



Finance Committee

Date: TUESDAY, 29 APRIL 2025
Time: 12.45 pm
Venue: COMMITTEE ROOMS - 2ND FLOOR WEST WING, GUILDHALL

MEMBERSHIP OF THIS COMMITTEE WILL BE CONFIRMED AT THE ANNUAL MEETING OF THE COURT OF COMMON COUNCIL ON 25 APRIL 2025.

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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. **ORDER OF THE COURT - TO FOLLOW**

To receive the Order of the Court of Common Council dated 25 April 2025.

For Information

4. **ELECTION OF CHAIR**

To elect a Chair in accordance with Standing Order 28.

For Decision

5. **ELECTION OF DEPUTY CHAIR**

To elect a Deputy Chair in accordance with Standing Order 29.

For Decision

6. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the meeting held on 18 February 2025.

For Decision
(Pages 7 - 20)

7. **ACTION TRACKER**

To receive the Committee's Action Tracker.

For Information
(Pages 21 - 22)

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

Report of the Chamberlain.

For Information
(Pages 23 - 24)

9. **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 4 February 2025.

For Information
(Pages 25 - 30)

10. **APPOINTMENTS TO COMMITTEES**

Report of the Town Clerk.

For Decision
(Pages 31 - 40)

11. **REVIEW OF FINANCIAL REGULATIONS**

Report of the Chamberlain.

For Decision
(Pages 41 - 106)

12. **QUARTERLY PROGRAMME SAPPHIRE (ERP) UPDATE REPORT - Q4 2024/25**

Report of the Chamberlain.

For Information
(Pages 107 - 120)

13. **CHAMBERLAIN'S BUSINESS PLAN QUARTER 4 2024/25 UPDATE**

Report of the Chamberlain.

For Information
(Pages 121 - 134)

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

Report of the Chamberlain.

For Information
(Pages 135 - 156)

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

Report of the Town Clerk.

For Information
(Pages 157 - 158)

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 - 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 or relate to functions of the Court of Common Council which are not subject to the provisions of Part VA and Schedule 12A of the Local Government Act 1972.

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 18 February 2025.

For Decision
(Pages 159 - 164)

20. **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 4 February 2025.

(Pages 165 - 168)

21. **DRAFT MINUTES OF THE EFFICIENCY AND PERFORMANCE WORKING PARTY**

To receive the draft minutes from the meeting of the Efficiency and Performance Working Party held on 3 March 2025.

For Information
(Pages 169 - 172)

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

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

For Information
(Pages 173 - 174)

23. **MAJOR PROJECT DASHBOARD - PERIOD 11, 2024/25**

Report of the Town Clerk.

For Information
(Pages 175 - 190)

- 24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
- 25. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

- 26. **MARKETS SITES REGENERATION PROGRAMME**

Joint Report of the Comptroller and City Solicitor, and the City Surveyor.

For Decision

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FINANCE COMMITTEE

Tuesday, 18 February 2025

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 18 February 2025 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Catherine McGuinness
Deputy Randall Anderson (Deputy Chairman)	Deputy Brian Mooney BEM
Brendan Barns	Hugh Selka
Nicholas Bensted-Smith	Deputy Oliver Sells KC
Deputy Timothy Butcher	Paul Singh
Alderman Sir Peter Estlin	James St John Davis
Steve Goodman OBE	Deputy James Thomson CBE
Alderwoman Martha Grekos	James Tumbridge
Michael Hudson	Mark Wheatley
Alderwoman Elizabeth Anne King, BEM JP	Philip Woodhouse
Alderman Tim Levene	Deputy Christopher Hayward (Ex-Officio Member)
Deputy Paul Martinelli	Deputy Keith Bottomley (Ex-Officio Member)

Officers:

Ian Thomas, CBE	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Radwan Ahmed	- Chamberlain's Department
Sam Collins	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
Jack Joslin	- City Bridge Foundation
Julia Pridham	- City Bridge Foundation
Robert Murphy	- City Surveyor's Department
Liz Millington	- Innovation & Growth
Ben Dunleavy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Deputy Rehana Ameer and Deputy Sir Michael Snyder.

Shahnan Bakth, Florence Keelson-Anfu, Deputy Andrien Meyers and Benjamin Murphy observed the meeting virtually.

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

Deputy Brian Mooney declared a pecuniary interest in respect of item 7 due to his ownership of two residential units in the City.

It was noted that the declarations of interest for all Members with property in the City were registered on the public website.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the public minutes and non-public summary of the meeting held on 14 January 2025 be approved as an accurate record.

4. **ACTION TRACKER**

Members received the Committee's Action Tracker.

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

Members received the Committee's Forward Plan.

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

Members received the draft public minutes and non-public summary of the Procurement Sub-Committee meeting on 9 December 2025.

The Deputy Chairman advised that the Sub-Committee had discussed the Review of Strategic Procurement and Current Management, which aimed to streamline procurement governance. Members also noted that the new Procurement Policy would be presented for approval before the 2025 summer recess.

RESOLVED, that – the public minutes and non-public summary of the Projects and Procurement Sub-Committee meeting held on 14 January 2025 be noted.

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

Members considered a report of the Chamberlain concerning the City Fund 2025/26 Budget and the Medium-Term Financial Plan.

The Chamberlain and Chairman introduced the report, and the Committee proceeded to consider each section of the recommendations in turn.

A Member asked why the first section didn't include any savings proposals. In reply, the Town Clerk and Chief Executive said that he would be chairing 'star chambers' in the next financial year to consider savings, which would be presented in future years, and there would be other opportunities for senior Members to participate in the process.

A Member, referring to the proposed uplifts to the London Museum grant at recommendation 1.5, asked what the outcome would be if this uplift was not matched by the Greater London Authority (GLA). They also asked for further information on the discussions with the Arts Council in relation to the London Symphony Orchestra (LSO) grant uplift, included in the same recommendation.

In reply, the Chamberlain confirmed that the London Museum was subject to match funding, so that the City Corporation would match its funding to that amount agreed by the GLA. The LSO funding would also be match funding; officers were asking for approval of up to 3% so that they could enter negotiations. A Member suggested that the wording on the London Museum uplift should be changed so that Members agreed 'up to 3%', in alignment with the LSO funding. The Committee supported this change.

The Committee also supported a Member's proposal that recommendation 1.6 should be amended to reflect the Chamberlain's clarification that 'regular review' meant annually.

At the Committee's consideration of section 2, a Member suggested that the City Corporation should have a strategic review of its homelessness service, though it was noted that such matter was an issue for the Community and Children's Services Committee. The Town Clerk and Chief Executive said that the City Corporation would be able to achieve more with earlier investment.

At section 3, a Member asked why, at recommendations 3.6 – 3.8, there was no premium if a property was empty for under 12 months. In reply, officers said that the charge was restricted by national legislation. The Member thought there were instances in which it could be applied after six months; officers undertook to explore the point and reply in writing.

Deputy Brian Mooney proposed an amendment with the effect of removing recommendation 3.9, which proposed to 'introduce the Second Home Premium of 100% in 2025/26', as he felt that the measure was anti-business. He said that many second-homes in the Square Mile were used for work purposes, and the introduction of the Premium risked losing sight of the City Corporation's aspiration to support and promote a 24/7 business city. Catherine McGuinness seconded the motion.

The Chairman, opening the amendment up to discussion, informed the Committee that he did not support it.

At the request of Members, the Chamberlain provided further information on the potential impact of the recommendation. The Premium was expected to raise between £1.9m – £3m, but a more exact figure would not be available until further work had been undertaken on what residents classed as their first and second homes. Around 22 other London Boroughs were implementing the Premium, and officers advised that the funds raised could help to fund the homelessness pressures.

During discussion, several Members spoke in support of Deputy Mooney's amendment, agreeing that the City of London's position as a central business district distinguished it from other local authorities and warning that the introduction of the Premium would send a negative message. It was noted that the City Corporation could choose to be inconsistent in stating its distinctness from the rest of London.

Other Members spoke in support of the original recommendation, noting that the Court had originally approved the introduction of the Premium in March 2024 as part of the 2024/25 Budget. Members highlighted that there were potentially negative consequences for any transitional relief following the government's business rate reset if the Premium was not introduced, and that

the City Corporation needed to demonstrate that it was doing all that it could to raise income to support effective services.

A Member asked how the homelessness pressures would be funded if the amendment was approved. The Chamberlain said that nothing would need to be done immediately, but such deduction would reduce the current forecast surplus requiring £2m extra to be found over the medium-term.

The Chairman agreed with those Members who said that the City Corporation needed to exhaust all potential lines of income and prove to the Government in the negotiations over potential transitional relief that it had done all it could. He considered it also a philosophical argument in which Members had to ask themselves if they were prepared to prioritize those who had a second home over those who didn't have homes at all.

Proceeding to a vote, the amendment was defeated. Michael Hudson, Catherine McGuinness, Hugh Selka, Deputy Oliver Sells and James Tumbridge voted in favour of the amendment, along with Deputy Mooney. Deputy Christopher Hayward abstained from the vote.

At section 4, the Chairman noted that the Business Rate Premium had always been hypothecated towards supporting the City of London Police and Security, and there had been no pushback on the proposal to increase it to 4p at the ratepayer's consultation meetings.

At section 5, a Member raised their concern on the cost pressure of c£60m, mentioned at paragraph 29 of Appendix A of the report, rising from the new arrangements for the police facilities. When this project had first been debated, it was proposed that the Salisbury Square Development would house the new City of London Police arrangements with the exception of the Eastern Base. The project had developed during the detailed design phases, requiring additional space for facilities that could not be accommodated in Salisbury Square e.g. the JCCR being located in GYE and a requirement for a tactical firearms range, all of which required funding.

They worried that the risk in the report that 'future costs could still increase' was considerable one; costs could rise significantly above those originally forecast if the Finance Committee did not treat the issue with caution. They did not think the City Corporation taxpayers could continue to afford everything that the Police thought they needed, even if it was justified as operationally necessary.

In reply, the Chamberlain highlighted that the increase in the size of the commercial office development at Salisbury Square required accommodating certain areas of the Police elsewhere. The number of police officers had also increased, at the Home Office's direction. The amount at risk had been linked to the request to include an optimism bias of £30m (paragraph 30 of Appendix A), which would replenish the optimism bias and cover the costed risks around the rest of the deliverables. They had considered the amount of work done, which was now at a fixed price, and what remained to do in terms of the fit-out. The optimism bias was the estimate as to the worst-case scenario.

The City Surveyor asked Members to consider the Salisbury Square Development in the wider context of the Future Police Estate programme. The

development was reaching the end of its journey in terms of procuring outstanding fit out works. There had been had increase in the 20% unfixed costs. The City Surveyor also provided an update on costs of the other projects within the wider development advising that officers were due to fix the price on the Eastern Base and had a good understanding of the costs of refurbishing Guildhall Yard East. He noted his concerns on finding joint venture partners for the tactical firearms facility and a solution for the mounted unit. A huge amount of work had been done to reach agreement with the City of London Police on the requirements, and all designs at Salisbury Square had been frozen.

A Member, also the Deputy Chair of the City of London Police Authority Board, said that it was important to recognise that there was originally going to be a much larger Police footprint at Salisbury Square, but the commercial element of the development had been the main driver in the requirement to locate operational assets elsewhere. The vast majority of cost pressures came from building cost inflation, rather than the change in requirements. He warned that, while the City Corporation could cut back on what the City of London Police did, such action risked cutting police officer numbers, which he did not think Members would want and was linked to the funding formula.

A Member, also the Chairman of the Policy and Resources Committee, said they were sympathetic and supportive of ensuring that all the operational requirements of City of London Police were met. They acknowledged that the increase in the 20% unfixed costs had caused problems as they had come in higher than anticipated. They asked if the cost of the additional operational requirements were over and above those provided for in the original contract and, if so, how much would be required to meet this. In reply, the City Surveyor said that elements such as the increase in police numbers, changes in design guidance from Home Office and security considerations meant that the brief for the project had developed since the initial design. The Town Clerk and Chief Executive confirmed that the requested figures would be shared with Members.

Members approved the remaining sections of the recommendations without comment.

The Chamberlain noted that there had been no response from Chief Officers on the equalities impact of the budget.

RESOLVED, that – Members endorse the below recommendations to the Court of Common Council:

1.0 To note and approve the overall budget envelopes for City Fund.

1.1 Additional funding is required to be approved for new on-going cost pressures and have been included as budget uplifts:

1.1.1 Net 2% inflation uplift to local risk budgets.

1.1.2 £1.3m p.a. for City Fund Adult Social Care and Children Services.

1.1.3 £232k p.a. City Fund for Health & Safety officers (Environment and Barbican Centre)

1.1.4 £165k p.a. for increased internal control (Internal audit) split across funds.

- 1.2 Following the Government's announcement to increase employers' national insurance from 13.8% to 15%, it is recommended that additional funding be allocated to City Fund (the final Local Government Settlement confirmed £873k of grant).
 - 1.3 Ongoing pressures identified through the budget-setting process and supported by Members are addressed through savings made elsewhere, remaining within the overall budget envelope. These pressures are outlined in paragraph 17.
 - 1.4 Other one-off pressures and opportunities for transformation in 2025/26 outlined in paragraphs 18 to be funded from forecast carry forward underspends from 2024/25 Members are asked to comment whether they are supportive of these.
 - 1.5 Uplift the grant to the Museum of London by up to 3% (£170k) pending confirmation that the GLA are matching the uplift; and a provision to uplift the grant to the London Symphony Orchestra by up to 3% (£61k), subject to funding discussions with the Arts Council. Any such additional funding will be funded from savings found.
 - 1.6 As in previous years, it is recommended the earmarked security reserve retains £1m as a minimum and is reviewed annually.
 - 1.7 Approve the overall financial framework and the revised Medium-Term Financial Strategy (paragraphs 9 to 83).
 - 1.8 Approve the City Fund Net Budget Requirement of £241.8m (Appendix A, paragraph 7).
- 2.0 **Medium Term Corporate Plan Alignment and Financial Sustainability** – Members are asked to note and approve the following recommendations:
- 2.1 Revenue:
 - 2.1.1 Additional resource requests and inflationary pressures: Going forward, assumptions include 2% uplift from 2025/26 onwards.
 - 2.1.2 Homelessness £2m p.a. pressure added from 2026/27
 - 2.2 For Cyclical Works Programme (CWP):
 - 2.2.1 £7.5m p.a. built in from 2028/29 onwards to support ongoing works and avoid a backlog.
 - 2.2.2 Funding for City Fund has been identified and allocated from reserves for 2028/29 only. Futures years funding will necessitate disposal of assets.

Key decisions:

The key decisions are in setting the levels of Council Tax and National Non-Domestic rates:

3.0 Council Tax and Housing and Council Tax Benefits

- 3.1 An increase of 2% social care precept, raising c£194k p.a. in response to the ongoing pressures in adult social care totalling £0.2m.

- 3.2 An increase of 2.99% on core Council Tax raising c£298k p.a. to address pressures in children's social care, the gap in pressures from the national insurance increase and other pressures outlined under section 1 i) above.
- 3.3 To note if both increases are approved, the 4.99% increase will result in the Band D rate increasing from £1,051.62 to £1,102.82 (before GLA precept).
- 3.4 To retain a fully funded means tested council tax reduction scheme for those on low incomes who are least able to pay and providing continued support to vulnerable members of society.
- 3.5 Continuing the Local Discretionary discount for Care Leavers between the ages of 18 to 25 for 2025/26.
- 3.6 The current 100% discount awarded to unoccupied and unfurnished and uninhabitable dwellings is continued at zero (0%) for 2025/26.
- 3.7 Continuing the premium levied on long-term empty property of 100%, 200% and 300% on properties that have been empty for 2, 5 and 10 years respectively in 2025/26.
- 3.8 Continue the long-term empty property premium of 100% for properties that have been empty for longer than 12 months in 2025/26.
- 3.9 Introduce the Second Home Premium of 100% in 2025/26.
- 3.10 Determine that pensions received by veterans under the War Pension Scheme or War Compensation scheme are fully disregarded in the calculation of Housing and Council Tax Benefit.
- 3.11 It is recommended that, having regard to the government guidance issued, the Chamberlain be given the discretion, delegated to the Assistant Director, Financial Shared Services, to reduce or waive the long-term empty premium charge in exceptional circumstances.
- 3.12 Approve that the cost of highways, street cleansing, waste collection and disposal, drains and sewers, and road safety functions for 2025/26 be treated as special expenses to be borne by the City's residents outside the Temples (Appendix B).

4.0 Business Rates and Business Rate Premium

- 4.1 To approve an increase the Standard City Business Rate Premium from 0.018p to 0.022p. Setting the overall standard business rate multiplier as 0.577p
- 4.2 To approve an increase the Small Business City Premium from 0.016p to 0.020p, setting the overall small business multiplier as 0.519p
- 4.3 To note for every 0.1p increase in the £ - this raises c£2.1m, therefore an increase in Business Rates Premium by 0.4p in the £ (as per above) - raises £8.4m p.a.
- 4.4 Award a Discretionary Discount under S47 Local Government Finance Act for qualifying Nursery Schools of up to 100%.

- 4.5 Note that, in addition, the GLA is levying a Business Rate Supplement in 2025/26 of 2.0p in the £ on properties with a rateable value of £75,000 and above
- 4.6 Delegate to the Chamberlain the award of discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988

5.0 HRA Rent

- 5.1 Approve an increase on rents for social tenants within the Housing Revenue Account by 2.7% for 2025/26, as proposed to the Children's & Community Services Committee on 16th January 2025 in order to balance the HRA across the MTFP.

6.0 Capital Expenditure

- 6.1 Approve the Capital Strategy (**Appendix F**).
- 6.2 Approve the Capital budgets for City Fund and the allocation of central funding from the appropriate reserves to meet the cost of 2025/26 – release of funding being subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub Committee at gateway 4(a) (paragraphs 55 to 64)
- 6.3 Approve the continuation of the allocation of central funding in 2025/26 to provide internal loan facilities for the HRA, currently estimated at £11.0m respectively.
- 6.4 Approve the Prudential Code indicators (Appendix D).
- 6.5 Delegate authority to the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.

7.0 Treasury Management Strategy Statement and Annual Investment Strategy 2025/26 (Appendix E)

- 7.1 Approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26, including the treasury indicators – Appendix E.
- 7.2 Approve the authorised limit for external debt (which is the maximum the City Fund may have outstanding by way of external borrowing) at £348.0m for 2025/26; and the Minimum Revenue Provision (MRP) for 2025/26 at £1.4m (MRP policy is included within Appendix E – Treasury Management Strategy Statement and Annual Investment Strategy Statement 2024/25 - Appendix 2).

8.0 Chamberlain's Assessment

- 8.1 Take account of the Chamberlain's assessment of the robustness of estimates and the adequacy of reserves and contingencies (paragraphs 68-72 and Appendices A, C and H respectively).

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

Members considered a report of the Chamberlain concerning the City's Estate 2025/26 Budget and the Medium-Term Financial Plan.

