



Finance Committee

Date: TUESDAY, 18 FEBRUARY 2025
Time: 12.45 pm
Venue: COMMITTEE ROOMS - 2ND FLOOR WEST WING, GUILDHALL

Members:

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

Enquiries: Ben Dunleavy ben.dunleavy@cityoflondon.gov.uk

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the meeting held on 14 January 2025.

For Decision
(Pages 9 - 12)

4. **ACTION TRACKER**

To receive the Committee's Action Tracker.

For Information
(Pages 13 - 14)

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

Report of the Chamberlain.

For Information
(Pages 15 - 16)

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

To receive the draft public minutes and non-public summary of the Projects and Procurement Sub-Committee held on 9 December 2025.

For Information
(Pages 17 - 24)

7. **CITY FUND BUDGET REPORT AND MEDIUM-TERM FINANCIAL STRATEGY**

Report of the Chamberlain *(to follow)*.

For Decision

8. **CITY'S ESTATE BUDGET REPORT AND MEDIUM-TERM FINANCIAL STRATEGY**

Report of the Chamberlain *(to follow)*.

For Decision

9. **REVIEW OF RECHARGES – UPDATED POSITION**

Report of the Chamberlain *(to follow)*.

For Decision

10. **INVESTMENT GOVERNANCE**

Report of the Town Clerk.

For Decision
(Pages 25 - 30)

11. **BUDGET MONITORING QUARTER 3 2024/25**

Report of the Chamberlain.

For Information
(Pages 31 - 42)

12. **CHAMBERLAIN'S DEPARTMENTAL BUSINESS PLAN 2024/2025 Q3 UPDATE**

Report of the Chamberlain.

For Information
(Pages 43 - 48)

13. **CHAMBERLAIN'S DEPARTMENTAL BUSINESS PLAN 2025/26**

Report of the Chamberlain.

For Decision
(Pages 49 - 52)

14. **CENTRAL CONTINGENCIES**

Report of the Chamberlain.

For Information
(Pages 53 - 56)

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

Report of the Chamberlain.

For Information
(Pages 57 - 60)

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

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

18. **EXCLUSION OF THE PUBLIC**

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

For Decision

Part 2 - Non-Public Agenda

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

To agree the non-public minutes of the meeting held on 14 January 2025.

For Decision
(Pages 61 - 64)

20. **NON-PUBLIC ACTION TRACKER**

For Information
(Pages 65 - 66)

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

To receive the Efficiency and Performance Working Party's Forward Plan.

For Information
(Pages 67 - 68)

22. **CITY FUND AND CITY'S ESTATE CASHFLOW POSITION AND CAPITAL REALISATION**

Joint Report of the Chamberlain and the City Surveyor.

For Decision
(Pages 69 - 84)

23. **CITY FUND - ANNUAL STRATEGY REPORT**

Report of the City Surveyor.

For Information
(Pages 85 - 96)

24. **CITY'S ESTATE – ANNUAL STRATEGY REPORT 2025**
Report of the City Surveyor.
For Information
(Pages 97 - 108)
25. **COMPLETION OF THE CORPORATE CHARITIES REVIEW**
Joint Report of the Chamberlain, Deputy Town Clerk and Acting Managing Director of City Bridge Foundation.
For Information
(Pages 109 - 118)
26. **DELEGATION REQUESTS**
Report of the City Surveyor.
For Decision
(Pages 119 - 122)
27. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**
To receive the draft non-public minutes of the Projects and Procurement Sub-Committee held on 9 December 2025.
(Pages 123 - 126)
28. **CONNECT TO WORK - SERVICE PROVIDER PROCUREMENT STAGE 1 STRATEGY REPORT**
Report of the Executive Director, Innovation and Growth.
For Decision
(Pages 127 - 132)
29. **FUTURE NETWORK PROGRAMME – PROCUREMENT OPTIONS APPRAISAL**
Report of the Chamberlain.
For Decision
(Pages 133 - 140)
30. **MAJOR PROJECTS DASHBOARD**
Report of the Chamberlain.
For Information
(Pages 141 - 148)

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

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

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FINANCE COMMITTEE

Tuesday, 14 January 2025

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 14 January 2025 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Michael Hudson
Deputy Randall Anderson (Deputy Chairman)	Alderswoman Elizabeth Anne King, BEM JP
Brendan Barns	Deputy Paul Martinelli
Deputy Timothy Butcher	Deputy Andrien Meyers
Deputy Simon Duckworth OBE DL	Benjamin Murphy
Steve Goodman OBE	Hugh Selka
Alderswoman Martha Grekos	Paul Singh
Deputy Madush Gupta	Philip Woodhouse

Officers:

Caroline Al-Beyerty	- Chamberlain
Gregory Moore	- Deputy Town Clerk
Katie Stewart	- Executive Director, Environment Department
Dionne Corradine	- Chief Strategy Officer
Simon Latham	- Town Clerk's Department
Genine Whitehorne	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Jack Joslin	- City Bridge Foundation
John Hall	- City of London School for Girls
Edward Wood	- Comptroller and City Solicitor's Department
Emily Brennan	- Environment Department
Ben Dunleavy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Nick Bensted-Smith, Deputy Keith Bottomley, Alderman Emma Edhem, Alderman Sir Peter Estlin, Deputy Christopher Hayward, Florence Keelson-Anfu, Catherine McGuinness, Deputy James Thomson, James Tumbridge, Deputy Sir Michael Snyder, and Mark Wheatley.

Deputy Oliver Sells and Caroline Haines observed the meeting virtually.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the public minutes and non-public summary of the meeting held on 12 December 2024 be approved as an accurate record.

4. **ACTION TRACKER**

Members received the Action Tracker.

The Town Clerk advised that the report on investment property transaction thresholds was being drafted, but was not yet complete. He accordingly sought delegated authority to approve the report once available, to allow the proposals to be presented to the Policy and Resources Committee for its February meeting.

RESOLVED, that – the Committee delegates authority to the Town Clerk to consider the recommendations on changing the thresholds for investment property transactions in the Standing Orders.

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

Members received the Committee's Forward Plan

6. **ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME UPDATE REPORT**

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

Introducing the report, the Chamberlain said that, following requests from the Corporate Services Committee, future update reports would include dashboards to provide more information on key issues, progress on milestones and the budget. The Chairman said he would also like to see extensive user testing of the new system, and a proper way of measuring budget expenditure.

A Member recommended that officers use a system such as Power BI to provide the dashboards as a way to provide information in a more agile manner. The Deputy Chairman said that one of the fundamental requirements of the ERP programme was to align well with the whole Microsoft suite, including Power BI.

Members continued to discuss how the ERP programme linked into the City Corporation's wider transformation programme, and reinforced the 'adopt not adapt' approach.

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

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

Members received a report of the Chamberlain

The Chamberlain drew attention to the risk scores relating to City Estate and City Fund. The former was anticipated to improve following the decision to cease the Market's Co-Location Programme, whilst the latter was likely to deteriorate in light of the upcoming business rate reset and significant

pressures surrounding local government funding. The Housing Revenue Account remained in a fragile position.

A Member thanked the Chamberlain for her work in highlighting the pressures facing the HRA and acknowledged that Chairman of the Policy and Resources Committee supported action to address the issue and introduce more flexibility of funding. He asked the Committee to consider if there were other ways to contribute to the HRA, such as accessing Climate Action Strategy Funds.

The Chairman echoed the Chamberlain's point on the pressures facing City Fund, and said that this would need to be a key focus of the Committee's scrutiny for the next few years. He reiterated the long-term problems which affected the HRA and need for structural reform. He would also be asking officers to take a longer-term view on City Estate, looking 5 years back and 20 years forward, as a more appropriate way to review performance and for the future. He also informed Members that the upcoming budget report would recommend that the City Corporation did not commit City's Estate to any major projects for a given period.

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

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

There were no questions.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chairman emphasised his remarks on the likely budget recommendations.

10. EXCLUSION OF THE PUBLIC

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

Item No.

Paragraphs in Schedule 12A

16-24, 26, 27

3

25

1 and 3

11. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes of the meeting held on 12 December 2024 were approved as an accurate record.

12. NON-PUBLIC ACTION TRACKER

Members received the non-public action tracker.

13. EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN

Members received the Working Party's Forward Plan

14. **TRANSFORMATION FOR THE NATURAL ENVIRONMENT CHARITIES - OUTCOMES OF THE NATURAL ENVIRONMENT CHARITIES REVIEW**
Members considered a Joint Report of the Executive Director, Environment, the Interim Managing Director of City Bridge Foundation and the Chamberlain.
15. **CITY SCHOOLS' CATERING**
Members considered a joint report of the Headmaster of the City of London School and the Headmistress of the City of London School for Girls.
16. **MAJOR PROJECT DASHBOARD - PERIOD 8 2024/25 (AS AT THE END OF NOVEMBER)**
Members received a report of the Chamberlain concerning major projects.
17. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Members considered a report of the Town Clerk detailing a non-public decision taken under delegated authority since the last meeting.
18. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There was one question in the non-public session.
19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were no items of urgent business.

