and undertake their role. Induction is planned in advance of new member elections and prioritised to ensure effective governance and decision making are enabled from the start of each Member's term of office. In March 2025, 28 new Members were elected and have commenced Induction, managed by the Governance and Member Services team, arranged over a period of three months. This is to be followed by a rolling training programme over the course of their four year terms of office.



11. The City of London Corporation's **governance arrangements are kept under regular review**. Committee plans and Terms of Reference, and business as usual reviews into the various thresholds and responsibilities captured within the [Scheme of Delegations](#) and [Standing Orders](#), are completed as per agreed processes. In March 2025, the Court of Common Council approved revisions to the Standing Orders and revisions to the Members' Code of Conduct.
12. Scrutiny and oversight are achieved through **officer governance groups**. The City of London Corporation Senior Leadership Team (SLT), the Executive Leadership Board (ELB) and the Chief Officer Risk Management Group (CORMG) are the most senior officer governance groups and have continued to provide strategic oversight, guidance, and decision-making for effective governance and management, discharging the aggregate set of accountabilities delegated to Officers by Members. SLT comprises Tier 1 Chief Officers and meets weekly, covering operational matters, including organisational strategy and performance. ELB comprises Chief Officers and Heads of Institutions and meets for quarterly away days, providing collective leadership and direction, considering the City of London Corporation as a whole. CORMG is a sub-group of ELB, meeting at least six times per year, supporting ELB's overall responsibility for risk management. Below these a number of departmental and institutional officer governance groups enable the City Corporation to discharge appropriate governance responsibilities; such as the Health, Safety and Wellbeing Board, Portfolio Board, Corporate Projects Board, and Transformation Programme Board. The Future Ambition 18 Leadership Exchange (replacing Senior Leaders Forum which operated 2021-2023), comprising c.150 cross-City of London Corporation senior leaders below the Chief Officer level, was launched in 2024. This group will embed during 2025 determining how to work together to enable a world class City of London Corporation.



13. Effective systems and processes are in place to provide assurance that people meet our **expected standards of conduct**. The [Member Development and Standards Sub Committee](#) ensures all Members access opportunities to broaden specialist knowledge and skills in relation to their duties as Aldermen or Common Councillor. It is also responsible for monitoring, upholding and reviewing the City Corporation's Standard's regime. A revised [Members Code of Conduct](#) was approved by the Court of Common Council in March 2025. A [Panel of Independent Persons](#), a diverse group of 12 independent persons appointed by the Court of Common Council, receives allegations of misconduct under the Members' Code of Conduct. It facilitates informal resolution where appropriate, determines whether to investigate allegations, considers the outcome of investigations and if necessary, holds a hearing and appeal and presents recommendations to the Court regarding breaches of the Code and any sanctions. The regime involves a three-stage process: an assessment stage, a hearing stage and an appeal stage which are considered by separate Sub-Panels. The Panel is also responsible for considering requests for dispensations. Regular training is available to all Members on the Code of Conduct, and External Members are also subject to this Code.
14. The City of London Corporation has information for employees on **how to raise a concern** on its website and its staff intranet. During 2024/25 a new Speak Up Policy & Procedure was developed, and this will be formally launched to staff in April. This will replace the previous [Whistleblowing Policy](#). (Whistleblowing is the term used when someone who works in, or for an organisation, wishes to raise concerns about malpractice in the organisation and the covering up of any of these). The new Speak Up Policy and Procedure is to be supported by a new case management system for Speak Up concerns (Whistleblowing & Grievance) and

a new innovative electronic reporting tool, allowing concerns to be raised anonymously and enabling two way communication retaining anonymity, through the INCASE system. During 2024-25 five concerns were raised that, following Internal Audit triage, would meet the test for a protected disclosure under the whistleblowing arrangements. (This compares with four concerns raised during 2023-24.)

15. The City of London Corporation has an [Anti-Fraud and Corruption Strategy](#) to reduce the risk of fraud and corruption to the City of London Corporation, from internal and external sources. It provides a good practice guide to assist staff, users of public services and members of the public on Anti Fraud and Corruption issues and legislation, and assistance on the course of action to be taken by City Corporation employees and users of its public services.
16. The City of London Corporation has approaches in place to support its **compliance and preparedness** in the areas of Security and Resilience, Business Continuity, MAGIC (Gold Command) and Health & Safety, with processes and data reviewed regularly to help drive effectiveness and continuous improvement.

DRAFT

Delivery of Services

Police Authority function

17. The **City of London Police**, the City's independent territorial police service, is overseen by the [Police Authority Board \(PAB\)](#) and its sub-Committees. Comprising elected Members and external appointees, PAB is the City's equivalent of a Police and Crime Commissioner. It holds the City of London Police Commissioner to account for the efficient and effective delivery of the service, ensures value for money in the way the police is run, and sets policing priorities taking into account the views of the community. The City of London Police's operational and organisational priorities and objectives are published in periodic Policing Plans and strategies. In 2024-25 the new [Policing Plan 2025-2028](#), [Victims Strategy](#), [2024-25 Neighbourhood Policing and Engagement Strategy](#) and [Equity, Diversity and Inclusion Strategy 2024-2027](#) were developed and published. It's Neighbourhood policing approach connects the City of London Police directly to our communities, with Dedicated Ward Officers (DWO) making the police more visible, able to interact with the public, aid local knowledge, and keep those who live, work, and visit the city safe and feeling safe. In February 2025, the appointment of the [17th Commissioner of the City of London Police](#) received Royal Assent.

Community Engagement

18. City Question Time events were held in June 2024, October 2024, December 2025 and February 2025 at venues across the City, **enabling residents to meet and hold their elected officials to account**. Focus on delivering on the Policy Chairman's "Resident Reset" priority in 2024-25 saw the appointment of a Resident Communications and Campaigns Manager, introduction of a regular print newsletter delivered to all resident properties, improvements to the regular resident e-newsletter and creation of a residents landing page on the City website. The City of London Corporation captures the questions raised at these events and in January 2025 published '[You Said, We Did](#)' to **illustrate how it has responded** on issues including policing, housing, cleansing, planning and transport.
19. **Consultations and engagement** were held on important areas of policy, including on the City Plan 2040 as it progressed through the City of London's Committee governance during 2024-25, enabling stakeholders to see how future plans for the Square Mile have developed, and on Adult Social Care, the Safer City Partnership Strategy, Future Pharmacy Services and the 0-2 Childcare Policy. The Business Rates meeting was held in February 2025 (combined with City Question Time), **engaging with the business community on how decisions on setting business rates for the 2025-26 year were reached**. Stakeholder engagement plays a vital part in the City of London Corporation's policy development. Unpaid carers were involved in the development of the specification and the commissioning interviews for a new carers service which was successfully launched in 2024. Consultation on SEND Strategy included art engagement session with children with SEND and facilitated sessions with 30 professionals and parents; the SEND Strategy was approved by Community and Children's Services Committee in January 2025. Healthwatch patient panels were consulted the SEND Strategy and Adult Social Care Strategy. Consultation was undertaken on the refurbishment of Golden Lane Leisure Centre and the provision of services there and focus groups were established. A new resident engagement strategy within our housing service is in consultation. We have an active Children in Care Council.



20. Our [City Belonging Project](#) **connected workers across our diverse community**, through engagement with the diversity networks of City businesses, to aid consultation and co-creation in areas such as planning, transportation and service delivery and enable workers to feel as much a part of the community where they work as they do where they live. We launched 6 City Belonging networks: Latinos in the City, City Muslim Network, City Jewish Network, Veterans in the Square Mile, Women in the Square Mile, and Social Mobility in the City. 9 more City Belonging networks will be launched before the end of 2025. 454 City organisations and nearly 2,000 people took part in City Belonging events, including our Guildhall Pride celebration and the Lord Mayor's Show.



Equity, Equality, Diversity and Inclusion

21. The City Corporation aims to drive forward **Equity, Equality, Diversity and Inclusion (EEDI)** at all levels of the organisation to meet its published [Equality Objectives](#). The [EDI Sub-Committee](#), led by elected Members, strengthens the EDI governance structure and sets the strategic direction for EDI. This is coupled with an internal EEDI forum that brings together multiple internal stakeholders of City Corporation. This forum enables collaboration and insight as to how EEDI measures are working in practice. We have developed City Corporation wide EQIA and diversity monitoring guidance, issued November 2024. The City Corporation has 8 staff diversity networks and is a signatory of charters and accreditations including Women in Finance, Stonewall, Disability Confident Employer, London Living Wage and the Social Mobility Employer Index. We are developing a Social Mobility Action Plan. The City Corporation was ranked at 58th in the [Social Mobility Employer Index](#) in October 2024, substantially improving on its 2023 ranking of 87th. Many departments have a local equality framework providing a medium for local staff engagement. In 2024-25 a comprehensive EEDI Review has been undertaken to develop recommendations for EEDI going forward. Early findings of phase 1 of the review were communicated to EDI Sub Committee in February 2025. The full review recommendations will be considered by the EDI subcommittee in June 2025.

Department of Community and Children's Services

22. An Ofsted inspection of Children's Social Care Services and Early Help took place in September 2024 and **we retained our outstanding rating**.
23. The Safeguarding Sub-Committee fulfils our legal obligation to have a Corporate Parenting Board. Members on the Sub-Committee scrutinise various performance and strategies in relation to safeguarding and our Corporate Parent role. Over the past year the sub-committee has considered Service Development Plans, the Corporate Parenting Strategy and Annual Report, Quarterly Performance Reports and the Annual Report from the City and Hackney Safeguarding Children's Partnership.
24. There is significant political oversight & support which has historically focussed on rough sleeping but there has been more focus on statutory homelessness in the last few years as temporary accommodation placements have risen. Positive recognition that investment in officers (training, office culture, career progression) creates a knowledgeable workforce that seeks to offer a holistic service to residents and by doing so improves the outcomes for both the resident and the organisation as a whole.
25. The City of London Health and Wellbeing Board worked with the Local Government Association to review how to strengthen its role, learn from best practice and ensure that the Board is delivering on its priorities set out in the Joint Local Health and Wellbeing Strategy. A report setting out this new approach was agreed at the Health and Wellbeing Board in January 2025.
26. The Annual Tenant Satisfaction Survey showed that **overall satisfaction with our services has increased to 68%**, the third highest in London.

27. A peer review of our SEND Service was undertaken in Spring 2024. The review found that 'there is a **clear vision and ambition for children and young people with SEND** and that professionals know children and young people well and place them at the centre of their thinking.'
28. There is a schedule of audits in Adult Social Care carried out by the Principal Social Worker. During the last year, audits have included mental capacity assessments, carers assessments and prevention.
29. An external organisation, Aidhour, carry out audits of Children's Social Care cases on a monthly basis (2 cases a month). These can be flexible if we want to look at a particular cohort of children and young people such as those who are disabled.
30. A new Pets Policy was consulted on and had over 1000 responses. It was approved by committee in November 2024.

Environment Department

31. The Environment Department worked with internal and external partners to fulfil its statutory duties and deliver excellent public services, adapting to the requirements of new and changing legislation and government demands. Several key strategies and policies were developed in the period, in consultation with relevant stakeholders, which will deliver, or have already begun to deliver, positive outcomes for the environment, City residents, consumers, businesses and members of the public.
32. The next stage of the **extensive public engagement on the draft City Plan 2040** (the Regulation 20 consultation) was undertaken during 2024 and received 293 separate responses, amounting to 2,211 comments. All comments were taken into account in the preparation of the proposed submission draft City Plan 2040, which was submitted to the Secretary of State in August 2024. The City Plan 2040 is now subject to an independent examination in public, to be conducted by the Planning Inspectorate and - subject to an Inspector's report - will be formally adopted in 2025.
33. In July 2024, the [Transport Strategy \(2nd Edition\)](#) was published, reaffirming the City of London Corporation's commitment to making the City's streets **safer, more accessible and providing more space and priority to people walking and wheeling**.
34. The City of London Corporation's new [Air Quality Strategy 2025-2030](#) was published in December 2024 to fulfil its statutory obligations and to reach its **aim of meeting national air quality standards in all locations** within the next two to three years.
35. The publication and implementation of an [SME Strategy](#), launched in June 2024, is **aiding start-up businesses and SMEs to scale and grow**, helping to maintain London's position as the leading global financial and professional services centre.

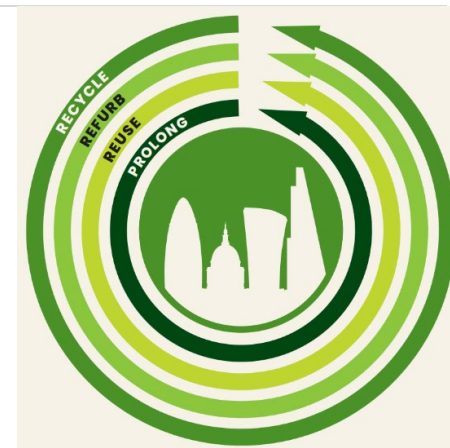
36. Refreshed Licensing policies are supporting businesses, including SMEs, to thrive in the City, whilst maintaining a balanced approach for City residents.

37. A key action of the new [Circular Economy Framework](#), published in January 2025, is to improve circularity in construction: we are working with key building industry stakeholders across the Square Mile and have launched a technology platform intended to streamline and increase the reuse of construction materials. We achieved an ISO 20400 Sustainable Procurement score of 2.73 out of 5 (our first ever score), and we continue to focus on our target for the percentage of **household waste sent for reuse, recycling or composting** (26.87% in 2023/24).

38. Good progress was made against delivery of the City's Climate Action Strategy (see also paragraph 41) : the [Cool Streets and Greening Programme](#) saw an **increase in the number of trees planted** in the City and the area of **climate resilient public realm and open space enhanced**. The Square Mile Programme included the progression of a Heat Network Strategy for the Square Mile and the implementation of the Embodied Carbon Action Plan.

39. The [London Port Health Authority](#) successfully adapted its services to meet the requirements of the government's new Border Target Operating Model (BTOM), **ensuring public and animal health through effective controls of imported food and feed**. The Port Health Service will continue to respond accordingly to the government's stakeholder consultations on the delivery of the BTOM to ensure an effective border.

40. In August 2024 the City of London Corporation was again awarded the [Platinum RSPCA Pawprint award](#) for Licensing of Activities Involving Animals, recognising the **upholding of high standards in animal welfare through strong enforcement and compliance** in licensable activities. Heathrow Animal Reception Centre is the only live animal Border Control Post (BCP) in the UK which is designated for all species, and the only BCP in Europe that holds the IATA CEIV (Centre of Excellence for Independent Validators) Accreditation. This reflects the specialist nature and skills of the team.



Climate Action Strategy (see also paragraph 37)

41. The City of London Corporation's Climate Action Strategy was approved by Policy and Resources Committee in April 2019 with a target to be Net Zero in the City Corporation's operations by 2027. Following the successful completion of a £10M grant funded programme of works that saved 780tnCO₂ and over £1M in avoided energy costs (2021 prices) the Energy Team are now working on 50 projects across 19 sites, **predicted to save a further 2000tn CO₂ and £900k in avoided energy costs**. 13% of projects are completed, 12% are in delivery with the remaining 75% at varying stages of development, the majority of which are heating projects due to start over the summer 2025.



Net zero by 2027
in the City Corporation's
operations



Net zero by 2040
across the City Corporation's
full value chain



Net zero by 2040
in the Square Mile



Climate Resilience
Climate resilience in our
buildings, public spaces and
infrastructure

Cyclical Works Programme (CWP)

42. The Cyclical Works Programme (CWP) 2024/25 is a strategic initiative aimed at maintaining and enhancing the City of London Corporation's operational estate¹ while aligning with the broader goals of the Corporate Plan. The five year programme has commenced and is overseen by the Resource Allocation Sub-Committee, having approved funding to address the backlog and urgent repairs, including a dedicated programme management team. The first year of the programme overlapped with the previous CWP, but its projects, including some that contribute to the Climate Action Strategy, are progressing well, with several already completed and financial performance on track.