RESOLVED, that – Members endorse the below recommendations to the Court of Common Council:

- 1.0 To note and approve the overall budget envelope for City's Estate 2025/26 revenue budgets.
 - 1.1 Additional funding is required for new on-going cost pressures and have been included as budget uplifts (paragraphs 9 – 10):
 - 1.1.1 Net 2% inflation uplift to local risk budgets.
 - 1.1.2 £165k for increased internal control (split between funds)
 - 1.1.3 £1.93m for increase in employees National Insurance
 - 1.2 Other one-off pressures and opportunities for transformation in 2025/26 are outlined in paragraph 12 to be funded from forecast carry forward underspends from 2024/25.
 - 1.3 Additional revenue bids (paragraph 11) have been accommodated by savings identified during the 2025/26 budget setting process.
 - 1.4 Consideration given to uplift the Mayoralty and Shrievalty allowances by £22k subject to agreement at the Joint Deputation meeting in April 2025.

2.0 Medium Term Corporate Plan Alignment and Financial Sustainability

- 2.1 To address inflationary pressures going forward assumptions include 2% uplift from 2026/27 onwards.
- 2.2 The impact of decisions from the Court of Common Council regarding the conclusion of the markets co-location programme has been updated over the 5 year financial plan.
- 2.3 For Cyclical Works Programme (CWP) (paragraph 19):
 - 2.3.1 £7.5m p.a. built in from 2028/29 onwards to support ongoing works and avoid a further backlog.
 - 2.3.2 Note additional funding requires an additional draw on assets (modelled).
- 3.0 Approve the overall financial framework and the revised 5-year Financial Strategy (paragraphs 4-32).
- 4.0 Approve the Capital and Supplementary Revenue Project Budgets, over the five-year period for City's Estate amounting to £385.1m (paragraphs 20-22).
- 5.0 Approve the allocation of central funding of up to £175.7m for City's Estate to meet the cost of 2025/26 approved capital schemes. Release of such funding being subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub-Committee at Gateway 4(a). Note the agreed capital envelope for new bids of £2m in 2025/26 (paragraph 29-30).

6.0 Authorise the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.

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

Members considered a report of the Chamberlain concerning the recharging process.

A Member, supporting the proposals, informed the Committee that the Barbican Residential Committee had noted that there was no explanation of the detailed nature of the £1.3m of recharges to the Barbican Estate service charge. Officers agreed to reply with further information.

RESOLVED, that – Members approve the limiting of recharges to the HRA to £1.003m for FY2024/25 only, with the additional £240k to be met from current year General Fund budgets within City Fund.

10. **INVESTMENT GOVERNANCE**

Members received a report of the Town Clerk concerning investment governance.

RESOLVED, that – Members endorse the recommended change in the thresholds in Standing Orders as set out in Appendix 2 to the report.

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

Members received a report of the Chamberlain concerning budget monitoring.

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

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

Members received a report of the Chamberlain

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

Members considered a report of the Chamberlain concerning the departmental business plan for 2025/26.

RESOLVED, that – Members approve the departmental Business Plan, noting the factors taken into consideration in its compilation.

14. **CENTRAL CONTINGENCIES**

The Committee received a report of the Chamberlain concerning Contingency Funds.

At the request of a Member, officers provided an update on the International Disaster Fund Contingency following the decisions made by the Committee in September to grant £50,000 each to the Disaster Emergency Committee (DEC) and REACT. DEC had used its funding to support its Middle East Humanitarian Appeal. Officers remained in regular contact with both organisations and planned to bring an update to the Committee in the new financial year.

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

15. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**
Members received a report of the Chamberlain

RESOLVED, that – the report be received and its contents noted.
16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no urgent items.
18. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY (RELATING TO TREASURY MANAGEMENT) 2025/26**
Members received a report of the Chamberlain concerning the Treasury Management Strategy.

RESOLVED, that – the report be received and its contents noted.
19. **EXCLUSION OF THE PUBLIC**
RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

Item No.	Paragraphs in Schedule 12A
16-24, 26, 27	3
25	1 and 3
20. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
The non-public minutes of the meeting held on 14 January 2025 were approved as a correct record.
21. **NON-PUBLIC ACTION TRACKER**
Members received the Committee's action tracker.
22. **EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN**
Members received the Efficiency and Performance Working Party's Forward Plan.
23. **CITY FUND AND CITY'S ESTATE CASHFLOW POSITION AND CAPITAL REALISATION**
Members considered a report of the Chamberlain concerning the City Corporation's cashflow position.
24. **CITY FUND - ANNUAL STRATEGY REPORT**
Members received a report of the City Surveyor concerning the City Fund investment property strategy.

25. **CITY'S ESTATE – ANNUAL STRATEGY REPORT 2025**
Members received a report of the City Surveyor concerning the City's Estate investment property strategy.
26. **COMPLETION OF THE CORPORATE CHARITIES REVIEW**
Members considered a joint report of the Chamberlain, Deputy Town Clerk and Acting Managing Director of City Bridge Foundation concerning the Corporate Charities Review.
27. **DELEGATION REQUESTS**
Members considered a report of the City Surveyor concerning requests for delegated authority.
28. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**
The non-public minutes of the Projects and Procurement Sub-Committee meeting held on 9 December 2025 were noted.
29. **CONNECT TO WORK - SERVICE PROVIDER PROCUREMENT STAGE 1 STRATEGY REPORT**
Members considered a report of the Executive Director, Innovation and Growth, concerning the Connect to Work scheme.
30. **FUTURE NETWORK PROGRAMME – PROCUREMENT OPTIONS APPRAISAL**
Members considered a report of the Chamberlain concerning the Future Network Programme.
31. **MAJOR PROJECTS DASHBOARD**
Members received a report of the Chamberlain concerning major projects.
32. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
Members considered one question in the non-public session relating to the work of the Committee.
33. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The Committee considered one item of urgent business relating to a contract award.

The meeting ended at 2.28 pm

Chairman

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

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FINANCE COMMITTEE – Action Tracker – April 2025

Items from meeting held 18 February 2025		
ITEM	Action	Officer and target date
5. REVIEW OF RECHARGES	Provide further information on the recharges being applied to the Barbican leaseholder service charges	Chamberlains – following meeting

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FINANCE COMMITTEE – WORK PROGRAMME 2024-25

	April - 25	June -25	July-25	Sept -25	Nov-25	Dec-25
Budget Setting Process & Medium-Term Financial Planning			Update on Budget setting 25/26			
Effective Financial Management Arrangements for The City Corporation	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 Write off report or Business Rates and Council tax	MPO Dashboard Reporting (CHB) Revenue Outturn report 24/25 Provisional Outturn report 24/25 Efficiency and Performance forward plan Natural Environment Charities Review - Grant Model update	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	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan
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 Chamberlains Business Plan End of Year update ERP Programme Update (Quarterly)	Risk Management Update Report Central Contingencies (Quarterly report)	Risk Management Update Report Chamberlain's Business plan Q1 report ERP Programme Update (Quarterly)	Risk Management Update Report Central Contingencies (quarterly report) ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlain's Business plan Q2 report	Risk Management Update Report
Other Departments reports	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

Tuesday, 4 February 2025

Minutes of the meeting of the Projects and Procurement Sub-Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Tuesday, 4 February 2025 at 1.45 pm

Present

Members:

Deputy Randall Anderson (Chair)
Mary Durcan
Alderman Timothy Hailes
Alderwoman Elizabeth Anne King
Eamonn Mullally

Observer:

Philip Woodhouse

Officers:

Genine Whitehorne	- Chamberlain's Department
Nadhim Ahmed	- Chamberlain's Department
James Carter	- Chamberlain's Department
Michael Curtis	- Chamberlain's Department
Wayne Fitzgerald	- Chamberlain's Department
Lara Opebiyi	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Yasin Razaaq	- Chamberlain's Department
Loredana Sandu	- Chamberlain's Department
Sarah Baker	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Dean Elsworth	- Community & Children's Services
Philippe Greaves	- Community & Children's Services
Michael Gwyther-Jones	- Community & Children's Services
Lochlan MacDonald	- Community & Children's Services
James Aggio-Brewe	- Environment Department
Gillian Howard	- Environment Department
John Cater	- Committee Clerk

1. APOLOGIES

In advance of the meeting, a formal apology for absence was received from Deputy Rehana Ameer.

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

There were no declarations under the Code of Conduct.

3. **MINUTES**

RESOLVED – that the draft public minutes and non-public summary of the last meeting of the Sub-Committee, held on Monday 9 December 2024, be approved as an accurate record.

Separately, the Chair confirmed that the Reports on today's agenda which had also been submitted to the Streets & Walkways Sub-Committee at their meeting earlier in the day, had all been approved.

4. **COMMERCIAL, CHANGE & PORTFOLIO DELIVERY RISK REGISTER UPDATE**

The Sub-Committee received a Report of the Chamberlain concerning an update on the risk management activities within the Commercial, Change & Portfolio Delivery (CCPD) Division.

RESOLVED – that the Sub-Committee noted the Report.

5. **FLEET STREET AREA PROGRAMME - UPDATE REPORT**

The Sub-Committee received a Report of the Executive Director, Environment concerning the delivery of the Fleet Street Area Programme.

In response to a query, officers confirmed that the Lord Mayor's Show logistics have been taken into account in the work being undertaken for the Programme.

RESOLVED – that the Sub-Committee noted the Report.

6. ***GW2 - COMBINED SECTION 278 PROJECT INITIATION REPORT**

The Sub-Committee received a Report of the Executive Director, Environment concerning Section 278 agreements relating to projects at 5-10 Great Tower Street, 75 London Wall, and 10-16 Bevis Marks.

RESOLVED – that the Sub-Committee noted the Report.

7. ***GW2 - FLEET STREET AREA COURTS AND LANES IMPROVEMENTS (FLEET STREET AREA PROGRAMME)**

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

In response to a query, officers confirmed that the Lord Mayor's Show logistics have been taken into account in the work being undertaken for the Programme.

RESOLVED – that the Sub-Committee noted the Report.

8. ***ISSUE REPORT - PUBLIC SWITCHED TELEPHONE NETWORK (PSTN) REPLACEMENT**

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

RESOLVED – that the Sub-Committee noted the Report.

9. ***GW3 - SALISBURY SQUARE DEVELOPMENT HIGHWAY AND PUBLIC REALM WORKS**

The Sub-Committee received a Report of the Executive Director, Environment concerning the highway and public realm works related to the Salisbury Square Development.

RESOLVED – that the Sub-Committee noted the Report.

10. ***GW3/4 - CRIPPLEGATE HOUSE, 1 GOLDEN LANE S278 PUBLIC REALM AND HIGHWAY WORKS**

The Sub-Committee received a Report of the Executive Director, Environment concerning the highway and public realm works related to the Cripplegate House, 1 Golden Lane project.

RESOLVED – that the Sub-Committee noted the Report.

11. ***GW3/4 - MOOR LANE ENVIRONMENTAL ENHANCEMENTS**

The Sub-Committee received a Report of the Executive Director, Environment concerning public realm enhancements at Moor Lane.

RESOLVED – that the Sub-Committee noted the Report.

12. ***GW4 – THE LONDON MUSEUM S278**

The Sub-Committee received a Report of the Executive Director, Environment concerning highway and public realm works related to the new London Museum development.

RESOLVED – that the Sub-Committee noted the Report.

13. ***GW5 - MOORGATE CROSSRAIL STATION LINKS – ROPEMAKER STREET JUNCTION IMPROVEMENTS**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Moorgate Crossrail Station Links Project.

RESOLVED – that the Sub-Committee noted the Report.

14. ***GW5 - PEDESTRIAN PRIORITY STREETS PROGRAMME – PHASE 1 – CHEAPSIDE**

The Sub-Committee received a Report of the Executive Director, Environment concerning the Pedestrian Priority Streets Programme Phase 1 related to Cheapside.

In response to a query, officers confirmed that the Lord Mayor's Show logistics have been taken into account in the work being undertaken for the Programme.

RESOLVED – that the Sub-Committee noted the Report.

15. ***GW5 - ST. PAUL'S GYRATORY TRANSFORMATION PROJECT – PHASE 1 (NEW HIGHWAY LAYOUT)**

The Sub-Committee received a Report of the Executive Director, Environment concerning Phase 1 of the St. Paul's Gyratory Transformation Project.

RESOLVED – that the Sub-Committee noted the Report.

16. ***GW6 - MIDDLESEX STREET AREA ENHANCEMENT PHASE 2: PETTICOAT LANE MARKET IMPROVEMENTS AND PUBLIC REALM**

The Sub-Committee received a Report of the Executive Director, Environment concerning Phase 2 of the Middlesex Street Area Enhancement Plan related to improvements at Petticoat Lane Market and the northern and central sections of Middlesex Street.

RESOLVED – that the Sub-Committee noted the Report.

17. ***GW6 - ONE CROWN PLACE - SECTION 278 HIGHWAY WORKS**

The Sub-Committee received a Report of the Executive Director, Environment concerning Section 278 highway works related to the One Crown Place development.

RESOLVED – that the Sub-Committee noted the Report.

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

There were no public questions.

19. **ANY URGENT BUSINESS**

There was no other urgent public business.

20. **EXCLUSION OF THE PUBLIC AND PRESS**

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

21. **NON-PUBLIC MINUTES**

RESOLVED – that the draft non-public minutes of the last meeting of the Sub-Committee, held on Monday 9 December 2024, be approved as an accurate record.

22. **CONNECT TO WORK - SERVICE PROVIDER PROCUREMENT STAGE 1 STRATEGY REPORT**

The Sub-Committee considered a Report of the Executive Director, Innovation & Growth concerning the procurement strategy in relation to the Connect to Work (formerly known as Universal Support) employment programme.

23. **FUTURE NETWORK PROGRAMME - PROCUREMENT OPTIONS APPRAISAL**
The Sub-Committee considered a Report of the Chamberlain concerning the City Corporation's Future Network Programme.
24. **COMPLIANT COMMITTEE WAIVER FOR A COMBINED IN-PATIENT DETOXIFICATION (IPD) AND STABILISATION SERVICE FOR LONDON**
The Sub-Committee considered a Report of the Director for Community & Children's Services concerning a waiver for the provision of a combined hospital based In-Patient Detoxification (IPD) and stabilisation unit.
25. **FUTURE NETWORK PROGRAMME - ISSUES REPORT**
The Sub-Committee considered a Report of the Chamberlain concerning the City Corporation's Future Network Programme.
26. **PORTFOLIO DASHBOARD COVER REPORT - FEBRUARY 2025**
The Sub-Committee received a Report of the Chamberlain providing a comprehensive overview of the current status of various projects within the City Corporation.
27. ***GW1-4 - GREAT ARTHUR HOUSE - ROOF AND CANOPY REFURBISHMENT.**
The Sub-Committee received a Report of the Director of Community & Children's Services concerning the roof and canopy refurbishment project at Great Arthur House.
28. ***GW4 - BARBICAN PODIUM WATERPROOFING, DRAINAGE AND LANDSCAPING WORKS (BEN JONSON, BRETON & CROMWELL HIGHWALK) PHASE 2 – 1ST PRIORITY ZONE**
The Sub-Committee received a Report of the Director of Community & Children's Services concerning the refurbishment of the public realm, including replacement of the waterproof membrane, remedial works to drainage infrastructure, and landscaping works to the Barbican Podium.
29. ***GW4 - L5-CLSG - SUMMER WORKS 2024-2027**
The Sub-Committee received a Report of the City Surveyor concerning the three-year package of cyclical maintenance and improvements revenue (summer) works to provide refurbishment and upgrade of the City of London School for Girls (CLSG).
30. ***GW5 - BARBICAN RENEWAL - PHASE 1 INFRASTRUCTURE - TASK ORDER 2**
The Sub-Committee received a Report of the City Surveyor concerning the phase 1 infrastructure works of the Barbican Renewal Programme.
31. ***GW5 - CLSG CATERING AND DINING UPGRADE**
The Sub-Committee received a Report of the City Surveyor and the Headmistress of the City of London School for Girls concerning an urgent refurbishment and upgrade of the City of London School for Girls (CLSG) catering and dining facilities.

32. ***GW5 - INSTALLATION OF SPRINKLERS IN SOCIAL HOUSING HIGH RISE BLOCKS**

The Sub-Committee received a Report of the Director of Community & Children's Services concerning the installation of retrofit automatic water fire suppression systems (sprinklers) and fire alarms to the City Corporation's residential tower blocks.

33. ***GW5 - REFURBISHMENT OR REPLACEMENT OF THE FORESHORE RIVER DEFENCES FRONTING RIVERBANK HOUSE, UPPER THAMES STREET, LONDON EC4**

The Sub-Committee received a Joint Report of the City Surveyor and the Executive Director, Environment concerning the refurbishment or replacement of the Foreshore River Defences fronting Riverbank House.

34. ***GW5 - MIDDLESEX STREET COMMUNAL HEATING REPLACEMENT**

The Sub-Committee received a Report of the Director of Community & Children's Services concerning the replacement of the communal heating and hot water system in the Middlesex Street Estate.

35. ***GW6 - WALBROOK WHARF DEPOT - REPLACEMENT OF MECHANICAL AND ELECTRICAL SERVICES**

The Sub-Committee received a Report of the City Surveyor concerning the replacement of mechanical and engineering services at Walbrook Wharf.

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

There were no non-public questions.

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

There was no other urgent non-public business.

The meeting ended at 2.05 pm

Chairman

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

City of London Corporation Committee Report

Committee(s)	Dated:
Finance Committee	29 April 2025
Subject: Appointments to Committees	Public Report For Decision
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:	The Town Clerk
Report author:	Ben Dunleavy, Governance and Member Services Manager

Summary

The purpose of this report is to appoint the Finance Committee's Sub-Committee and Working Party for the 2025/26 civic year, approve their Compositions and Terms of Reference, and appoint representatives to several other City Corporation positions.

The arrangements for appointing Sub-Committee Chairs and Deputy Chairs has been changed as part of the Standing Orders changes approved by the Court in March 2025, with a subsequent impact on the appointment of the Chair and Deputy Chair of the Projects and Procurement Sub-Committee.

A revised terms of reference and composition for the Efficiency & Performance Working Party is also proposed.

The Committee is also asked to make appointments to other Grand Committees and Sub-Committees, and to note the positions of the Chairman and Deputy Chairman on several other Committees as set out in the report.