The meeting ended at 1.41 pm

Chairman

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

FINANCE COMMITTEE – Action Tracker –February 2025

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

*Closed items will be removed from the tracker

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FINANCE COMMITTEE – WORK PROGRAMME 2024-25

	Feb - 25	April - 25	June -25	July-25	Sept -25	Nov-25
Budget Setting Process & Medium-Term Financial Planning	City Fund Budget Report and Medium-Term Financial Strategy City Estates Budget report and Medium-Term Financial Strategy			Update on Budget setting 25/26		
Effective Financial Management Arrangements for The City Corporation	Budget monitoring Q2 MPO Dashboard Reporting (CHB) Procurement Regs- POSTPONED Efficiency and Performance forward plan Review of Recharges CF and CE Cashflow Position	MPO Dashboard Reporting (CHB) Update of Finance Regulations - deep dive Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Project Procedures	MPO Dashboard Reporting (CHB) Revenue Outturn report 24/25 Provisional Outturn report 24/25 Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB) Budget Monitoring Q1 Provision for Bad and Doubtful Debts City Re update Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB) Budget monitoring Q2 Capital Projects – Forecasting
Financial Statements					City Fund and Pension Fund statement of accounts	City's cash financial statements City's Cash trust funds and sundry trust funds annual reports and financial statements
Finance Committee as a Service Committee	Risk Management Update Report Chamberlain's Business Plan Q3 report Chamberlain's Business Plan 2025/26 Central Contingencies (quarterly update) FNP – Procurement Options	Risk Management Update Report Chamberlains Business Plan End of Year update ERP Programme Update (Quarterly)	Risk Management Update Report Central Contingencies (Quarterly report) ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlain's Business plan Q1 report	Risk Management Update Report Central Contingencies (quarterly report) ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlain's Business plan Q2 report
Other Departments reports	Casual Workers review (HR) Corporate Charities Review (CHB/CBF/DTC) Connect to Work (IG)	Appointments (Town Clerks) Barbican Renewal six-month update (Barbican Centre)			Annual Terms of Reference Review (Town Clerks)	

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PROJECTS AND PROCUREMENT SUB-COMMITTEE

Monday, 9 December 2024

Minutes of the meeting of the Projects and Procurement Sub-Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 9 December 2024 at 1.45 pm

Present

Members:

Deputy Randall Anderson (Chair)
Deputy Rehana Ameer (Deputy Chairman)
Mary Durcan
Alderman Timothy Hailes JP
Alderwoman Elizabeth Anne King, BEM JP
Eamonn Mullally

Observer

Philip Woodhouse

Officers:

Genine Whitehorne	Commercial Director
James Carter	Chamberlain's Department
Oli Chowdhury	Chamberlain's Department
Michael Curtis	Chamberlain's Department
Nish Dubey	Chamberlain's Department
Zakki Ghauri	Chamberlain's Department
Sandra Milburn	Chamberlain's Department
Lisa Moore	Chamberlain's Department
Lara Opebiyi	Chamberlain's Department
Daniel Peattie	Chamberlain's Department
Charlotte Rendle	Chamberlain's Department
Loredana Sandu	Chamberlain's Department
Alice Lobb	Barbican Centre
Oonagh O'Mahoney	City of London Freemen's School
Sarah Baker	City Surveyor's Department
Pete Collinson	City Surveyor's Department
Ola Obadara	City Surveyor's Department
Gillian Howard	Environment
Ian Hughes	Environment
Gordon Roy	Environment
Tom Noble	Environment
Rob Shakespeare	Environment
John Cater	Committee Clerk

1. APOLOGIES

In advance of the meeting, formal apologies were received from Philip Woodhouse.

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

There were no declarations.

3. **MINUTES**

RESOLVED – that the draft public minutes and non-public summary of the last meeting of the Sub-Committee, held on Monday 21 October 2024, be approved as an accurate record.

4. **PORTFOLIO MANAGEMENT IMPLEMENTATION UPDATE**

The Sub-Committee considered a Report of the Chamberlain concerning the implementation of the portfolio management approach.

Members welcomed the paper and asked that the momentum was maintained over the coming months.

In response to a query, officers emphasised that stakeholder engagement was critical and ongoing opportunities for officers and Members to engage in this process would continue to be provided, it was added that post full implementation (currently anticipated in the summer) there would be an early review of how the new approach was performing, this was likely to take place in September 2025.

Officers were also keen, post-election, to draw on and leverage the relevant expertise of the new cohort of Members when it came to projects and portfolio management.

Separately, officers confirmed that a key workstream had been around establishing baseline data; this had necessitated a lot of housekeeping by way of data cleansing. Whilst this had taken time, it was anticipated that it would lead to a successful data transition.

It was clarified that due to the Major Projects following the RIBA stages, careful consideration about how these would be aligned under the new approach would be required and as such, transition would take place after all smaller projects had been moved over.

Finally, it was highlighted that, given the extensive changes the organisation would be seeing, work was being undertaken to refresh the Project Management Academy. Further updates would be provided in due course.

RESOLVED – that the Sub-Committee:

- Approved the revised phasing and key milestones for the programme.

5. **PROCUREMENT CODE REVIEW**

The Sub-Committee considered a Report of the Chamberlain concerning a review of the Procurement Code.

Several Members expressed frustration at the high number of procurement waivers requests (16) recorded over the previous year; waivers were to be undertaken by rare exception and management should ensure that there are clear consequences if officers fail to correctly comply with the process.

RESOLVED – that the Sub-Committee recommend the below to the Court of Common Council:

1. Approve the development of a new Procurement Policy and supporting framework to replace the existing Procurement Code.
2. Authorise the Chamberlain in consultation with the Chairman and Deputy Chairman, to approve changes to the Procurement Code and supporting framework to align with the new Procurement Act 2023.
3. Approve the temporary increase of the threshold for the approval of procurement options and contract awards by the Court of Common Council to £20m until 31 July 2025 whilst the new Procurement Policy is developed.

6. REVIEW OF STRATEGIC PROCUREMENT AND CONTRACT MANAGEMENT

The Sub-Committee considered two Reports of the Chamberlain concerning the Corporation's Strategic Review of Procurement and Contract Management.

Several Members expressed their extreme frustration at the results and analysis outlined in the Report. Poor performance in these areas had a direct impact on service end users and it was vital that the organisation came together to rectify this record.

Members offered their fulsome support and encouragement to the Commercial Director to drive improvement in these areas.

Members were encouraged by the recommendations in the Report and expressed their agreement about the need to shift from the current heavily regulated process to one that encourages a more strategic approach which allowed for calculated risk.

The Chair supported the streamlining of Member governance, suggesting that, providing local financial resource was available, the service Committee should be the sole arbiters at the initial proposal stage, and the Projects & Procurement Sub-Committee should then become involved, as an effective centre of excellence, when it came to going to market. Finance Committee should only become involved if the sum requested exceeded allocations in local risk budgets and central funding was required.

Members were supportive of a uniform approach at the internal governance stage, but asked that at this point, a determination was made around which route the procurement would then follow, i.e. depending on the status of the funds involved, a public (Procurement Act compliant) or a non-bespoke private route would be progressed.

Members noted the significant efficiencies derived from following the private route but, as custodians of taxpayers' money, acknowledged the City's

responsibilities to adhere to government procurement legislation. Whilst acknowledging the potential for efficiencies, the Commercial Director emphasised that much of the delay in the system was due to the Corporation's own internal governance procedures, not the public regulation per se.

Noting the ambition in the paper around increasing the thresholds, Members stressed that the quid pro quo for approving increases was the need for officer to cultivate more confidence and trust in a transparent process which was robustly enforced with officers held accountable. The Commercial Director responded that changes will only happen after the organisation can assure Members that the process works.

RESOLVED – that the Sub-Committee noted the Reports

7. **RESPONSIBLE PROCUREMENT MID-YEAR IMPACT REPORT**

The Sub-Committee considered a Report of the Chamberlain concerning Responsible Procurement.

Members asked officers to consider the wording to reflect the work the Corporation was doing more broadly to improve procurement processes.

RESOLVED – that the Sub-Committee:

- Approved the publication of the Responsible Procurement Mid-Year Impact Report 24-25 on our external website.
- Noted information on Responsible Procurement treatment paragraphs 13-22 in this paper.

8. **EXTENSION OF CONTRACT FOR THE PAN-LONDON SEXUAL HEALTH E-SERVICES CONTRACT**

The Sub-Committee considered a Joint Report of the Executive Director of Community & Children's Services and the Chamberlain concerning the extension of contract for the Pan-London Sexual Health E-Services contract.

RESOLVED – that the Sub-Committee:

- extended the current E-services contract with Preventx Ltd dated 15th August 2017 (currently due to expire on the 15 August 2025) for a further year to expire on 15 August 2026.

This recommendation is made concurrently with the approval of City Corporation continuing to act as the Lead Authority and accountable body for the procurement of a new Pan-London Sexual Health E-services contract and the host of the programme management service under an inter-authority agreement (Committee Report Stage 1A)

9. ***GW1-5: CITY OF LONDON POLICE - DEVICE REFRESH**

The Sub-Committee received a Report of the Chamberlain concerning the City of London Police's IT Device refresh programme.

RESOLVED – that the Sub-Committee noted the Report.

10. ***GW2: CLIMATE ACTION STRATEGY (CAS) - OPTIMISATION FOR SITES CONNECTED TO CITIGEN**

The Sub-CoThe Sub-Committee received a Report of the City Surveyor concerning the upgrade of internal heating and cooling circuits of sites and buildings connected to the Citigen district heating/cooling network.

RESOLVED – that the Sub-Committee noted the Report.

11. ***GW2: FLEET STREET AREA PROGRAMME: HOLBORN VIADUCT LIGHTING IMPROVEMENTS**

The Sub-Committee received a Report of the Executive Director, Environment concerning Holborn Viaduct Lighting Improvements.

RESOLVED – that the Sub-Committee noted the Report.

12. ***GW2: TRANSFORMING FLEET STREET - (FLEET STREET AREA PROGRAMME)**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Transforming Fleet Street project.

RESOLVED – that the Sub-Committee noted the Report.

13. ***GW3: LEADENHALL STREET IMPROVEMENTS - CITY CLUSTER VISION PROGRAMME**

The Sub-Committee received a Report of the Executive Director, Environment concerning improvement to Leadenhall Street.