Head of Profession for Culture

43. In May 2024, the Court of Common Council confirmed that a Head of Profession for Culture would be appointed to progress the development of a new cultural strategy and be accountable to the Culture, Heritage & Libraries Committee. The development of a new Cultural Strategy is underway.
44. Culture has been in a transition year, stemming from the "Destination City – Independent Review 2024" the team have maintained a strong programme of existing and new projects. Some highlights include: Open House, Beerfest, educational and family focused activity, seasonal events, Sculpture in the City, City Festival of Music Innovation and Knowledge, Thames Day, promotion via our website and social media channels, programme and promotional partnerships (e.g. Visit London, Lift the City and Fabric) and grant-funded delivery (e.g. Reimagining Londinium and The Big Picture) and the Anne Desmet exhibition in the Art Gallery. The team continued to operate key assets, including the Guildhall Art Gallery (and City Corporation's artwork across its estate including Mansion House and Old Bailey), the Amphitheatre, the Roman Bathhouse and the City Information Centre.
45. Highlights from [The London Archives](#) include a major programme to rename and rebrand the service, changing the name from London Metropolitan Archives to The London Archives (TLA) in August 2024, with a new brand and website. A new programme was launched for London's schools with an engaging set of primary and secondary sessions which aim to **connect more children across the capital with the archives and history in the care of the City Corporation**. These sessions were piloted in the new learning facilities, bringing over 1000 school children through the pilot sessions. An outdoor exhibition focussed on Victorian photography and engaged 37,000 visitors at Aldgate Square and St Paul's Churchyard, working with Destination City and Surveyors to contribute to a vibrant, thriving destination. Amongst other acquisitions, an agreement was reached with the Institute of Race Relations to add their archive to the collections.

Barbican Arts Centre

46. The Barbican Centre is a Multi-Arts, Learning and Conference Centre in the heart of the City of London. The Barbican is London's Creative Catalyst for Arts, Curiosity and Enterprise. The Barbican Centre is governed by the Barbican Centre Board, a committee of the City of London Corporation. Two sub-Committees, the Risk and Finance Committee and the People, Culture and Inclusion Committee report into the Barbican Centre Board. The Barbican CEO is part of the Executive Leadership Board of the City of London Corporation. In 2024, an Interim CEO was seconded from City Bridge Foundation, the charity of which the City of London Corporation is the sole corporate trustee, after the departure of the previous CEO in July 2024. Recruitment for the permanent CEO began in March 2025 and the successful candidate will be appointed in July 2025.
47. The Barbican operates on a mixed funding model. The City of London Corporation, as founder and principal funder, funds 40% of activities from its City Fund. 60% of annual income is raised through audience revenue, enterprise, commercial income and raised income. The Barbican is supported by [the Barbican Centre Trust](#)

¹ The CWP does not extend to ring-fenced property assets (City of London Police estate, New Spitalfields, Billingsgate, City of London School, City of London School for Girls, City of London Junior School, Freemen's School) or the HRA.

[limited](#). Trustees are dedicated to raising funds to support the Barbican's world-class arts and creative learning programmes. In December 2024, the Court of Common Council approved a £191M funding package (representing 80% of Phase 1 costs) to support the Barbican Renewal Programme, a five-year project of works to secure the future of the internationally renowned, grade-II listed site. The Barbican Centre has committed to a £40M Capital Campaign to raise the remaining 20% of Phase 1 costs. A Project Board has been established, co-chaired by the Barbican Centre CEO and City Surveyor, which meets monthly. The process of establishing the member level governance structure is underway, for approval at committees in May 2025. The Centre has committed to producing a 10-year business plan commencing April 2026.

48. The Barbican continues to deliver on its [Strategic Framework 2024-2029](#), which corresponds to the City of London Corporation's Corporate Plan 2024-2029, delivering on our Shared Goals and Purpose as London's Creative Catalyst. For 2024-2025, Audience Numbers are over 1.3M visitors to the Centre. In 2024/25 we worked with 52 primary, secondary and SEND schools and provided opportunities for over 1,800 children and young people to participate in and experience creative activities including access to performances, events, exhibitions, screenings and careers. The Barbican welcomed over 33,000 people across its Public and Communities programmes, including talks, workshops, gigs and exhibitions. A highlight of last year's programme was Our Street which welcomed 20,000 visitors to the Barbican in August 2024, most of whom visited in intergenerational family groups.
49. Over the past six months, the Barbican has further strengthened its Health and Safety team, including the appointment of a Head of Health, Safety and Wellbeing and a Fire Safety Manager, with recruitment underway for a Health and Safety Manager. The team has actively engaged with colleagues across the Centre to develop a comprehensive understanding of the organisation's risk profile and key health and safety challenges, laying the groundwork for a forthcoming improvement plan. Additionally, critical fire safety works have commenced across the site to enhance fire life safety systems, including upgrades to fire doors and compartmentation, with improvements to emergency lighting and signage to follow.

Enablers

Financial Management

50. The proper administration of the City's financial affairs and ensuring financial sustainability is fundamental to the City of London Corporation's service delivery. The Chamberlain is the Chief Finance Officer in accordance with section 151 of the Local Government Act 1972 and has overall responsibility for this. CIPFA's 2010 Statement on the Role of the Chief Financial Officer in Local Government defines the key responsibilities of this role and sets out how the requirements of legislation and professional standards should be met. The Chamberlain also fulfils the role of Treasurer of the Police Authority.
51. The City Corporation culture is to maximise returns from its resources and seek value for money. It assesses the scope for improvements in efficiency/value for money by a variety of means, including improvement priorities set by the Policy & Resources Committee through the annual resource allocation process. The [Projects and Procurement Sub-Committee](#) meets monthly to ensure that projects align with corporate objectives and strategy and provide value for money. The [Capital Buildings Board](#) provides oversight for the major programmes, meeting every two months, supported by a monthly Chamberlain's Projects Assurance Board. The Efficiency and Performance Working Group examines and scrutinises both the Corporation-wide and individual departmental plans to ensure the drive for value for money and oversee performance in alignment with departmental business plans.
52. The City Fund Medium Term Financial Plan is approved each year by the Court of Common Council and sets the revenue and capital budgets for a five-year period. Over recent years the levels of high inflation have placed **significant pressures on both revenue and capital budgets** as costs of previously included programmes have increased. Uncertainty around local government finance beyond the next year, in particular, the specific implications of the planned business rate reset in 2026/27, are key estimates required to be reviewed each year as part of the planning process. Programme Sapphire implementation (adoption of our new ERP system) is in progress, **modernising and improving our financial and human resources systems and processes**. Capability building within Chamberlain's and

Financial Services Division, and across the wider organisation, is continuing through its Finance, Improvement, and Transformation (FIT) strategy, which is due to be launched in 2025/26. In advance of this, training models for finance professionals, budget managers and project managers has been implemented to help address knowledge gaps. In 2024-25 sign off of the 2023/24 annual accounts for both City of London Corporation Funds by the external auditors was achieved in line with statutory deadlines.

Procurement

53. The City Corporation's procurement activity is governed by the [Procurement Code](#), reviewed by the Commercial Service on a six-monthly basis, Procurement activity is organised into categories of spend each supported by a named Commercial Lead from within the Commercial Service. Procurement decisions are taken by the relevant Category Board according to spend. City Corporation **ensured its readiness for the Procurement Act 2023** which came into force in February 2025 and will take further action in summer 2025 to extend its established good practice beyond the Act's requirements.

Spend	Less than £100K	£100K to £2M	£2M to £4M	£4M and above
Deciding authority	delegated to Chief Officers with compliance and good governance facilitated through the Procurement Authorisation Report (PAR).	The relevant Category Board	Projects and Procurement sub-Committee	Projects and Procurement sub-Committee Plus Finance Committee (for Procurement Strategy) Court of Common Council (for Contract Award (contracts of £20M and above))

54. The Commercial Contract Management toolkit sets out the City Corporation's approach to the management of its contracts and provides practical guidance on responsible and sustainable procurement to officers across the City Corporation. Through its [Responsible Procurement Policy](#) the City Corporation seeks to use its spending power to the benefit the community and wider stakeholders. The City Corporation defines responsible procurement as having three main pillars: **social value, environmental sustainability and ethical sourcing**. Social Value means protecting and enhancing the health and wellbeing of local people and the local environment, reducing inequalities, providing skills and employment opportunities, promoting the local economy and building resilience through diverse supply chains. Environmental sustainability means reducing negative environmental impacts by working towards net zero and supporting environmental protection and improvement including animal welfare. Ethical Sourcing means ensuring that human rights and employment rights. Since 2023-24 all procurements (new tenders, extensions and frameworks) must have a minimum 15% Responsible Procurement weighting, split across six commitments.

- Take Climate Action and minimise environmental impacts of procurement on our operations and throughout our supply chain
- Encourage and facilitate Supplier Diversity (Diverse Owned Enterprises and SMEs) through direct contracts, partnerships and active monitoring
- Embed equity, diversity and inclusion throughout the contract process and work with suppliers who have proven to take active steps within their own organisations, supply chain and industry
- Protect human rights in our supply chain by working with suppliers who undertake due diligence to guard against modern slavery and other human rights abuses
- Facilitate meaningful work-related opportunities, which are actively targeted to enable social mobility and inclusion
- Achieve meaningful social value outcomes according to organisational and stakeholder priorities through internal collaboration, community input and supplier engagement

55. Responsible Procurement Impact reports were published in June 2024 (covering 2023-24) and December 2024 (2024-25 mid-year report) noting achievements in the period. Information on the City of London Corporation's responsible supply chain commitments, as well as its [Responsible Investment Policy](#), Statement of Ethical Policy, [Modern Slavery Statement](#), Equality Objectives, corporate anti-fraud and corruption strategy and various environmental strategies and policies, is also provided in a UN Global Compact and Sustainable Development Goals Communication on Engagement every two years. The City of London Corporation is a signatory to the UN Global Compact and Sustainable Development Goals (SDGs) and published a [Communication on Engagement](#) in December 2024.

Programmes and Projects

56. City of London Corporation's Programme and Projects management has been strengthened by the implementation of portfolio management model providing **greater assurance across the City Corporation's programme and project management landscape**. Implementation was structured into two phases, with delivery of phase 1 taking place from November 2024 to April 2025 and phase 2 over summer 2025. The principles for the new project procedure are

- a. Create governance proportionate to the size and complexity of the project
- b. Gateways at the right points to enable impactful strategic interventions
- c. Better quality reporting which provides the right data & analysis to inform decisions
- d. Enhance strategic value from the outset as well as upon the realisation of benefits and outcomes
- e. Bring focus upon the overall budget for a project or programme rather than progression to the next gateway
- f. Better understand and manage the full extent of the risk of a project or programme
- g. Learn from the experience of past projects and align to industry standards

57. Phase 1 laid the foundations for better portfolio governance, with the launch of a unified project management tool (Cora) to manage projects across the City of London Corporation and create a 'single source of truth' by updating project data. Phase 2 will launch and embed the new project governance, procedure, & training, supporting the transition to the portfolio approach

Transformation

58. The City of London Corporation has embarked on an ambitious Transformation programme as part of its Corporate Plan, People Strategy and DIDAT Strategy towards achieving a Fantastic Five Years. This programme is vital to averting impending risks such as financial unsustainability, stalled productivity, widening technological gaps, and sub-optimal systems and processes. The Transformation programme, as enabler of the Fantastic Five Years, will be guided by four cross-cutting themes, all of which emphasise our aim of harnessing our unique position in the square mile and beyond. Goal statements and related outcomes have been defined for each pillar:

- a. **Organisational Excellence:** We are set up to achieve great things quickly, effectively and efficiently: operationally, organisationally, and in terms of governance. A culture of continuous improvement and innovation drives this Transformation. Through deep listening - and agile response - to both residents and businesses we develop our services in line with the needs of the City.
- b. **Entrepreneurial Spirit:** Thinking beyond income generation to facilitate innovative, sustainable financial growth – as well as savvy resource management, ensuring long-term financial sustainability for the future of the City Corporation. A future where the City Corporation adds value to citizens, workers and businesses. By aligning our activities to the priorities of City businesses, we unlock new funding opportunities.

- c. **Future First:** The City Corporation is at the forefront of innovative technology providing seamless services for both residents and businesses. We anticipate the evolving needs of a modern, connected city, using technology to foster equity and sustainable growth. Digital engagement with our community and businesses takes priority - and has potential for income generation.
 - d. **Innovative Collaboration:** We become more than the sum of our parts through innovative collaboration. By breaking down silos and fostering teamwork between officers and members we amplify impact across all departments and institutions. We develop strong multi-way partnerships with businesses – from financial and professional services and beyond - to amplify culture and service delivery, and vice versa.
59. Programme boards have been set up for each Transformation pillar, each with a Chief Officer sponsor and deputy Chief Officer as SRO, and the overarching Transformation board will be launched in April 2025.
60. The City of London Corporation is in the process of going to market for a Strategic Partner for Transformation who will be tasked with:
- a. Acceleration of delivery of the Transformation portfolio
 - b. Leading the people side of Transformational change, in concert with the Values and Behaviours programme, which is led by HR colleagues
 - c. Developing Ratifying and/or identifying £10m of income generation and savings opportunities to be built into the 26/27 budget
 - d. Running a Transformation Academy
61. In preparation for this, a Transformation Maturity assessment was conducted, based on the [Local Government Association Transformation Maturity Matrix](#). A Survey was sent to 35 senior officers and responses have been collated identifying that the City Corporation is in between levels one and two of the matrix across ten Transformation capabilities (our assessment included HR and data as additional maturity metrics).

HR and People

62. In April 2024 the City of London Corporation published its first [People Strategy](#) and has committed to reporting progress to the Corporate Services Committee twice yearly. The first [progress report covering April-September 2024](#) was presented in January 2025. The second progress report will go to Corporate Services Committee in June 2025. The People Strategy contains five themes:

My Contribution, My Reward	Includes Ambition 25 and a Benefits Review and Refresh. Ambition 25 programme has been established to address the long overdue need to review the CoLC pay and grading framework and job evaluation process as part of the wider People Strategy 2024-29. To manage the governance a Chief Officer steering board commenced during 2024/25, and meets weekly to address all challenges and areas of governance that a programme of this size and scale brings. The Officer Steering Board reports regularly to Corporate Services Committee for further steers and guidance.
My Wellbeing, My Belonging	Involves procurement of a supplier to undertake a programme of work to create new values and behaviours in 2025/26 as well as collaborative projects with the Health & Safety team and the Equality, Equity, Diversity and Inclusion (EEDI) team. Wellbeing and belonging have been fore fronted through initiatives such as the largest ever Celebrating our People Awards (COPA), a series of wellbeing lunch and learns, and a revitalised volunteer programme.
Inclusive Leadership	Action included the delivery of an all-staff survey, analysis of results, and monitoring and delivery of outcomes from across the entire organisation. Progress will be reported in the June 2025 People Strategy report. A pilot 360 assessment was undertaken for our Senior Leadership Team and a new organisation-wide leadership forum to contribute to an increase in distributed leadership was introduced, to report to ELB, entitled Future Ambition 18 Leadership Exchange. Manager training programmes have been refreshed. New member induction and training has been created, working with Member Services, for spring 2025 launch.
My Talent, My Development	Has concentrated on a refresh of induction and mandatory training including Health and Safety, EEDI, and Cyber Security with an increased concentration on e-learning.
Brilliant Basics	Has included initial work to create a manager level data reporting dashboard and undertake back-office data improvements and data cleansing to inform the replacement of our People System through a larger enterprise resource planning solution, entitled Programme Sapphire in collaboration with Finance. The development of workforce planning approaches has begun, including a significant undertaking to revamp our approach to our temporary labour agency workforce with a more efficient and cost-effective service. Prioritised policy updates have taken place in line with central government changes. A review of the Employee Handbook and the creation of a robust review process for all policies is underway. Recruitment to key HR and People roles during 2024/25 (and ongoing) has strengthened the corporate HR and People function to enable and assure the successful delivery of the People Strategy themes and support transformation across the City of London Corporation.