Recommendations

Members are asked to:

- Agree the composition and Terms of Reference of the Projects and Procurement Sub-Committee, as set out in Appendix 1;
- Appoint two Members of the Finance Committee to the Projects and Procurement Sub-Committee;
- Elect a Chair for the Projects and Procurement Sub-Committee and note that the Deputy Chair of the Sub-Committee will be elected by the Sub-Committee at its first meeting;
- Note the appointment of the members of four other Committees to the Projects and Procurement Sub-Committee; a representative each from the Community and Children's Services Committee, the Digital Services Committee, the Police Authority Board and the Port Health and Environmental Services Committee;

- e) Agree the revised composition and Terms of Reference of the Efficiency and Performance Working Party, as set out in Appendix 2;
- f) Appoint four Members of the Committee to the Efficiency and Performance Working Party;
- g) agree the appointments of representatives to the following Committees and Sub-Committees:
 - i. Corporate Services Committee - one vacancy¹
 - ii. Investment Committee – two vacancies
 - iii. Streets and Walkways Sub (Planning & Transportation) Committee - one vacancy;
- h) agree the appointments of representatives for informal consultation with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances (this is conventionally the Chairman and the Deputy Chairman of the Finance Committee);
- i) Note that the Chairman and/or Deputy Chairman are appointed to, or serve as ex-officio Members on, the following Committees, and have nomination rights:
 - i. Audit and Risk Management Committee
 - ii. Digital Services Committee
 - iii. Investment Committee
 - iv. Capital Buildings Board
 - v. Civic Affairs Sub Committee
 - vi. Communications & Corporate Affairs Sub (Policy & Resources) Committee
 - vii. Resource, Risk & Estates (Police) Committee
 - viii. House Committee of the Guildhall Club;
- j) Note that the Chairman and/or Deputy Chairman are appointed to, or serve as ex-officio Members on, the following Committees, without nomination rights:
 - i. Policy & Resources Committee (ex-officio)
 - ii. Resource Allocation Sub (Policy and Resources) Committee
 - iii. Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee;
- k) Note that the Chairman will be a Member of the Mayoral Visits Advisory Committee;
- l) agree that the Committee should meet no less than eight times a year.

¹ The representative also sits on the Joint Consultative Committee and the Senior Remuneration Sub-Committee.

Main Report

Background

1. This report asks Members to consider arrangements for its Projects and Procurement Sub-Committee and Efficiency and Performance Working Party. It also details the representatives that the Committee is requested to appoint onto other City Corporation Committees or in other positions, or where the Chairman and Deputy Chairman sit on other Committees and can appoint representatives.

Projects and Procurement Sub-Committee

2. In April 2024, the Finance Committee approved changes to the composition of the Sub-Committee, taking effect in May 2024, to reduce its size and include representation from those committees responsible for the largest procuring departments: the Community and Children's Services Committee, the Digital Services Committee, the Police Authority Board and the Port Health and Environmental Services Committee. It was also agreed that the Sub-Committee should include representation from the Committee or the wider Court to bring project experience to the Sub-Committee. Members noted that that the largest procuring departments were likely to fluctuate over time, and that this annual report could provide an opportunity to change which Committees were represented. The current Committees are felt to remain appropriate.
3. In March 2025, the Court of Common Council approved revisions to the Standing Orders including a change in the appointment mechanisms for Sub-Committee Chairs and Deputy Chairs. The role of Chair of a Sub-Committee is to be elected from and by the membership of the appointing Committee, which in the case of the Projects and Procurement Sub-Committee is the Finance Committee. The role of Deputy Chair of a Sub-Committee is to be determined from and by the membership of Sub-Committee itself, though this Member does not need to be a Member of the Appointing Committee. Further information on the new appointment processes can be found in Addendum 2a to the Standing Orders.
4. Members are asked to approve the Sub-Committee's terms of reference for the 2025/26 civic year, as set out in Appendix 1, and appoint Members accordingly.

Efficiency & Performance Working Party

7. The Efficiency & Performance Working Party was formed from the Efficiency & Performance Sub-Committee in 2022 to continue that bodies work in scrutinising plans for efficiency and performance across all the City Corporation's departments and the City of London Police.
8. In Spring 2025, officers from the Chamberlain's and Town Clerk's Department have undertaken a desktop based review of the Working Party's terms of reference, with a view to clarifying the Working Party's responsibilities and elements of its composition.
9. Members are asked to approve the Working Party's terms of reference for the 2025/26 civic year, and appoint Members accordingly.

Representatives on other Committees

Corporate Services Committee

9. The Committee is responsible for personnel and establishment matters throughout the City of London, including negotiations with the recognised trade unions. In addition, it is the service committee for Town Clerk's Department and Comptroller and City Solicitor's Department. The Finance Committee appoints one representative, who also serves on the Joint Consultative Committee and the Senior Remuneration Sub-Committee. Steve Goodman served as the Finance Committee's representative for the 2024/25 civic year.

Investment Committee

10. The Investment Committee is responsible for the strategic oversight and monitoring of the performance of the City Corporation's investments. The Finance Committee can appoint two representatives onto the Committee. As noted at paragraph 16, the Chairman or Deputy Chairman of the Finance Committee also serve in ex-officio positions (or can appoint a nominee from the Committee's membership). Shahnaz Bakth and Deputy Madush Gupta served as the Finance Committee's representatives for the 2024/25 civic year.

Streets and Walkways Sub (Planning & Transportation) Committee

11. The Streets and Walkways Sub (Planning & Transportation) Committee responsible for agreeing schemes affecting the function and appearance of the City's highways and walkways. The Finance Committee appoints one representative, and Brendan Barns served in this position for the 2024/25 civic year.

Representatives for Consultation with the Court of Aldermen and Representatives of the Policy & Resources Committee on Mayoralty and Shrievalty Allowances

12. This deputation is responsible for considering the allowance for expenses for the offices of the Lord Mayor and the Sheriffs for the coming year. The Finance Committee conventionally appoints the Chairman and the Deputy Chairman as representatives, and this was the case in the 2024/24 civic year.

Chairman's membership on other Committees

13. The Chairman of the Finance Committee, and in some cases also the Deputy Chairman, serves on several other Committees. The Chairman is entitled to nominate other Members to serve in their place on the following:

Audit and Risk Management Committee

14. The Audit and Risk Management Committee oversees the City of London Corporation's systems of internal control and makes recommendations to the Finance Committee relating to the approval of the Annual Statements of Accounts. The Chairman and Deputy Chairman of the Finance Committee serve as ex-officio Members on this Committee, and its composition was amended in April 2024 to allow them to appoint representatives. The Chairman appointed James St. John Davis to serve as his representative in 2024/25.

Digital Services Committee

15. The Digital Services Committee is responsible for reviewing the objectives and needs for the provision of digital services at the City of London Corporation. The Chairman did not appoint a representative in 2024/45, while the Deputy Chairman took up his place.

Investment Committee

16. The Chairman or Deputy Chairman has an ex-officio position on the Investment Committee, and can nominate a representative from the membership of the Finance Committee in their place. The Chairman took up his position in 2024/45.

Capital Buildings Board (Policy & Resources Committee)

17. The Capital Buildings Board is responsible for the management and oversight of major capital building projects (i.e. those projects with an estimated budget of £100 million or more), together with other such projects which have been referred to it. The Chairman took up his place on the Board in 2024/25.

Civic Affairs Sub (Policy and Resources) Committee

18. This sub-committee is responsible for hospitality, ceremonials, outside bodies, benefices, Member privileges and Member financial assistance. The Chairman took up his position in 2024/45.

Communications Sub Committee (Policy and Resources) Committee

19. The Communications Sub Committee (Policy and Resources) Committee is responsible for reporting on all matters relating to the City Corporation's public relations, public affairs and communication activities. Alderwoman Elizabeth King served as the Chairman's nominee in 2024/45.

Resource, Risk and Estates Committee

20. This sub-committee of the Police Authority Board is responsible for overseeing the City of London Police's financial and human resources, including scrutiny of its corporate risks. The Deputy Chairman served on this Committee in 2023/24.

House Committee of the Guildhall Club

21. The House Committee of the Guildhall Club is not a Committee of the Court of Common Council, but serves as the managing body for the Guildhall Club. Deputy Randall Anderson served as the Chairman's nominee in 2024/45.

Other Committees

22. The Chairman and Deputy Chairman also serve on the following Committees without the ability to nominate substitutes:
- i. Policy and Resources Committee and one of its sub-committees
 - a. Resource Allocation Sub (Policy and Resources) Committee (the Chairman of the Finance Committee is the Deputy Chairman of this sub-committee)

- ii. Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee
- iii. Mayoral Visits Advisory Committee (Chairman only)

Frequency of meetings

22. The Committee is also required to review the frequency of its meetings on an annual basis. The Committee approved in May 2024 that it should meet no less than eight times a year, and it is proposed that this arrangement continues.

Conclusion

23. Members are asked to consider the various appointments made by the Finance Committee.

Appendices

Appendix 1 – Terms of Reference of the Projects and Procurement Sub-Committee.

Appendix 2 – Terms of Reference of the Efficiency and Performance Working Party

Ben Dunleavy

Governance and Member Services Manager

Town Clerk's Department

ben.dunleavy@cityoflondon.gov.uk

Projects and Procurement Sub-Committee

Composition

The Chairman and Deputy Chairman of the Finance Committee (or their nominees)

Two further Members to be appointed by the Finance Committee from either its membership or the wider Court on the basis of skill sets

A representative from the Community and Children's Services Committee

A representative from the Digital Services Committee

A representative from the Police Authority Board

A representative from the Port Health and Environmental Services Committee

Terms of Reference

To be responsible for:-

Projects

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

Procurement

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

- j) To work with the Finance Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.

Efficiency and Performance Working Party

Composition

The Chairman and Deputy Chairman of the Finance Committee

Chairman and Deputy Chairman of the Projects and Procurement Sub Committee

Up to ~~F~~four Members appointed by the Finance Committee

Terms of Reference

~~The Working Party will be responsible for:-~~

The Working Party will make recommendations to the Finance Committee on matters relating to:-

- Assessing whether the resourcing of policies represent value for money in the achievement of those policies and and based on the Corporate Plan priorities, as referred to it by referring any recommendations to the Finance Committee or the Chamberlain.
- Monitoring performance, including any predicted overspends, against Departmental Business Plans and referring matters to the relevant Finance Committee(s) where the Working Party considers improvement in performance is required.
- Providing a steer to the Finance Committee ~~for on~~ the Efficiency Workstreams and ~~then subsequently~~ monitoring delivery progress and outcomes.
- ~~For higher risk departments and relevant cross-cutting strategic themes- securing~~ Scrutinising whether sustainable savings already built ~~in to~~ into the medium-term or ~~5~~ five-year financial plans for departments at higher risk of budget overspend and relevant strategic themes have been secured.
- ~~Advising the Finance Committee on Value For Money outcomes based on new corporate plan priorities.~~
- ~~Advising the Finance Committee on Corporate performance framework reporting- services outcome and financial sustainability Key Performance Indicators.~~
- Continue in their role in the Joint Resource Allocation Sub Committee and Efficiency & Performance Working Group Party, with all ~~C~~committee chairmans in the Corporation's budget setting meeting held ~~in January~~ annually each year.

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City of London Corporation Committee Report

Committee: Finance Committee	Dated: 29 th April 2025
Subject: Review of Financial Regulations	Public report: For Decision
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?	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:	John James, Chamberlain's Department

Summary

The City's Financial Regulations set out procedures for officers to follow when managing the City's financial affairs. The regulations are maintained by Finance Committee and were last reviewed in May 2024. This report is the subject of a recent annual review undertaken by the Chamberlain's department, together with staff from other relevant departments, which makes recommendations for a number of changes to update the regulations and deal with gaps and inconsistencies. Notable changes are identified in Appendix A of this report.

Most of the reporting and approval thresholds are dealt with in other documents, rather than the Financial Regulations, which deals more with process. These documents include the Standing Orders, the Scheme of Delegations, the Project Procedure and the Procurement Code. An increase in the level of such thresholds is considered as these documents are reviewed.

At the present time a review is currently being undertaken on the Project Procedure and some final work on the Procurement Code, both of which will not be finished until later in the year. In addition, work is still to be completed on the precise accounting model for the Natural Environment Charities. A delegation is therefore requested to reflect any changes in process that may need to be made in the Financial Regulations, that are agreed later in the year, as a result of these reviews.

The updated draft regulations for consideration are attached at Appendix B. For clarity proposed changes have been tracked. This tracking will be removed, and the document reformatted before publication.

Recommendations

Members are asked to:

1. Critically examine and if satisfied agree the revised Financial Regulations set out in Appendix B;
2. Approve the continued delegation to the Chamberlain to manage Central Contingencies, held under Finance Committee, as set out in para 2.2 of the Financial Regulations, noting this delegation excludes Finance Committee's own contingency which will continue to be managed by this committee; and
3. Agree a delegation to the Chamberlain to amend the regulations in respect of any further changes that may need to be made as a result of the review of Project Procedure, the Procurement Code, accounting for Natural Environment charities and to tidy up numbering and formatting of the Financial Regulations document.

Main Report

Background

1. The City's Financial Regulations are governed by Standing Order 48 of Court of Common Council which states that:
 - i. The Financial Regulations form part of the City Corporation's overall system of financial management, accountability and control and shall be complied with by all City of London Corporation staff.
 - ii. The Financial Regulations are maintained by the Finance Committee.
2. These regulations were last reviewed in May 2024 and a working party established by the Chamberlain's Department has recently undertaken a review. The working party consisted of Chamberlain's staff, covering a number of financial disciplines together with staff from the City's Commercial Team, City Bridge Foundation charity and the Corporate Strategy team.
3. Financial regulations lay down the procedures that officers should apply when managing the City's financial affairs. It is therefore, important that the financial regulations are clear and kept up to date.
4. The review had two key aims:
 - a. To identify gaps and inconsistencies in the current regulations, to streamline the regulations where appropriate, especially in relation to our charities, and to improve consistency, efficiency and clarity.
 - b. To check the interrelationship with City regulations and procedures such as Standing Orders; Procurement Code; and the Project Procedures, to ensure there is consistency.
5. It should be noted that the Financial Regulations deal mainly with process rather than reporting and approval thresholds. These are dealt with in other documents such as Standing Orders, the Scheme of Delegations, the Project Procedures and the Procurement Code. The need to raise the level of these thresholds is considered as these documents are reviewed.
6. When undertaking this review, in addition to the members of the working party, advice was sought from a number of teams including Internal Audit, City

Revenues, Payroll, VAT, Accounts Payable, Insurance, Comptroller & City Solicitor and Digital Services. Their comments have been incorporated into the revised regulations.

Current Position

7. The draft regulations are set out at Appendix B. For ease of understanding proposed changes have been tracked. As the regulations were last reviewed in May 2024, there are not too many proposed changes. Many of the changes are presentational. Changes of substance, which are worthy of note, are also set out in Appendix A

Delegation to Chamberlain

8. There has been a long-standing delegation to the Chamberlain set out in para 2.2 of the Financial Regulations concerning the management of central contingencies held under Finance Committee. Examples of these include provisions for inflation, pay award and transformation. It is sometime since this delegation was reaffirmed and Members are asked to confirm the continuance of the delegation. This request excludes Finance Committee's own contingency which will continue to be managed directly by your committee.
9. Also, at the time of preparation of this report, a review of project governance and of the procurement regulations is being undertaken, but these have yet to be completed. There is also an ongoing review on the accounting arrangements for the Natural Environment charities as they transition from a deficit funded to a grant model. It is requested that the Chamberlain is given delegated authority, once this review is finalised, to reflect any consequent required changes in the updated regulations.

Annual Review

10. In order to keep changes to a reasonable number, and to ensure the document remains up to date, it was previously agreed that the review would be undertaken on an annual basis. It is therefore intended that the regulations will be reviewed again in 2026 with any proposed changes brought to your committee in the Spring of that year.

Appendices

- Appendix A – Significant Proposed Changes to the Regulations
- Appendix B – Draft Financial Regulations (with proposed changes tracked)

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Significant Proposed Changes to the Regulations

Changes of substance worthy of note include

- *Section 1: General.* Changes to para 1.1, which reinforce the need for officer boards, with decision making powers, to consult the Chamberlain on all reports with financial implications prior to making a decision.
- *Section 2: Resource Allocation, Revenue Estimates and Capital Budgets.* Para 2.8 added to give guidance on proper narration of journals; para 2.10 (iv) and (v) adds requirement for chief officers to report significant variances that can't be met from existing overall budgets, to the Chamberlain and ELB, as they arise and with potential mitigations; para 2.11 (iii) emphasises the need for chief officers to consult when recharging costs to other chief officers; para 2.15 confirms savings made corporately will be held corporately to meet overall budget pressures; para 2.16 (iv) and (v) amended to reflect the agreed position for the treatment of year end balances for Natural Environment charities depending on whether they are grant funded or still deficit funded. Para 2.19 has been amended to make it clear for City Bridge Foundation and other charities that any designated fund established must be subject to agreement of either the Chamberlain or the City Bridge Foundation Board depending on which charity.
- *Section 3: Accounting.* New paragraph 3.5 included to provide a duty for Chief Officers to provide details to the Chamberlain to allow correct accounting entries to be made in the City's accounts to comply with the adopted IFRS 16 standard. A new para 3.6 has been included to cover lease buy decisions.
- *Section 5: Risk Management.* Reworded para 5.6 to reflect the Corporation's Risk Management Strategy 2024-29.
- *Section 8: Procurement.* Amendment to para 8.5 to reinforce the need to raise purchase orders (PO) in accordance with the City's 'No PO No Pay' policy.
- *Section 9: Payment of Accounts.* Amendment to para 9.6 to give more guidance on inclusion in or amendment to the authorised signature list.
- *Section 10: Imprest Accounts (Petty Cash).* Para 10.9 amended to ensure proper reconciliation is undertaken when the staff member responsible changes.
- *Section 12: Custody and Security of Assets.* Para 12.9 amended to clarify what would happen to funds from the disposal of assets originally funded from ring-fenced funds

- *Section 15: Income and Banking Arrangements.* Para 15.3 amended to ensure City Bridge Foundation Finance Director is notified of any potential additional income for CBF; para 15.19 amended to clarify that for our charities the duty to recover costs is a responsibility of the trustees and can be set aside by the trustees if it is in the best interests of furthering the charities objectives; paras 15.22-15.25 have been amended to set out the position for our charities on accepting voluntary income or property in accordance with Charity Commission guidance.
- *Section 17: Grant Making.* The old para 17.3 has been deleted as it just duplicated what was in the Charity SORP. Para 17.4 (which now becomes 17.3) has been amended to give further guidance on recognising grants and a new para 17.4 has been included on maintenance and reconciliation of grants made on the Salesforce Grant Management system.
- *Section 23: Document Retention.* This has been checked by the Comptroller that all legislation quoted is still relevant/extant.

City of London Corporation

FINANCIAL REGULATIONS

Approved by the
Finance Committee

April 2025 ~~May 2024~~



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SECTION I. INTRODUCTION

Standing Order ~~4849~~ of Court of Common Council of the City of London Corporation (the City) states that:

1. The Financial Regulations form part of the City's overall system of financial management, accountability and control and shall be complied with by all City of London Corporation staff.
2. The Financial Regulations are maintained by the Finance Committee.

This version of the Financial Regulations was approved by the Finance Committee on ~~6th June 2023~~ 7th May 2024.

These Financial Regulations have been adopted for the City Corporation in the discharge of all of its functions and Funds¹, including as Trustee of City Bridge Foundation². Where appropriate the City Bridge Foundation Board may be consulted on any future changes to ensure that new arrangements adopted by the City as a Trustee of the City Bridge Foundation are in the best interests of the charity.

All staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the management and use of these resources is legal, is properly authorised, provides value for money and achieves best value. Failure to follow Financial Regulations may result in action under disciplinary procedures.

SECTION II. RECENT VERSION HISTORY

These Regulations ~~builds on and replaces the January 2018 version of the Financial Regulations Part 1 & Part 2 and this corporate governance document is~~are intended to be a high-level document that provides a framework to support the City Corporation's statutory and other legal responsibilities for managing its finances, encompassing all Funds for which it is responsible.