RESOLVED – that the Sub-Committee noted the Report.

14. ***GW3&4: BANK JUNCTION IMPROVEMENTS: EXPERIMENTAL TRAFFIC ORDER TO REINTRODUCE TAXIS**

The Sub-Committee received a Report of the Executive Director, Environment concerning The Bank Junction Improvements project.

In response to a query, officers confirmed that, given Members' wish to keep up the pace with this project, it was anticipated that further updates would be brought to Committees in February 2025.

RESOLVED – that the Sub-Committee noted the Report.

15. ***GW4: 2 ALDERMANBURY**

The Sub-Committee received a Report of the Executive Director, Environment concerning 2 Aldermanbury Square.

Officers confirmed that all three options outlined in the Report met the City's planning requirements, however, it was felt that, on balance, Option 2 was the

most optimal solution which would provide for the most flexibility for any future developments on London Wall.

RESOLVED – that the Sub-Committee noted the Report.

16. ***GW4: CLIMATE ACTION STRATEGY, COOL STREETS AND GREENING PROGRAMME - PHASE 3 CITY GREENING AND BIODIVERSITY (FANN STREET AND ST PETER WESTCHEAP)**

The Sub-Committee received a Report of the Executive Director, Environment concerning Phase 3 of the Corporation's Cool Streets and Greening Programme.

RESOLVED – that the Sub-Committee noted the Report.

17. ***GW4: LLOYDS AVENUE IMPROVEMENTS (COOL STREETS AND GREENING PROGRAMME AND CITY CLUSTER PROGRAMME)**

The Sub-Committee received a Report of the Executive Director, Environment concerning improvements to Lloyds Avenue.

RESOLVED – that the Sub-Committee noted the Report.

18. ***GW6: DOMINANT HOUSE FOOTBRIDGE FUTURE OPTIONS**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Dominant House Footbridge.

RESOLVED – that the Sub-Committee noted the Report.

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

There were no questions.

20. **ANY URGENT BUSINESS**

There was no other business.

21. **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.

22. **NON-PUBLIC MINUTES**

RESOLVED – that the draft non-public minutes of the last meeting of the Sub-Committee, held on Monday 21 October 2024, be approved as an accurate record.

23. **ART TRANSPORT FRAMEWORK - PROCUREMENT STAGE 1 STRATEGY REPORT**

The Sub-Committee received a Report of the Interim CEO, Barbican Centre.

24. **POLICE CYBER ALARM APPROVAL TO PUBLISH TENDER PRIOR TO NEW PROCUREMENT**
The Sub-Committee received a Report of the Commissioner of the City of London Police.
25. **CITY SCHOOLS' CATERING**
The Sub-Committee received a Joint Report of the Headmaster of the City of London School and the Headmistress of the City of London School for Girls.
26. **CONTRACT EXTENSION FOR CITY OF LONDON FREEMEN'S SCHOOL TRANSPORT MANAGED SERVICE**
The Sub-Committee considered a Report of the Headmaster of the City of London Freemen's School.
27. **EXTENSION OF LONDON WIDE HAZARDOUS WASTE COLLECTION AND DISPOSAL SERVICE CONTRACT**
The Sub-Committee considered a Report of the Executive Director, Environment concerning the extension of London Wide Hazardous Waste Collection and Disposal Service Contract.
28. **CONSTRUCTION CATEGORY BOARD RISK MANAGEMENT - COLC CONSTRUCTION RISK REGISTER**
The Sub-Committee received a Report of the City Surveyor concerning current risks facing the delivery of construction projects in the City of London Corporation.
29. ***GW1-4: THE GROTTO, WANSTEAD PARK RESTORATION 2024-26**
The Sub-Committee received a Report of the Executive Director, Environment concerning the restoration of the Wanstead Park Grotto.
30. ***GW4: IT NETWORK SEGREGATED TUNNELLING PROJECT**
The Sub-Committee received a Report of the Chamberlain concerning the IT Network Segregated Tunnelling project.
31. ***GW6: CITY JUNIOR SCHOOL EXPANSION**
The Sub-Committee received a Report of the City Surveyor concerning the expansion of the City Junior School.
32. ***GW6: IT SERVICE TRANSITION PROGRAMME**
The Sub-Committee received a Report of the Chamberlain concerning the IT Service Transition Programme.
33. **RESPONSIBLE PROCUREMENT MID-YEAR REPORT APPENDIX RESOLVED** – that the Sub-Committee noted the non-public appendix to the Responsible Procurement Report (Item 6)
34. **PORTFOLIO MANAGEMENT - APPENDIX - PORTFOLIO DASHBOARD RESOLVED** – that the Sub-Committee noted the non-public appendix concerning the Corporation's Project Portfolio Overview.

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

There were no questions.

36. NON-PUBLIC ANY URGENT BUSINESS

There was no other business.

The meeting ended at 3.00 pm

Chairman

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

City of London Corporation Committee Report

Committee(s): Resource Allocation Sub-Committee – For Decision Investment Committee – For decision Finance Committee – For decision	Dated: 3 February 2025 17 February 2025 18 February 2025
Subject: Investment governance	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes 	All outcomes - the City Corporation's investment portfolio provides the financing behind delivery of the Corporate Plan outcomes
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:	Town Clerk
Report author:	Ben Dunleavy

Summary

Members, at meetings of the Investment and Finance Committees and the Resource Allocation Sub-Committee, have asked officers to explore possible revisions to two elements of investment governance; to move the responsibility for asset allocation (i.e. the split between property and financial investments) from the Resource Allocation Sub-Committee to the Policy and Resources Committee and to increase the thresholds for investment property transactions as set out in Standing Orders.

The Investment Committee in October 2024 also supported a revision to its composition, with the effect of changing its quota of Members co-opted from the Court to be Members appointed by the Court.

Changes to terms of reference and Standing Orders require approval by Policy and Resources Committee and the Court of Common Council.

Recommendation(s)

Members of the Resource Allocation Sub-Committee, Investment, and Finance Committees are asked to endorse the following to the Policy and Resources Committee, for onward recommendation to the Court of Common Council:

Resource Allocation Sub-Committee and Investment Committee

- Change the terms of reference for the Investment Committee, the Resource Allocation Sub-Committee and the Policy and Resources Committee as set out in Appendices 1a, 1b and 1c

Investment Committee and Finance Committee

- Change the thresholds in Standing Orders as set out at paragraphs 12 and 18, and in Appendix 2

Investment Committee only

- Revisions to the Committee's composition to increase the number of Members appointed by the Court of Common Council from six to eight, and to remove the positions co-opted by the Committee from the Court

Main Report

Background

Asset allocation

1. The Resource Allocation Sub-Committee is responsible for determining the appropriate investment proportions between property and non-property assets (item (b) in the Sub-Committee's terms of reference, attached as Appendix 1b). This decision is based on information provided by the Investment Committee (the first item in the Committee's terms of reference, attached as Appendix 1a).

Property transaction thresholds

2. The thresholds for property transactions (both investment and operational) are contained at Part 9 of the Standing Orders (SO 55, 57 and 58).
3. This report refers only to the investment property assets for City Fund and City's Estate as defined at SO 55.1 (i.e. not including investment property assets managed by City Bridge Foundation or operational property assets). However, for clarity, this Standing Order is also included in the relevant appendices.

Composition

4. The Investment Committee's composition currently provides for the Committee to co-opt up to two Members from the Court of Common Council.

Current Position

Asset allocation

5. In 2023, the Investment Committee considered the principles of investment asset allocation, and agreed that the City Corporation should adopt target strategic ranges between property and non-property assets in the City's Estate portfolio.

These recommendations were presented to, and approved by, the Resource Allocation Sub-Committee in October 2024.

6. At meetings of both the Investment Committee and the Resource Allocation Sub-Committee in October 2024, Members requested that the terms of reference for both committees should be reviewed to revise the relationship between committees and the responsibility for determining the appropriate investment proportion between assets. It was suggested at both meetings that the role of the Resource Allocation Sub-Committee should be removed, with the Policy and Resources Committee taking the decision over asset allocation, as informed by Investment Committee.

Standing Order thresholds

7. Members have also requested that officers review the thresholds for investment property transactions in the Standing Orders. The current thresholds, as set out at Appendix 2a, require Court of Common Council approval for all transactions of £5m and above.
8. Members of the Resource Allocation Sub-Committee, at their informal annual away day, noted that the current arrangements hindered the dynamic management of the investment property portfolio, especially at a time when funds were required to support the City Corporation's capital commitments.
9. Members across the Investment and Finance Committees, and Resource Allocation Sub-Committee, have echoed this opinion at meetings in Autumn 2024, and directed officers to consider revisions to the Standing Orders.

Composition

10. At the Investment Committee's October meeting, Members supported a change to the Committee's composition to increase the number of Members appointed by the Court of Common Council from six to eight, and to remove the positions co-opted by the Committee from the Court. The revised composition is set out at Appendix 1a. Members felt that this method would be a fairer way of appointing Members onto the Committee.

Options

11. Set out below are four options; further information is included in the proposals section.
12. Option 1 – The first option is to revise the terms of reference of the Committees in line with the steer provided by Members above, to amend the Investment Committee's composition, and to revise the thresholds for investment property transactions in the Standing Orders. This option is recommended.
13. Option 2 – The alternative option would be to retain the existing terms of references. However, as has been noted, the current arrangements are seen to be holding up effective and dynamic decision-making around the City Corporation's investment portfolio. Members of the Investment Committee at its meeting in October felt it would be fairer to increase the number of places on the Committee elected by the Court.