Digital Data and Technology Strategy

63. In September 2024 the Court of Common Council approved the [Digital, Data and Technology \(DDaT\) Strategy](#). Implementation of Digital, Data and Technology (DDaT) Strategy focused on 5 key strategic outcomes of Brilliant Basics, technology convergence where possible, becoming data driven to improve decisions, transforming services through responsible use of Automation and AI and developing Digital skills and sharing expertise. Since implementation, the new strategy has achieved some excellent progress against the strategic outcomes:
- a. A single device approach to devices – for the first time a single brand of device will be used across the whole organisation. This has led to significant savings through a joint purchasing agreement and allows device expertise to be shared across all IT Teams.
 - b. Microsoft Copilot (Generative AI) – the City of London Corporation has taken its first steps in the use of Generative AI through Microsoft Copilot for M365. There are 240 licenced staff with representation across all departments who are using Copilot to deliver significant time savings through personal productivity gains. In March 2025, Copilot was used for 16,568 prompts with an estimated 921 'Copilot assisted hours'. 2025/26 will see an increasing focus on Copilot Agents or 'Chat Bots' to deliver time savings and efficiencies.
 - c. Corporate Data Platform – Microsoft Fabric has been implemented as the Corporate Data Platform, providing a single repository for corporate data which can be utilised and shared across the City of London Corporation, subject to appropriate access and permissions. Significant benefit has been demonstrated in the area of Planning, and the wider Environment Department, in automating the collection of data and utilising Microsoft PowerBI to produce real time Reports and Dashboards. Work has commenced on utilising the Corporate Data Platform to collate internal and external data sources insights for Destination City, where previously the City Corporation may have relied on third party support.
 - d. In-housed IT Services – 2024/25 has been the first full year since the insourcing of IT Services from the previous Managed Service Provider. The Digital, Information and Technology Service (DITS) has continued to focus on Brilliant Basics, delivering significant improvements against the services' key performance indicators and demonstrating that an in-house service could both save money and deliver a better service.
 - e. Future Network Programme – this year DITS have initiated the programme to provide a new IT Network for the City of London Corporation, moving towards a cloud based, Wi-Fi first solution for all 120+ sites. The Programme is currently out to market for a new Network Provider, with a view to starting the roll out of the new network in early 2026.
 - f. Data Lighthouse Project – there is a recognised gap in the City of London Corporation for a corporate Customer Relationship Management solution. This project has commenced to deliver Microsoft Customer Insights as the corporate CRM platform, which will eventually be made available to all departments to create a single view of all customer interactions. The first two services are due to go live on the platform in early 2025/26.

Corporate Performance, Audit and Risk

64. The City Corporation looks to various performance measures as indicators of good governance. In 2024-25 these were:

Governance Performance Measures	2024-25 Outcomes	Previous year data
Internal Audit Work	24 Internal Audit reviews were completed (final reports issued). The majority resulted in Moderate and Limited Assurance opinions. 102 recommendations were raised (lower compared with previous years ²).	124 recommendations raised in 2023-24
Fraud identification: proven fraudulent activities carried out by members of staff	3 incidents in 2024/25.	1 incident in 2023-24
Outcomes of investigations carried out by Monitoring Officer or Independent Panel	In the period April 2024 –April 2025, 2 complaints were considered by the Panel of Independent Persons under the Code of Conduct. (Compares with).	3 complaints investigated in 2023-24
s151 formal issues raised	None in 2024-25	None in 2023-24
Local Government & Social Care Ombudsman referrals (where upheld)	Compliance with recommendations – 100% (no upheld referrals in 2023-24 (latest available)).	100% (no upheld referrals in 2022-23)
Meeting statutory deadlines/targets as per Electoral Commission Performance Standards	City wide elections were carried out in March 2025 to the national standard. The annual canvass (the statutory audit of the Ward List & the Electoral register) was delivered to relevant legislation.	8 elections in 6 wards carried out in 2023-24
Freedom of Information and Environmental Information Regulations	Jan to Dec 2024: 1,311 FOIs and 7 EIRs were received. 1,236 (93.77%) requests were responded to within the statutory Compliance deadline. The Information Commissioners Office target is 90%.	1191 FOIs and 9 EIRS on 2023, 93% responded within deadline.
Departments/Institutions that report business plan performance measures to Committees	2024-25 Performance: 6 Departments and Institutions ³ reported business plan performance measures to service Committees.	5 in 2023-24
Appraisals % completed	2024 (latest available): 80% appraisals completed (City Corporation overall average)	80% in 2023
Staff attendance at City Corporation induction	2024-25: 598 staff attended the New Starter induction events held in the period.	691 staff attended in 2023-24
Staff turnover rate	12.09% in 2023-24 (latest available)	13.99% in 2022-23
Staff survey participation and engagement	2024 participation rate 74%, engagement score 63%	Participation rate 51% eng't score 52% in 2022
Non-exempt invoices paid without a corresponding purchase order (PO)	2024-25: Compliant invoices 97% and non-complaint invoices 3%	96% compliant, 4% non-compliant in 2023-24
Health & Safety Systems Maturity	Target: 65% Proactive Safety Maturity score across all City of London Corporation Departments and Institutions. March 2025 score was 57%.	Baseline 2024 score was 51%.

² 124 recommendations were raised in FY2023-24. 73 recommendations were raised in FY2022-23. 168 recommendations were raised in FY2021-22

³ Environment Department, Department of Community and Children's Services, City Surveyor's, Chamberlain's, Innovation and Growth, Barbican Arts Centre, City of London Police,

Role of the Monitoring Officer

65. The Comptroller and City Solicitor is the City of London Corporation's Monitoring Officer for the purposes of s.5 of the Local Government and Housing Act 1989 and its Data Protection Officer. The Comptroller and City Solicitor is responsible for providing all legal services required by the City of London Corporation, with the main areas of law covered including commercial property and land law, housing, litigation, employment law, contract law, planning, trusts, charity and company law. Working to the Comptroller and City Solicitor, the Information Governance Team provide advice in relation to data protection (DPA) and freedom of information matters (FOI) meeting the target set by the Information Commissioners Office, and the Electoral Services Team are responsible for City, Parliamentary and GLA elections and maintaining the City's Electoral Registers. City wide elections were successfully delivered in March 2025.

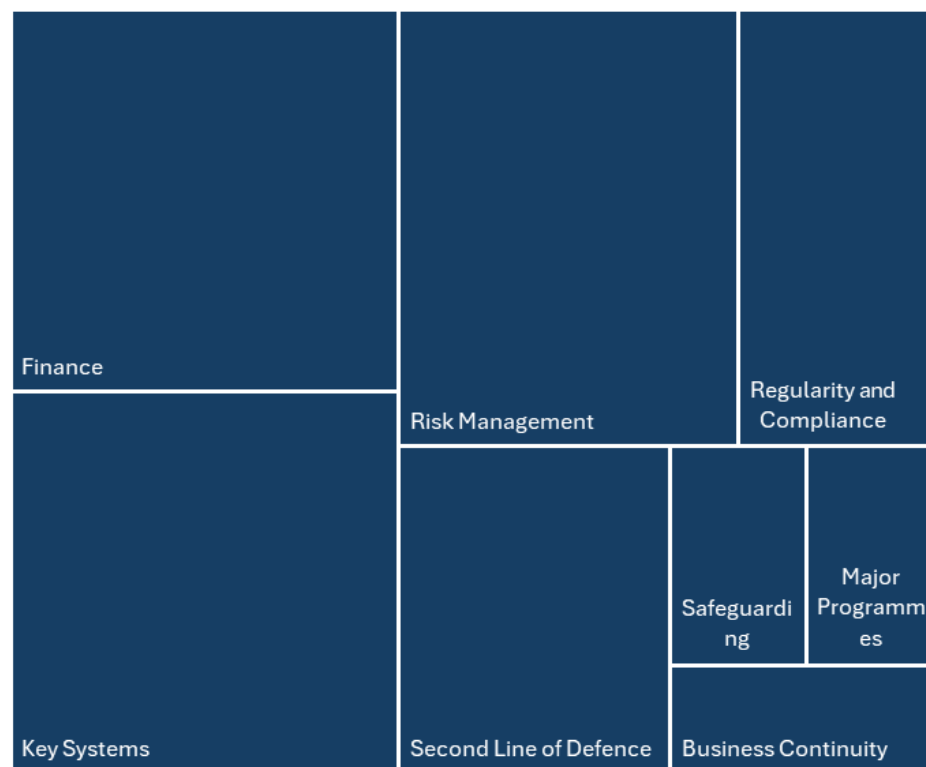
Role of Internal Audit

66. Internal Audit has provided **independent and objective assurance** across a range of City Corporation activities and services, not just limited to City Fund operations. The diagram opposite indicates the broad categorisation of assurance work within the Internal Audit programme of work.

67. For 2024-25 the Internal Audit work has continued to be driven by an ongoing assessment of risk and priorities. The agile and dynamic approach to Audit Planning, working to a rolling quarterly plan with a statement of intent for a further 6 months, has once again enabled better prioritisation of the limited resources available to Internal Audit. The Head of Internal Audit has worked with the full engagement and support of the Audit and Risk Management Committee, with updates provided to each Committee meeting. Assurance coverage has been focussed on operations assessed as higher risk. It is not unexpected that, as a result of targeting areas of highest risk, the profile of Internal Audit outcomes includes a high proportion of Moderate and Limited Assurance opinions, a larger programme of work would likely result in provision of a greater number of Substantial Assurance opinions, therefore providing a more balanced view of the overall effectiveness of the Internal Control Environment.

68. In response to concerns raised by the Head of Internal Audit, the level of resources available to Internal Audit were increased midway through 2024/25 by way of contingency funding and by substantive update through the budget setting process for 2025/26 and beyond. This resource uplift has bolstered both management and delivery capacity within the team which has enabled a reintroduction of a more traditional approach to Internal Audit planning and has lifted delivery capability from around 600 Audit Days to 1000 Audit Days per annum. The team has been fully staffed since January 2025.

Distribution of Assurance Work



69. In preparation for the introduction of the Global Internal Audit Standards a conformance gap analysis was undertaken which confirmed good alignment. The detailed outcomes from the assessment have informed the Internal Audit continuous improvement programme, one notable product being the creation of an Internal Audit Strategy.

Audit and Risk Management Committee

70. Risk management arrangements are reviewed annually by the [Audit and Risk Management Committee](#) which has a wide-ranging but focused brief that underpins the City of London Corporation's governance processes. The Audit and Risk Management Committee, and the [Nominations and Effectiveness Sub Committee](#), continued to play an important and integral part in **ensuring key risks were reviewed through regular risk updates and deep dives of corporate risks** on a rolling basis. Corporate risk deep dives are carried out by the Internal Audit Team to provide an additional level of assurance. In 2024-2025 recruitment of an independent member of the Nominations and Effectiveness Sub Committee was unsuccessful, and this exercise will be repeated during 2025-26.

Risk Management

71. The Chief Officer Risk Management Group (CORMG) continued to assess Corporate Risk through its well established processes and schedule of meetings and provided assurance to ELB on management of risks.

Page 228

72. The Risk Management Strategy 2024-2029 was approved by Members in May 2024. During the first year of the Strategy, progress was made on delivering the brilliant basics of risk management, including reviewing and consolidating risk registers, through a continuation of a staff training programme and engagement with the Risk Management Forum (officer risk leads/co-ordinators), which continues to meet regularly. This has ensured **more regular and thorough updating of risks and better quality of risk data used in strategic decision-making**. A new Risk Management Policy was developed and agreed by the Audit & Risk Management Committee, the City Bridge Foundation Board and the City of London Police Authority Board in the third quarter of FY2024/25. Following last year's Risk Appetite Review a new Risk Appetite Statement was developed with input from Chief Officers, Heads of Profession and Members and forms the final piece of the organisation's Risk Management Framework. The draft statement will be presented to the Court of Common Council for agreement in the first quarter of FY2025/26, following additional Member engagement. The anticipated implementation of this (to be supported by guidance) in FY2025/26 will help to inform a review of corporate risks against the delivery of Corporate Plan 2024-2029 outcomes.

73. An internal audit of the corporate application of the Risk Management Framework (based on departmental risk management audits conducted between July 2022 and June 2024) was completed in Q3. Some findings had already been addressed through BAU risk management activities during the audit period, with others captured as part of the action plan of the Risk Management Strategy 2024-2029.

74. The City Corporation contributed risk management expertise to Optimising Growth: The Evolving Role of the Chief Risk Officer research undertaken by Bayes Business School at City St George's, University of London. Commissioned by the Lord Mayor of the City of London, the research examined the evolving nature of the Chief Risk Officer (CRO) role within UK Financial Services firms.

Organisational Performance Management

75. The City of London Corporation has **identified performance measures to monitor the Corporate Plan 2024-2029 outcomes** and published a [preliminary report](#) on progress. Further progress reports will be published on the City Corporation website annually and will evolve over time as measures and processes improve.

Regular performance reporting to the Executive Leadership Board is being established with scrutiny of Business Plans quarterly progress reports having been adopted into process during 2024-25. Business Planning transition to multi-year strategic and outcome focused plans (refreshed annually) steps up from July 2025, with the pilot departments having produced 3 to 5 year plans during the 2024-25 year. City of London Corporation Departments and Institutions report regularly to service Committees on the delivery of business plan performance metrics and the City of London Corporation also reports on the delivery of legal and statutory duties. The City of London Corporation also reports on the delivery of legal and statutory duties.