It also allows the City Corporation to further strengthen and improve its approach to finance management enhancing its ability to deliver its corporate aims and objectives successfully.

These regulations should be regularly updated to reflect changes within other policy areas and reference to these Financial Regulations should be made when reporting or updating other policy covered by these regulations.

¹ Unless the context provides otherwise, "Funds" in these Regulations refers collectively to City Fund (including the Police Fund, the Housing Revenue Fund, Pension Fund), City's Estate, City Bridge Foundation, any other charitable trusts for which the City Corporation is charity Trustee and is required to account for separately, or otherwise any charitable trust or legal entity where the City Corporation has been given authority to manage that entity's funds within the City Corporation's financial systems and management controls to the extent that authority provides; and "Fund" shall refer to any one of those Funds.

² City Bridge Foundation is the working name of Bridge House Estates (which also previously used the working name of 'City Bridge Trust' for grant making activities) Bridge House Estates is the legal name of the charity.

Date	Comments
October 2005	Updated Financial Regulations.
September 2009	Updated Financial Regulations and split Regulations into Part 1 & Part 2.
January 2018	Updated Financial Regulations and Financial Regulations Part 2 developed into the Finance Manual.
April 2021	Updated Financial Regulations with Part 1 and part 2 Regulations consolidated into one document.
June 2023	Updated Financial Regulations to incorporate amendments to reflect the establishment of the City Bridge Foundation Board, and otherwise for the good administration of charitable funds.

SECTION 1. GENERAL

- 1.1 Any report to the Court of Common Council, its committees or its partners which has financial implications should be prepared in consultation with the Chamberlain who shall incorporate in the report such comments as considered necessary. Reports relating to financial matters shall be provided to the Chamberlain in sufficient time for consultation no less than 28 days before the date of the first meeting due to consider the report. The Chamberlain reserves the right to delay the submission of any report with financial implications which has not been submitted in time for adequate consideration. For substantial or complex reports, departments are expected to engage with ~~finance~~the Chamberlain at an early stage of report preparation to ensure there is time to consider complex financial issues. For the avoidance of doubt this regulation shall also apply to Officer boards with decision making powers, such as category boards, which must consult the Chamberlain's nominated representative on all reports with financial implications prior to submission to the board for agreement.
- 1.2 These Financial Regulations use Local Authority compliance as the benchmark for all funds under the City Corporation's control, except where otherwise expressly provided for in these Regulations and always subject to specific regulatory requirements relating to charitable Funds.
- 1.3 For all charities for which the City Corporation is Trustee, including as charity Trustee of City Bridge Foundation (Reg. Charity No. 1035628), regard must be had to each charity's governing document and relevant guidance issued by the Charity Commission, in complying with reporting and regulatory requirements and in the financial management of each charity.
- 1.4 These Financial Regulations should be read in conjunction with any other instructions relating to financial management, accountability and control, particularly:
- Standing Orders of the Court of Common Council
 - The Officer Scheme of Delegation
 - Corporate Project Procedures
 - Procurement Code and Rules
 - Employee Handbook
 - Data Protection Policies and Procedures

- 1.5 The Financial Services Director as Head of Profession for Finance in the City shall ensure these Regulations are kept up to date, and report to the Finance Committee recommending any changes considered necessary. The Finance Director for City Bridge Foundation and charities will recommend any changes needed to comply with the latest charity reporting and governance standards, under the charities framework.
- 1.6 The Financial Services Director shall be consulted in any cases involving the interpretation of the Financial Regulations and their decision, as to their meaning and application shall be final, providing such decision does not have the effect of altering the meaning of a Standing Order or other regulation or contract approved by a Committee or the Court of Common Council.
- 1.7 Notwithstanding the relaxation of certain Financial Regulations relating to the Barbican Centre Managing Director's local risk budget and the execution of the Police Authority's Policing Plan, the Chamberlain reserves the right to demand from the Managing Director and the Commissioner of Police such additional information as is required to fulfil their statutory obligations and their overall financial monitoring responsibilities.
- 1.8 All sums referred to in these Regulations are exclusive of Value Added Tax (VAT) unless specifically stated.
- 1.9 All Information Technology (IT) expenditure and development work must conform to the Digital, Data and Technology IT Strategy and to standards and other guidance issued by the City's Director of Digital Information and Technology as Head of Profession for IT in the City Corporation.
- 1.10 The City Corporation's Director of Digital Information and Technology as Head of Profession for IT shall define the corporate IT standards to be followed by Chief Officers and is to be consulted on related matters such as IT staffing and their remuneration. The corporate IT strategy is to encompass these standards and any other E-business or E-government strategy agreed by the City Corporation's Director of Digital Information and Technology. Each Chief Officer shall ensure that a written departmental IT strategy is produced which conforms to the corporate IT strategy, (and to the corporate E-business and E-government strategies) and that this is submitted annually for the approval of the City Corporation's Director of Digital Information and Technology in the form requested. Expenditure on IT equipment, software and services which does not conform to the approved departmental strategy shall be the subject of a prior written proposal for the approval of the City Corporation's Director of Digital Information and Technology. For the avoidance of doubt, decisions which affect IT resourcing of City Bridge Foundation, shall be required to be taken in the best interests of the charity, including to consider the benefits to the charity of using the City's IT systems and resources, and operating within its overarching IT strategies and policies.
- 1.11 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and that they comply with them.
- 1.12 All City Corporation staff have a responsibility to maintain the integrity and security of information which is under their control by virtue of their employment (including confidential

and personal information, held in any format). All staff shall comply with the requirements of the Data Protection Act, UK GDPR and the City Corporation's policies and procedures in relation to data protection which can be found on the Information Management Strategy.

SECTION 2. RESOURCE ALLOCATION, REVENUE ESTIMATES AND CAPITAL BUDGETS

- 2.1 Standing Order 48 sets out the City's corporate governance arrangements for budget setting including resource allocation, revenue estimates and capital budgets. The Chamberlain is responsible for notifying Chief Officers on the timetable and processes for the preparation of the forthcoming year's resource allocation, revenue estimates, and capital budgets. Chief Officers shall supply such information to the Chamberlain as may be required so as to comply with the timetable and processes stipulated and prepare detailed revenue and capital estimates of income and expenditure in accordance with the budget policy authorised under Standing Order 48 and in consultation with the Chamberlain who shall critically scrutinise the estimates before submission, for City Fund and City's Estate to the relevant Service Committees, and for City Bridge Foundation to the City Bridge Foundation Board, for decision.
- 2.2 City Fund and City's Estate, overall budgets are set by the Court of Common Council upon the recommendation of the ~~Policy & Resources and Finance~~ Committee in March for the successive financial year. City Fund and City's Estate Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources and Finance Committee, such budgets do not include any contingencies. However the budgets directly overseen by the Finance Committee also include central contingencies, with delegations to the Chamberlain, 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. For central contingencies, approval is required by the Financial Services Director in consultation with the Chamberlain ~~and Town Clerk/Chief Executive~~.
- 2.3 For City Bridge Foundation, the charity's overall annual budget is set annually by the Court of Common Council for the City as charity Trustee, upon the recommendation of the City Bridge Foundation Board. As noted at Regulation 2.1 above, detailed revenue budgets and capital budgets for the charity are in accordance with Standing Order 48 set by the City Bridge Foundation Board, led by the Managing Director of City Bridge Foundation in consultation with Chief Officers whose departmental resources are made available to the charity, with those costs and expenses of the Trustee being re-charged to the charity. Within the budget set by the Court, the City Bridge Foundation Board is responsible for allocating resources as required in the charity's best interests (including contingencies) and monitoring income and expenditure (both revenue and capital) against the charity's budget and reserves policy (also set by the Court). As with City Fund and City's Estate, request for allocations from the City Bridge Foundation central contingency allocation should demonstrate to that Board why the costs cannot, or should not, be met from existing provisions.

Revenue Budget Management – Objectives

- 2.4 Budget management ensures that resources allocated by members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continuous process enabling the City Corporation to review and adjust its budget targets,

if required throughout the financial year. Committee budgets are set for both local and central risk within the City Corporations overall budget for each Fund. Local risk expenditure and income is deemed to be directly controllable by Chief Officers. Examples of local risk items includes most employee costs, regularly scheduled maintenance checks, utility costs, cleaning and stationery. Central risk are items of spend or income that can be affected by external factors such that Chief Officers are not held directly accountable for budgetary performance. However for both central and local risk they are expected to try to manage activities within budget and where there are expenditure pressures to maximise income, where possible, to try and fund these. Recharge risk budgets relate in the main to support services and functions that are recharged on an appropriate apportionment basis to front line services to enable the total cost of service to be calculated. Central and recharge risk items include levies and precepts, investment income (including property), capital charges, central support costs, insurance, rating revaluation changes, grants/support earmarked for specific organisations/themes and centrally controlled and recharged IT expenditure. Recharges to charities and other ring fenced funds may only reflect the reasonable costs and expenses incurred by the City in administering that function in accordance with relevant applicable accounting framework. Budgets set for City Bridge Foundation are not separated between central and local risk.

- 2.5 By identifying and explaining variances against budgetary targets, the City Corporation can identify changes in trends and resource requirements at the earliest opportunity. It is the responsibility of each budget manager, Chief Officer and Committee to manage the budgets under their responsibility and report any expected variances as early as possible, along with potential mitigations.

Revenue Budget Management – Key Controls

- 2.6 Budget holders will be responsible for income and expenditure on cost centre budgets for which they have been assigned responsibility on Oracle and that this responsibility should be aligned as closely as possible to the decision making that commits the expenditure.
- 2.7 Budget holders are responsible for all income and expenditure on their cost centres including the recording and approval via appropriate workflows on Oracle.

2.8 Where journals are prepared by finance business partners, or others, either to make coding corrections or for year end adjustments, staff should that they are adequately narrated so the purpose of the adjustment is clear or where appropriate they are supported by a detailed working paper.

2.82.9 Business Plan objectives and key results are monitored in conjunction with the budget and necessary action taken to align service outputs with the budget.

Revenue Budget Management

2.92.10 The Chamberlain is responsible for establishing an appropriate framework of budgetary management and control through business partnering that enables the following:

- i. Budget management by Committee being exercised within the annual resource envelopes allocated to it unless the Court determines otherwise. For City Bridge

Foundation, the City Bridge Foundation Board has the freedom to operate in accordance with the overall budget and policy framework for the charity set by the Court, including any reserves policy or allocation of funds for application against the charity's ancillary object.

- ii. Each Chief Officer having available timely and accurate information on income and expenditure for each cost centre to enable managers to fulfil their responsibilities.
- iii. All officers responsible for committing expenditure and generating income complying with corporate financial guidance.
- iv. Significant variances from approved budgets being reviewed promptly and if necessary action taken by Chief Officers. Where a significant variance cannot be contained within a Chief Officer's existing overall local or central risk budget they shall report the issue to the Chamberlain/Financial Services Director at the earliest opportunity together with proposed mitigations.
- v. Regular forecasts on income and expenditure compared to the approved budget for City Fund and City's Estate being prepared and reported to Executive Leadership Board (ELB) and Finance Committee on a quarterly basis, for City Bridge Foundation to the City Bridge Foundation Board, and for any charitable Fund to the Committee having delegated responsibility for that charity's administration and management. Significant budget pressures, including emerging financial risks, should be reported to ELB between quarterly reports on an exception basis.
- vi. Ensuring spending remains within agreed resource envelopes by regular monitoring of the budget. Working alongside the Chamberlain's business partners to provide regular monitoring information to committee with appropriate explanations and corrective actions required as necessary.
- vii. To ensure that the business plan is regularly monitored in conjunction with the budget to ensure the delivery of service objectives and any corrective action taken.

2.102.11 Chief Officers for services are responsible for:

- i. Ensuring prior approval of any new initiative not included in the business plan or budget that could have one-off or ongoing financial consequences.
- ii. Ensuring compliance with the scheme of virement (see paragraph 2.2048).
- iii. Consulting with relevant Director or Chief Officer where it appears a budget proposal will impact on another Directors/Chief Officers service or level of activity. This includes situations where costs are recharged between Chief Officers local risk budgets.

2.112.12 For all Funds, other than the City Bridge Foundation, where a Chief Officer is unable to contain expenditure within their existing local risk resources due to essential growth (for example to meet a new legislative requirement) or a one-off additional cost, a business case for a budget increase should initially be discussed with the Chamberlain to agree the

potential funding strategy in line with para 2.2 above. The business case will only go forward once the Chamberlain has agreed the funding strategy.

2.122.13 For City Bridge Foundation where a relevant designated fund is held, potential overspendings will be reported to the City Bridge Foundation Board and managed against that designated fund. Any other budget changes would follow the process in paragraph 2.313 with the report going to the City Bridge Foundation Board.

2.14 No officer should commit the Corporation to expenditure more than any approved estimate without either first seeking the appropriate approval or making an appropriate virement as described in paragraph 2.2018 below, in accordance with SO 48(109).

2.132.15 Where savings are made corporately on goods or services, whose costs are recharged to Chief Officers budgets, the Chamberlain, where appropriate will make an adjustment to local risk budgets so that the saving can be taken centrally and used to offset other budgetary pressures.

Treatment of Year End Balances

2.142.16 Any deficit on the total of a Chief Officer's local risk budgets is required to be carried forward and recovered from within the department's budget allocation for the following year unless specifically waived directly by the Finance Committee, other than matters relating to City Bridge Foundation which will be determined by the City Bridge Foundation Board in accordance with any overall budget set by the Court in each year. Subject to the prior approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) or the City Bridge Foundation Board for City Bridge Foundation and the requirements at sub-paragraphs i.-ixviii below, surpluses on a department's local risk budgets may also be carried forward provided that these do not include any fortuitous savings outside the control of the Chief Officer, and, any cumulative underspending which is to be carried forward is limited to 10% of the Chief Officer's local risk budget, up to a general maximum of £500,000 or £1,000,000 in the case of the City Surveyor. Applications for carry-forwards will be assessed by the following criteria:

- i. Carry forward requests can be up to 10% or £500k (whichever is the lesser) of the final agreed local risk budget excluding budgets brought forward from the previous year. However, the City Surveyor may carry forward up to £1m and the Chamberlain and Director of Digital Information and Technology may each carry forward a maximum of £500k.
- ii. In respect of the above the City Schools, Police, the Barbican Centre (local risk budget), Natural EnvironmentOpen—Spaces Charities (fundraising budgets), City Bridge Foundation, the Guildhall School of Music & Drama, the Cemetery, and the Housing Revenue Account, are excluded as separate carry forward arrangements apply. In the case of the Barbican Centre Managing Director's financial target, surpluses of up to 15% of the local risk budget may be carried forward and the Managing Director of the Barbican Centre may incur a deficit of up to £500,000 at any one time, to be repayable in the following financial year. This deficit should be by

exception and should not be on a continual basis from one financial year to the next. The reasonableness of this arrangement will be reviewed annually.

iii. In respect of the Police Authority's Policing Plan budget, unspent balances, excluding variations in capital financing costs, shall be carried forward, subject to periodic review as to the level of balances.

iv. In respect of Natural Environment charities that are deficit funded by the City Corporation, fundraising income earned from donations and legacies to the charities shall be ring-fenced and where necessary, carried forward as part of the charity's unrestricted free reserves, or restricted income funds if legally required under the terms of the donation. However, where the charity is in deficit at the end of the financial year, any unrestricted funds would need to be applied to offset the deficit first and foremost, (subject to any legal restrictions attaching to those funds, or decisions taken by the Trustee in accordance with charity law requirements to remove them), after which point the remaining surplus from the income received can be carried forward as part of the charity's unrestricted free reserves, or restricted income funds (as above).

v. In respect of Natural Environment where a charity has moved to grant funding from the City Corporation, any local risk surplus may be retained in the Charity's funds for future use. However, where the charity is in deficit on the grant at the end of the financial year the advice of the Chamberlain sought on the most appropriate accounting treatment.

~~iii. In respect of Open Spaces, fundraising income relating to donations and legacies to the Charities shall be ring-fenced and where necessary, carried forward in the relevant ring-fenced Charitable reserve for each Charity. However, where the charity is in deficit at the end of the financial year, any additional income would need to offset the deficit first and foremost, (subject to any legal restrictions attaching to those funds, or decisions taken by the Trustee in accordance with charity law requirements to remove them), after which point the remaining surplus from the income received can be applied in respect to carrying forward in the relevant ring-fenced Charitable reserve.~~

iv.vi. Fortuitous savings clearly outside the control of Chief Officers should not be eligible for carry forward; instead it should be demonstrated that underspends are the result of planned/managed strategies and support the City's overall Corporate priorities.

v.vii. Carry forward requests should be approved to fund a specific purpose and must comply with the carry forward rules, i.e. relating to planned spend during the financial year the carry forward is being requested from, however delayed due to unforeseen circumstances not within the control of the department.

vi.viii. Each individual agreed carry forward is ring-fenced to the purpose specified.

vii.ix. Unspent balances should generally only be carried forward and applied in the Fund in which they were generated.

2.152.17 Other than for City Bridge Foundation any requests for carry-forward from Central Risk budgets are required to be requested at first point from the Financial Services Director. If approved, all such requests would then be provided to the Chamberlain in consultation

with the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) for their consideration and potential approval. For City Bridge Foundation approval of carry-forward requests from departmental central risk budgets funded from City Bridge Foundation shall be sought from the City Bridge Foundation Board following consultation with the Chamberlain or his/her authorised delegate.

Reserves

~~2.162.18~~ Other than for City Bridge Foundation, which will seek approval from the City Bridge Foundation Board, ~~no~~ earmarked reserve, designated fund or other balance sheet provision shall be created without first consulting with the Assistant Director of Strategic Finance who will advise on whether the proposal can be supported and the further approvals that are required.

~~2.172.19~~ Other than for City Bridge Foundation, any drawdown of earmarked reserves at the end of the financial year will also be subject to the approval of the Financial Services Director/Chamberlain as part of the year end process. For City Bridge ~~Foundation Fund~~ ~~these will be subject to agreement of the Chamberlain or his/her authorised delegate and the City Bridge Fund Board and other charities, fund accounting does not allow for 'earmarked reserves' but any designated funds which are established should be subject to agreement of the Chamberlain or, for City Bridge Foundation, their authorised delegate and the CBF Board.~~

Scheme of Virement

~~2.182.20~~ The scheme of virement is as follows:

- i. Virement is the transfer of budget from one budget line, as a result of savings or additional income, to another budget line to facilitate spending on that budget line. No Virement will be permitted between funds in the year, nor is virement normally allowed in respect of Central Risk budget lines.
- ii. Subject to paragraph (iii) below, Chief Officers, or nominated officers previously notified to the Chamberlain, are authorised to approve virements within funds for Local Risk budget estimates. These virements are generally only allowed up to a total of £500,000 in one financial year, but in the case of the City Surveyor this financial limit is £1,000,000 in one financial year. This being subject to the savings utilised not arising from any specific amount approved from the Finance Committee contingencies, or any sums specifically approved by the Policy and Resources Committee for Policy initiatives. Chief Officers shall also advise if the proposed virement is for a single financial year or is ongoing. Chief Officers shall advise the appropriate Committee and Finance Committee of any significant virements and gain prior approval if they raise significant policy issues or will result in total virements of any Chief Officer exceeding £500,000 (or £1,000,000 in the case of the City Surveyor).
- iii. The Barbican Centre and City Bridge Foundation Managing Directors may, as relevant to the budgets for which they are responsible, authorise all virements between those costs and incomes which comprise the annual local risk budget, and the Commissioner of Police may authorise virements between all heads within the Policing Plan Budget, with the exception of financing and support costs, which fall under the 5R recharge

risk, and subject to prior consultation with the Financial Services Director or the CBF Finance Director where a virement is proposed from a non-staffing to a staffing budget.