14. Further information on the above options is included in the proposals section below.

Proposals

15. Options 1 proposes to remove the responsibility of the Resource Allocation Sub-Committee for determining the appropriate investment proportions between City's Estate property and non-property investment assets, so that the Policy and Resources Committee would make this decision directly, as informed by the Investment Committee. This proposal was discussed at the Resource Allocation Sub-Committee meeting in October, where Members felt that a direct recommendation from Investment Committee to the Policy and Resources Committee would help to expedite decision-making.
16. Appendices 1a-c provide revised terms of reference for each Committee with the relevant changes. Removals are struck out, anything added is underlined.
17. Option 1 also proposes to increase the thresholds for investment property transactions in the Standing Orders, so that all transactions below £20m would be approved under delegation to officers, with transactions of £50m and over requiring approval from the Court of Common Council. All transactions between these two limits would require approval from both the Investment and Finance Committees. The City Surveyor Scheme of Delegations would also need to be amended to incorporate the amended delegation in respect of City Fund and City's Estate property acquisitions and disposals.
18. This is recommended as it would allow for more flexible and agile decision-making. Members would retain oversight of the strategic direction of the investment portfolio, but increased authorisation to officers would mean that decisions on property transactions could be made in a more timely manner.
19. Members may also wish to consider if, in the long-term, the thresholds for property transactions should be separated out from the Standing Orders into a set of guidelines, similar to the Procurement Code, with authority to amend this delegated by the Court to the Investment, Finance and Policy and Resources Committees.
20. Finally, Option 1 seeks approval of the change to the Investment Committee's composition, with the effect of removing the positions co-opted by the Committee from the Court, and increasing the number of Members appointed by the Court from six to eight.
21. As well as more open method of appointing Members onto the Committee, this would remove a further layer of governance, through negating the need for a ballot to co-opt Members at the first meeting of the civic year, and therefore aligns with aspirations of streamlining governance which sit behind the other recommendations in the report.

Corporate & Strategic Implications

Strategic implications

22. The changes will support the delivery of the Corporate Plan 2024-2029 through improving the governance around the City Corporation's investments which help provide funding for the services in the Corporate Plan and in supporting the Investment Strategy.

Financial implications

23. The changes would not require any additional spending.

Resource implications

24. The recommendations will not require any additional resource. Raising the Standing Order thresholds would also reduce the number of transaction reports written by officers for Committee approval.

Legal implications

25. The Comptroller and City Solicitor's department has been consulted, and their comments incorporated in the report.

Equalities implications

26. The proposals in the report will not have any impact (positive or negative) on people protected by existing equality legislation.

Climate implications

27. There are no climate implications.

Security implications

28. There are no security implications.

Conclusion

29. The recommended revisions to the above aspects of the governance of the City Corporation's investment assets will allow for more agile and dynamic decision-making at a time when the City Corporation is required to draw on its investment portfolio to support a range of activities, including its capital programme.

Appendices

Deletions are in the appendices are marked by being struck through; additions are underlined

- Appendix 1a - Revised terms of reference for the Investment Committee
- Appendix 1b – Revised terms of reference for the Resource Allocation Sub-Committee
- Appendix 1c - Revised terms of reference for the Policy and Resources Committee
- Appendix 2 – Revisions to Standing Orders

Background Papers

Ben Dunleavy

Governance and Member Services Manager

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City of London Corporation Committee Report

Committee(s): Finance Committee – For information	Dated: 18/02/2025
Subject: Budget Monitoring Quarter 3 2024/25	Public report: For Information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	The budget provides the funding to deliver all of the Corporation’s corporate objectives either directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of:	The Chamberlain
Report author:	Daniel Peattie, Assistant Director – Strategic Finance

Summary

The report below outlines the forecast position for the 2024/25 financial year as at the end of Quarter 3 (December). This report combines the monitoring for both revenue and capital.

Revenue

For City Fund, at the end of quarter 3, the 2024/25 forecast revenue outturn is an underspend of £12.1m against budget which is an improved position of £3.6m from quarter 2. The local risk overspend has improved by £1m largely due to additional support provided for utilities inflation. Central risk shows a growing better than budget position over the year, largely due to an increased forecast of interest earned on money market funds. Unallocated contingencies, currently amounting to £9.7m will be transferred into reserves at year end and are therefore showing a nil variance in the forecast.

For City’s Estate, at the end of quarter 3, the 2024/25 forecast revenue outturn is an underspend of £0.4m against budget which is a worsening position from both our Q1 and Q2 estimates of £2m. This includes a forecast overspend of £2m at Guildhall

School of Music and Drama, during January 2025 Efficiency and Performance Working Group has scrutinised the reasons for this overspend- largely caused by the government's freeze of tuition fees, well below the costs of course provision. The local risk position has improved over the last quarter as a result of the application of contingencies to offset utilities cost pressures. Central risk, although better than budget shows a worsening position over the year; most recently by £3m from Q2 to Q3. This is the offsetting impact of transferring £1.6m from contingencies to support inflationary pressures mentioned above, as well as a decrease in property income forecasts of £0.9m and additional audit fees of £0.4m with a number of other minor changes in variances. Unallocated contingencies currently amount to £8.9m and will be transferred into reserves at year end and therefore showing a nil variance in the forecast.

Guildhall Administration budgets are yet to be allocated to the relevant funds, these budgets are currently forecasting an overspend of £2m, a deterioration of £4.4m from Q2. This movement is largely a result of Q2 forecast for surveyors being revised by £3.1m after the monitoring report last quarter. £0.7m of the movement is within HR due to the pending People and HR restructure and the need to employ several high-cost interim officers to deliver services. The remaining movement is made up of a number of smaller variances.

Chart 1: Forecast trend by Quarter

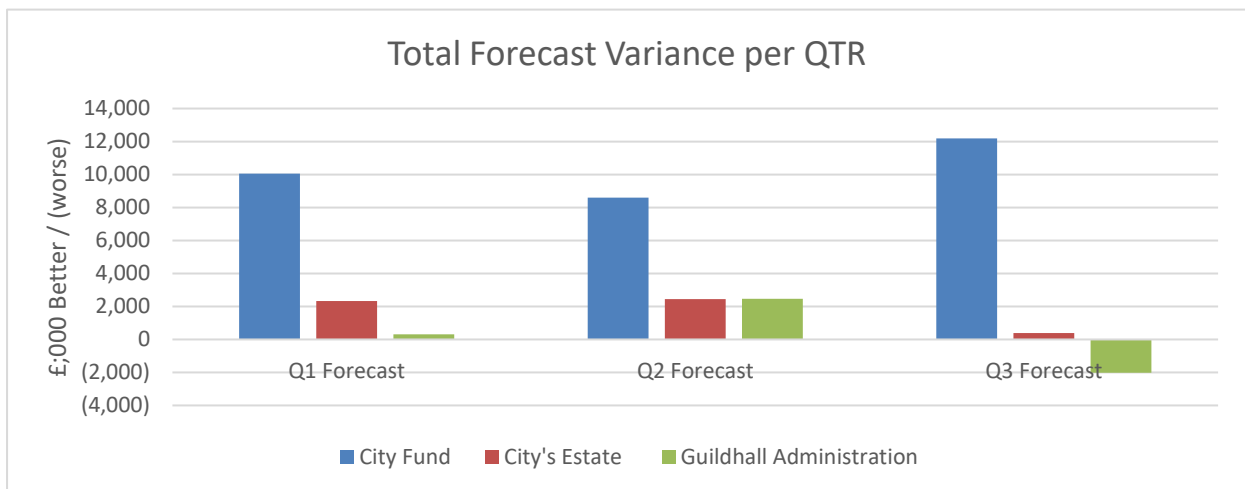


Chart 2: Forecast trend by quarter, local risk

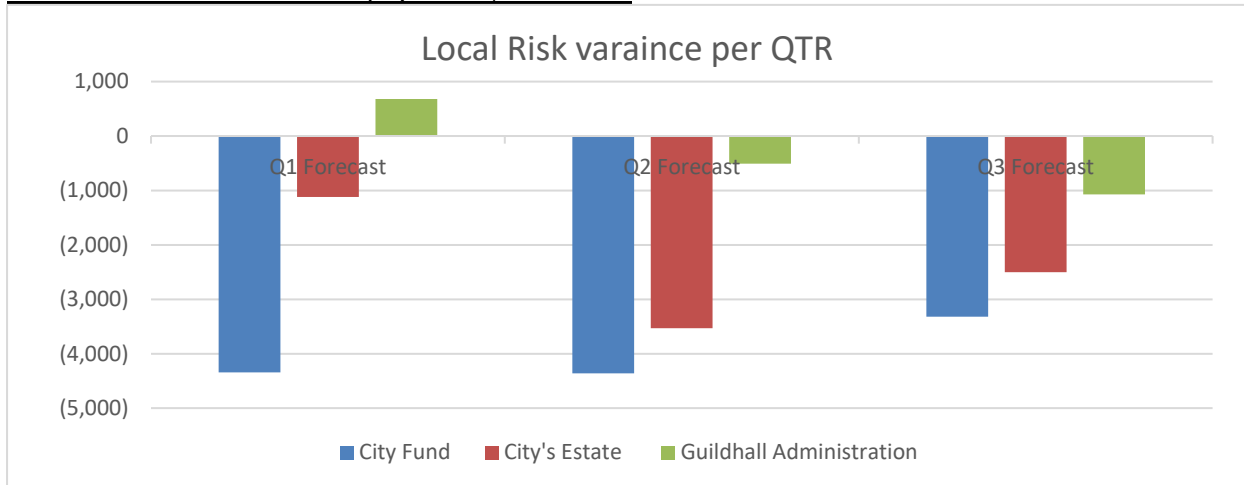
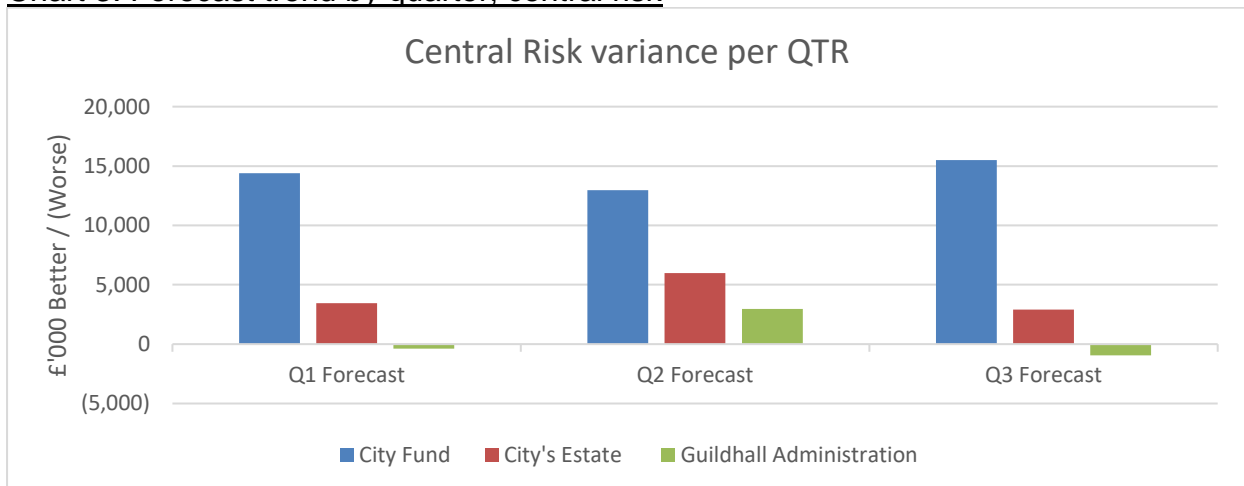