Where our governance needs to improve





76. Each year, the City of London Corporation proposes taking actions in important areas of governance as an ongoing part of demonstrating delivering high standards of good governance. In 2025-26 we will focus on the following

Area	Action List	Targets / Milestones	Lead (Chief Officer)
Governance	Agree the future arrangements for the election of the Policy Chairman. Ready the City of London Corporation for a Local Authority Peer Review	Report to the Court of Common Council in the next Civic Year with options for the election of the Lead Member on Policy matters for the City of London Corporation (known as the Policy Chairman). Collect evidence to support the Review Team and provide support during the Peer Review Period (2025/26)	Deputy Town Clerk
EEDI	EEDI Review Phase 2	Phase 1 EEDI Review report recommendations to be considered and where accepted, implemented in Phase 2 of the EEDI Review (2025/26).	Chief Strategy Officer
Finance	Project Sapphire	Phase 2 implementation (2025/26)	Chamberlain
Organisational Performance	Embed multi-year business planning across City of London Corporation Departments	Include all departments and Institutions in corporate business planning process, set multi-year business plan guidance (Jul 2025), approved by Executive Leadership Board (Dec 2025) and Committees (Mar 2026)	Chief Strategy Officer
People & HR	People Strategy Delivery	While significant progress was made across all People Strategy themes in 2024/25, the sheer breadth and depth of work across multiple projects with individual governance groups has led to some challenges in managing the ambition originally forecast for year one of the People Strategy. This work will continue into 2025/26, and continue to be reported to the Corporate Services Committee.	Chief People Officer
Transformation	Transformation Programme Phase 2	Onboard a Transformation Programme Partner (Summer 2025) Develop and deliver Transformation Framework with the Transformation Programme Partner (2025/26)	Chamberlain
Health & Safety	Health & Safety Action Plan (People Strategy)	Achieve target of 65% Proactive Safety Maturity score across all CoL Departments (2025/26)	Deputy Town Clerk

How we improved our governance arrangements in 2024-25

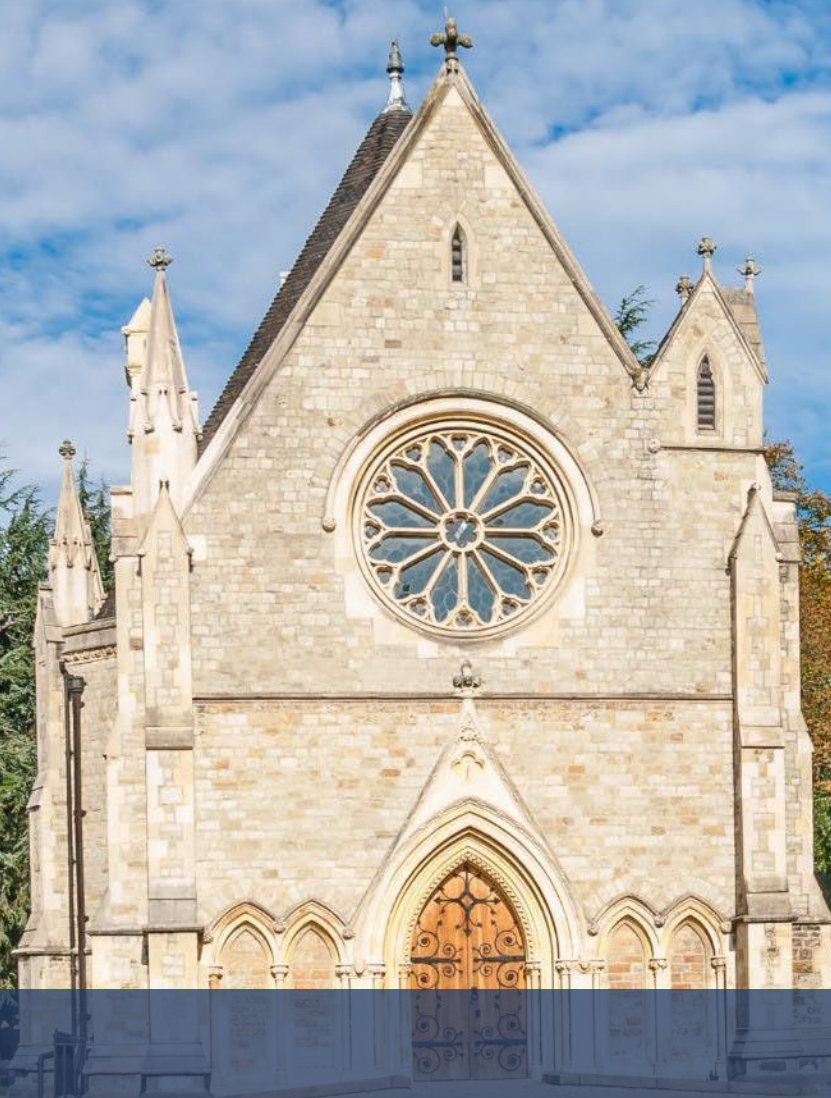
77. In the 2023-24 Annual Governance Statement the City Corporation proposed taking action in the areas of Health and Safety, Financial Management, HR and People, Transformation, Procurement, EEDI and Risk Management. Actions aimed to improve compliance and capability across the City Corporation, resulting in a positive impact in respect of its governance arrangements. A summary of progress during 2024/25 is shown below:

Action Identified	Progress achieved	Outcome
<p>Health & Safety</p> <p>Progress the Health and Safety Action Plan, delivering strategic improvements and governance, compliance and risk mitigation, and system enhancements and Digital Transformation</p>	<p>Health & Safety strategic workplan, aligned to People Strategy, established safety as a Golden Thread of the Corporate Plan. Health & Safety Policy approved April 2024. Strategic Health & Safety Board established Oct 2024. IIRSM accredited ELB H&S Governance Training delivered to ELB. Strengthened governance through corporate H&S team as a second line of defence, conducted a full safety assurance review across 33 high-risk departments. Refreshed Incident Reporting System launched in Jan 2025. New Risk Assessment System launched in 2025. Safety Management Framework developed and approved. New Every Day Safety Managers course piloted (roll out Summer 2025.)</p>	
<p>Finance</p> <p>Progress Project Sapphire to improve finance and HR systems. Progress automation of invoice payments. Continue effective financial management delivery through capital and revenue reporting and statement of accounts</p>	<p>Programme Sapphire approved and first phase implementation underway in HR L&D system. Next phases of Programme Sapphire in hand with Adopt not Adapt approach enabling improved financial processes and expansion of the City London Corporation's financial transformation programme. Sign off of historic sets of accounts and 2023/24 drafts for both Funds was achieved in line with statutory deadlines. Internal reporting for budget monitoring revised and improved. Court of Common Council approved actions to support a balanced 2025/26 budget and Medium Term Financial Plan for City Fund.</p>	Ongoing
<p>People & HR</p> <p>Progress Ambition 25 project. Implement People Strategy 2024-2029 actions for year 2024/25, including development of City Corporation values. Establish a learning focused offering for senior leaders. Review mandatory training offer</p>	<p>Ambition 25 developed to review of CoLC pay and grading framework and job evaluation process. This (and My Contribution, My Reward workstream) will ensure transparent, fair and clear job grading and evaluation methodology moving forward; steady progress reported to Corporate Services Committee (CSC) Chair & Deputy Chair. People Strategy progress reported to CSC Jan 2025; in June 2025 will report on the first full year in full. CSC agreed creation of overarching values for City Corporation to go out for full public tender; a complex procurement began Jan 2025. Future Ambition 18 Group established to create a robust platform for leadership development. Mandatory training offer updated to reflect changes in legislation and technology; available to new starters from Sep 2024 and to all staff to recomplete from April 2025 with Programme Sapphire implementation.</p>	Ongoing
<p>Transformation</p> <p>Focus on increasing value of our operations in support of mitigation of medium-term financial situation through radical decision making in the short term and transformation delivery in the medium to long term. Ensure Transformation enablers are in place, securing the Brilliant Basics. Develop and deliver (alongside a strategic delivery partner) a Transformation framework</p>	<p>Income Generation working group set up to drive silo-busting and accelerate delivery of opportunities. Transformation Readiness assessment (based on LGA Transformation Maturity Matrix) in Feb 2025 gave a maturity level between one and two (of a maximum five) and informed work for large-scale Transformation. A Transformation Framework and accompanying business model will be taken forward in Phase 2 of the Transformation, from 2026/27. In 2025/26 a Strategic Partner for Transformation will deliver:</p> <ol style="list-style-type: none"> Acceleration of delivery of the Transformation portfolio People side of Transformational change in concert with Values and Behaviours work Ratifying/identifying £10m of income generation/savings into 2026/27 budget Running a Transformation Academy 	Ongoing

<p>Governance</p> <p>Greater base-level knowledge about governance and decision-making across the organisation</p>	<p>Committee Report Template improved to better equip Committee Members with the key information to make informed decisions. Regular training for Members on Governance processes. Comprehensive Induction Training Schedule offered to all Members (new and returning) following City-wide elections. Corporate Governance briefed at New Starter Inductions. Standing Orders successfully reviewed and changes adopted.</p>	
<p>Procurement</p> <p>Review strategic procurement policy and practice</p>	<p>Action taken on preparedness for new Procurement Act; independent review of strategic procurement, readiness assessment, and strategic procurement improvement plan.</p>	
<p>Police/Police Authority Board</p> <p>Refresh 2022-25 Policing Plan. Annual City Police report for 2023/24. Continue governance reform of Professional Standards & Integrity Committee</p>	<p>City of London Policing Plan 2025-2028 published. City of London Police Annual Report 2023/24 published. Delivery of Serious Violence Duty Strategy 2024 is in progress. First City of London Police and City of London Corporation joint Victims Strategy published in February 2025. Equality, Diversity and Inclusion Strategy 2024-2027 published. Ongoing action has been delivered on Policing Standards and Integrity governance reform.</p>	
<p>Equity, Equality, Diversity & Inclusion</p> <p>Publish corporate Equality Objectives progress. Improve corporate outcomes on social mobility - participation in social mobility employer index Stabilise,strengthen corporate EEDI infrastructure</p>	<p>58th place ranking in the Social Mobility Employer Index achieved. Social Mobility Action Plan in development. Independent EEDI Review commissioned, informed by officer and Member workshops on scope and Terms of Reference. EEDI Review phase one reported to EDI Sub Committee. Equalities Objectives progress report in summer 2025 (one year on from publication). 2024 Equality Information Report published in Feb 2025. Recruitment to strengthen the corporate EEDI structure underway.</p>	<p>Ongoing</p>
<p>Risk Management</p> <p>Support an agile and effective risk management process, create an effective risk management culture and enable informed decision making and appetite for risk</p>	<p>Risk Management Strategy 2024-2029 promulgated across the City Corporation ; year 1 actions delivered to align risk management with strategic processes. Risk Management Policy developed, with a focus on risk application, roles, responsibilities, process and governance and reporting. 2025-26 actions will include: identification and delivery of Risk Management Strategy year 2 actions; continued socialisation of Risk Management Policy; embedding Risk Appetite Statement into service committee and Chief Officer decision-making; review of top-level risks by Chief Officers; and review of corporate risks against the outcomes of the Corporate Plan 2024-2029 to ensure strategic alignment.</p>	

A forward look on governance

78. The City of London Corporation is aware demand for services is increasing, for example in social care provision, SEND demand and responding to Homelessness. Escalating financial pressures and increasing demand pressures on our workforce and partners, could potentially impact on the resilience and effectiveness of our governance. It will be important that the City Corporation continues its focus on developing increased capability and understanding of Risk to enable risk informed, effective governance, delivering transformation and systems improvements, and continues its strategic, targeted programme of audit work to provide assurance of the City of London Corporation's internal control system. Areas of focus in 2025-26 are likely to include safeguarding, safety management, regularity and compliance, finance, major programmes, second line of defence, systems, risk management, and asset management.



Further Information

Accounting Standards	Rules set by International Accounting Standards Board that set out how transaction are to be shown in an organisation's accounts
Accrual	The recording of income and expenditure when it becomes due rather than when the cash is paid out/received.
Balance Sheet	A statement showing the assets and liabilities of City Fund
Billing authorities	District, unitary, metropolitan and London Borough who collect council tax and non-domestic rates on behalf of all local councils
Cash flow Statement	This statement summarises the cash flows that have been made into and out of City Fund during the year.
City's Estate	The existence of City's Estate (formerly City's Cash) can be traced back to the fifteenth century and it has built up from a combination of properties, lands, bequests and transfers under statute since that time. It is accounted for separately and does not form part of the City Fund statements, although references are made to City's Estate in certain parts of the statements. The fund is now used to finance activities mainly for the benefit of London as a whole but also of relevance nationwide. These services include the work of the Lord Mayor in promoting UK trade overseas, numerous green spaces and work in surrounding boroughs supporting education, training and employment opportunities.
Creditors	Individuals or organisations to which the City Fund owes money at the end of the financial year.
Collection Fund	Statutory account showing transactions in relation to the collection of Council Tax, payments to the Greater London Authority and the administration of the National Non-Domestic Rate.
Community assets	Assets that the City of London intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and gardens or historic buildings.
Comprehensive income and expenditure statement	This statement shows all the income and expenditure of City Fund
Current asset	An asset which will be consumed or cease to have value within the next accounting period; examples are stock and debtors.

Current liability	An amount which will become payable or could be called in within the next accounting period; examples are creditors and cash overdrawn.
Current service cost (pensions)	The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.
Curtailement (pensions)	For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include: <ul style="list-style-type: none"> • termination of employees' services earlier than expected, for example as a result of discontinuing an activity, and • termination of, or amendment to, the terms of a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.
Debtors	Individuals or organisations that owe the City Fund money at the end of the financial year.
Dedicated Schools Grant	A grant from the Government used by City Fund to fund schools
Deferred capital receipts	These result mainly from loans to the Museum of London plus outstanding loans in respect of past sales of council dwellings to tenants who were unable to obtain a building society loan or other external means of financing. Their indebtedness is reflected in the balance sheet under long term debtors. This account shows the amount to be paid on deferred terms and is reduced each year by repayments made.
Defined benefit scheme	A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.
Defined contribution scheme	A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and has no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.
Depreciation	The loss in value of an asset due to age, wear and tear, deterioration or obsolescence.
Direct revenue financing	Expenditure on the provision or improvement of capital assets met directly from revenue account.
Donated assets	Assets transferred at nil value or acquired at less than fair value.

Expected rate of return on pensions assets	For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.
Experience gains or losses	In pensions accounting, the element of actuarial gains and losses that relates to differences between the actual events as they have turned out and the assumptions that were made as at the date of the earlier actuarial valuation.
Fair value	Fair value is generally defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.
Heritage assets	A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.
Housing Revenue Account	An account used to record the income and expenditure related to council housing
Impairment	A reduction in the value of an asset below its carrying amount on the balance sheet.
Infrastructure assets	Long-term assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples are highways, footpaths, bridges and sewers.
Intangible assets	A non-physical item where access to future economic benefits is controlled by the local authority. An example is computer software.
Pensions interest cost	For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.
Investment properties	Interest in land or buildings that are held for investment potential.
Levies	These are charges incurred by the City of London to meet London-wide services. They include payments to the London Boroughs Grants Committee, the Environment Agency and the London Planning Advisory Committee.
Movement in reserves statement	This statement shows the impact of the financial year on the City Fund's reserves
National Non-Domestic Rate (NNDR)	A flat rate in the pound set by the Government and levied on businesses who occupy offices and buildings within the City. The income is collected by the City of London and is passed on to Central Government and the Greater London Authority (GLA).
Net current replacement cost	The cost of replacing a particular asset in its existing condition and in its existing use.