Managing Capital and Supplementary Revenue Project Budgets

2.192.21 Capital and Supplementary Revenue Project budgets ("project budgets") are generally approved and managed in accordance with the Corporate Project Procedure via the gateway process and associated guidance. City Bridge Foundation projects are managed in accordance with the Corporate Project Procedure subject to the City Bridge Foundation Board being the responsible Committee for all decisions except where reserved to the Court of Common Council. Further, the City Corporation's Major Projects (under City Fund and City's Estate) are not required to follow the gateways and are under the direct control and management of the Capital Buildings or Policy and Resources Committees.

2.202.22 Capital projects are major one-off expenditures (>£50k capitalisation threshold) relating to the acquisition, creation or enhancement of an asset that yields benefits to the authority and the service it provides for a period of more than one year. For example, cyclical replacements of major components (e.g. windows, roofs, M&E infrastructure) are capital but cyclical repairs are not. The "Supplementary Revenue Projects" (SRP) classification was created to cover project expenditure controlled in the same way as capital projects that does not meet the accounting definition of capital expenditure, e.g. preliminary project costs at feasibility and option appraisal stages and one-off major repairs (>£50k). Classification of expenditures between capital and SRP is an accounting decision which lies with the Chamberlain.

2.242.23 Project budgets approved via the gateways must be supported by a confirmed source of funding before they can progress. For City Fund and City's Estate central funding of projects is allocated via the annual capital bid process, with the approval sought from the Resource Allocation Sub and Policy and Resources Committees and subject to any reservations of the Court. For City Bridge Foundation, all approvals shall be sought from the City Bridge Foundation Board including approval for capital projects which are cross cutting across all three funds (City Fund, City's Estate, Bridge-HouseCity Bridge Foundation) within the framework set by, and subject to any reservations to, the Court.

2.222.24 Project budgets are not generally specific to a financial year unless the source of funding is restricted by time (e.g. external grant funding). Maintaining an annual profile is however an essential requirement of each Project Manager.

2.232.25 Project expenditure is recorded within the City's Project Accounting module in a timely manner (as a minimum on a quarterly basis or in line with the Chamberlain's forecast timetable) and must not be charged to local or central risk codes, with the exception of staff time which is recharged from revenue to project budgets on a regular basis as above.

2.242.26 Capital expenditure and capital income is subject to approval in accordance with the Corporate Project Procedure and must be accounted separately. Particular legal and accounting rules may apply to charitable funds. Expenditure in excess of £50k which meets the definition of Capital/ Supplementary Revenue projects as set out in the Corporate Project Procedure must be accounted separately from local or central risk revenue expenditure.

Virement of Capital and Supplementary Revenue Project Budgets

2.252.27 Virements within approved project budgets are permitted, provided the overall approved project sum is not exceeded and the scope remains unaffected. Movement between budget heads (e.g. from fees to works) requires approval of Chief Officer and Head of Finance other than for City Bridge Foundation. For City Bridge Foundation the approval shall be sought from the Finance Director of City Bridge Foundation and the Managing Director of **BHE City Bridge Foundation**.

2.262.28 Increases to an approved project sum must be agreed in accordance with the Project Procedure. Project Budgets cannot be vired between projects, unless approval is sought from Resource Allocation Sub and Policy and Resources Committees.

SECTION 3. ACCOUNTING

- 3.1 All accounting procedures and financial records shall be determined by the Chamberlain, and any changes require the prior approval of the Chamberlain.

Separation of Duties

- 3.2 So far as possible, in the allocation of accounting duties, the following principles shall be observed:
- The duties of providing information regarding sums due to or from the City and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
 - Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
 - Each of the Funds with legal obligations requiring their separate administration, shall have a separate balance sheet, and all charitable funds shall be accounted for separately and processes followed which demonstrate that the charity's funds are being administered correctly and, in that charity's best interests.

Assets

- 3.3 The City Corporation owns and is otherwise responsible (whether or not as charity trustee) for a wide range of assets. For assets to appear on the balance sheet as qualifying items (or groups of items such as Cars) must be valued at £50,000 or more. Low monetary value assets may hold other important value and security must also be ensured on these items such as laptops and mobile phones. Section 12 of these regulations gives further details.

Financial Statements

- 3.4 Each Chief Officer shall make returns of outstanding expenditure and income in the form and by the date specified by the Chamberlain in the programme for the closure of the annual accounts as are referred to in 3.75.
- 3.5 Each Chief Officer shall provide details of any new leases (including nil consideration or peppercorn leases) entered into during the course of each financial year, in good time for the Chamberlain to prepare for the closure of the annual accounts. To comply with the newly adopted IFRS 16 standards this must include: details of leased assets, lease start and end dates, total lease value and annual fixed costs, payment frequency and terms, lease rate (%) where applicable. Where the total value of the lease or asset exceeds £10,000 the full signed lease document must also be provided.
- 3.6 Chief Officers are reminded that before entering to leases, particularly for plant vehicles and equipment, consideration should be given to whether outright purchase rather than leasing the item would offer better value for money. In this respect the relevant Head of Finance should be consulted before proceeding.

3.63.7 Procedures for the audit and publication of Financial Statements to the Court shall be as follows:

- i. The financial year shall run from 1st April to 31st March.
- ii. The Auditors of:
 - a) City's Estate, City Bridge Foundation and Sundry Trust (charitable) Funds Financial Statements are elected by Common Hall on Midsummer Day.
 - b) City Fund and Pension Fund Financial Statements shall be appointed by the Court of Common Council.
- iii. The Auditors shall report to the Court of Common Council or Common Hall as appropriate, in writing upon completion of their audits.
- iv. The Chamberlain shall submit the Financial Statements, duly certified, for City Bridge Foundation to the City Bridge Foundation Board and for all other Funds to the Finance Committee in accordance with statutory requirements, but within reasonable timescales as soon as business permits.
- v. The audited and published City Fund and Pension Fund Financial Statements should be presented to ~~the Finance Committee~~Court of Common Council in accordance with the statutory deadline. All other Charitable Trusts of which the City Corporation is Trustee should present their Financial Statements to the Court of Common Council or Finance Committee when available, where the Charity Commission requires these to be produced. City Bridge Foundation and City's Estate present their Financial Statements to the Finance Committee for City's Estate and City Bridge Foundation Board and Court of Common Council for City Bridge Foundation. This is in accordance with the deadlines set by City Bridge Foundation Board for City Bridge Foundation and by Audit and Risk Management Committee for City's Estate or subject always to statutory and other requirements which may apply. All three Financial Statements for City Fund, City's Estate and City Bridge Foundation are published on the City Corporation's website ~~as well as the Sundry Trusts~~. The City Bridge Foundation Annual Report and Financial Statements are further published on the City Bridge Foundation website. Charities where appropriate also need to file a copy of their audited accounts with the Charity Commission by the Commission's required date.

I.T Systems

3.63.8 The Chief Officer concerned shall ensure that all financial information held on IT systems is properly maintained and capable of easy reconciliation to the central financial accounting system. IT systems should be brought together into combined systems where possible in accordance with the common systems principles outlined in the Digital, Data and Technology Strategy and supporting policies and guidance~~Information Management Strategy~~.

3.73.9 Any IT system that is used to hold and/or organise personal data must be notified to the City's Director of Digital Information Technology and the Information Compliance Team.

3.83.10 Details of the City Corporation's Finance Information System can be found on the Oracle pages of the intranet.

SECTION 4. INTERNAL AUDIT

- 4.1 In accordance with The Accounts and Audit Regulations 2015, the City Corporation must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, in accordance with the Public Sector Internal Audit Standards (PSIAS). Responsibility for ensuring this is delegated by the Court of Common Council to the Audit and Risk Management Committee. The Chamberlain as Section 151 Officer is responsible under statute for the proper administration of the financial affairs of the City Corporation including compliance with the statutory requirements for Internal Audit.
- 4.2 The Audit and Risk Management Committee shall receive regular reports on completed work of Internal Audit, assurances provided and progress on the implementation of recommendations. The Audit and Risk Management Committee will also review the effectiveness of the Internal Audit service and the Head of Audit and Risk Management will ensure that a good working relationship with Members is established and maintained.
- 4.3 While the Head of Internal Audit reports operationally to the Chamberlain, to maintain organisational independence, an unrestricted reporting line exists to the Town Clerk and Chief Executive and the Chairman of the Audit and Risk Management Committee.
- 4.4 Internal Audit's remit extends to all operations of the City of London Corporation and, as required by the PSIAS, the Internal Audit function has unrestricted access to all City records and information, both manual and computerised, cash, stores and other City property or assets it considers necessary to fulfil its responsibilities. Audit may enter property of the organisation and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the City should be set out in the conditions of funding. Internal Audit will require and receive such information and explanations as are necessary concerning any matters under examination. within a timely manner/as set out by the internal audit team.
- 4.5 Officers are required to provide all information requested by Internal Audit and Chief Officers shall consider and respond promptly to recommendations made by Internal Audit and ensure that any agreed actions are implemented in a timely and efficient manner.
- 4.6 Further details on the Internal Audit function are provided in the Internal Audit Charter. This can be viewed on the Internal Audit page under Business Support on the Intranet.

Preventing Fraud and Corruption

- 4.7 The Chamberlain is responsible for developing and maintaining the Corporate Anti-Fraud & Corruption Strategy, and ensuring that effective internal controls are in place to minimise the risk of fraud, corruption or other financial irregularity.
- 4.8 All Members and officers must ensure that they comply with the City's Corporate Anti-Fraud Corruption Strategy, and Anti-Money Laundering guidelines as well as the Corporation's Code of Conduct generally in these matters.

- 4.9 Any Member, Officer or contractor of the City, who suspects fraud, corruption or other financial irregularity, must ensure that this is reported promptly to the Head of Internal Audit in order to ensure that evidence is secured and the matter is considered for further investigation.**
- 4.10 Where any individual feels unable to report concerns of fraud, corruption or other financial irregularity directly to the Head of Internal Audit or their line manager, they should report those concerns via the City Corporation's anonymous whistleblowing channels. Those reporting genuine concerns either directly or via the anonymous channel will not be at risk of suffering any form of retribution as a result of the disclosure.**
- 4.11 Management should not attempt to interview staff suspected of perpetrating a fraud, corruption or other financial irregularity, unless expressly asked to do so by the Head of Internal Audit, as this may prejudice any disciplinary or police investigation and/or subsequent legal proceedings.**
- 4.12 The Head of Internal Audit will maintain a register of all reported incidents of fraud, corruption or other financial irregularity. These will be reported periodically to the Audit & Risk Management Committee.**
- 4.13 Any employee who suspects money laundering activity must report this promptly to the Head of Internal Audit, who is designated as the City Corporation's Money Laundering Reporting Officer (MLRO).**

SECTION 5. RISK MANAGEMENT

- 5.1 The Accounts and Audit Regulations 2015 (as amended) require that the City ensures that its financial management is adequate and effective and that there is a sound system of financial control that facilitates the effective exercise of the City Corporation's relevant functions and that includes risk management arrangements.
- 5.2 Under the Local Government Act 1999, the City Corporation (as a local authority and police authority) is under a general Duty of Best Value "to secure continuous improvement in the way in which its functions are exercised, make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The application of risk management supports this statutory duty.
- 5.3 The CIPFA "Delivering good governance in Local Government Framework 2016 Edition" identifies risk management as one of seven core principles in the overall effective governance of a local authority.
- 5.4 The Charity Commission sets out the expectations for charities and risk management, within its guidance. Those charities for which the City Corporation is Trustee are required to have regard to this guidance.
- 5.5 The City Corporation must consider this guidance in the development of its approach to risk management for each of the charities for which it is Trustee. In addition, unless in conflict with charity law and regulatory requirements or considered not to be in a charity's best interests, the City Corporation's Corporate Risk Management Strategy and governance processes must be followed.
- 5.6 The City Corporation is committed to establishing an effective risk management framework and culture to enable management at all levels to deliver their objectives in the light of those risks. This commitment is set out in the City Corporation's Risk Management Strategy 2024-2029, and the refreshed Risk Management Policy that underpins this. The Risk Management Policy outlines the risk management framework and expectations across all City Corporation departments and Institutions and was endorsed by the Audit and Risk Management Committee and the City Bridge Foundation and Police Authority Boards in Autumn 2024. Policy Statement together with the risk management formal process in the City Corporation's Risk Management Strategy. This Strategy is approved by the Audit and Risk Management Committee and has been adopted for City Bridge Foundation by the City Bridge Foundation Board.
- 5.7 Chief Strategy Officer:
- a) The Chief Strategy Officer is the lead Chief Officer for Risk Management within the City Corporation and responsible for developingpreparing, maintaining and promoting the Risk Management strategy, policy and supporting documentsstrategy, securing approval of the Audit and Risk Management Committee and maintaining the corporate risk register.

- b) The Chief Strategy Officer chairs the Chief Officer Risk Management Group, a sub-committee of the Executive Leadership Board (ELB) which supports ELB # in its overall responsibility for risk management and ~~outlines may also issue~~ requirements and/or ~~provides~~ guidance to Chief Officers to maintain or improve the City Corporation's risk management framework. Risk management is also discussed at meetings of the City Corporation's Senior Leadership Team (Corporate Tier 1 Officers). The Chief Strategy Officer will regularly report the City of London Corporation's corporate and top red departmental risks to the Audit and Risk Management Committee.

5.8 Chief Officers must have regard to the requirements and/or guidance issued by the Chief Strategy Officer and adhere to the City Corporation's risk management policy and strategy. Specifically, Chief Officers are responsible for:

- a) Ensuring that risk management is integrated into business planning, programme and project management and finance planning.
- b) Ensuring that there are appropriate management arrangements for the continuous identification, assessment, mitigation, monitoring and reporting of risk within the department. This includes considering the risk appetite and risk culture within their areas.
- c) ~~As part of this, putting in place and appropriate structure to oversee~~Appointing a senior officer to act as the departmental risk co-ordinator to promote effective risk management within the department, liaise with the corporate risk advisor and ensures it complies with the City Corporations risk management policy and strategy.
- d) Maintaining corporate and departmental, service, team risks on the corporate risk system and use system generated reports for management and Committee reporting purposes.
- e) Reporting their corporate and departmental level risks to their relevant Committee(s) in accordance with the Guidance on reporting risk information to Service/Grand Committees.
- f) Identifying and flagging cross-cutting and/or thematic risks impacting the City of London Corporation more widely, e.g. through Head of Profession roles.
- g) ~~Reducing the risk of significant service disruptions by ensuring that they have in place appropriate and robust business continuity plans.~~

SECTION 6. TREASURY MANAGEMENT

- 6.1 The Court of Common Council adopts the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. This regulation shall include management of monies in connection with cash and funding resources of the City as Police Authority. For City Bridge Foundation, treasury management standards are adopted.
- 6.2 A Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) setting out the City's strategies and procedures is adopted annually by the Court of Common Council and includes the following scheme of delegation for the operation of treasury policy:

The Court of Common Council

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of the Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management).
- For City Bridge Foundation approval of the ~~charity's~~ overarching Treasury Management Strategy statement and Annual Investment Strategy (related to Treasury Management) as applied to the charity.

The Investment Committee and Finance Committee (for City Fund & City's Estate) and for City Bridge Foundation the CBF Board and the CBF Investment Committee

- Approval of/amendments to the ~~organisation's~~ adopted clauses, treasury management policy statement and treasury management practices for the City Corporation.
- Budget consideration and approval.
- Approval of the division of responsibilities.
- Receiving and reviewing regular monitoring reports and acting on recommendations.
- Approving the selection of external service providers and agreeing terms of appointment.

Note Finance Committee and the CBF Board usually only receive the first item.

Audit and Risk Management Committee & the Investment Committee of CBF Board

- Reviewing the treasury management policy and procedures and making recommendations to the responsible committee and/or the Courtbody.

The Chamberlain

- Application of approved strategy.
- Treasury dealing with counterparties.
- Authorisation of cash transfers.
- Borrowing and lending documentation.

- 6.3 All money in the management of the City Corporation shall be aggregated for the purposes of Treasury Management and shall be under the control of the Chamberlain.
- 6.4 All executive decisions on borrowing, investment or financing shall be delegated to the Chamberlain or through their staff, who shall be required to act in accordance with the City

Corporation's Treasury Management Code. Strategy Statement and Annual Investment Strategy (relating to Treasury Management) prepared in accordance with the CIPFA Code of Practice on Treasury Management.

- 6.5 The Chamberlain shall report to the Investment Committee not less than twice in each financial year on the activities of the Treasury Management operation and on the exercise of the Treasury Management powers delegated to him/her. One such report shall comprise an Annual Report on Treasury Management of the succeeding financial year.
- 6.6 Trustee Reports provided for Charitable Funds administered by the City Corporation must be compliant with charity law requirements (refer to sections 162,132 and 133 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008 (SI 2008/629)) and make a risk management statement in their Trustee's report.