Chart 3: Forecast trend by quarter, central risk



Major variances are explained in paragraph 2.

Capital

At the end of Q3, the City Fund is forecasting an underspend of £28.6m for the financial year. This is primarily caused by a £14.9m in year overspend on major projects, partially offset by £43.5m of slippage on Business As Usual (BAU) capital programme. Over the life of the programme, there is a forecast overall overspend of £95m, due to inflationary increases on the major projects forecasts. These pressures are being considered as part of the 25/26 budget setting process, with recommendations proposed to address the financing gap.

City's Estate is forecasting an in-year underspend of £51.7m split between £20.7m for major projects and £30.9m for BAU.

There is an overall underspend of £143.3m, due to cessation of option '10b' for Markets Co location programme, with a variance to the original budget. Table 2 and 3 provide a summary of the forecast expenditure at the end of the second quarter (Q2) for the current year and future years expenditure on Capital and Supplementary Revenue Projects (SRPs). This includes major projects and is across both City Fund

and City Estate, against agreed budgets set and approved by the Court of Common Council in March 2024.

Table 2: Summary of City Fund Capital Forecast

CAPITAL PROGRAMME - CITY FUND	2024/25 Budget	2024/25 Actuals	2024/25 Forecast Q3	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
Capital & SRP - BAU	181.4	57.1	138.0	(43.5)	266.7	313.3	46.6	3.1
Capital & SRP - Major Projects	207.2	130.8	215.1	14.9	623.5	700.6	77	92.0
Total	388.6	187.9	353.1	(28.6)	890.2	1,013.9	124	95.0

Table 3: City's Estate Capital Forecast

CAPITAL PROGRAMME - CITY'S ESTATE	2024/25 Budget	2024/25 Actuals	2024/25 Forecast Q3	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
Capital & SRP - BAU	55.6	15.3	24.7	(30.9)	46.0	72.2	26	(4.8)
Capital & SRP - Major Projects	141.1	6.5	120.4	(20.7)	609.4	440.0	(169.4)	(190.1)
Total	196.8	21.8	145.1	(51.7)	655.4	512.2	(143.3)	(194.9)

Main Report

- 1) As well as the analysis by Fund, the overall variance for all funds is split between a Central Risk favourable variance of £17.5m, which predominantly relates to increased interest receivable on Money Market Funds (£18.8m), and higher than budgeted rental income on investment properties (£0.6m). This has helped meet various pressures including a shortfall of income at Hampstead Heath due to investment returns being behind budget resulting in increased deficit funding required from City Estate for the current year. There was an adverse variance of £6.9m on Chief Officer Cash Limited Budgets.
- 2) Significant variances on Chief Officer Cash Limited budget are;
 - *Barbican Centre* (£3m) mainly relating to unidentified savings not yet found, additional building costs along with unforeseen staff costs such as sick and maternity cover and the need to bring in additional resources. These pressures have been partly offset by additional income achieved amounting to £1.4m.
 - *City Surveyor* is showing an overspend of (£0.9m), mainly due to some residual savings yet to be realised, the vacancy factor on the departmental salary budget is not forecast to be achieved and budget pressures on Smithfield Market due to closure of the Poultry Market and cap on service charges; and
 - *Guildhall School of Music & Drama* (£2m) Additional posts / redundancy costs (as a result of the closure of a programme) have been included over and above those budgeted along with backdated service charges for premises at Milton Court. The forecast has been updated in light of changes to student numbers and directly related spend including hourly paid teaching staff.

- 3) Significant forecast variances by Chief Officer are summarised in the following paragraphs. Work is underway with department heads to consider potential mitigations to these local risk pressures. The impact of any cuts and or mitigations identified will be reported back in future reports.

City Fund Revenue

- a) Managing Director Barbican Centre (£3.2m overspend, positive movement of £1.1m from Q2) – The positive movement from Q2 is principally due to the additional support provided for utilities inflation. The unfavourable variance largely relates to the following one-off costs impacting this financial year: £0.8m of additional expenditure in salaries including CEO and crisis management cover, maternity cover, and increased pension for casuals, and additional cost of casuals to support increased activity at the Barbican Centre along with a loss of partnerships for The Imaginary Institute of India (£0.7m). During the year, the Barbican Centre has incurred an extra £1.2m of building related costs including additional cleaning and security. In addition, there is a £1.6m savings target set at the start of the year which has not been achieved. These pressures have been partly offset by additional income achieved from arts rentals (£0.9m), net audience income due to the strong performance trends from 23/24 continuing into 24/25 along with a 10% uplift in bar prices that were implemented at the start of December. The events team have been promoting the Barbican for venue hire and commercial events and this has resulting in additional £0.2m of income being received. The last 3 months of the year will see the Barbican Centre continuing to prioritise essential expenditure only in order to bring the overspend down.
- b) Executive Director Community & Children’s Services (£1.1m underspend, negative movement of £0.2m from Q2) – As highlighted in previous monitoring reports, social care costs are forecast to exceed budget due to uplift in client placements agreed and backdated to 23/24, added pressures due to family support costs, adoption costs and short breaks for two new individuals. The costs associated with homelessness are continuing to add further pressures to the budget with an anticipated overspend of approx. £150k this year. During the year, an additional Home Office grant was received for prior years, reflecting a higher amount than previous prudent estimates. This amount totalled £1.5m more than previously forecasted, which has offset pressures amounting to approximately £0.4m and has pushed the anticipated outturn into a favourable position. The remaining underspend has been recommended to be earmarked to support pressures on Homelessness in the 2025/26 financial year.
- c) Chamberlain (£16.1m underspend, positive movement of £3m from Q2) This is due to additional interest receivable on money market funds of £16.5m as per paragraph 18.
- d) City Surveyor (£1.2m overspend, no movement from Q2) The City Surveyor is forecasting an underachievement on income on City Fund of

£1.2m which is primarily due to a reduction in rental income of £1.1m which reflects new rent-free periods granted to tenants and loss of income from voids.

City's Estate Revenue

- e) Chamberlain (£1.5m underspend, negative £3.1m Q2) – This favourable variance is due to £2.2m additional interest from money market funds as per paragraph 18 offset by an increase in audit fees.
- f) City Surveyor (£0.9m underspend, negative movement of £0.3m from Q2) – The City Surveyor is forecasting an overachievement of rental income on City's Estate of £1.7m as per para 17. The principal reason for the higher forecast income is due to tenants not activating their break option across a few properties, in addition to new leases starting earlier than anticipated. This is partly offset by overspending particularly on the Departmental budget which is not achieving the assumed vacancy factor/residual savings, and pressures at Smithfield Market due to closure of the Poultry Market and additional empty rates on City's Estate.
- g) Principal Guildhall School of Music & Drama (£2m overspend, positive movement of £0.8m from Q2). Operating forecasts have been updated in light of changes to student numbers and directly related spend including hourly paid teaching staff. Unbudgeted redundancy costs have been incurred as a result of the closure of a programme, and back dated service charges related to our premises at Milton Court where we have been negotiating with the landlords for several years to agree a correct allocation of shared services costs. The impact of inflation on external contracts is also reflected in the forecast, partially offset by efficiency savings identified by our budget holders.

Guildhall Administration Revenue

- h) Executive Director of HR and Chief People Officer - £1.2m overspent. (£0.6m negative movement from Q2) - Ahead of the People and HR restructure in 25/26 and to necessitate the HR team's ability to deliver a basic service in 24/25 the engagement of several high-cost agency worker interims has been essential. Approval for a further temporary budget investment uplift of £1.8m was approved for three years for the 2025/26 financial year to support a team restructure and additional posts going forward – to be funded from 2024/25 underspends to be carried forward. Staff Training is also overspent by £0.5m due to leadership and management training, corporate induction services, health, and safety, undertaking the staff survey and mandatory training reviews. A business case was submitted in Q3 2023 and again in April 2024 requesting this additional budget to support activity with the recommendation that transformation funding be explored to aid the pressures across the service whilst the restructure commences.