Net realisable value	The open market value of an asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.
Net expenditure	The amount City Fund spends on providing services after capital financing costs and specific government grants are taken into account
Non-operational assets	Long-term assets held but not directly occupied, used or consumed in the delivery of service. Examples are investment properties.
Past service cost (pensions)	For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.
Projected unit method	An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to: <ul style="list-style-type: none"> the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases; and the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.
Provision	An amount set aside in the accounts for liabilities of uncertain timing or amount that have been incurred. Provisions are made when: <ul style="list-style-type: none"> the City of London has a present obligation (legal or constructive) as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.
Reserves	Reserves are reported in two categories in the Balance Sheet of local authorities: <ul style="list-style-type: none"> Usable reserves - surpluses of income over expenditure and amounts set aside outside the definition of a provision and which can be applied to the provision of services. Certain reserves are allocated for specific purposes and are described as earmarked reserves. <p>Unusable reserves - those that cannot be used to provide services. This category of reserves includes adjustment accounts which deal with situations where statutory requirements result in income and expenditure being recognised against the City Fund or HRA balance on a different basis from that expected by accounting standards.</p>

Revaluation Reserve	Represents increases in valuations of assets since 1 April less amounts written off due to the 'additional depreciation' (including impairment due to consumption of economic benefit) arising because property, plant and equipment are carried at a revalued amount rather than historic cost. It can also include reductions in values to investment properties where the reductions are not considered to be permanent.
Revenue expenditure	The day to day running costs relating to the accounting period irrespective of whether or not the amounts due have been paid. Examples are salaries, wages, repairs, maintenance and supplies.
Revenue expenditure funded from capital under statute	Legislation allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a long-term asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to revenue and impact on council tax. These items are generally grant payments and expenditure on property not owned by the authority.
Scheme liabilities	The liabilities of a defined benefits pension scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.
Section 31 Grant	Grant that provides support to Local Authorities for expenditure lawfully incurred or to be incurred by them for certain changes
Section 106 agreement	A legal agreement between Local Authorities and developers; these are linked to planning permissions and can also be known as planning obligations.
Section 278 agreement	A section of the Highways Act 1980 that allows developers to enter into a legal agreement with the Local Authority to make permanent alterations or improvements to a public highway as part of a planning approval.
Treasury management	The management of the cash balances and borrowing needs from City Fund's cash flows
Triennial valuation	Actuarial valuation of defined benefit pension schemes that is required every three years
Valuation office agency (VOA)	The government agency responsible for valuing domestic and non-domestic properties

AAAmmf.....	AAA Money Market Fund (Credit Rating)
ACT.....	Action Counters Terrorism
AVC.....	Additional Voluntary Contributions
BACS.....	Bankers Automated Clearing System
BID.....	Business Improvement District
BRS.....	Business Rate Supplement
CFR.....	Capital Financing Requirement
CFO.....	Chief Financial Officer
CIES.....	Comprehensive Income and Expenditure Statement
CIL.....	Community Infrastructure Levy
CIPFA.....	Chartered Institute of Public Finance & Accounting
CLEAR.....	City of London Ethnicity and Race Network
CoLc.....	City of London Corporation
CPI.....	Consumer Price Index
CRC.....	Cyber Resilience Centre
DAWN.....	Disability and Wellbeing Network
DCCS.....	Department of Community and Children's Services
DfE.....	Department for Education
DLUHC.....	Department for Levelling Up, Housing and Communities
DSG.....	Dedicated Schools Grant
EBITDA.....	Earnings before Interest, Taxes, Depreciation and Amortization
ECCC.....	Economic and Cyber Crime Committee
EDI.....	Equality, Diversity & Inclusion
EEDI.....	Equity, Equality and Diversity Inclusion
ELB.....	Executive Leadership Board
EIR.....	Environmental Information Regulations
ERP.....	Enterprise Resource Planning
EUV.....	Existing Use value
FTE.....	Full Time Equivalent
FOI.....	Freedom of Information
FVOCI.....	Fair Value through Other Comprehensive Income
FVPL.....	Fair Value through Profit or Loss
GAAP.....	Generally Accepted Accounting Practice
GHG.....	Greenhouse Gas
GLA.....	Greater London Authority
GMP.....	Guaranteed Minimum Pension
HARC.....	Heathrow Animal Reception Centre
HRA.....	Housing Revenue Account
IAS.....	International Accounting Standards

I&G.....	Innovation and Growth Services
IFRS	International Financial Reporting Standards
IPSAS.....	International Public Sector Accounting Standards
ISA.....	International Standards on Auditing
ISB.....	Individual Schools Budget
LASAAC.....	Local Authority (Scotland) Accounts Advisory Committee
LCIV.....	London Collective Investment Vehicle
LGPS	Local Government Pension Scheme
LLP	Limited Liability Partnership
LMA.....	London Metropolitan Archives
MHCLG.....	Ministry of Housing, Communities, and Local Government
MiRS.....	Movement in Reserves Statement
MoL.....	Museum of London
MRP.....	Minimum Revenue Provision
NAV	Net Asset Value
NNDR.....	National Non-Domestic Rate
OFSTED.....	Office for Standards in Education, Children's Services and Skills
PAB.....	Police Authority Board
PPE.....	Property, Plant and Equipment
PRAG	Pensions Research Accountants Group
PSIC.....	Professional Standards and Integrity Committee
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
RREC.....	Resources, Risk and Estates Committee
SBNDR	Small Business Non-Domestic Rate
SIP	Strategic Investment Pot
SOLACE.....	Society of Local Authority Chief Executives
SPA.....	State Pension Age
SPPC.....	Strategic Performance and Planning Committee
TOM	Target Operating Model
VAT.....	Value-Added Tax
VOA.....	Valuation Office Agency
YES.....	Young Employees Network

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City of London Corporation Committee Report

Committee(s): Audit & Risk Management Committee – For Information	Dated: 14/07/2025
Subject: Counter Fraud & Investigations Annual Report 2024/25	Public report: N/A
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties 	Corporate Plan: Provide a Vibrant Thriving Destination Statutory Duties – 151 Officer: securing a proper control environment including an effective internal audit function to minimise the risk of financial loss, the inefficient use of resources and the potential for fraud
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£ N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Matt Lock, Group Chief Internal Auditor
Report author:	Chris Keesing, Counter Fraud & Investigations Manager

Summary

In total 65 investigations, across all disciplines were completed during the 2024/25 reporting year with an associated value of £366,256. The majority of this relates to notional or preventative savings.

In addition to this activity, the National Fraud Initiative data matches reviewed from the 2024/25 exercise to date, and from the London NFI Fraud Hub during the reporting year has, so far, identified 15 errors, resulting in management actions, and 10 frauds with a value of £40,369, of which £37,987 is subject to recovery.

Fraud Risk Workshops have been a key workstream for the team during 2024/25, providing officers with the skills and knowledge to identify and respond to fraud risk as fraud risk registers develop across service areas.

The Counter Fraud & Investigations Manager & the Group Chief Internal Auditor took a leading role in the development and delivery of the City's new Speak Up Policy, collaborating with Human Resource colleagues to identify, procure and deliver the new technology solution underpinning our innovative approach to whistleblowing across the organisation.

Recommendation(s)

- Members are asked to note the report.

Main Report

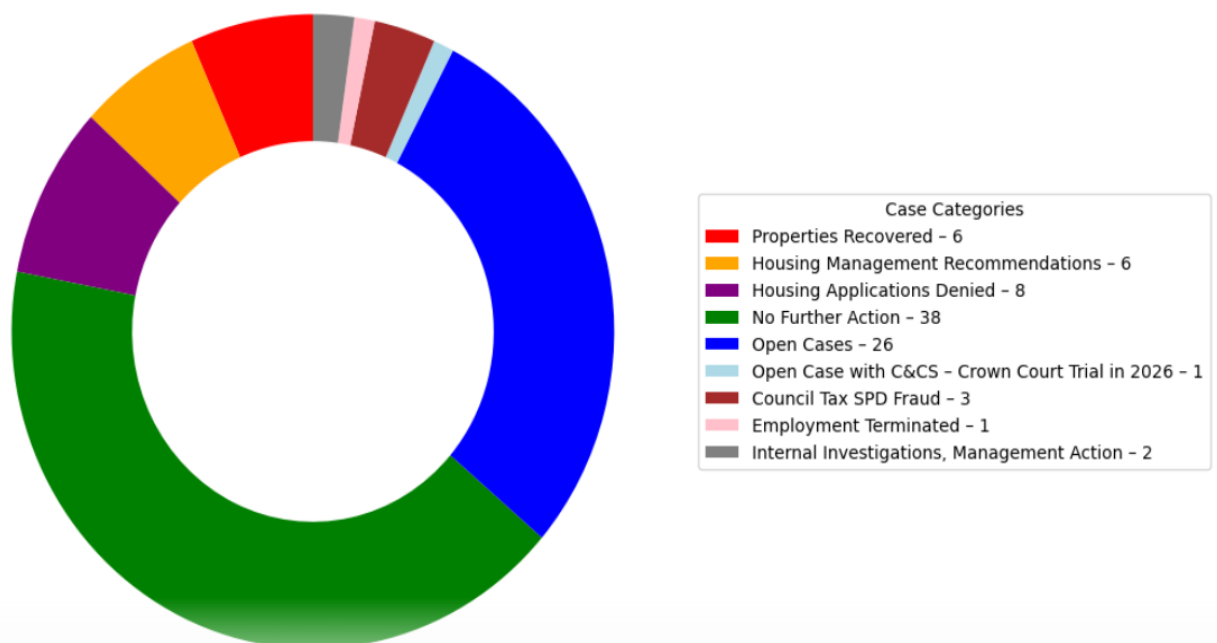
Background

2. This report provides Members with an update on the activity of the Anti-Fraud and Investigation team during the 2024/25 reporting year. It also provides Members with an update against key anti-fraud initiatives, developments to assist in the prevention, detection and reporting of fraud and any new and/or emerging fraud risks.

Investigation Activity Summary

3. The chart below provides a summary of the volume of investigations carried out by the Counter Fraud team in 2024/25. Social Housing tenancy fraud remains the biggest fraud type investigated by the team and remains the primary work stream for the Fraud Investigator.

Outcomes 2024/2025



4. During 2024/25, the Counter Fraud & Investigation team completed 65 investigations across all fraud disciplines, with an associated value of £366,256. The majority of this relates to notional or preventative savings from tenancy fraud investigations.
5. The team reviewed all open investigations in 2024/25, closing those aged cases with no realistic chance of a successful outcome, as such we now only have two live cases open from previous years; these relate to one tenancy fraud prosecution, with a crown court trial listed for July 2026, and one complex criminal business rates fraud evasion case involving multiple defendants that will progress for a charging review this summer.

Social Housing Tenancy Fraud

6. The team provides a full investigative response across all aspects of housing, from initial applications, screening of succession requests, the investigation of civil and criminal tenancy offences, and right to buy screening.
7. Whilst there is a strong culture of fraud awareness amongst housing colleagues following the ongoing focus on fraud awareness training, advice and information from the Counter Fraud team, and strong measures to identify fraud at the point of application, there remains an inherent fraud risk within social housing at the City, and repeated across London social housing providers, compounded by lack of supply verses demand, cost of living and financial pressures, and opportunistic and intentional profiteering by tenants committing social housing tenancy fraud.
8. During the reporting year the team recovered six tenancies, including one property recovered through civil action. The team also made management recommendations in six cases and stopped eight fraudulent housing applications from progressing. One case is listed for criminal trial at the Crown court in July 2026.
9. The volume of Right to Buy (RTB) screening referrals spiked during the reporting year, with 32 referrals following the central Government announcement of the reduction of the RTB discount which took effect in November 2024. We anticipate the volume of RTB screening referrals in the current and future years to significantly reduce owing to the discount now being capped at £16,000.
10. The team has agreed scope for supporting the Housing Divisions full tenancy audit commencing this year by utilising credit reference agency data to identify fraud risk; where intelligence from this exercise suggests potential tenancy abuse, the team will undertake joint visits with Housing Officers to ensure evidence is secured. It is anticipated that this will be a significant work stream for the team during 2025/26.

Corporate Investigation Activity

11. Five corporate investigations have been completed during the reporting year. Corporate investigations relate to fraud, theft and misconduct allegations investigated by, or investigations supported by, the Counter Fraud Team.

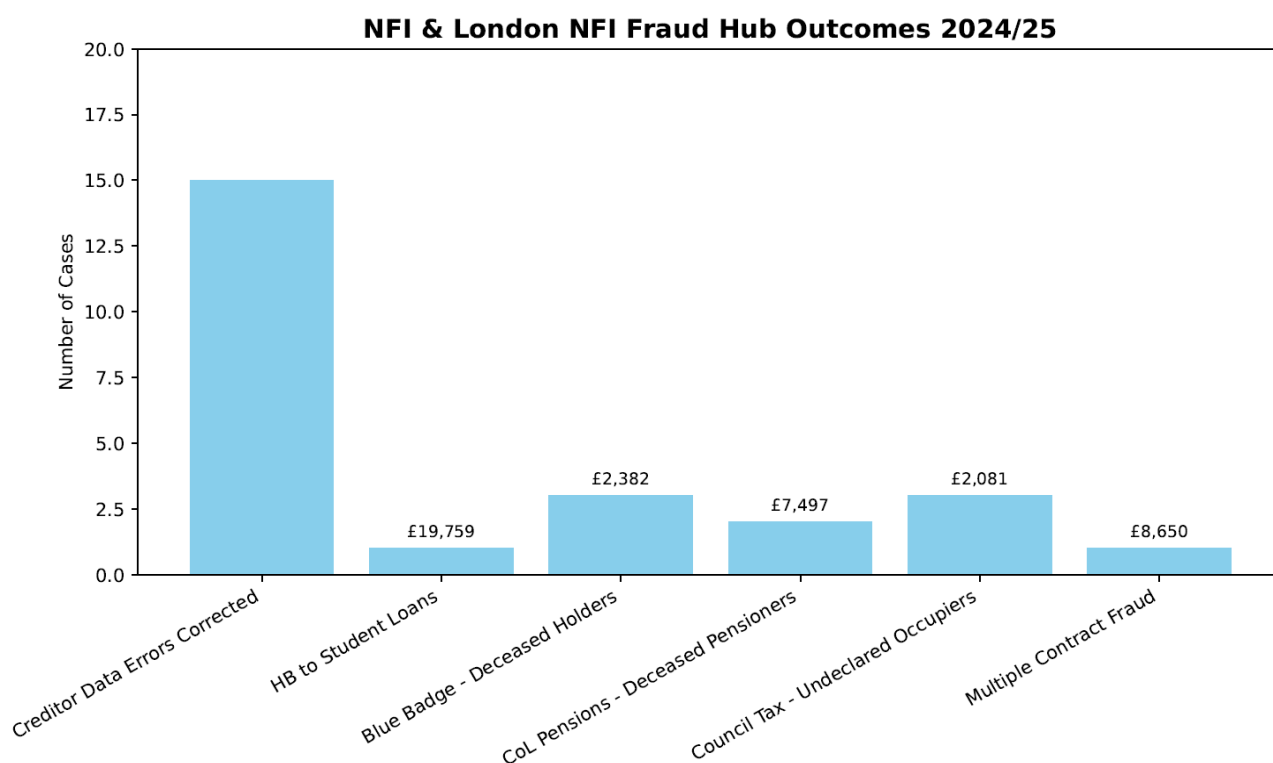
12. Two cases relate to management investigations where specialist professional support was provided by the team, resulting in disciplinary action in one case, and management actions in the other case.
13. One case relates to an employee identified through the London Fraud Hub data matching of contingent workers and substantive staff and resulted in the resignation of the officer following Interview under Caution. Recovery of £8,650 in salary payments made when the officer was moonlighting elsewhere is being overseen by HR colleagues.
14. One further referral triggered an Internal Audit review, whilst the final case did not identify fraud following the management investigation supported by the Counter Fraud team.
15. Three corporate investigation cases currently remain open and subject to live investigation.

Council Tax Fraud

16. As a result of the increased focus on Council Tax fraud, the team have investigated two Council Tax single person discount cases referred by the Council tax team, the first resulted in the denial of discount (preventative) and the second resulted in the cancellation of the single person discount award and resulted in a recovery of £850, this is in addition to the single person discount fraud cases identified by the NFI data matching .
17. Three Council Tax investigations are subject to live investigation by the team; one relating to the submission of a counterfeit student declaration letter to evade liability, one dishonest Council Tax support claim, where the applicant failed to declare ownership of multiple property, and the third relating to dishonest submissions from second home premium enquiries.

National Fraud Initiative (NFI) & London NFI Fraud Hub

18. The NFI matches for the 2024/25 biennial exercise for 2024/25 were released in October this year; the Counter Fraud & Investigation Manager remains the key contact for both the City Corporation and the City of London Police and oversees the exercise, in collaboration with Officers across Departments in both organisations to review output.
19. A summary of the outcomes to date from the NFI and London NFI Fraud Hub is summarised in the chart below.



20. The NFI and the London NFI fraud hub matches reviewed during the 2024/25 reporting year identified 15 creditor errors, resulting in management actions to rectify creditor data, and 10 frauds, comprising of one employee investigation, one Housing benefit investigation, three deceased blue badge holder investigations, three Council tax SPD investigations and two deceased pensions still in payment. The of these investigation outcomes amounts to £40,369, of which £37,987 is subject to financial recovery.

21. Reviews of outstanding NFI matches will continue during the current reporting year, with updates provided to Committee as part of our Counter Fraud update reports.