SECTION 7. INVESTMENTS, BORROWING AND TRUST FUNDS

- 7.1 All borrowing or investments of money shall be made in accordance with the orders of the Court of Common Council or as delegated to the Finance Committee and Investment Committee and the Chamberlain for City Fund and City's Estate and, for City Bridge Foundation the City Bridge Foundation Board and its Investment Committee and the Chamberlain.**
- 7.2 All securities for money shall be held by the Chamberlain or their nominees, except where legal requirements necessitate their being held elsewhere.**
- 7.3 The Chamberlain shall maintain records of all borrowing of money and make provisions for repayment where appropriate.**
- 7.4 All Members and Officers acting as trustees by virtue of their official positions shall deposit all securities relating to the trust with the Chamberlain, or their nominees, unless the deed (or other legal governing document) otherwise provides.**
- 7.5 In addition to the matters set out at 7.1 - 7.4 above, all investments of charitable funds must comply with the relevant charity's governing documents, the Trustee Act 2000, the Charities Act 2011 (as amended) and other regulatory requirements.**

SECTION 8. PROCUREMENT

- 8.1 In accordance with Standing Order 51 all procurement and contracts activity must be undertaken by officers in accordance with the agreed Procurement Code.
- 8.2 Chief Officers shall be responsible for all procurement originating from their service for the execution of any works, supply of goods, materials and services and shall ensure that the selection of firms to be invited to tender shall be in accordance with the procedures detailed in the Procurement Code and Corporate Project Procedures.
- 8.3 No City contract shall be issued unless its terms have been previously approved by the Comptroller and City Solicitor and be consistent with the requirements as laid down in Standing Orders, Procurement Code and these Financial Regulations.
- 8.4 The use of corporate purchase cards (P-card) is restricted to authorised staff that must follow the rules of the Purchase Card Policy. Where appropriate, a P-card should be used for all expenditure up to £1,000 per transaction. Card users are responsible for entering information onto the P-card system which is clear and accurate, avoiding the use of terms which may be open to misinterpretation. The Purchase Card Policy lays out further detail on P-Card use.
- 8.5 Purchase orders must be raised through City Finance System and in compliance with the Procurement Code. The City operates a 'No Purchase Order No Pay policy' and a purchase order should be issued before a commitment to supplier is made not afterwards. It is therefore against the policy to issue a PO to a supplier who has already supplied goods or completed works.
- 8.6 Where contractors are engaged for works that fall within the scope of the Construction Industry Scheme (CIS), the Transactional Finance Data Team shall confirm whether the contractor holds a valid Unique Tax Reference (UTR) number and verify whether the contractor is registered with HM Revenue & Customs (HMRC) for CIS, ensuring that tax is deducted from payments at the appropriate rate.
- 8.7 Prompt notification shall be given to the Chamberlain's Insurance and Risk Management Team where the goods or services procured or sold or the contract terms being entered into materially affect the Corporation's insurance programme prior to agreement.
- 8.8 All ex-gratia and non-contractual claims from contractors shall be referred for comments to the Finance Director of City Bridge Foundation for City Bridge Foundation contracts or otherwise to the to the Financial Services Director and also to the Comptroller and City Solicitor ~~for comments~~ before settlement is reached. They will further advise on whether approval of the City Bridge Foundation Board for City Bridge Foundation or otherwise of Finance Committee needs to be sought prior to settlement.
- 8.9 The Finance Director City Bridge Foundation for City Bridge Foundation and otherwise the Financial Services Director shall, to the extent he/she considers necessary, examine the final accounts or interim valuations for contracts and shall be entitled to make all such

enquiries and receive such information and explanations as may be required to satisfy the accuracy of the accounts (see section 24 of the Financial Regulations for further details).

SECTION 9. PAYMENTS OF ACCOUNTS

- 9.1 Payments shall be made, wherever possible, through City Corporation's Finance System and by the Bank Automated Clearance System (BACS). Where payment by BACS is not possible or practical then payment shall normally be made by cheque drawn through the City Corporation's Finance System or, in the case of payments of £1m or more, by the Clearing House Automated Payment Systems (CHAPS). Any payment of £1m or more paid via BACS or cheque must be authorised by the Corporate Treasurer in addition to the standard approvals.
- 9.2 Any payments where timing is crucial (e.g. certain property transactions) or where use of BACS would not be appropriate, may be processed by CHAPS or Faster Payment. This process should not be used for regular creditor payments. Payment by CHAPS or Faster Payment is available from the Chamberlain's Corporate Treasury Team.
- 9.3 Payments in foreign currency, or sterling payments to a non-UK bank account, shall be made as international payments via internet banking using the beneficiary's International Bank Account Number (IBAN) where possible together with their Bank Identifier Code (BIC, also known as a SWIFT code).
- 9.4 Payment requests in foreign currency or a sterling payment to a non-UK bank account should be made using the standard form which is available from the Chamberlain's Corporate Treasury Team and must be approved by an appropriate authorised signatory and submitted to the Corporate Treasury Team.
- 9.5 No officer shall be able to approve a requisition or purchase order that he/she has raised in the City Corporation's Finance System. The appropriate separation of duties shall be ensured by the maintenance of relevant responsibilities and purchase order approval hierarchies within the City Corporation's Finance System with the exception of system administrators.
- 9.6 The Data and Reporting Transactional Finance Data Team together with the Oracle Team, under the Chamberlain, shall be responsible for maintaining and updating the requisition purchase order approval hierarchy in the City's Financial Finance System. The Data and Reporting Team shall be responsible for maintaining and updating the Authorised Signatories List (ASL) and authorised signatories for PO exempt payments together with approval limits, however d Departments and service areas shall be responsible for informing the Transactional Finance Data and Reporting Team of required changes to the hierarchy/ASL list. Any additions to the ASL, or variations in an individual's approval limit, shall first be agreed by the relevant Chief Officer, or his nominee and the relevant Head of Finance. In addition the agreement of one of either, the Chamberlain, the Financial Services Director or the Corporate Treasurer is required if the proposed limit is £2m or above. In agreeing any proposed changes, regard shall be had to the size of the proposed approval limit, the grade of the member of staff concerned and any existing budgetary responsibilities that they may have.

- 9.7 The person named as the Requestor on the relevant purchase order is responsible for Goods Receipting in the City Corporation's Finance System to confirm that the goods/services/works have been delivered.
- 9.8 Payments for goods, services or works will follow the receipt of a valid/undisputed invoice and where the goods, services, or works have been delivered in full. Where officers consider it to be in the best interests of the City Corporation to make a payment in advance, such payments shall only be made if the appropriate authorisation below has been provided in writing in accordance with the table below. If at any time a significant risk or other concern is identified connected with an advance payment, notwithstanding the limits set out below, officers may remit the decision for guidance to Finance Committee for City Fund and City's Estate or for City Bridge Foundation to the City Bridge Foundation Board.

Cost of works, goods or services (excluding VAT) paid in advance	Authorisation Required
Up to £499,999	Head of Finance and Corporate Treasurer
£499,999 up to £999,999	Financial Services Director
£1,000,000 £999,999 up to £1,999,999	Chamberlain
£2,000,000 £1,999,999 or above	Finance Committee

For City Bridge Foundation in the above table the Financial Service Director should be replaced with the CBF Finance Director, the Chamberlain by the CBF Managing Director and Finance Committee by the CBF Board.

- 9.9 Before requesting advance payment, a short business case including the risks should the company not deliver is to be included with request for the advanced payment. It is noted that payments for rent, software licences, artists fees (50% in advance), or power connection by UK Power Networks, are paid in advance as a standard term for that industry. Unless officers have identified an additional concern or risk, the presumption should be that these can be paid in advance without application of the additional approval set out in para 9.8 above.
- 9.10 Payments in advance may be made by Purchase Cards (P-cards) without further authorisation provided P-cards are used in accordance with the P- card Policy.
- 9.11 Compliance with the P-card Policy is mandatory and non-compliance in certain circumstances may result in disciplinary action and instant removal of access to the P-Card.
- 9.12 The Accounts Payable Team is responsible for the payment of all invoices for goods and services. Invoices should be sent directly to the Accounts Payable team. Any invoices received by departmental officers must be forwarded to the Accounts Payable Team without delay.
- 9.13 All undisputed invoices must be paid within 30 days of receipt, but contractual terms may oblige the City Corporation to pay certain invoices sooner. The City Corporation aims to pay all sole traders and SMEs within 10 working days of receipt of a valid invoice.
- 9.14 Where contracts, valued more than £250,000 for payments to be made by instalments, all payments to contractors shall made on receipt of a valid VAT invoice and be accompanied by a certificate issued and signed by the City Corporation's designated officer, authorised

agent or consultant which confirms the value of work completed. Those contracts not subject to the issue of certificates, may be paid on invoices.

9.15 Receipting a purchase order (PO) or authorising payment of accounts (by way of approval workflow) in the City Corporation's Finance System will release invoices matched to that PO for payment on the due date. Before receipting a PO, officers must determine that:

- a) The goods, services or works to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards. Failure to comply may result in additional costs incurred by the department, where additional support is required by the Chamberlain to ensure corrective action(s) is taken.
- b) The receipt amount reflects the ordered value of goods received/services provided/works completed.
- c) Appropriate entries have been made in inventories or store records.
- d) Proper internal check procedures have operated in the examination of the account.
- e) The account has not been previously paid and is a proper liability of the City.

9.16 Before authorising payment of accounts by way of the City Corporation's Finance Systems approval workflow or email/signature (Authorised Signatories List) for services that are purchase order exempt, authorisers or other appropriate officers shall determine that:

- a) The goods, services or works to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards.
- b) The amount reflects the ordered value of goods received/services provided/works completed.
- c) Prices, extensions, calculations, discounts, other allowances and credits are correct, as expected or are otherwise reasonable.
- d) The expenditure has been properly incurred and is within the relevant estimated provision.
- e) The account has not been previously paid and is a proper liability of the City Corporation.

SECTION 10. IMPREST ACCOUNTS (PETTY CASH)

- 10.1 The Corporate Treasurer shall provide imprest accounts and may arrange for bank accounts to be opened for use by holders of imprest accounts but are not generally encouraged. Such bank accounts shall not be overdrawn.
- 10.2 No sums received on behalf of the City Corporation may be paid into an imprest account but shall be banked separately or paid to the City Corporation promptly as may be directed. Income and change floats shall be kept separately from the imprest cash at all times and shall not be used to fund cash expenditure.
- 10.3 Payments from imprest accounts shall be limited to minor items, the maximum value of which shall be £100; larger figures require the prior approval of the appropriate Head of Finance.
- 10.4 Expense claims for staff should be made through City People. Only if staff do not have access to City People should they use the petty cash claim form that can be found on the intranet.
- 10.5 All imprest/petty cash claims should be approved by a second officer (either the Head of Finance or their nominated officer) prior to reimbursing the claimant. This ensures a separation of duties is maintained between the person claiming the money and the person approving that payment can be made for appropriate spend.
- 10.6 All payments shall be supported by vouchers and all receipts, including a VAT receipt wherever appropriate. Payments made on behalf of the Commissioner of Police in pursuit of their operational responsibilities may exceed the maximum figure where specifically authorised by the Commissioner of Police.
- 10.7 A reconciliation of imprest accounts should be completed on a monthly basis by each department. At the end of the financial year imprest holders shall provide electronically the Chamberlain with certificates which must be sent to their Head of Finance promptly after the end of the appropriate financial year and include their approval in the covering email. The relevant Head of Finance shall review these certificates and ensure they reconcile to the general ledger. Once satisfied they should provide a copy to Corporate Accountancy electronically which will include their sign-off in the covering email.
- 10.8 Reimbursements of imprest accounts shall be made through the City Corporation's Finance System ordinarily at monthly intervals, following a full reconciliation of the imprest account and, in any event, frequently enough to maintain a sufficient amount of cash in the float to cover claims for the relevant bank account to remain in credit.
- 10.9 If an imprest account holder leaves the City Corporation's service, the relevant Chief Officer he or she shall advise the Corporate Treasurer of the name of the officer for whom responsibility has been passed, who in turn shall confirm that they are now taking responsibility for the imprest account. The Chief Officer shall also ensure that the account is reconciled before the existing account holder leaves to ensure an agreed starting position is passed to the new officer taking responsibility for the imprest.

- 10.10 Disbursements shall be limited to minor items of expenditure and specifically should not include expenditure which should form part of the payroll system, (e.g. clothing and car allowances), nor shall they include the encashment of personal cheques and the advancing of loans.
- 10.11 The only bank charges which should be incurred, in respect of imprest accounts operated via a bank account, are those in the normal course of operation of the account.
- 10.12 All Departments holding petty cash should ensure that, at all times, cash is adequately secured. As a minimum this should be in a cash box within a lockable drawer. Amounts in excess of £100 should be kept in a safe overnight.
- 10.13 Whenever any matter arises which involves or may suggest irregularities affecting a petty cash/imprest account, the relevant Chief Officer shall notify the Financial Services Director (or the CBF Finance Director if it relates to the charity), the Corporate Treasurer and Head of Internal Audit forthwith. This also applies in the event of any loss from the imprest account identified during reconciliation.

SECTION 11. TRAVELLING AND SUBSISTENCE CLAIMS

- 11.1** All claims for reimbursement of travelling, subsistence and minor personal expenses shall be made via the payroll system (self-service through the HR/Payroll System). Each claim shall be promptly submitted for payment through the HR system detailing the expenditure incurred, supported by receipts, dated, coded, and approved electronically by the appropriate authorising officer. Items or services purchased on behalf of the City must not be reimbursed through the HR System and instead where possible a Purchase Card (P-card) should be used to avoid the need for a claim. If it is not possible to make a payment using a P-card then the only alternative would be for a payment request claim to be processed via Accounts Payable within the City Corporation's Finance System. Officers making purchases on behalf of the City Corporation using their own funds should ensure they have prior approval otherwise this is at their own risk and it does not guarantee the claim will be paid out. Claims for reimbursement of travelling, subsistence and minor personal expenses should be submitted on a regular monthly basis and within three months of the date the expenditure was incurred. The reimbursement of claims falling outside of this timeframe will require the permission of the Chamberlain. Such permission will only be given following Chief Officer justification for the late submission of the claim. Claims for expenses, where more than six months has lapsed since the expenditure was incurred, will not be allowed.
- 11.2** Travel should be booked in accordance with the City Corporation's Travel Policy. The preferred method of payment for any business travel expenditure outside of a Corporate Contract or to be re-imbursed through Payroll up to £1,000 is a (P-card) in line with Section 8.4 of these regulations and the P-card Policy.
- 11.3** Claims with a total value of less than £100 (inclusive of VAT) may be reimbursed from petty cash where use of a P-card would be unsuitable or a P-card is unavailable i.e. outside of office hours or for one-off expenditure.
- 11.4** Copies of claims and VAT receipts must be kept by the claimant for audit and accounting purposes.
- 11.5** Every officer who receives a car loan or car allowance, whether casual or essential, must produce to their Chief Officer the registration document of the car, a valid certificate of insurance and an assurance to take all reasonable steps to maintain the car in an efficient and roadworthy condition. The Chief Officer shall be promptly informed of any subsequent changes to the above details.
- 11.6** All car allowances are to be paid through the payroll system.
- 11.7** The certification by or on behalf of the Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and all the requirements of the appropriate City scheme have been observed.
- 11.8** All travelling allowances paid shall be in accordance with the current provisions laid down by the City Corporation in the Business and Travel Expenses Scheme. All subsistence

allowances paid shall be in accordance with the current provisions laid down by the City Corporation in the Employee Handbook.

- 11.9 The payment of fees for individual membership of professional bodies shall be the responsibility of the member of staff to whom the individual membership relates. Consistent with the Subscriptions to Professional Bodies, Societies and Business Interest Groups employee policy, staff can, through the HR System, reclaim membership fees for approved professional bodies, a list of which can be found on SharePoint. Fees for corporate membership of professional bodies shall be paid by the Chamberlain's Accounts Payable Team.

SECTION 12. CUSTODY AND SECURITY OF ASSETS

- 12.1 Chief Officers are responsible for maintaining proper security and stewardship over all assets under their control in accordance with Standing Orders.
- 12.2 Chief Officers are responsible for the maintenance of registers for City Fund, City's Estate and City Bridge Foundation assets as follows:
- Property (Buildings and Land) – City Surveyor
 - Police Vehicles – Commissioner of Police
 - Other Vehicles – Executive Director of Environment
 - Exhibits – Assistant Town Clerk and Cultural and Visitor Development Director
 - Barbican Centre – Managing Director, Barbican Centre
 - IT Infrastructure – Chamberlain
 - Infrastructure – Director of Built Environment
 - Other Furniture and Equipment – relevant Chief Officers
- 12.3 All Chief Officers shall ensure that any information requested from them by the above registrars, for the purposes of maintaining the above asset registers, is provided rapidly and freely. Any acquisitions or disposals of assets (other than furniture and equipment) should be notified to the relevant registrar at the appropriate time.
- 12.4 Asset registers are required to itemise all City Fund assets which cost in excess of £1,000 and for those assets acquired since 1st April 1990, the date and cost of acquisition. In respect of all assets other than land and buildings, the information should be capable of being extracted from inventories. Although the Chamberlain is the statutory registrar for items of furniture and equipment, it is the responsibility of each Chief Officer to maintain inventories for all furniture and equipment within their control (there is no longer a requirement to provide separate registers of furniture and equipment items costing in excess of £1,000). Chief Officers shall provide a statement of items held at year end, to the Corporate Finance team on request.
- 12.5 The authority to acquire new or add to/enhance existing assets with a value in excess of £50,000 is subject to the Corporate Project Procedure or as otherwise required in accordance with standing orders.
- 12.6 A terrier (a record system for the City's land and property holdings) shall be maintained by the City Surveyor for all City properties, whether owned or leased. This should supplement the information required to maintain property asset registers for all Funds.
- 12.7 The Comptroller and City Solicitor is responsible for the safe custody of all deeds and lease agreements in respect of all properties owned or leased by each of the City's Funds.
- 12.8 For acquisition of property a completed acquisition statement shall be provided by the Comptroller to the Chamberlain (and also to the CBF Finance Director for City Bridge Foundation CBF properties) prior to the transaction being completed.

Disposal of Assets

- 12.9 Assets with a value in excess of £50,000 require approval of the relevant service committee or board before disposal. In addition, there is specific governance relating to the disposal of property within standing orders. Where acquisition of a number of assets has been aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc) then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centrally held reserves – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific Member approval. Any exception to this, for example if the asset was purchased from a ring-fenced fund, shall be agreed with the Chamberlain whose decision on this matter will be final.
- 12.10 Assets should be disposed of at Fair Value (or for any charity land on terms which are the best which can reasonably be obtained) – any proposal to dispose of an asset at below fair (market) value must be in consultation with the Chamberlain and Comptroller and City Solicitor and requires specific member approval. For assets under the control of City Bridge Foundation, consultation must also be sought with the Managing Director of City Bridge Foundation.
- 12.11 The Chamberlain must be advised of the disposal of capital assets before the year-end to ensure the accuracy of the City Corporation's published accounts for each Fund.

SECTION 13. INSURANCE

- 13.1 The City Corporation maintains insurance cover to limit the financial impact of the consequences of unforeseen events leading to the loss or damage of the City's assets or claims for injury loss or damage being made against the City.
- 13.2 The Chamberlain shall procure and maintain all appropriate insurance policies and will manage all claims within the policies, in consultation with other officers as necessary.
- 13.3 Chief Officers shall notify the Chamberlain's Insurance and Risk Management Team promptly of all new risks, assets or material changes relevant to the City's insurance programme. This may include, but not be limited to:
- Significant organizational changes, responsibilities and practices e.g. major in/outsourcing.
 - Additions, loans and disposals of assets, including properties, contents, stock and equipment, plant, vehicles, works of art and heritage assets etc.
 - Contract works, changes of use and occupancy of properties.
 - Travel outside of the UK or involving an overnight stay on the business of the City Corporation.
 - Major events, collaborations.
- 13.4 Chief officers shall maintain and provide up to date insurance values for the assets insured.
- 13.5 Chief Officers shall immediately notify the Chamberlain's Insurance and Risk Management Team of any loss, potential liability or damage to third parties or to City property that may lead to a claim and take appropriate action to prevent further losses occurring. All officers and staff must comply with the relevant terms and conditions of the insurance policies and provide assistance in the investigation of any claim within the specified timescales, as required. No admission of liability or offers of payment should be made that may prejudice the assessment of liability in respect of any insurance claim.
- 13.6 No Chief Officer shall enter into any indemnity which the City is required to give unless the terms thereof have been approved by the Finance Financial Director of City Bridge Foundation for City Bridge Foundation, or otherwise by the Financial Services Director and also by the Comptroller and City Solicitor or their named delegated officer.
- 13.7 The Chamberlain's Insurance and Risk Management Team shall be notified immediately that any valuables belonging to a private individual are taken into the Corporation's possession so that directions may be given as to their recording and safe keeping. The term "valuables" shall include watches, jewellery, cash, documents, goods, chattels or any other items of intrinsic value. It does not apply to "lost property" of a low value.