- i) City Surveyor - £0.8m overspent (£3.2m negative movement from Q2) - Guildhall complex overspend on largely relates to an overspending on rates paid. There are some rating appeals outstanding which would improve the position but they are unlikely to be resolved before year end.

City Fund Capital

- 4) Appendix 3 shows the forecast expenditure for City Fund Capital and Supplementary Revenue Projects (SRP), split between Business as Usual (BAU) and Major Projects. The forecast for the year is £353.1m for the year, comprising £138m BAU projects and £262.2m across the City Fund Major Projects.
- 5) There is a forecast underspend within the City Surveyor of £28.7m, primarily due to the Refurbishment and Extension 1-6 Broad Street Place and 15-17 Eldon Street. The scope of this project has changed and the underspend will be used to the fund the inflationary pressures on Salisbury Square. This is to be reflected in the updated 2025/26 MTFP and so the underspend will be reallocated.
- 6) The HRA projects are showing a projected underspend of £1.6m for 24/25 and overall overspend of £8.5m. This is primarily due to the Golden Lane Windows project requirements increasing by £12.5m. The HRA is a ringfenced fund, so any additional funding needs to be met from within the limited available sources of funding, so this overspend needs to be monitored closely.
- 7) The overall forecast spend on the Children's and Community Services (Non-HRA) is a £10m overspend, this is due to the Barbican podium works not having sufficient funding. This shortfall will need to be addressed prior to the project commencing to Gateway five. The in-year underspend of £11.3m is due to slippage of barbican residential fire door works, which is now forecasted in 2025/26.
- 8) Chamberlain's have a projected underspend in year of £5.5m, this is due to City Fund share of corporate projects having large budget slippages, this includes the ERP project and Network Refresh. The slippage on the ERP programme is the result of additional time taken to finalise commercial arrangements with the ERP software supplier and System Implementation partner. Resulting slippage has no impact on the financing (since it is being met from earmarked reserves and capital resources), and there is no significant whole life cost variance or delayed delivery of activities. This is just the timing of payments between years not lining up with the original profiled budget. The Network refresh progress been delayed due to additional work on the feasibility stage than first planned, this includes additional market engagement and an assurance review of the Future Network Strategy implementation.

Major Projects

- 9) **Museum of London** – is showing an in-year variance of £2m which is due to slippage of spend from the prior year, but there is otherwise not a genuine pressure. The total project forecast now reflects the Museum's own fundraising element (£120m), as distinct to the Corporation. Overall, the programme is on budget, though there is a risk that the Corporation will need to underwrite or forward fund some expenditure should anticipated fundraising does not materialise to the quantum or timings forecast. This is likely to occur during 2026/27. Should this materialise, a report will be brought before Members for decision.
- 10) **Salisbury Square Development / Future Police Estate Programme** – is currently forecasting an overspend with additional funding sources identified and will be updated as part of the 2025/26 Budget Setting process. A summary of those funding sources is set out below:
- Contributions of c£35m have been identified for specific workstreams, including contributions from CWP and Climate Action budgets; a contribution from City of London Police for fit out works and IT; and a potential contribution from a third party towards the Tactical Firearms Training Facility (TFTF) (subject to negotiation).
 - Investment Committee to fund additional pressures relating to the commercial building, including the significant rise in construction costs due to high inflation – total £34m. This option was approved by Investment Committee in December 2024.
 - Alternative funding sources for Guildhall Yard East (GYE) and the Tactical Firearms Training Facility (TFTF) – total £25m. The revenue funding currently allocated for the New Street lease will be repurposed upon the lease's planned conclusion in March 2028. Plus, the raising of additional funds through an increase in Business Rate Premium (BRP). This was supported at the Rate Payers meeting on 3rd February but is subject to the approval of the Court of Common Council and Ministers during the annual budget setting process in March 2025.
 - It should also be noted that some elements of the programme are still in their infancy, therefore, there remains a significant risk that future costs could still increase. To mitigate these risks an additional optimism bias/contingency is being considered as part of the 2025/26 budget setting process.
- 11) **Barbican Renewal** – This been added to the Major Projects section in appendix 4 following the approval of the £287m funding by the Court of Common Council in December 2024, the line also includes some funding which has previously been under the Barbican centre BAU capital programme.

City's Estate Capital

- 12) Appendix 5 shows the breakdown of the forecast for City Estate of £85.4m, with £60.7m projected on major projects and a further £24.7m on BAU Capital and SRP.
- 13) The primary in year slippage is £32.2m in the Chamberlains area owing to delays in corporate projects, including ERP, these budgets will be spent in future financial years. As with City Fund, the slippage on the ERP programme has been explained under paragraph 8.
- 14) **Markets Co-location programme (MCP)** - the Court of Common Council ratified a decision to end the City Corporation's interest in co-locating the wholesale food markets of Smithfield and Billingsgate to a new site at Dagenham Dock. A Bill has been deposited in Parliament that provides for the ending of the City Corporation's responsibilities to operate a market at these sites. It is estimated that it could take up to 2 years for the Bill to progress through Parliament and so it is expected that Smithfield and Billingsgate will continue as they are until at least 2028. Forecasts have been updated accordingly.
- 15) **Museum of London Landlord works** - the works are nearing completion; the spend represents the remaining draw down from the museum.

Additional Revenue information

- 16) Contingency budgets (including central provisions, Finance and P&R) are currently holding unallocated budgets of £15.7m (£7.8m City Fund and £7.9m City's Estate) however work is being undertaken on departmental Local Risk overspends and it is anticipated that the majority of the contingency balance will be drawn down and utilised throughout the year. Any remaining funds at the end of the year will be transferred to reserves and is therefore showing a nil variance for QTR3.
- 17) Corporate Income Budgets are forecast to be better than budget by £19.4m and are summarised in the table below.

Table 4: Major income budgets

	Budget	Forecast	Forecast Variance Better / (Worse)	
	£'000	£'000	£'000	%
Property Investment Income				
City Fund	40,919	39,825	(1,094)	(3%)
City's Estate*	60,036	61,777	1,741	3%
Total Property Investment Income	100,955	101,602	647	1%
Interest on Cash Balances				
City Fund	28,900	45,392	16,492	57%
City's Estate	(770)	1,508	2,278	296%
Total Interest on Cash Balances	28,130	46,900	18,770	67%
Grand Total	129,085	148,502	19,417	15%

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

- 18) Property Investment Income is forecast to be £101.6m which reflects the September 2024 rental estimates. City Fund's deficit reflects rent free periods granted to tenants for new lettings as well as existing tenants in return for removing break options. There is also a forecast reduction in income from vacant floors due to a tenant being in financial difficulty. The main reason for the higher income on City's Estate is due to tenants not activating their lease break options across a few properties, new leases starting earlier than anticipated and some sales (including South Molton Street Estate) that were due to complete by March 24 but completed slightly later and income was therefore received at the start of the current year.
- 19) Income from Interest on Money Market funds Income from interest on cash balances is currently forecast to exceed budget by £18.8m principally due to the increase in the level of average cash balances held, and hence available for investment, and upon which interest is applied, compared to what was anticipated when the budget was set in November 2023. This largely due to the rephasing of capital and the major project expenditure. It should be noted that the forecast currently assumes the average split of cash held amongst funds to December 2024 will continue for the rest of the year.

Cyclical Works Programme (CWP)

- 20) The CWP programme covers essential health and safety cyclical repairs and maintenance of the operational property portfolio. CWP spend tends to be revenue due to it being similar to regular repairs and maintenance, however programmes can grow and then be capitalised if they are over materiality thresholds. In 2024/25 Resource Allocation Sub-Committee and Finance Committee agreed to provide £133.7m funding over a five-year period to deal with the backlog and immediate urgent repairs works for the operational estate. Table 5 shows the Revenue budgets and actuals for the pre 2024/25 CWP along with year 1 programme of works for the £133.7m.
- 21) The City Surveyor advised all funds allocated to pre 2024/25 approval, that he is tasked to deliver, will be expended by 31/03/25. The Barbican/GSMD and Community & Children's Services have advised that the CWP projects that they are responsible for delivering may slip and this was addressed at Resource Allocation Sub Committee in December 2024. The City Surveyor has been reviewing the profile of spend of the new £133m CWP funding now the delivery team has been appointed and is in post and he reported this to RASC in December 2024 detailing the new delivery profile (which is still with the overall five-year envelope).

Table 5: CWP Quarter 3

QTR 2 Actuals & Commitments £'000		Budget £'000	Actual & Commitments £'000	Percent Spent %
(4,018)	City Fund	(6,463)	(6,938)	107
(4,585)	City's Estate	(6,719)	(6,769)	101
(1,268)	Guildhall Complex	(2,117)	(2,429)	114
(9,871)	Grand Total	(15,299)	(16,136)	106

Capital – observations on risks

- 22) For the Major Projects there is joint underwriting (alongside GLA) of up to £50m should the Museum not achieve their fundraising target or be unable to generate sufficient funds to repay their loan from the GLA. The Museum is due to spend the extra £50m in the next two years, but fundraising totals will be confirmed retrospectively, so they have requested another loan to cover this. This is yet to be approved, and discussions are continuing.
- 23) Appendix 5 shows the trend of spend vs forecast for 24/25 compared to 23/24 and how there seems to be an optimism bias in some of our forecasting. As we are in Q3 the forecasting should be more accurate.
- 24) The Court of Common Council on 26 November 24, ratified a decision to end the City Corporation's interest in co-locating the wholesale food markets of Smithfield and Billingsgate to a new site at Dagenham Dock. Instead, a new agreement has been reached with market traders that would see them receive financial support to relocate to new premises. The City Corporation is already actively supporting Traders to identify suitable new sites to ensure that they can continue their essential role in London's food supply chain and is in close dialogue with them and other wholesale markets about this already.
- 25) The on-going delays to completion and occupation of new flats at Black Raven Court (formerly COLPAI) has significant adverse implications for HRA income in the current year. These need to be considered as part of the HRA 5-year business plan and ability to remain in-balance.