22. Since the introduction of the Data Protection Act 2018, and the Act's sensitive characteristics under GDPR, the legal framework for matching adult social care data ended. Following significant liaison between local Government and the Cabinet Office a Legislative Reform Order is passing through Parliament and is expected to be signed into law by August 2025. This will again provide a legal framework for matching adult social care data to identify fraud. The absence of data matching across adult social care datasets has resulted in a increased risk of fraud.

23. The proposed data matching for Adult Social Care will commence in September 2025, and cover the following fraud risks

- Residential Care Homes to DWP Deceased Data
- Personal Budget to DWP Deceased Data
- Personal Budget to Personal Budget

The City will be supporting and sharing data with the NFI for these initiatives.

London NFI Fraud Hub campaigns

24. The London NFI Fraud Hub now incorporates 28 London Boroughs, and two neighbouring Home County Authorities. The key contacts across the London NFI Fraud Hub members have agreed a coordinated plan to match the same data sets at agreed dates to maximise the success of the matching.

25. Several collaborative initiatives have been agreed for 2024/25 and make up a key part of the team's proactive activity. The initiatives summarised below are intended to focus data matching on fraud risk areas, including:

- I. Small business rates relief
- II. Agency staff to permanent payrolls
- III. Council tax second home premiums
- IV. Temporary Accommodation
- V. Council tax to probate
- VI. Creditors to Companies House and Insolvency Service data

The Counter Fraud team will be fully supporting all of these initiatives, working with colleagues in relevant service departments, and in collaboration with London NFI Fraud Hub members.

Speak Up (Whistleblowing)

26. The Counter Fraud & Investigation Manager & the Group Chief Internal Auditor took a leading role in the development and delivery of the City's new Speak Up Policy, collaborating with Human Resource colleagues to identify, procure and deliver the new technology solution underpinning our innovative approach to whistleblowing across the organisation.

27. The Speak Up Policy and solution goes live this month, with an internal communications strategy to inform the workforce. The Speak Up Policy and the new electronic Speak Up portal are designed and intended to have a holistic approach to receiving and managing employee concerns.

28. Internal Audit & Counter Fraud will oversee the triaging of all disclosures made through the Speak Up portal, ensuring appropriate investigation in all cases.

29. Internal Audit & Counter Fraud will apply the whistleblowing test in all relevant disclosures, and where the test shows that the concern meets the test under the Public Interest Disclosure Act, appropriate safeguards will be put in place.

30. During the 2024/25 reporting year, eight concerns were received under the City's previous whistleblowing channels, of these, we have been advised of the completion of four cases and are awaiting management responses in the remaining four cases. A summary of the investigation concluded can be found in the following table.

Allegation		Outcome
1	Concern from an Officer alleging that a colleague had used inappropriate physical action on a member of the public at Guildhall reception.	Matter referred to management for investigation, which, following a review of CCTV and an interview with the officer in question, found that there was no case to answer.
2	A former Officer raised a concern raised with the Town Clerk about inflated overtime claims made by an officer for Sunday working	Matter referred to management for investigation, which, following investigation and interviews with staff, found that there was no case to answer and that this was likely a malicious allegation,
3	An Officer raised a concern around the lack of information being provided to Members surrounding the City's Markets relocation, resulting in the withholding of pertinent information to allow Members to make informed decisions on the future of the City's wholesale markets.	Matter investigated by the Group Chief Internal Auditor, with the test under the Public Interest Disclosure Act considered to have been met. There were two matters of focus under investigation one of which was substantiated, whilst the other was unsubstantiated. A detailed response was provided to the whistleblower and to senior Officers.
4	Concern received from an officer raising concern about the conduct of a contractor working for the City of London	Matter referred to management, and lead to an external investigation by the supplier into the contractor's behaviour.

Proactive Counter Fraud Activity

31. We are in the process of finalising our proactive counter fraud programme of activity for 2025/26, with key themes summarised below. Our proactive counter fraud activity will be designed to strengthen our counter fraud response and respond to the new Failure to Prevent Fraud legislation coming into effect on 1st September 2025.

- New and refreshed Anti-Fraud & Corruption Strategy launched
- Review and refresh of all key supporting counter fraud policy documents, including the fraud response plan and sanctions policy, the money laundering procedure and the Bribery Act procedure.
- Embedding fraud risk management across the organisation in collaboration with the Corporate Strategy division.
- Launch of new interactive fraud awareness eLearning, remaining a mandatory course for all staff.
- Exploring and harnessing the power of AI to support our counter fraud activities.
- Presenting a paper and appropriate updates to the City's Senior Leadership team on the risks associated with Failure to Prevent fraud legislation.
- Supporting the Housing Divisions full tenancy audit through data matching and visiting activity.

- Fully supporting the work streams detailed in paragraph 8 of this paper around fraud detection campaigns facilitated through the London NFI Fraud Hub.

32. Whilst this plan is ambitious and subject to the volume of reactive work received by the team, it provides a strategic path to strengthening and focusing on protecting the City's assets from the risks of fraud.

Corporate & Strategic Implications

33. The work of the Team is designed around preventing and detecting fraud risks across the organisation by providing a comprehensive counter fraud and investigation response with a clear focus on fraud risk assessment, safeguarding the City's assets, and recovering any losses due to fraud; this is underpinned by our Anti-Fraud & Corruption Strategy and Proactive Counter Fraud activity.

Conclusion

34. The team continues to perform strongly and is responding to the changing fraud landscape and the new failure to prevent legislation under the Economic Crime & Corporate Transparency Act commencing in September this year.

35. The new fraud awareness eLearning package planned for launch later this year will ensure that all Officers have the skills and capacity to identify, and act appropriately, when fraud is suspected and/or identified.

36. A suite of revised and refreshed counter fraud policy and procedure including our new Anti-Fraud & Corruption Strategy, alongside our ambition to embed a fraud risk management structure across the organisation in collaboration with the Corporate Strategy division, will ensure the City remains well placed to respond to the risks of fraud

37. The London NFI Fraud Hub continues to evolve and allows the City to collaborate and innovate with London Boroughs tackle the risks of fraud.

Appendices:

- **Appendix 1 – Case studies – fraud investigations 2024/25**

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Appendix 1 – Case studies – fraud investigations 2024/25

1. Agency Staff Fraud Risks – Disciplinary Investigations

This case related to the Agency Staff Fraud Risks project undertaken through the London NFI Fraud Hub, where a pilot was undertaken across London Fraud Hub Authorities, working with our contingent worker providers to identify cases over multiple employment.

This match suggested that a permanent member of staff, a Porter on one of the City's housing estates had also been employed by a recruitment agency and that he was working at another London local authority.

An investigation commenced and dates, times, and hours worked were obtained and compared,

Further enquiries identified that the officer was regularly working six to seven days a week, with a minimum of 40hrs per week.

Timesheet data obtained from the other authority via their contingent worker contract shows that the officer had been working significant full-time hours for them.

Analysis shows that the officer worked fulltime hours the other authority for 15 weeks when they were supposed to be at work for City of London, and, therefore, could not have been fulfilling their duties or contracted hours.

Annual and sickness leave records were gathered and an analysis was undertaken against the timesheets, this showed that over seven days when the officer was off sick, they were working at the other authority.

ID documents confirmed that the worker was the same person.

The officer was interviewed under caution and was represented by a solicitor, at the beginning of the interview the solicitor read out a resignation letter on behalf of his client, tendering his resignation with immediate effect. A no comment interview followed this.

The overpaid salary was calculated at £8,650 and is subject to recovery action.

This data matching is now available as a key matching solution within Fraud Hub.

2. Pension in Payment to Deceased Pensioner

The National Fraud Initiative (NFI) is a powerful tool to identify fraud and error across the Public Sector, incorporating powerful data sets including deceased data from various sources.

This case was raised following a review of Pension to Deceased data matches identified by the NFI matching. The matching suggested that a pensioner in receipt of pension payments from the City of London passed away in 2021.

Payments were suspended and no contact was received from the pensioner. Enquiries were made with the General Records Office, but no trace of the death could be found.

Appendix 1 – Case studies – fraud investigations 2024/25

We identified that the Pensioner was a former tenant of Camden Council, and enquiries were made. These enquiries identified that Camden Council had a record of the death, had recovered the tenancy and cancelled the Pensioner's Council Tax liability.

Further enquires with Camden identified an Interim Death Certificate, which are not held by the General Records Office, and provided.

This confirmed that the data match was correct and allowed the City to end the pension and assess the value of pensions overpaid.

The value of the overpaid pension was calculated at £6,627, enquiries with the deceased pensioners bank confirmed that the pension payments made after the pensioner passed away were held, untouched, in their bank account, and as such recovery of the overpayment commenced and is in process.

3. Housing Application Fraud, Leading to Recovery of City of London Tenancy

This case was referred by the Housing Officer on the City's Southwark Estate due to rent arrears and the failure of the tenant to engage with the City of London. Credit checks carried out by the Counter Fraud team revealed that all the tenant's links are at a social housing address in Hackney, despite the City address allegedly being home only home.

Through liaison with peers in the Counter Fraud team at Hackney Council the team established that the tenant has large rent arrears with them and is in the process of being evicted. A review of the declarations made by the tenant during their application for housing with the City found that the tenant had, indeed, declared this address during their application, but failed to disclose the true circumstances around it, had they done so, they would have been ineligible for housing at the City and the application would have been cancelled.

Further intelligence enquiries suggested that the tenant had been sub-letting the property in Hackney since becoming a City of London housing tenant, whilst more detailed enquiries revealed that the tenant had made further false declarations surrounding their City connection, providing counterfeit employment documents, payslips and falsifying letters to give the impression that they had an eligible City connection.

The tenant was interviewed under caution admitting that they declared wrongful employment during the housing application, and admitted to providing false proof of employment proof however, they maintained that their work was still in The City boundaries at the time the application was made, providing a list of addresses where they work for their current employer.

Contact was made with the current employer, which identified that the locations declared for workplaces currently and previously were false, in fact none were within the square mile.

Appendix 1 – Case studies – fraud investigations 2024/25

The tenant had made several dishonest and duplicitous declarations and furnished false documents throughout the application process.

The tenant has been evicted from social housing with a criminal case to be heard in the Crown court.

4. Council Tax - Single Person Discount / Housing Application Fraud

This case was referred by the Housing Allocations Team. They received a Housing Application from a lady who claimed to have been living with a City of London Social Housing tenant at The Middlesex Street Estate since 2019. The lady claimed to be a lodger and not in a relationship with the tenant, who had a sole tenancy also beginning in 2019. Assessment officers from Housing Allocations team had concerns over how vague she was in response to questions asked.

Intelligence checks revealed that the tenant had claimed Single Person Discount at the property throughout his tenancy. Credit checks did not link the lady making the Housing Application from the address until this date period. This was also corroborated by the electoral roll registration at the address, utility bills and mobile phone usage. The lady making the application was linked to another property with someone who was identified as her ex-husband from 2019, the date she claimed to have moved to the property at Middlesex Street Estate and where she was making her application from.

As a result of the findings and after formal engagement with the lady, she withdrew her housing application, and the tenant had his single person discount removed from his council tax liability, creating an overpayment of £413.70 reclaimed in relation to 2023-24 and £439.80 for 2024-25. This has now been recovered from the resident

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City of London Corporation Committee Report

Committee(s): Audit & Risk Management Committee – For Information	Dated: 14/07/2025
Subject: New & Revised Anti-Fraud & Corruption Strategy	Public report: N/A
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	Corporate Plan: Provide a Vibrant Thriving Destination Statutory Duties – 151 Officer: securing a proper control environment including an effective internal audit function to minimise the risk of financial loss, the inefficient use of resources and the potential for fraud
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£ N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Matt Lock, Group Chief Internal Auditor
Report author:	Chris Keesing, Counter Fraud & Investigations Manager

Summary

This paper sets out the strategic pillars and objectives of our draft replacement Anti-Fraud & Corruption Strategy.

The current Anti-Fraud & Corruption Strategy has been in place since 2014 with only minor updates made. This new and refreshed strategy is being designed to better reflect the current fraud landscape and to provide the City with a strategic toolkit and direction to mitigate the risks of fraud.

Recommendation(s)

Members are asked to:

- Note the report and endorse the strategic pillars and objectives of the new and revised Anti-Fraud & Corruption Strategy

Main Report

Background

1. The current Anti-Fraud & Corruption Strategy has been in place since 2014, with only minor amendments made since its launch. As the organisation changes and the fraud risks faced both internally, and externally, evolve with new legislation, technology available for fraudsters to commit fraud, and the ongoing cost of living pressures still adding pressure to finances, a revised and updated Strategy is needed, and work is already in progress to create this.

Current Position

2. The City of London Corporation has generally effective systems of internal control, supported by policy and procedure, along with a strong governance structure in place to mitigate the risks of fraud and corruption.
3. Whilst the risks of fraud at the City are, in the main, managed effectively, as with any public sector body, there remains an inherent risk of fraud, particularly in those public facing service areas, and it is essential that the City has a strategy in place to respond effectively to fraud risk.
4. The current Anti-Fraud & Corruption Strategy was written in 2014 and has received minor updates to refresh the strategy since. It is no longer effective, or reflective, of the current fraud landscape, and of the fraud risks facing the organisation now.

The Anti-Fraud & Corruption Strategy

5. A new and refreshed Anti-Fraud & Corruption Strategy will replace current strategy and set out our response to fraud & corruption and our key objectives for tackling and managing the risks of fraud over the next three years through to 2028. It will also respond to the failure to prevent offences that become statute on 01 September 2025, under the Economic Crime & Corporate Transparency Act 2023, with a key focus on fraud risk activity.
6. The refreshed Anti-Fraud & Corruption Strategy will set out our strategic aims, objectives and commitments over a three-year period from 2025 to 2028, and will be aligned to the City's Corporate Plan to provide a Vibrant Thriving Destination by combatting the risks of fraud & corruption.
7. We have adopted the guiding principles outlined in Fighting Fraud and Corruption Locally 2020, the counter fraud and corruption strategy for local government in the

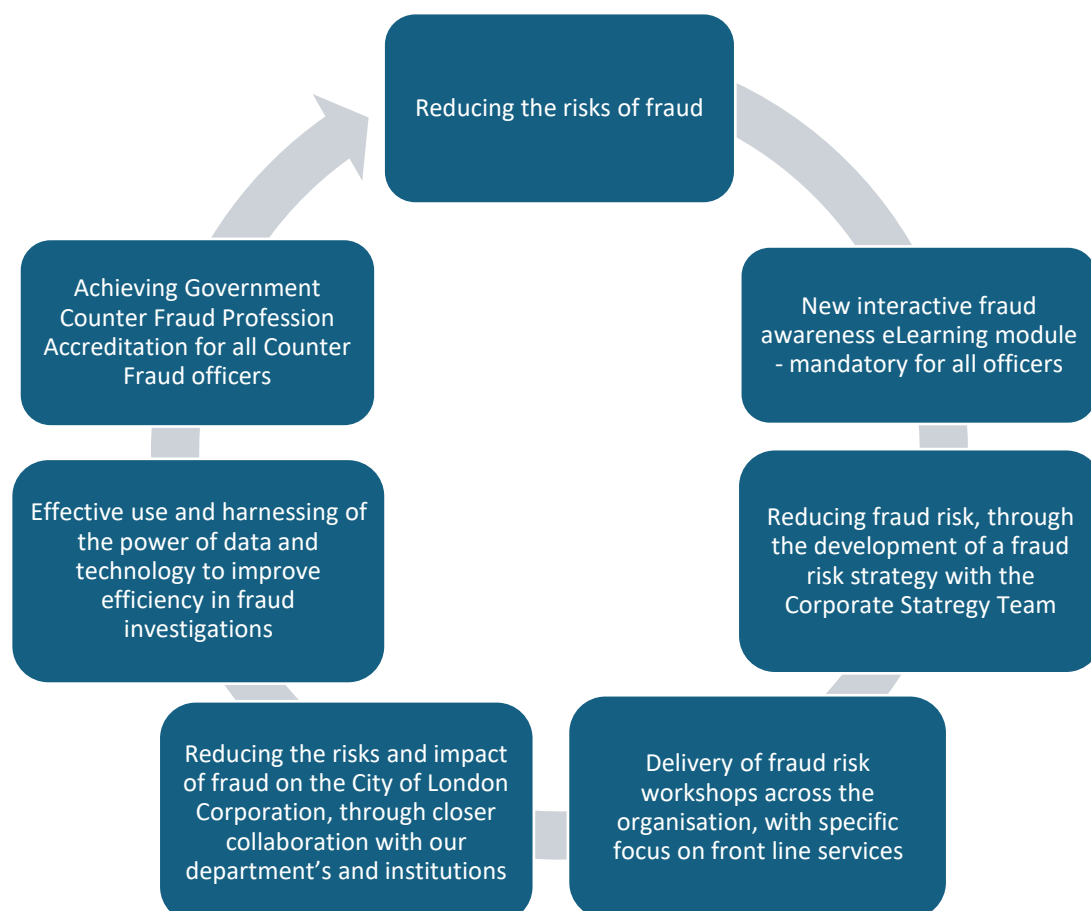
development of the new Anti-Fraud & Corruption Strategy, which sets out four strategic pillars in our response to fraud & corruption at the City:

- Govern – setting out our commitment to responding to the fraud risks faced by the City of London Corporation.
- Acknowledge - setting out how we identify, acknowledge, understand and respond to, fraud risks faced by the City of London Corporation.
- Prevent – setting out how we will make best use of the resources and the tools we have to respond to and prevent the risks of fraud at the City of London Corporation.
- Respond – setting out how we will respond, innovate and collaborate to tackle the fraud risks faced by the City of London Corporation

More detail around the four strategic pillars can be found at Appendix 1 to this report.