SECTION 14. SECURITY AND DATA PROTECTION

- 14.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, information etc. under their control (see also Financial Regulations concerning Inventories Section 19). In this respect, he or she shall inform the Financial Services Director or Head of Internal Audit and the Security Board, where appropriate, immediately where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 14.2 Maximum limits for cash holdings shall be agreed with the Chamberlain's Head of Internal Audit and shall not be exceeded without their express permission.
- 14.3 Cash carrying limits shall be in line with insurance policy conditions. Reference should be made to the Insurance and Risk Management Team for current policy conditions.
- 14.4 Keys to safes and similar receptacles are to be the responsibility of designated officers and are to be kept secure at all times. Loss of any such keys must be reported to the Corporate Treasurer or Head of Internal Audit. Duplicate keys to all safes are to be held in a place approved by the Chamberlain's Head of Internal Audit and locked away for use in the case of emergency only.
- 14.5 Chief Officers should ensure that all staff are aware of the arrangements which the City has in place for the proper control and management (including retention) of all information owned by, or otherwise under the control and management of, the City and held in any format (e.g. paper, electronic, microfiche, etc.). Chief Officers should ensure that all members of their Department are aware that information concerning secret and confidential matters or personal **data** information must not be disclosed in any way except to persons entitled to receive such information and in such cases with appropriate safeguards. All staff are expected to be familiar with the Employee Handbook, have completed relevant mandatory training (including IT security and data protection training), and be familiar with their own department's policies and procedures.
- 14.6 All staff, including temporary, contract or agency staff, are required to comply fully with the requirements of the Data Protection Act 2018 (DPA) and the United Kingdom General Data Protection Regulations (UK GDPR). Chief Officers, (who are each "Responsible Officers" for the purposes of the DPA and UK GDPR) each have particular responsibility for implementing appropriate measures and maintaining proper safeguards to ensure the security and the appropriate degree of privacy of all personal data held within their departments, whether electronically or in other formats. The City's Director of Digital Information and Technology and the City's IT Information and Security Director (who are each "Responsible Officers" for the purposes of the DPA and UK GDPR) each have similar obligations relevant to their role.
- 14.7 In particular, Responsible Officers are required to implement "privacy by design and default", to comply with the six data protection principles under the UK GDPR, and to maintain appropriate records, including Records of Processing Activities (ROPA) and, where appropriate, undertake Privacy Impact Assessments (PIA). Where processing is contracted out to third parties then the requirements for data processors must also be complied with.

- 14.8 The City Corporation's Director of Digital Information and Technology shall agree with Chief Officers, consulting as appropriate with the Chamberlain's IT Audit Manager, the degree of privacy and security to be applied to IT Systems. The IT Information and Security Director shall then be responsible for maintaining proper security and the agreed control of access the systems to maintain the privacy or confidentiality the information held on those systems where he is responsible for development, support or operation of those systems. Chief Officers are responsible for maintaining such standards within their own departments.
- 14.9 Chief Officers should ensure that all staff within their department who use IT and communication storage devices (e.g. desktop PCs, laptops, PDAs, smart phones, mobile phones, etc.) are aware of, and adhere to, the current IT security requirements and Internal Audit Guidelines. All new employees should be briefed as to the security policies and procedures that are applicable to them, including the implications of relevant legislation.
- 14.10 Prior to the employment of temporary contract, or agency staff, each Chief Officer should ensure that they receive written confirmation from such staff that they understand and agree to conform to the Rules for the Use of City Information Technology Systems (IT) Facilities. System access will be provided by the IT Service Desk. Line of Business Application (LOB) access may require authority to access the specific information from the relevant business system administration team.

SECTION 15. INCOME & BANKING ARRANGEMENTS

- 15.1 The systems effecting the collection of all money due to the City Corporation shall be approved by the Chamberlain.
- 15.2 All banking arrangements shall be made by or subject to the prior approval of the Chamberlain.
- 15.3 The Chamberlain shall be notified promptly of any event where income potential will arise to the City Corporation. In such instances the Chamberlain shall be consulted prior to any contracts, leases and other agreements and arrangements being entered into which involve the receipt of money by the City Corporation, and the Chamberlain has the right to inspect any document or other evidence in this connection as he or she may decide. For the City Bridge Foundation, the CBF Finance Director shall also be notified and consulted and shall be responsible for liaising with responsible Chamberlain's colleagues.
- 15.4 Each Chief Officer shall ensure the use of City Corporation's Finance System for the raising of debtor invoices and the recording of data in respect of miscellaneous invoiced income, unless otherwise directed by the Chamberlain.
- 15.5 Departments shall ensure that arrangements are in place for the regular and frequent reconciliation of amounts collected to the general ledger.
- 15.6 All income must be accounted for separately and never credited to an expenditure code. In particular, proceeds from the disposal of assets are not to be off set against expenditures.
- 15.7 All income, whether cheques, notes or coins received by an officer on behalf of the City shall, without delay, be recorded including a reference to the related debt, such as the receipt number, the name of the debtor, details of any cheques or other indication of the origins of the income, and (unless otherwise directed by the Comptroller and City Solicitor) paid intact into a designated bank account. This shall be done at regular intervals and in a manner as directed by the Chamberlain.
- 15.8 Every officer who banks money shall enter on the paying-in slip their name, their contact telephone number and/or email address, and the number of cheques being paid in (if any). Every officer paying in money should also ensure that the standard electronic form is completed and submitted to the Chamberlain's Income Allocation Team (in Corporate Treasury) on the day of banking to facilitate the correct coding of the banked monies.
- 15.9 Cash payments are not encouraged, except where necessary and officers must ensure that cash payments are not accepted for individual transactions which exceed the threshold of 10,000 euros (set by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/292)) which came into force on 26 June 2017.
- 15.10 Departmental procedures for accepting cash, cheques or credit cards tendered in respect of the sale of goods, materials or services by the City shall be agreed by the Chamberlain.

- 15.11 All cheques and similar documents (but excluding cheques drawn on authorised imprest accounts) shall be ordered only on the authority of the Chamberlain, who shall make proper arrangements for their safe custody.
- 15.12 Cash holdings on premises shall be kept to a minimum, in safes or locked receptacles appropriate for the value being held with regard to the insurance limits. The average and maximum values held in safes must be notified to the Insurance and Risk Management team.
- 15.13 Money held on behalf of the City Corporation shall be kept separately from personal funds and shall not be used in any way for personal purposes.
- 15.14 Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving officer.

VAT

- 15.15 Chief Officers shall ensure that the form of any sundry debtor invoice, or other equivalent document used in the collection of VAT, is approved by the Chamberlain prior to use.
- 15.16 For all new income streams advice should be sought from the City's VAT Accountant to determine the appropriate VAT liability. A guide for VAT can be found on the Intranet.

Irrecoverable Debts

- 15.17 No debt shall be written off, with the exception of small balance write-offs, without first obtaining the approval from either the Assistant Director Financial Shared Services or the Chamberlain. Any such amounts relating to City Bridge Foundation should also be reported to the CBF Finance Director. The current levels of authority are set out in the Scheme of Delegations to Officers under the Chamberlain. Under Standing Order 52. ~~Write write~~ offs may be approved for a variety of reasons, among the more usual are:
- a) Insufficient legal proof of the debt or liability for the charge.
 - b) Probable expense of legal action in excess of amount to be recovered.
 - c) Debtor cannot be traced.
 - d) Debtor with insufficient means or assets.
 - e) The debt represents the balance outstanding after a final dividend has been paid in bankruptcy or insolvency cases.
- 15.18 Chief Officers shall maintain relevant documentation to support the validity of the write-off, confirming that action has been taken to mitigate the loss. Where a series of debts are proposed to be written off at the same time, their aggregate value shall be used when considering authority required for the write-off under Standing Order 52.

Fees and Charges

- 15.19 When determining fees and charges to persons or external organisations, all departments should recover full costs or submit reasons to the appropriate Service Committee when that objective is not met. The Duty to recover costs must be subject to any other overriding

statutory provision e.g. Freedom of Information Act 2000 or in the case of any charities for which the City Corporation is Trustee subject to any decision taken by the Trustee where it is determined after proper consideration to be in the best interests of the charity in furthering the charity's objects for the public benefit not to seek full cost recovery.

15.20 Charges and the charging rationale should be reviewed regularly (e.g. annually). The review of charges should be reported to Committee unless discretion is specifically delegated~~awarded~~ to Chief Officers.

15.21 Should consideration be given to offering goods or services in the form of a benefit-in-kind to a third party, the relevant policy on benefits-in-kind should be followed both prior to making the decision to provide goods or services at a reduced or nil charge, and in subsequent monitoring of this decision.

Charitable Grant/Voluntary Income or Property (including charitable grants, gifts and bequests)

15.22 For all charities for which the City Corporation is Trustee regard must be had to the current version of the Charities SORP in relation to the acceptance of grants or other forms of voluntary income or property (whether by way of grant, gift, bequest etc or whether free of, or subject to, restrictions) regard must also be had to the Charities Commission guidance on refusing or returning donations¹. It is generally the case that donations should be accepted and kept, but in some circumstances and in the best interests of the charity the Trustee/s may be obliged to refuse or return a donation (e.g. where the donation is from an illegal source or has illegal conditions attached, is from a donor with lack of mental capacity or where the donor does not own the donated property); there are some other circumstances which should also mean the benefits and risks of accepting the donation should be weighed to establish whether it is in the best interests of the charity to accept, with the decision making process recorded. Appropriate records must be kept and all decisions should be made in the best interests of the charity. ~~Such income is classified as a 'non-exchange' transaction.~~

15.23 The recognition of grant/voluntary income and property within the accounts of each charity must follow the general rules of recognition, considering the criteria of entitlement, probability and measurement (SORP 5.8).

15.24 Recipients of such voluntary income or property must be mindful as to whether it can be used for any purpose of the charity or is restricted to a specific purpose, or any unusual conditions that may need to be considered as part of the acceptance process detailed in para 15.22 above. Advice should be obtained from the City Bridge Foundation, Charities Finance Team and the Comptrollers and City Solicitors department where either restrictions are being considered or any other form of agreement is to be entered into with a donor/(s).

15.2415.25 Acceptance or refusal (disclaimer), of funds or property will require a decision of the City Corporation which must be taken in accordance with the approved corporate governance framework which may require committee approval where the decision is not within the delegated authority of a Chief Officer.

¹ Accepting, refusing and returning donations to your charity - GOV.UK

SECTION 16. PARTNERSHIPS

- 16.1** When entering into collaborative arrangements, be they partnering, partnership agreements, joint venture arrangements or other forms of sponsorship, each Chief Officer shall undertake an initial due diligence exercise to ascertain which form of collaboration is being proposed. Based on this initial scoping exercise, the relevant collaboration proposal will need a risk management appraisal to ensure that the City Corporation's interests are protected and appropriate financial (including fiscal) and legal advice needs to be sought from both the Chamberlain and the Comptroller and City Solicitor. Chief Officers shall ensure that:
- a) Involve Commercial Services where appropriate and necessary select routes to choose an appropriate partner, this is especially important if the partnership could result in a contract.
 - b) Consult with the Chamberlain to ensure expenditure and income transactions are correctly accounted.
 - c) An appropriate exit strategy is in place.
 - d) Where necessary, proposed contractual and other relevant agreements are approved by the appropriate Service Committee, and where the Town Clerk considers necessary, approval is also received by the Finance and/or Policy and Resources Committees, prior to the conclusion of any negotiations with external bodies; and
 - e) Details of each collaborative arrangement must be forwarded to the Town Clerk for inclusion within a corporate database.
- 16.2** Within three years of the start of a collaborative arrangement (partnering or partnership agreement or sponsorship agreement as the case may be), each Chief Officer shall ensure that the ongoing costs, benefits and risk management issues are reported to the appropriate Service Committee with reference to applicable corporate objectives and agreed project outputs. Further reporting is to be carried out at intervals of three years for as long as the relevant arrangements remain active.
- 16.3** Information on the Concession Contracts can be found in the Procurement Code – please see both Part 1 (Rules) and Part 2 (Guidance).

SECTION 17. GRANT-MAKING

- 17.1 Grants made by the City Corporation are frequently voluntary payments made to further the purposes of a grant-making charity. The City Corporation also makes grants from its private funds (City's Estate). Grants can be made to either fund the general purposes of the recipient or for a specific activity or service. A grant may be unconditional, or subject to conditions which must be met before the recipient is entitled to the payment.
- 17.2 All grants awarded from charitable funds managed by the City Corporation shall be made in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. This requires the full value of a grant award/commitment to be recorded as expenditure when a constructive obligation exists. Such an obligation exists when the grant-making charity creates a valid expectation on the part of the recipient that the full grant will be paid. Although grants are non-contractual, a liability still arises if the charity has no realistic alternative but to provide the funding. A grant may be made subject to binding terms and conditions under an agreement.

~~17.3 Evidence of constructive obligation for a grant may exist where:~~

- ~~a) The commitment made is specific i.e. an amount is approved to fund particular services/activities to a named organisation.~~
- ~~b) The commitment offer is communicated directly to the recipient before our financial year end (31 March). Such communication is expected to be a formal offer in writing, approved in line with the relevant delegations of authority operated by the Service Committee involved.~~
- ~~c) There is an established pattern of practice that the grant maker will meet its commitments giving rise to a legitimate expectation of funding being received~~
- ~~d) Where a grant commitment is payable over a period of more than one year, a liability must be recognised in the fund charity's accounts for the full amount of the grant, unless conditions exist for payments falling due after the financial year end. Grant awards/commitments can be made which give the funding charity the discretion to avoid future payments based on their assessment of whether the conditions attached to the full commitment will be/have been met by the grantee. The inclusion of any such conditions must be communicated to and agreed with the grantee at the time or the outset of the arrangement~~
- ~~e) Not all conditions attached to a grant award/commitment create a situation that gives the grant making charity discretion to withdraw from its funding obligation. A requirement for a grantee to provide ongoing reports throughout the life of the project being funded is not sufficient to prevent future years' funding from being recorded upfront as expenditure. Where payments for later years are subject to performance-related conditions, that would allow the funding charity to legitimately withdraw from its commitment if these are not met, this would enable the funder to recognise part of the grant only at the initial point of approval.~~

~~An example being 4-year grant of £400,000 approved, payable evenly across the grant period:~~

- a) ~~Only condition is that annual management accounts for the project are provided—accounting treatment: full £400,000 recorded as expenditure in the month of approval by the relevant Service Committee.~~
- b) ~~Condition states that at the end of year 2, performance of the grant will be reviewed externally. Satisfactory results will need to be achieved against the stated objectives for the grant to continue—accounting treatment: £200,000 recorded as expenditure in the month of approval by the relevant Service Committee, with the remaining £200,000 recorded as expenditure if/when satisfactory results are approved against objectives.~~
- c) ~~The payments that are made against grants awarded/ committed will be coded to a balance sheet liability account. At any point in the lifetime of a grant, the amount still due to be paid to the grantee will be recorded in the finance system as an outstanding liability.~~
- d) ~~Any amounts not paid out at the end of a grant—i.e. balances left as an outstanding liability—should be written back against grant expenditure. Confirmation of write-backs should be approved by the relevant Service Committee.~~
- e) ~~Reconciliations of grant liabilities to underlying systems/data should be produced on a regular basis, determined by the value and volume of grants being committed. Discussions on the validity of outstanding liabilities should be held with the relevant service department, with adjustments agreed in line with department held grant-making policies.~~

47.417.3 All grants awarded from non-charitable funds managed by the City Corporation should aspire to follow recommended practice as established within the Charities SORP (unless grants are awarded by the Corporation acting as a local authority, in which case the CIPFA Code of Practice should be followed), with reasons submitted to the appropriate service committee when this practice is not followed. Advice should be taken from the Central Grants Unit (CGU) Central Funding and Charity Management Team (CFCMT) if consideration is being given to not following the SORP guidance. All grants should initially be recorded as a balance sheet liability with payment instalments coded to the balance sheet liability account and unpaid amounts recorded as a balance sheet liability.

17.4 Grants managed by CBF and CFCMT are recorded on the Salesforce Grant Management system and key controls include:

- a) A grant management manual is maintained and regularly updated by the CBF Funding team, with principles adopted by CFCMT.
- b) Delegated authority process for grant approvals, including consideration of conflicts of interest, for each grants programme.
- c) Weekly payment reconciliations are performed between Oracle payment reports and Salesforce payment requests.
- d) Regular (at least quarterly, monthly for more active grant making programmes) balance sheet and expenditure reconciliations between Oracle and Salesforce.
- e) System-generated controls over payment approvals for grant instalments.
- f) An assumption that all grants are paid in quarterly instalments over the life of the grant, with documentation and approval required to be recorded on Salesforce for any changes to this arrangement.

17.5 The City Corporation also makes grants from its non-charitable funds to other organisations to undertake works that deliver a corporate outcome, such as capital grant funding to the

Museum of London to relocate to the Smithfield Market site. Approval to such funding requires the authority of the Policy and Resources Committee or Capital Buildings Committee as appropriate.

SECTION 18. SALARIES, WAGES AND PENSIONS

- 18.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees and pensioners of the City Corporation shall be made by the Chamberlain or under arrangements approved by them.
- 18.2 Each Chief Officer, or their authorised representatives, shall notify the appropriate HR Business Partner as soon as possible, and in the prescribed form, of all matters affecting the payment of such emoluments. They will then update City People or complete a Pay 2 form as appropriate. In particular, such matters will include:
- a) Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - b) Absences from duty, apart from approved leave, as laid out in the Employee Handbook. Sickness absence should be entered by managers directly onto [City PeopleTrent](#).
 - c) Changes in remuneration and pay awards and agreements of general application.
 - d) Information necessary to maintain records of service for superannuation, national insurance, income tax, etc.
- 18.3 All appointments of permanent employees shall be made in accordance with the regulations of the City Corporation and the approved establishments, grades and rates of pay. The creation or re-designation of any post requires prior approval in accordance with the Schemes of Delegation as published by the Town Clerk, for City Corporation Departments and the four City Schools. Any changes to existing or new posts made in line with this regulation must be notified to the appropriate HR Business Unit to be entered on the HR system.
- 18.4 All pay amendments and time records shall be in a form approved by the Chamberlain's Payroll Manager, this may include emails from Human Resources authorising changes. Changes shall be notified to the Chamberlain's Payroll Manager as they occur.
- 18.5 All Line Manager's engaging [consultants](#) on behalf of the City Corporation are required to complete the HMRC's Employment Status Service tool. The tool must also be used to ascertain the employment status of other off-payroll workers who do not fall under IR35 but should be engaged on a fixed term contract or variable contract due to the nature of the work.