Corporate and Strategic implications

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

Financial implications – Contained within the body of the report

Resource implications – Contained within the body of the report

Legal implications – No direct implications

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

Equalities implications – No direct implications

Climate implications – No direct implications

Security implications – No direct implications

Conclusion

26) At the end of Quarter 3 2024/25 the overall revenue forecast position is an underspend of £10.6m against budget comprising Central Risk Budget favourable variance of £17.5m partially offset by an adverse variance of £6.9m on Chief Officer Cash Limited Budgets. This is a decrease of £2.9m when compared to the revenue position at Q2. It should be noted that central contingencies are currently underspent by £18.6m (£8.9m City's Estate and £9.7m City Fund), however this will be transferred to reserves at the end of the year and therefore showing as nil variance in the monitoring.

27) City Fund is forecasting an in-year capital underspend of £28.6m and an in-year underspend for City's Estate of £80.7m. Over the life of the projects the forecast is an overspend of £95m for City Fund and an underspend of £254.6m for City's Estate. For City Fund this overspend is due to the inflationary pressures on the major projects. The City Estate underspend is due to the decision to suspend the markets consolidation programme.

Appendices

- Appendix 1 – Chief Officer Cash Limited Budgets by Fund
- Appendix 2 – Central Risk Budgets by Fund
- Appendix 3 – Chief Officer total Budgets by Fund
- Appendix 4 – City Fund Capital breakdown by Service
- Appendix 5 – City's Estate Capital breakdown by Committee

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Agenda Item 12

Committee(s): Finance Committee – For information	Dated: 18 February 2025
Subject: Chamberlain’s Business Plan Quarter 3 2024/25 update	Public report: For information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	Chamberlain’s Department as a support service aims to impact all six outcomes in the Corporate Plan directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	Budgets already agreed by this committee for 2024/25
Has this Funding Source been agreed with the Chamberlain’s Department?	Yes, within budget estimate and capital funding already agreed
Report of:	The Chamberlain
Report author:	Hayley Puhlhofer, Head of Chamberlain’s Office

Summary

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

Highlights from quarter three of 2024/25 include:

- The Systems Team (in Financial Shared Services) have upgraded the ‘Information@Work’ document management system. This will enable the Housing and Council Tax Benefit Team to become fully digital. Go live is scheduled for Q1 25/26 but the team are ahead of schedule and a Q4 go live remains a possibility.
- Successful recruitment campaign with the Commercial, Change and Portfolio delivery team to resource the new structure.
- Internal Audit are on track to deliver the 600 audit days target for the 2024/25 year.
- The Chamberlain’s transformation programme continues to gain momentum via the ERP Programme (Programme SAPphire) achieving Gateway 5, a draft Digital, Data, and Technology strategy for the City of London Corporation, launching the commercial and contract management review, and collaborating with stakeholders on income generation opportunities.

- Audited 2023/24 City Fund accounts were published.

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

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Department provides quarterly updates to Finance Committee on the activities and achievements against the approved business plan. This report provides an update on the department's performance during quarter three of 2024/25.
2. A new quarterly report template has been developed by the Corporate Strategy and Performance team, which has been used to bring this report together. This will also be used to provide an update to Executive Leadership Board. In Quarter 3 this has been adjusted slightly in line with feedback received by the team.

Current Position

Financial Services Division & Corporate Treasury

3. As mentioned in the last update, significant effort was made by the Chamberlain's team and wider stakeholders to meet the statutory deadline for the 2023/24 City Fund and Pension Fund statement accounts. These were signed by the Chamberlain and Chair and Deputy Chair of Finance Committee on 27th September. However, due to unexcepted delays in the auditor final quality review the publication deadline was missed by a couple of weeks. The auditors signed off on 17th October and the accounts were published on 18th October.
4. The 2023/24 City's Estate statement of accounts were signed ahead of the expected deadline of 26th December, with the accounts published on 6th December.
5. The 5 year cashflow forecast for City Fund and City's Estate was presented to the December Investment Committees, but was only noted at this meeting due to Court decision regarding the markets which meant there was significant work to rework the numbers in the paper. With over £2bn committed to major projects, the forecast will be crucial for strategic asset disposal decisions, alignment with the investment strategies for both funds and managing cash flow to sustain operations and achieve growth.

Financial Shared Services

6. In-year collection rates for Council Tax during Q3 2024/25 is at 81.6% which is an increase of 1.6% when compared to Q3 23/24 collection which was at 80%. This is the best in-year collection performance since 2019/20 (82.2%).

7. In-year collection rates for Business Rates during Q3 2024/25 is at 92.57% which is a decrease of 1.34% when compared to Q2 23/24 collection. The decrease is due to high values bills being dispatched during the quarter for the new 8 Bishopsgate Building which have increased the collectable debit for the year.
8. Investment Property Income overall collection was 94.65% at the end of Q3 which equates to £8.8m of arrears. Circa £1m of which relates former tenant arrears.
9. The City's performance for the payment of invoices within 30 days has improved since Q2, with 95.35% paid within 30 days, however this is still 1.65% shortfall of the target.
10. Housing and Council Tax Benefit claim processing performance has improved from Q2. Days to assess new claims has improved from 24.17 days to 12.44 days and changes of circumstance have been assessed in 3.05 days, which is down from 3.82 days in Q2.

Internal Audit

11. The Internal Audit team remains on track to achieve the baseline target of 600 audit days delivered in the current year and on target to achieve the longer term target of 1000 audit days per year by 31/03/2026. The team is fully resourced going into Q4, including the appointment to the Deputy Head of Internal Audit position.

Chamberlain's Transformation

12. The SAPphire programme team was fully mobilised over the last quarter and the team completed the first wave of fit-to-standard workshops in readiness for Wave 1 go live (Learning Management Solution (LMS), Recruitment & Goal Setting) in Quarter 1 next year. Highlights included:
 - Statement of works approved by Board / Committee and signed with system integrator which covers the scope of work and delivery plan with the system integrator (HCL).
 - Joint kick-off meeting completed with system integrator led by SRO and programme leadership team.
 - Wave 1 detailed plans completed and 90-day plan for all waves.
 - Completion of all Wave 1 (LMS, Goal Setting, Recruitment) fit-to-standard workshops and sign-off for the solution design document.
- Trial data migration completed for LMS.
13. The draft digital strategy was developed to establish a unified approach for Digital, Data, and Technology (DDaT) across the entire City of London Corporation and has been approved by the Court of Common Council.
14. The initial phase of the Commercial and Contract Management strategic review began during the summer. The findings and the corresponding implementation plan were presented to the Projects and Procurement Sub-Committee in December.
15. Work continues the Income Generation opportunities, enabling business areas to develop business cases and mobilise plans.

16. As part of the Financial Improvement and Transformation (FIT) Strategy, budget manager training workshops have commenced. These workshops are initial steps toward a self-service monitoring process. The initial workshop had 11 attendees December, a further session was held in January with 13 budget managers in attendance with further 2 training sessions planned in quarter 4. There will be a pause on training during March and April 2025 due to prioritising year-end closing with a view to increase training with multiple sessions per month starting from May. The training is still on track to reach all 450 budget managers by December 2025. Initial feedback responses have been positive and continue to be evaluated to help shape the training. The strategy aims to transform operations and processes within FSD to align with modern and best practices, enhancing efficiency, accuracy, and accountability in financial management. This strategy is important for current operations and prepares for future innovations and advancements, such as the new ERP system. Additionally, the FIT Strategy will provide a framework for continuous improvement and adaptability. By focusing on skill development, process optimisation, and strategic alignment, we aim to create a finance function that is prepared for future needs.

Commercial, Change and Portfolio Delivery

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

Corporate & Strategic Implications

22. Strategic implications – Strategic priorities and commitments are expressed in Appendix 1.
23. Financial implications – The 2024/25 Business Plan reflected a 3% inflationary increase on pay and prices against the departmental budget as agreed by Court of Common Council in March 2024.
24. Resource implications – The DITS structure is currently being reviewed and a light-touch restructure is expected. The recruitment campaign to fill the new roles in the Commercial, change and portfolio delivery division was undertaken in Q2.
25. Legal implications – None.
26. Risk implications – Key risks managed by the department are included in the Risk Update Report also received by this committee.

27. Equalities implications – The department has a separate Equalities and Inclusion Plan which aims to improve the department’s Equalities position for employees. Where appropriate the department will complete Equality Impact Assessment for upcoming changes.
28. Climate Implications – Under the Climate action strategy the departments Corporate Treasury function is responsible for delivering Scope 3 emission actions related to our financial investments.
29. Security implications – None.

Conclusion

30. The Chamberlain’s Department will continue to build on the progress made in the first 3 quarters and work to deliver the 2024/25 departmental business plan and support the wider Corporate Plan and People Strategy.

Background Papers

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

Appendices

Appendix 1 – Chamberlain’s Business Plan progress report
Appendix 2 – Payment Performance stats YTD
Appendix 3 – Transformation Dashboard

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City of London Corporation Committee Report

Committee(s): Finance Committee – For decision Digital Services Committee – For decision	Dated: 18 February 2025 15 May 2025
Subject: Draft Chamberlain’s Business Plan for 2025/26	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	Chamberlain’s Department as a support service aims to impact all six outcomes in the Corporate Plan directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	Budgets already agreed by this committee for 2025/26
Has this Funding Source been agreed with the Chamberlain’s Department?	Yes, within budget estimate and capital funding already agreed
Report of:	The Chamberlain
Report author:	Hayley Puhlhofer, Head of Chamberlain’s Office

Summary

This report presents for approval, the Business Plan for the Chamberlain’s Department for 2025/26.