The Vision

8. The new and refreshed Anti-Fraud & Corruption Strategy creates a vision for wider collaboration to tackle the risks of fraud across the City of London Corporation, and provides a mechanism to assess the delivery of our key objectives which include:



9. These activities make up some of the key objectives of the new and refreshed Anti-Fraud & Corruption Strategy and are key deliverables over the lifecycle of the strategy over the next three years.
10. In order to achieve these strategic goals and objectives, we will be going out to consultation with key stakeholders to gain support for our collaborative approach as set-out in the Anti-Fraud & Corruption Strategy.
11. Following the launch of the new and refreshed Anti-Fraud & Corruption Strategy, Internal Audit & Counter Fraud will be reviewing and refreshing our supporting counter fraud policy and procedure, such as our Bribery Act Policy, Money Laundering Policy, Sanctions Policy and our Fraud Response Plan.

Corporate & Strategic Implications

Corporate & Strategic implications

12. The Anti-Fraud & Corruption Strategy aligns to the City's Corporate Plan to provide a Vibrant Thriving Destination by combatting the risks of fraud & corruption and reinforcing that the City is and remains a safe and secure place to live and work.

Resource implications

13. To achieve our strategic objectives set out in the Anti-Fraud & Corruption Strategy, collaboration with the Corporate Strategy Team is essential, as is the support of Departments and Institutions in supporting the proposed fraud risk activity. It is anticipated that officers will be able to absorb any additional fraud risk activity as part of their role requirements and duties.

Risk implications

14. The current Anti-Fraud & Corruption Strategy is no longer fit for purpose and does not reflect the fraud risks faced by the City of London Corporation or respond to new legislation under the Economic Crime and Corporate Transparency Act 2023. Failure to introduce our new and refreshed Anti-Fraud & Corruption Strategy would present a reputational and potentially financial risk to the organisation.

Equalities implications

15. The Anti-Fraud & Corruption Strategy has no impact on the protected characteristics, as set out in the Public Sector Equality Duty 2010. The strategy will provide additional protection for the vast majority of staff, whilst introducing Mechanisms to identify and tackle fraud perpetrated by those with a dishonest intent.

Conclusion

16. The new and refreshed Anti-Fraud & Corruption Strategy will replace the current strategy that no longer reflects or responds to current fraud risk or the current fraud landscape.
17. There is a specific strategic focus on fraud risk activity to allow the organisation to better understand its fraud risks at a team, departmental and organisational level to ensure processes are designed and implemented to mitigate the risks of fraud.

18. The strategy will also provide a toolkit to provide managers and officers with the skills to respond to, and report fraud and corruption to the Internal Audit & Counter Fraud division.

Appendices

- Appendix 1 - Anti-Fraud & Corruption Strategy: the Four Strategic Pillars

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Appendix 1 – Four Key Pillars

Govern



- The City's senior leaders are responsible for ensuring anti-fraud, bribery and corruption measures are embedded throughout the organisation.
- Those charged with governance will receive clear and effective communications about the fraud risks faced by the City and recommendations to reduce any exposure to fraud.
- The City will maintain and publicise policies and procedures that demonstrate its organisational commitment to integrity and ethical business, to act as an effective fraud deterrent.
- The City will conduct regular evaluations to provide objective feedback on the effectiveness of both the investigation process and the anti-fraud and corruption strategy."

Acknowledge



- The City identifies, acknowledges and understands its fraud risks through a programme of fraud risk assessments, and demonstrates this by committing the right support and appropriate resource for tackling fraud.
- Continuously assess those areas most vulnerable to the risk of fraud as part of our fraud risk management activity. These fraud risk assessments will inform our internal counter fraud controls and counter fraud priorities.
- Strengthen measures to prevent fraud. The Counter Fraud team will work with our internal partners such as management, Housing, HR, Finance, Legal, Corporate Policy and external partners, to ensure new and existing systems and policy initiatives reduce the risk of fraud.
- Raise awareness through a series of campaigns and the publication of fraud successes in local and national media, including using all forms of social media..

Prevent



- Make best use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud.
- Promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning tool and provide information on all aspects of our counter fraud work.
- Promote sound counter fraud controls and processes to mitigate the risks of fraud across the city's breadth of activities, by considering a broad spectrum of potential fraud schemes and risk exposures, and recommending improvements where necessary.
- Maintain and develop a proactive data analysis capability.
- Promote a culture where staff feel empowered to report any genuine suspicions of fraudulent activity.

Respond



- Applying appropriate and effective sanctions for individuals or organisations where an investigation identifies fraudulent activity. This may include legal action, criminal and/or civil or disciplinary action, where appropriate.
- Maintain professional counter fraud resource to investigate suspected or directed fraud & corruption.
- Align our counter fraud response to fraud risks faced by the City Corporation.
- Work with the Public Sector Fraud Authority, the Police, local Councils and other enforcement agencies to continue building strong partnerships and strengthen the City's response to fraud and corruption.
- Innovate & collaborate with London Boroughs to tackle cross boundary fraud through the London Fraud Hub, enabling the City to identify fraud at an early stage and the identification of fraud at the point of application
- Develop and share good practices and lessons learned from all aspects of counter-fraud activity

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City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee – For Information	Dated: 14/07/2025
Subject: Risk Management Update	Public report: For Information
This report supports the successful delivery of all six Corporate Plan outcomes and our statutory obligations through identifying and managing risks in line with our business objectives.	Corporate Risk Management
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Dionne Corradine, Chief Strategy Officer
Report author:	Olivia Plunkett, Corporate Strategy Officer

Summary

This report provides the Committee with an update on City of London Corporation's risk management, including the corporate and top red departmental risk registers, since last reported to the Committee in May 2025. Further details can be found in the appendices listed at the end of this report.

Recommendation(s)

Members are asked to note:

- This report and the corporate and top red departmental risk registers summaries contained within this report or attached at appendix 1.
- That since the previous update:
 - The number of corporate risks has remained at 14 with one score decreasing.
 - The number of departmental red risks has decreased from 20 to 18, with one risk escalated, two risks de-escalated, and one risk de-activated.¹
- That following approval by Court of Common Council, work to implement the Risk Appetite Statement is underway (see non-public appendix 2).

¹ **Risk escalated:** DCCS HS 005 Major Works Program. **Risks de-escalated:** BBC Buildings 010 BBC Conservatory Glazing. SUR SMT 009 Recruitment and retention of property professional. **Risk de-activated:** BBC H&S 005 Fire Regulation Compliance.

- That a report covering year one progress of the Risk Management Strategy 2024-2029 has been presented to the Committee for information – see separate paper.

Main Report

Risk Activity – Process and Culture

1. A report on the first year of the Risk Management Strategy 2024-2029 is presented in a separate paper to this Committee. We continue to embed best practices into our risk management culture while actively identifying opportunities for improvement.
2. As part of this effort, we conducted a high-level internal review of the City Corporation's risk register. The analysis confirmed wide ranging officer engagement and an appropriate spread of risks across corporate, departmental, service and team risk registers. Moving forward, we will focus on improved alignment of risks with their mitigations, ensuring they accurately reflect our current operating context, and setting realistic and achievable timelines for risk management activities.
3. In addition, we are also working on our management of issues vs risks – engaging across the organisation to understand current handling, identify any best practice and develop guidance to better support risk identification and issue handling. This and other work will be supported by an external provider Gartner, who we have partnered with to enhance risk management capabilities and skills.
4. Following agreement by the Audit and Risk Management Committee (A&RMC), the City Bridge Foundation Board and the City of London Police Authority Board in the fourth quarter of FY2024/25, the Risk Appetite Statement was approved by Court of Common Council on 22 May. A separate non-public paper discussing risk appetite can be found in appendix 2.

Current Position

5. 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). The Committee received a full corporate risk register at their May meeting. A summary table of the Corporate Risks can be found at para 15 and a summary report of the red departmental risks is at appendix 1.
6. The corporate and red departmental risk registers were reviewed by the Chief Officer Risk Management Group (CORMG) on 16 June 2025 as Senior Officers responsible for overseeing CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-corporation risk management themes) on behalf of the Executive Leadership Board.
7. Within this reporting period, there were minimal fluctuations in the number of risks recorded on our register. However, we have continued to have good engagement

across the City Corporation and during this period, legacy risks have been removed, risks have been reframed, and new risks have been added.

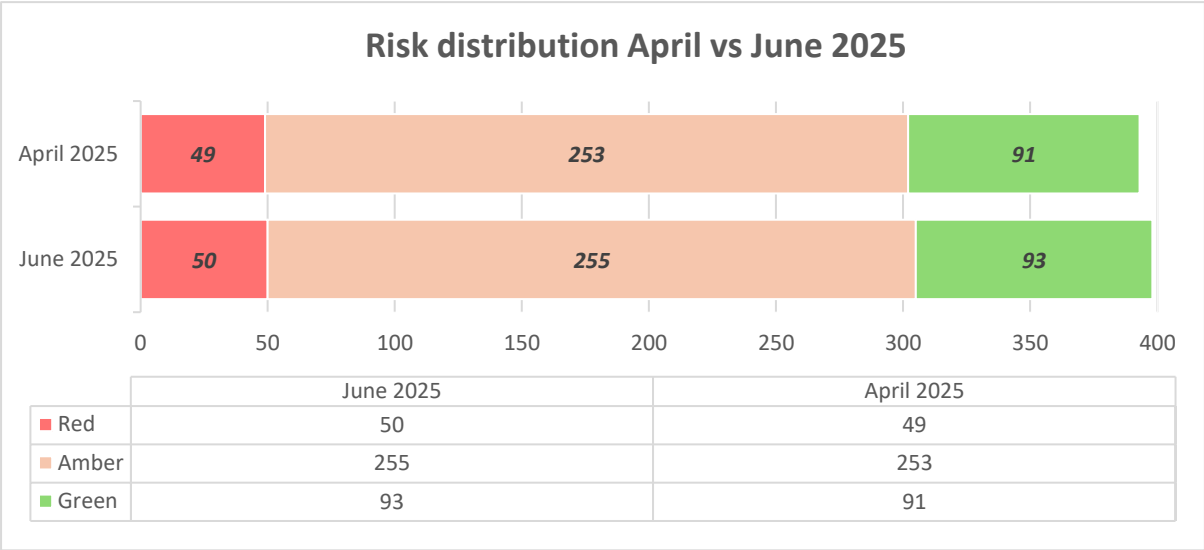


Table 1: June 2025: Overall Risk Numbers by RAG Rating on Ideagen

Corporate risks

8. There are currently 14 corporate risks on the corporate risk register (3x Red and 11x Amber). Since the last report to the Committee one risk has decreased in score (see para. 12). Risk appetite for corporate risks is outlined in appendix 1.
9. Risk scores decreased:
- a. *CR37 Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)* has decreased from **Red 16** (Impact 4 Major x Likelihood 4 Likely) to **Amber 12** (Impact 4 Major x Likelihood 3 Possible). This reflects the commencement of works under the enhanced Cyclical Works Programme funding.

10. The RAG matrices below show the distribution of corporate risks as of 24 June 2025 (Table 3) and 23 April 2025 (Table 4):

	Minor	Serious	Major	Extreme
Likely			1	
Possible			9	1
Unlikely			2	1
Rare				

Table 3: June 2025 Corporate Risk Heatmap

	Minor	Serious	Major	Extreme
Likely			2	
Possible			8	1
Unlikely			2	1
Rare				

Table 4: April 2025 Corporate Risk Heatmap

11. The highest scoring corporate risk is CR16 Information Security at Red 24 (Impact 8 Extreme x Likelihood 3 Possible). Actions to mitigate this risk are ongoing, with recent activity including mandatory cyber security training, the successful bidding for a grant to help with our Cyber Security baseline work, a 24/7 Security Operations Centre, and bringing security services in-house, giving greater control over, and visibility of, security controls.
12. Table 5 below shows a summary of all CoLC corporate risks as of 24 June 2025:

































Code	Title	Likelihood	Impact	Current Risk Score	Target Risk Score	Target Date	Original Risk Score	Trend	Creation Date
CR16	Information Security (formerly CHB IT 030)	3	8	24 	16 	31-Oct-2025	6 		10-May-2019
CR35	Unsustainable Medium-Term Finances - City Fund	4	4	16 	8 	31-Mar-2026	24 		19-Jun-2020
CR36	Protective Security	2	8	16 	16 	30-Jun-2025	16 		10-Jan-2022
CR01	Resilience Risk	3	4	12 	8 	31-Dec-2025	8 		20-Mar-2015
CR02	Loss of Business Support for the City	3	4	12 	8 	31-Mar-2025	8 		22-Sep-2014
CR09	Health, Safety and Fire Risk Management System	3	4	12 	4 	29-Mar-2029	12 		22-Sep-2014
CR30	Impact of Climate Change	3	4	12 	6 	31-Mar-2027	24 		07-Oct-2019
CR33	Major Capital Schemes	3	4	12 	8 	31-Mar-2029	16 		14-Feb-2020
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)	3	4	12 	8 	31-Mar-2029	12 		04-Nov-2019
CR38	Unsustainable Medium-Term Finances - City's Estate	3	4	12 	8 	31-Mar-2026	24 		31-Oct-2022
CR39	Recruitment and Retention	3	4	12 	4 	31-Jul-2025	16 		21-Feb-2023
CR40	PSTN Switch Off 2027 (formerly CHB DITS 045)	3	4	12 	8 	31-Jan-2027	16 		26-Feb-2024
CR10	Adverse Political Developments	2	4	8 	4 	09-Jul-2029	8 		22-Sep-2014
CR29	Information Management	2	4	8 	6 	31-Mar-2025	24 		08-Apr-2019

Table 5: June 2025: List of Current Corporate Risks by Current Risk Score

Red Departmental Risks

13. There are currently 18 departmental red risks. Since the last report to the Committee, one risk has been escalated, two risks have been de-escalated and one risk has been de-activated.

14. Changes to the register:

Risk escalated:

- i) *DCCS HS 005 Major Works Program* score has increased from Amber (Impact 2 Serious x Likelihood 4 Likely) to Red 16 (Impact 4 Major x Likelihood 4 Likely) to reflect budget pressures.

Risk de-escalated:

- ii) *BBC Buildings 010 BBC Conservatory Glazing* score decreased from Red 24 (Impact 8 Extreme x Likelihood 3 Possible) Green 4 (Impact 2 Serious x Likelihood 2 Unlikely) reflecting completion of a key mitigating action.
- iii) *SUR SMT 009 Recruitment and retention of property professional* score decreased from Red 16 (Impact 4 Major x Likelihood 4 Likely) to Amber 12 (Impact 4 Major x Likelihood 3 Possible) This change reflects the department's successful recruitment initiatives.

Risk de-activated:

- iv) *BBC H&S 005 Fire Regulation Compliance* has been deactivated to reflect inclusion in overarching health and safety risk (*BBC H&S 001 Safety Maturity*).

Corporate & Strategic Implications

Strategic implications – Reporting in line with CoLC Corporate Risk Management Strategy.

Financial implications – Transformation fund investment received to engage Gartner over two years to support advancement of our work on Risk Culture.

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

15. 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: Red departmental risks summary report
- Appendix 2: Risk Appetite Statement – Non-public

Olivia Plunkett

Corporate Strategy Officer

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Appendix 1 | Red departmental risks | Summary report

Generated on: 27 June 2025



Rows are sorted by Risk Score



Barbican Centre (4 risks)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
BBC Buildings 027	Failure to maintain and renew Buildings and Estates Infrastructure	8	4	32	4	1	4	30-Apr-2026	24	Reduce	23-May-2025
BBC Buildings 001	Building Safety Act 2022 – High Risk Building Status	8	3	24	4	2	8	30-Nov-2025	32	Avoid	23-May-2025
BBC H&S 001	Safety Maturity	8	2	16	2	1	2	30-Sep-2025	16	Reduce	23-May-2025
BBC H&S 002	Failure to deal with Emergency/Major Incident/Risk of Terrorism	8	2	16	8	1	8	31-Dec-2025	8	Reduce	27-Jun-2025




Chamberlain's Department (1 risk)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
CHB 002	Housing Revenue Account Financials	4	4	16	4	2	8	30-Sept-2025	16	Reduce	23-Jun-2025







City of London Freeman's School (1 risk)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
CLF-016	Financial Sustainability	4	4	16 	2	2	4 	31-Aug-2025	32 	Reduce	12-Jun-2025













City Junior School (1 risk)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
CJS 001	Pressures on financial model	4	4	16 	4	3	12 	31-Dec-2025	1 	Reduce	16-May-2025







City of London Schools for Girls (2 risks)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
CLSG-01	External pressures on financial model (SA5-Operations)	8	4	32 	4	3	12 	30-Nov-2025	12 	Reduce	26-Jun-2025
CLSG-13	Governance	4	4	16 	4	3	12 	31-Dec-2025	4 	Reduce	06-May-2025




City Surveyor's Department (4 risks)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
SUR SMT 005	Construction and Service Contracts Price Inflation beyond that which was anticipated or planned	4	4	16 	2	3	6 	31-Mar-2026	12 	Reduce	23-May-2025
SUR SMT 006	Construction Consultancy Management	4	4	16 	2	3	6 	31-Mar-2026	8 	Reduce	23-May-2025
SUR SMT 011	Contractor Failure	4	4	16 	2	3	6 	31-Mar-2026	12 	Reduce	23-May-2025
SUR SMT 007	Extended Operation of Smithfield & Billingsgate Market Sites	8	2	16 	4	1	4 	31-Dec-2026	8 	Reduce	03-Jun-2025




Department of Community & Children's Services (2 risks)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
DCCS HS 005	Major works programme	4	4	16 	2	3	6 	31-Dec-2025	6 	Reduce	19-Jun-2025
DCCS HS 007	Blake Tower – Barbican Estate	4	4	16 	2	2	4 	30-Jun-2026	16 	Reduce	25-Jun-2025




Environment Department (1 risk)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
ENV-SLT 001	Maintenance and renewal of physical assets	4	4	16 	2	3	6 	31-Mar-2026	16 	Reduce	23-Jun-2025

Guildhall School of Music and Drama (1 risk)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
GSMD SMD 002	Inability to deliver a balanced and sustainable model over the School's Business Cycle	4	4	16 	2	2	4 	01-Apr-2026	16 	Reduce	16-May-2025

Town Clerk's Department (1 risk)

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Target Impact	Target Likelihood	Target Risk Score	Target Date	Original Risk Score	Risk Approach	Date Reviewed
TC DTC PA 03	Fraud and Cyber Crime Reporting & Analysis Service (FCCRAS) Procurement	8	3	24 	8	2	16 	30-Sep-2025	24 	Reduce	24-June-2025

City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee	Dated: 14 July 2025
Subject: Risk Management Strategy 2024-2029 – annual review	Public report: For Information
This report supports the successful delivery of all six Corporate Plan outcomes and our statutory obligations through identifying and managing risks in line with our business objectives.	Corporate Risk Management
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Dionne Corradine, Chief Strategy Officer
Report author:	Olivia Plunkett, Corporate Strategy Officer

Summary

The City of London Corporation's Risk Management Strategy 2024–2029 was adopted in May 2024 and is reviewed annually to ensure progress remains aligned with its objectives. In its first year the Strategy laid the foundations for long-term change to strengthen the organisation's risk culture and maturity. Notable achievements included maintaining up-to-date risk data, enhancing understanding and organisational understanding, developing key risk management framework components and improving reporting to support strategic decision-making.

A review of the first year's impact shows positive progress aligned with the Strategy's aims, increasing Officer confidence in the risk landscape and its role in decision-making. This work has set the stage for year two, which will focus on strengthening our risk culture and embedding a more strategic approach to risk management.

Recommendation(s)

Members are asked to:

- Note the report.
- Note the strategic priorities for 2025/26.

Main Report

Background

1. The City of London Corporation's Risk Management Strategy 2024–2029 (appendix 1), endorsed by Audit and Risk Management Committee (A&RMC) in May 2024,¹ defines a clear strategic direction to risk management in the City Corporation. The Strategy supports the risk management framework, alongside the Risk Management Policy² and the Risk Appetite Statement, recently agreed by the Court of Common Council.
2. The Strategy was developed to support the delivery of the Corporate Plan 2024-2029 and outlines four strategic objectives to support the City Corporation to uphold its duties, deliver on its priorities, and enable delivery, continuous improvement and innovation. The strategic objectives are:
 - An agile and effective risk management approach
 - Enhanced risk culture
 - Informed decision making
 - An appetite for risk

Risk Management Strategy- 2024/25 review

3. The first year of activity focussed on establishing the foundations necessary to enable meaningful change throughout the life of the Strategy and drive forward the City Corporation's risk culture and maturity.
4. Priority was given to developing and embedding key components of the risk management framework (including the policy and risk appetite statement), starting to refine reporting mechanisms to support strategic insight and decision-making, and ensuring risk data remained current and relevant, enhancing organisational understanding of risk management.

Table 1. Key activities aligned to each strategic objective

An Agile and effective risk management approach	<ul style="list-style-type: none">• Developed and implemented a new monthly risk report, to increase visibility and encourage engagement.• Launched a new, streamlined Risk Management Policy.• Initiated regular reviews of risks identifying gaps.• Commenced a data clean-up initiative to remove inactive risks and outdated user profiles from our risk management system.
Enhanced risk culture	<ul style="list-style-type: none">• Delivered 16 bespoke training sessions increasing knowledge.• Brought forward lessons learned to RMF; Internal Audit presentation on Corporate Risk deep dives.• Developed a programme to tackle issues and risk conflation.

^{1,2} See background papers

Informed decision making	<ul style="list-style-type: none"> Developed and launched a new risk data dashboard to enhance reporting and better align risk insights with key functions such as business planning, finance, and resourcing.
An appetite for Risk	<ul style="list-style-type: none"> Risk Appetite Statement developed and approved by A&RMC, Police Authority Board and City Bridge Foundation Board (approved by Court of Common Council in May 2025).

Impact

- The Strategy includes performance measures aligned with the action plan, assessed through data analysis and an annual officer stakeholder survey to ensure progress towards achievement of the objectives remains on track.
- Evaluation of the measures after the first year of activity shows encouraging progress, including fewer overdue risk updates and improved data completion. This enhances confidence in the risk landscape and its use in decision-making.

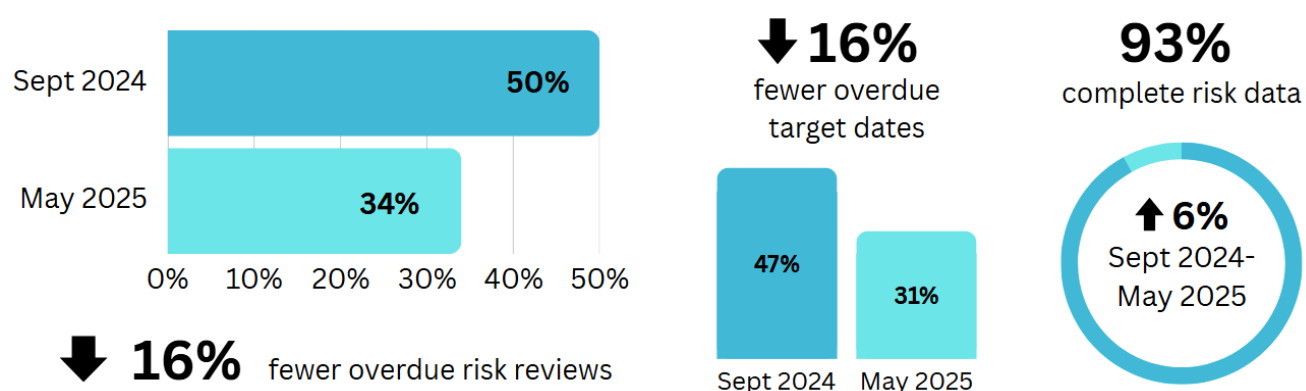


Figure 1. Measures for risk updates, target dates and data completeness

- Feedback from key Officer stakeholders demonstrated positive progress for risk culture aligned to the Strategy objectives.

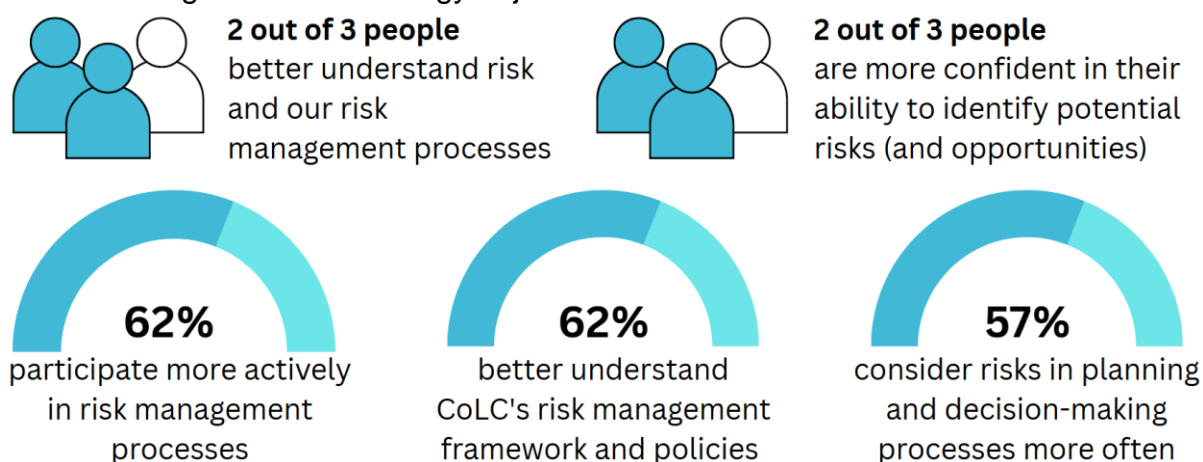


Figure 2. Progress against risk culture measures

8. Over the year we have observed a marked drop in overdue risk updates, supported by fewer missed target dates and improved data completeness, signals stronger engagement with risk management. When considered alongside stakeholder feedback, these improvements suggest that progress is not merely compliance driven. Instead, they reflect a developing understanding and more meaningful engagement with the risk management process.
9. The measures, alongside insights from internal audit reviews, above also highlight areas where more work needs to be completed and where efforts should be targeted to support the Strategy's objectives and embedding a mature, data-driven risk culture.

Focus for Financial Year 2025-2026

10. The Strategy action plan is reviewed annually to ensure alignment with the current direction and to reflect changes to dependencies. Alongside the formal feedback survey, input is gathered from CORMG, contributions made by Members during Committee meetings, including A&RMC, and draw insights from benchmarking activities and external partnerships to support the review.
11. The second year of the Strategy will focus on developing and embedding a more strategic approach to risk. Alongside business-as-usual risk management activity, the following workstreams will be prioritised:

Socialisation and embedding of Risk Appetite Statement

- Development of application guidance and a routine assessment of corporate risks against the Risk Appetite Statement to support understanding and consistency of application.
- Collaborating across the business to embed risk appetite into our processes and strategic choices, enhancing prioritisation and long-term direction.
- This seeks to drive culture change to enable informed and balanced decision-making, supporting the City Corporation to achieve its strategic objectives.

Tackling the understanding and reporting of risks and issues

- Development of a framework to avoid the conflation of risks with issues, support focused discussions on risk and issue management, and improve alignment across processes such as budgeting, business planning and resourcing.
- This aims to help the City Corporation allocate and prioritise resources more effectively and take a more proactive approach to managing risks. This will help to make sure risks, not issues, are reported on our risk registers.

Refreshed risk reporting at all levels

- Refreshed reporting to Members and Officers to better reflect sector and strategic insights, and the current approach to risk management in keeping with best practice to be implemented throughout the year.
- This will support the embedding of risk management and risk appetite specifically within our strategic planning.

Corporate & Strategic Implications

Strategic implications

12. The Risk Management Strategy 2024-2029 supports the delivery of City of London Corporation Corporate Plan 2024-2029, covering the five-year period as well as providing context and direction for the longer-term. The cross-cutting nature of risk management also aligns with core strategies and initiatives including the People Strategy, Digital, Data and Technology Strategy, and corporate transformation.

Financial implications

13. Transformation Fund investment received to engage Gartner over two years to support advancement of our work on Risk Culture.

Resource implications – None

Legal implications – None

Risk implications

14. The Risk Management Strategy 2024-2029 sets out the City Corporation's approach to taking and managing risks. The Strategy, alongside the Risk Management Policy and Risk Appetite Statement, is a key element of the City Corporation's corporate governance and internal control framework and ensures appropriate and comprehensive management of all City Corporation risks.

Equalities implications – None

Climate implications – None

Security implications – None

Conclusion

15. This report summarises the progress of the Risk Management Strategy 2024-2029 to date and outlines priorities for FY2025-2026.
16. During the first year of the Strategy, progress was achieved against each objective. The second year of the Strategy will seek to build on the success with a focus on embedding a more strategic approach. While there is more work to come, increasing engagement from others means we are well placed to build on success.

Background Papers

- [Risk Management Strategy 2024-2029](#) – A&RMC 13 May 2024
- [Risk Management Strategy 2024-2029 endorsement](#) – A&RMC 13 May 2024
- [City of London Corporation Risk Management Policy endorsement](#) – A&RMC 4 November 2024

Olivia Plunkett

Corporate Strategy Officer

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of the Local Government Act 1972.

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