Recommendation(s)

The committee is recommended to:

- i) Note the factors taken into consideration in compiling the Chamberlain’s Department Business Plan; and
- ii) Approve, subject to the incorporation of any changes sought by this Committee, the departmental Business Plan for Chamberlain’s for 2025/26. (Note parts referring to the Digital Information and Technology Service are to be approved by the Digital Services Committee. All other parts are to be approved by the Finance Committee.)

Main Report

Background

1. As part of the new framework for corporate and business planning, departments were asked to produce standardised and concise high-level Business Plans for the first time in 2017 for the 2018/19 year.
2. For 2024/25, the Business Plans evolved further to describe the funding and people resources associated with each priority workstream, this continues for 2025/26 with the addition of timescales and KPIs for each workstream. The template has changed this year to incorporate the above and to better align with the Corporate Plan 2024-29.

Current Position

1. The report presents, at appendix 1 the Chamberlain's Business Plan for 2025/26.
2. The priorities outlined in the CHB Business Plans were developed based on discussions with key stakeholders and feedback from Departmental Communications channels and Staff Survey groups.
3. The Chamberlain's Business Plans priority workstreams continue to be focused on legal and statutory duties, transformational projects to drive systems and process improvements to increase automation and self-service creating space for agile provision of timely insight, to improve commercial maturity to manage risk, improve compliance and deliver savings and data and insights to improve social return on investment. This builds on work carried out during the Business Planning process of 2024/25 where all workstreams were ranked on their value and risk to the Corporation and its stakeholders.
4. As the Digital, Information and Technology Service reports to Digital Services Committee all parts of the business plan that refer to that service are to be agreed by the Digital Services Committee. All other parts of the Business Plan are to be agreed by the Finance Committee.

Corporate & Strategic Implications

5. Strategic implications – Strategic priorities and commitments are expressed in Appendix 1.
6. Financial implications – The Business Plan at Appendix 1 has been drawn up within departmental budget estimate for 2025/26 and capital funding already agreed. Business Plans are aligned to departments, so all financial information presented within the Business Plan reflects the departmental budget rather than the Committee budget.
7. Resource implications – The Business Plan has been designed within current agreed resource base. However, outcomes from Ambition 25 may have an impact on this.

8. Legal implications – There are no legal implications to the proposals put forward in the Chamberlain’s Business Plan.
9. Risk implications - Key risks managed by the department are included in the Business Plan at Appendix 1.
10. Equalities implications – The department has a separate Equalities and Inclusion Plan created and agreed by the departmental EED&I working group. Where appropriate the department will complete Equality Impact Assessment for upcoming changes.
11. Climate implications – Under the Climate action strategy the departments Corporate Treasury function is responsible for delivering Scope 3 emission actions related to financial investments.
12. Security implications - There are no security implications to the proposals put forward in the Chamberlain’s Business Plan.

Conclusion

13. This report presents the draft Business Plan for 2025/26 for Chamberlain’s. The Finance and Digital Services committees are recommended to approve it.

Appendices

- Appendix 1 – Draft Business Plan 2023/24 for Chamberlain’s Department.

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City of London Corporation Committee Report

Committee(s): Finance Committee – For Information	Dated: 18 February 2025
Subject: Central Contingencies 2024/25	Public report: For Information
This proposal: <ul style="list-style-type: none"> • provides business enabling functions 	
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:	Chamberlain
Report author:	Laura Yeo, Financial Services Division

Summary

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

Recommendation(s)

Members are asked to:

- Note the Central Contingencies 2024/25 uncommitted balances.

Main Report

Background

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

Current Position

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

2024/25 Central Contingencies – Uncommitted Balances 24 January 2025			
	City's Estate £'000	City Fund £'000	Total £'000
Central Contingencies			
2024/25 Provision	950	800	1,750
2023/24 Brought forward	855	1,651	3,456
Total Provision	1,805	2,451	4,256
Previously agreed allocations	(1,721)	(2,022)	(3,743)
Pending request on the agenda	(0)	(0)	(0)
Total Commitments	(1,721)	(2,022)	(3,743)
Uncommitted Balances	84	429	513
Specific Contingency - International Disaster Fund			
2024/25 Provision	100	0	100
2023/24 Brought forward	0	0	0
Total Provision	100	0	100
Previously agreed allocations	(100)	0	(100)
Total Commitments	0	0	0
Uncommitted Balance	0	0	0
Specific Contingency – Project Reserve			
2024/25 Provision	0	0	0
2023/24 Brought forward	1,053	0	1,053
Total Provision	1,053	0	1,053
Previously agreed allocations	(643)	0	(643)
Pending request on the agenda	(0)	0	(0)
Total Commitments	(643)	0	(643)
Uncommitted Balance	410	0	410

4. At the time of writing this report there are no requests on the agenda.
5. In the case of a request for additional funding for a project that affects all three funds, the City Bridge Foundation (CBF) Board would approve its portion of any such joint project. All requests specific to CBF only are considered solely by the CBF Board.

Corporate & Strategic Implications

Strategic Implications – None

Resource Implications – Contained within body of report

Legal Implications - None

Risk Implications - None

Equalities Implications - None

Climate Implications - None

Security Implications - None

Conclusion

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

Appendices

- Appendix 1 - Allocations from 2024/25 Contingencies

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City of London Corporation Committee Report

Committee(s): Finance Committee – For information	Dated: 18 February 2025
Subject: Chamberlain’s Departmental Risk Management Update	Public report: For Information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties 	Providing Excellent Services Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of:	Caroline Al-Beyerty, Chamberlain
Report author:	Leah Woodlock, Chamberlain’s Department

Summary

This report has been prepared to inform the Finance Committee about the risks faced by the Chamberlain’s department, with an emphasis on both Financial Corporate and Departmental risks. Presently, there is one RED risk listed on the Corporate Risk Register under the Chamberlain’s responsibility, as well as one RED risk on the Chamberlain’s Departmental Risk Register. The corporate risk CR38 Unsustainable Medium-Term Finances – City’s Estate has reduced from RED to AMBER whilst the corporate risk CR35 Unsustainable Medium-Term Finances – City Fund has increased from AMBER to RED. The Chamberlain’s Senior Leadership Team, along with divisional management teams, regularly review and update the risk register to identify potential risks and opportunities.

Recommendation(s)

Members are asked to:

- Note the report

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to the Committee the key risks faced in their department. The Finance Committee has determined that it will receive the Chamberlain's Risk Register at each meeting.
2. The Digital Information Technology Service (DITS) as a part of the Chamberlain's Department risks are reported to the Digital Services Committee for oversight.
3. The Commercial, Change and Portfolio Delivery (CCPD) as a part of the Chamberlain's Department risks are reported to the Projects and Procurement Sub-Committee for oversight.

Current Position

Corporate Risk – RED

4. The Chamberlain's department currently has one financial RED Corporate Risk, all risks are regularly reviewed and several mitigating measures are in place to prevent the realisation of these risks or future risks.
5. **CR38 Unsustainable Medium-Term Finances – City's Estate (current score is AMBER 12)**, which has been reduced in February 2025 from RED 16. This reduction is due to a decreased likelihood of the risk materialising. The 2025/26 budget and 5 and 20 year financial models have been updated. City's Estate's position has improved this year because the Markets Co-location Programme was halted. Although there will still significant costs over the medium term, they are expected to be covered by capital receipts. This decision reduces the need for large asset sales to fund the capital programme. However, City's Estate still relies on the growth of its investment assets to cover the annual deficit. In recent years, asset values haven't kept up with the deficit due to external events, so future projects and capacity need close attention. Successfully implementing the new investment strategy in diversifying its investment assets, which according to longer term modelling, suggests recovery and a transition into surplus in 15 years. for future sustainability. In the meantime, there's a need to focus on income generation proposals and possibly a new savings programme. The in place mitigations will remain to continue to further reduce the risk.
6. The risk score for CR35 **Unsustainable Medium-Term Finances – City Fund (current score RED 16)** which is an increase in February 2025 from AMBER 12. There has been an increase in the likelihood of this risk due to the currently forecast deficit year being one year closer, causing the increase to RED. This is due to a number of factors, namely the planned Government's reset of Business Rates income retention in 2026/27 which could reduce the annual City Fund income by £27m. While the City Fund is expected to balance its budget in 2025/26, forecasting the reset in 2026/27 shifts the position to a deficit, that would need to be managed with reserves. This approach is not sustainable and needs immediate

attention. Financial modelling suggests that the deficit could be delayed until 2027/28 with potential transitional relief. Therefore, a key mitigating action is to develop savings plans over the next two years, to be implemented from 2027/28, with further savings by 2028/29, to address the anticipated loss of business rate income growth.

Departmental Risks – RED

7. **CHB002 Housing Revenue Account (HRA) Finances** has a risk score of RED 16. The HRA and Capital Budgets for 2025/26 were approved by the Community and Children’s Services Committee in January. The latest 5-year projection indicates a position that is vulnerable to revenue overspends. The risk score remains unchanged, with finance business partners collaborating closely with departmental colleagues to manage the risk of overspends.

Conclusion

8. Members are asked to note the actions taken by Chamberlain’s Department to manage all risks. Actions aim to continue monitoring and reducing the risk level, which will be reported on at future finance committees.

Appendices

- Appendix 1 – Departmental Risk Register

Background Papers

Chamberlain’s Departmental Risk Management Update Reports

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