SECTION 19. INVENTORIES

- 19.1** The Chief Officers shall ensure that inventories of all assets are maintained by their Department. An inventory is a detailed list of assets. "Assets" shall be taken to mean furniture, fittings and equipment, plant, machinery and the City Corporation's treasures. Assets that are being rented or leased on a long-term basis, or such that the responsibilities of stewardship lie with the Department, should also be included in the inventory. Generally, items with a lifespan longer than one year should be included, unless they are already recorded on a formal stock record system.
- 19.2** The inventory should be in the form of a permanent document. It is important to ensure that the inventory is complete and that all parts of it are kept together. The inventory can be in any media, except index cards.
- 19.3** The inventory should provide the following information for each item:
- a) Location, but if the item is moved between locations, note the general area (a separate record of location may well be necessary).
 - b) Full description
 - c) Serial and code numbers, if relevant
 - d) Date of purchase and cost of acquisition
 - e) Estimated current replacement value (for insurance purposes), which should be reviewed annually
 - f) Date of disposal and the proceeds; and
 - g) The total of all the estimated current replacement values should be shown, so that the information is readily available for insurance purposes.
- 19.4** Where practical, the inventory should be updated each time there is an acquisition or disposal. This will produce a more accurate record than if all the amendments are done at the end of the year.
- 19.5** Each Chief Officer is responsible for ensuring that an annual check is carried out of all items on the inventory and for taking action in relation to surpluses and deficiencies. If any discrepancies are found when checking the inventory, these should be followed up until reasons have been found. If the result of these findings is that an item has to be removed from the inventory, then the appropriate authorisation should be sought. If the item concerned is valued at more than £50,000, then Committee approval should be sought for any such write-off in accordance with Financial Regulation 19.6 below. The inventory should then be amended accordingly.
- 19.6** The disposal of any item of inventory shall comply with the City Corporation's agreed disposals procedures items of inventory with an estimated disposal value in excess of £50,000 must be approved by the appropriate Committee. Where the acquisition of an asset was aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc) then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centre – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific Member approval.

- 19.7 It is important that at least one copy of the of the inventory is held separately from the assets that it lists, so that if a disaster occurs to the Department or the Guildhall, then all information is protected for insurance purposes, in the event that items need replacement. If provision has been made for a business continuity box, as part of the Corporation's disaster recovery plan, then this would be the ideal location for a copy of the inventory. For inventories that are kept on computer disk, backup copies should be kept in a fireproof cabinet in a separate location to the computer.
- 19.8 All assets, other than for furniture and equipment, which cost in excess of £5,000 are required to be separately notified to the appropriate registrar for inclusion in the asset register. The Chamberlain, in their statutory capacity as registrar for furniture and equipment, may request inventories to be sent to them at 31st March in any one year.
- 19.9 The City Corporation's property shall not be removed or used otherwise than in accordance with the ordinary course of the City Corporation's business or purposes except in accordance with specific directions issued by the Chief Officer concerned.

SECTION 20. STOCKS AND STORES

- 20.1 Each Chief Officer shall be responsible for the proper care and custody of the stocks and stores under the control of their department and shall maintain proper records in such a form and the extent as may be agreed from time to time by the Financial Services Director. This includes any merchandise held for resale.
- 20.2 Chief Officers shall ensure that a count and valuation and reconciliation of all stocks and stores held in their departments is carried out, either continuously, or on or about the 31st March each year. The Financial Services Director, however, may dispense with this requirement in cases where the value of the items held in store is less than £50,000 in total.
- 20.3 Checks and reconciliations of all stocks and stores, should wherever possible be undertaken in the presence of a person independent of the keeping of the stores concerned.
- 20.4 All items of stock, other than PC equipment, found to be surplus are to be disposed of at the best prices available by sale, exchange, internal transfer or scrapped. In respect of PC equipment, this is to be disposed of in accordance with the procedures detailed on the appropriate Intranet page as maintained by Digital Information and Technology Services.
- 20.5 The return of all goods to suppliers shall be authorized by the appropriate Chief Officer or their authorised representatives. In each instance officers are only to release such goods when they are, certain that the return has been properly authorised, satisfied that the collection company has been previously notified to them, and that they are in receipt of appropriate return note documentation.

SECTION 21. MOTOR VEHICLES

- 21.1** All departments operating vehicles shall maintain records listing details of all motor vehicles under their control whether owned by, hired by or leased to the City. Each Chief Officer shall ensure that all such information concerning vehicles under their control is supplied to the Executive Director of the Environment who is responsible for maintaining an asset register for City Corporation owned vehicles. The Commissioner of Police shall also maintain a register of his vehicles.
- 21.2** Chief Officers may acquire and dispose of any vehicle provided they comply with the Procedure for the Purchase and Disposal of City Corporation Vehicles. City Corporation vehicles should be registered on the City's fleet management system, except for City of London Police vehicles. For security reasons the City Police run their own fleet system and their vehicles should be registered with their systems.
- 21.3** The registration documents of all City Corporation owned vehicles shall be recorded and held in safekeeping in a manner approved by the Financial Services Director.
- 21.4** Each department hiring or leasing vehicles shall maintain adequate records evidencing the terms of the hire or leasing agreement.
- 21.5** No vehicle shall be used otherwise than in accordance with the ordinary course of the City Corporation's businesses or purposes without the prior permission of the Chamberlain. Such permission is only to be given in exceptional circumstances upon presentation of a written report providing justification.
- 21.6** A vehicle trip log shall be kept for all motor vehicles which require a road fund licence. This should show as a minimum the milometer readings at the beginning and end of the trip, the reasons for the trip, and the name of the driver officer in charge of the vehicle during the trip. Chief Officers shall be responsible for ensuring that milometer readings are continuous.
- 21.7** Where a department has its own fuel pump, comprehensive records shall be maintained of all deliveries and issues.
- 21.8** The proceeds from the disposal of fleet vehicles previously purchased through a capital project shall accrue to centrally held reserve and may not be used for other purposes such as supplementing local risk budgets.

SECTION 22. ENTERTAINMENT & HOSPITALITY

Hospitality

- 22.1 Acceptance of gifts or tokens by employees from persons who have, or may seek to have, dealings with the City Corporation are dealt with through the Employee Handbook – Code of Conduct – Hospitality & Gifts.**
- 22.2 All other business expenses (business assets) should be purchased via purchasing cards/petty cash.**

Entertainment

- 22.3 All business entertainment expenses must be incurred in accordance with the City Corporation's Business Travel Policy and Travel and Subsistence Policy which can be found on SharePoint.**

SECTION 23. DOCUMENT RETENTION

- 23.1 There is very little specific legislation that prescribes retention of document periods for financial documents in Local Government. Where specific legislation does apply to specific documents, the minimum retention period has been outlined below. In general, for audit purposes, all original records should be retained for at least 18 months after the end of the financial year to which they relate. For example, a document created on 1 June ~~2024~~²⁰⁰⁹ should be held until 31 September ~~2026~~²⁰⁰² as a minimum.
- 23.2 In addition, the permanent retention of “key records relating to building and engineering works such as surveys, site plans, drawings, bills of quantities, contract documents, including those which relating to major projects which have been abandoned or deferred, deeds, lease documents, insurance policies, inventories, valuations”.
- 23.3 No specific legislation, except that relating to VAT, covers the format in which Local Government records are retained. If a department wishes to consider electronic storage, it should ensure that it complies with the British Standard Code of Practice for Legal Admissibility and Evidential Weight of Information Stored Electronically (PD0008:1999), and the section on Microfilming and Electronic Storage at the end of this section.
- 23.4 Departmental policy for the retention or destruction of financial records shall be approved by the Chamberlain or his/her designate, subject to the overriding requirements of the Director of London Metropolitan Archives and relevant legal requirements which apply. Details of the minimum periods for which certain records are to be retained, and guidance as to microfilming and the electronic storage of data, are provided below.
- 23.5 There are legal requirements pertaining to charity financial records retention. In summary for charitable trusts, the City Corporation as the charity trustee is required to keep accounting records that are sufficient to: show and explain all the charity's transactions; and disclose at any time, with reasonable accuracy, the financial position of the charity. These accounting records must contain: (a) entries showing from day-to day – all sums of money received and expended by the charity, and the matters in respect of which such receipt and expenditure takes place (e.g. cash books, invoices and receipts); and (b) a record of the charity's assets and liabilities. These accounting records, together with the accounts ~~and annual reports~~ prepared from them, are to be preserved for at least six years from the end of the financial year in which they are made (refer ss 130, 131 and 134 of the Charities Act 2011). Otherwise, all other records should be retained for the minimum periods as set out below in accordance with corporate standards.

Rates, Community Charge and Council Tax Records

- 23.6 Apart from archival uses, legal requirements make it necessary to retain details of payments etc. over a six-year period (Limitation Act 1980).

Record	Relevant Statute	Minimum Period of Retention
Valuation Lists	General Rate Act 1967	Permanently
Valuation Officer's Direction Lists	General Rate Act 1967	Permanently
Primary Rate Records		10 Years
Supporting Documents to Primary Rate Records		6 Years
Bailiff's completed Receipt Book		10 Years
Rating Lists	L.G. Finance Act 1988	Permanently
Schedules to Rating Lists	L.G. Finance Act 1988	Permanently
Community Charge register	L.G. Finance Act 1988	Permanently
Canvass Form		6 Years
Primary Comm. Charge Records		10 Years
Supporting Documents to Primary Community Charge Records		6 Years
Council Tax Valuation Lists	L.G. Finance Act 1992	Permanently
Schedule to Valuation Lists		Permanently
Primary Council Tax Records		10 Years
Supporting Documents to Primary Council Tax Records		6 Years

Housing Rental Records

Record	Relevant Statute	Minimum Period of Retention
Housing Property File / Ledger		6 Years
Housing Primary Rent Collection		6 Years
Records (including rebates and refunds)		6 Years
Other Subsidiary Records		After external audit but a minimum of 18 months after the end of the financial year.

General Income (other than Rates, Community Charge and Council Tax)

In general, once an account has been paid there is no need to keep supporting records after the external audit has taken place, except for VAT income accounting purposes (see below).

Record	Relevant Statute	Minimum Period of Retention
Primary Periodical Income Record		3 Years
Primary debtors record		Currency of record or 6 years, whichever is the longer
Supporting documents to 1 & 2 above		3 Years
Assessment files (dead case)		After external audit but a minimum of 18 months after the financial year
Domestic Help Timesheet		2 years after completion of external audit
Income Returns from Departments		1 years after completion of

		external audit
Completed receipt books & other documents		6 Years (see VAT section)
Cash Register till rolls		6 Years (see VAT section)

<u>Housing Act Advances</u>		
Car Loan Repayments, Private Street Works, Public Health Acts etc - payments by instalments over a period of years		Basic information to be retained 12 months after completion of payment.

All Assessment Records

(for a particular year)

Record	Relevant Statute	Minimum Period of Retention
Including Rent Allowances & General Income		3 Years
Council Tax and Housing Benefits	Limitation Act 1980	6 Years
Community Charge Benefits	Limitation Act 1980	6 Years

Expenditure Records

Record	Relevant Statute	Minimum Period of Retention
Register of Tenders & Quotations		Currency of records, or 6 years for dead cases
Contract Documents (where contract is under seal)	Limitation Act 1980	12 Years
Contract Documents (where contract is not under seal)	Limitation Act 1980	6 Years
Unsuccessful quotations & tenders		A minimum of 12 months after the start of the contract
Contract Register		Indefinitely
Contractors' Final Account Documents	Limitation Act 1980	12 Years
Requisitions for supplies / works		After external audit but a minimum of 18 months after the end of the financial year
Official Copy Orders		6 Years (see VAT section)
Delivery Notes		6 Years (see VAT section)
Periodical Payments Register (dead cases)		3 Years
Paid Accounts / Purchase Invoices		6 Years
Paid Cheques including Giro cheques (presented)		After external audit but a minimum of 18 months after the end of the financial year
<u>Costing Documents</u>		
Stores prime records		

Haulage prime records		After external audit but a minimum of 18 months after the end of the financial year
Postage returns		After external audit but a minimum of 18 months after the end of the financial year
Inter-departmental account transfer		End of the financial year
Petty cash voucher		6 years
Detailed expenditure tabulations (final tabulations)		6 years
Year-end costing and financial tabulations		3 years
Rechargeable work job orders		3 years

PAYROLL

Record	Relevant Statute	Minimum Period of Retention
Timesheets including Bonus Sheet Car Allowance claims		After external audit but a minimum of 18 months after the end of the financial year
Other staff returns (e.g. overtime allowances)		After external audit but a minimum of 18 months after the end of the financial year
Payrolls (in whatever final form)		3 Years
P11 & P35 returns		3 Years
Individual pensioners files		Currency of record, 12 months after case has been cleared after death
Pensions payroll		3 Years
Superannuation		
Register of Contributors and Contributions	Local Government Superannuation Act	Indefinitely
Transfer Value documents		Indefinitely
Register of Pensioners		Indefinitely
Quinquennial Valuations - all papers and records		Indefinitely
Half-Year tabulations of employees superannuable pay and contributions		6 Years

OTHER ACCOUNTING RECORDS

General Accounting Records	Relevant Statute	Minimum Period of Retention
Bank Pass-Book sheets		7 Years
Receivership Records		7 Years
Cashier's Collection & Deposit Book		7 Years
Cashier's Petty Cash		7 Years
Imprest Account		7 Years
Post-dated cheques register		7 Years
RD Cheques register		7 Years
Cheques (blank) register		7 Years
Unpaid wages book		7 Years
Deceased Persons Effects Register		Indefinitely
Records of patient's property handed in for safe custody and property held under Section 48 National Assistance Act 1948		6 Years after the end of the financial year in which the property was disposed

Investment Records	Relevant Statute	Minimum Period of Retention
Register of holdings		Indefinitely
Bought and sales notes when holdings disconnected	Limitation Act 1980	6 Years

Loan Records	Relevant Statute	Minimum Period of Retention
Register of Bonds / Mortgages		Indefinitely
Copy Bond Certificates		6 Years after redemption of bond
Temporary Loans Register	Limitation Act 1980	After external audit but a minimum of 18 months after the end of the financial year

Insurance Records	Relevant Statute	Minimum Period of Retention
Register of Insurances		Indefinitely
Insurance Policies (discontinued)		Indefinitely

Financial Administration Records	Relevant Statute	Minimum Period of Retention
Controlled stationery register		Indefinitely

VAT RECORDS

All records relating to VAT (detailed below) VAT Act 1994: **6 Years**

Type of Record	Detail
Business and accounting records	<p>Orders and delivery notes</p> <p>Relevant Business correspondence</p> <p>Purchase and sales books</p> <p>Cash and other accounts books</p> <p>Purchase invoices and copy sales invoices</p> <p>Record of daily takings e.g. till rolls</p> <p>Annual Accounts</p> <p>Import and export documents</p> <p>Bank Statements and paying in slips</p> <p>A VAT account</p> <p>Any Credit or debit notes issued or received</p>
A VAT Account	An account summarising the totals of the output tax and input tax for each period.
Copies of all VAT invoices issued	A copy of all VAT invoices must be retained either on paper, computer or other media and should be readily available for inspection.
All VAT invoices received	A copy of all VAT invoices must be retained either on paper, or computer or other media and should be readily available for inspection.
Documentation relating to acquisition of goods from other EU countries	All documents must be retained either on paper, computer or other media and be readily available for inspection
Copy documentation relating to the transfer, dispatch or transportation of goods to or from EU countries.	All documents must be retained either on paper, computer or other media and be readily available for inspection, including documentary evidence of any goods leaving the UK.
Documents relating to imports and exports.	All documents must be retained either on paper, computer or other media and be readily available for inspection, including documentary evidence of any goods leaving the UK.
All credit notes, debit notes or other documents which evidence an increase or decrease in consideration that are received and copies of all such documents that are issued.	A copy of all credit notes, debit notes or other documents must be retained either on paper, computer or other media and should be readily available for inspection.
Any documents or certificates supporting special VAT treatment such as relief on supplies to visiting forces or zero-rating by certificate.	A copy of all documents or certificates must be retained either on paper, computer or other media and should be readily available for inspection.
Additional records as required by HMRC such as copies of self-billing invoice agreements.	Any other additional records must be retained either on paper, computer or other media and should be readily available for inspection.

Microfilming & Electronic Storage of Documents

- 23.8 Subject to normal audit procedures for microfilming of documents, the following points are relevant to retention of documents.
- 23.9 Sections 37 and 39 of the GLC (General Powers) Act 1969 empower the City of London Corporation to make microfilm records of their documents which, notwithstanding that the document may have been destroyed are receivable in evidence, if properly verified, in Court proceedings.
- 23.10 Any documents to be electronically scanned or microfilmed, for VAT purposes, must first be reported to the Chamberlain's Corporate Treasurer who will seek the permission of HMRC.
- 23.11 Any documents which have been microfilmed may, subject to the conditions set out in Sections 23.12(III) below, be destroyed after formal closure of the audit for a financial year by the external auditor. In certain situations, the audit may remain open for a longer period of time. If an audit remains open the authorities must seek approval of the external auditors for the disposal for any documents.
- 23.12 Instances when documents should be retained:
- a) Records deposited under Section 4 of the Public Records Act 1958 are to be retained permanently.
 - b) Records deposited or acquired under Section 5 of the City of London (Various Powers) Act 1962 and Section 2 of the Local Government (Records) Act 1962, as amended by the London Government Act of 1963 and any relevant later Acts.
 - c) Documents which are or may be value for administrative, historical, sociological or research purposes should be retained.
 - d) Before documents are destroyed it is recommended that an Archivist be consulted for advice:
 - On the retention on a selective or sampling basis (say 1% to 2%) of a typical set of papers.
 - When doubts exist on documents which should be preserved as having an historical value not only because of their age, but the fact that current documents may from their content or nature have an historical value.
 - On the retention of microfilm after its use for administrative purposes has ceased or at the end of any statutory period for which it is required.
- 23.13 In general, any microfilm intended to be preserved should be original film and not a diazo copy. References to microfilm are equally applicable to microfiche.

SECTION 24. VERIFICATION OF CONTRACTORS AND CONSULTANTS FINAL ACCOUNTS

Verification of Contractors' and Consultants' Final Accounts

- 24.1** The verification procedures set out in (a) and (b) below will apply to final accounts for works contracts. In this context, references to risks relate to the matrix set out in the Project Procedure:
- a) All Final accounts which exceed £50,000 in value will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,
 - b) In addition, final accounts of £2,000,000 and above will also be subject to final account verification by the Chamberlain's Financial Services Division (FSD) or the City Bridge Foundation Financial Director (for CBF projects) where (i) the value is £2,000,000 to £10,000,000 and the overall risk of the project has been assessed at some point as "Medium" or "High", and (ii) the value exceeds £10,000,000 regardless of the risk assessment.
- 24.2** All final account documentation is to be made available before or with the submission of the final account, which is itself to be prepared in accordance with the contract conditions (e.g. within 3 or 6 months of practical completion) and immediately submitted for verification by the City of London. Where the final account has not been verified as correct in accordance with clauses ~~(a)1-a~~ and/or ~~(b)1-b~~, the Final Payment Certificate/Invoice is not to be paid prior to approval of an outcome report (Gateway 6 report as set out in the Project Procedure) which informs Members of the position of the Final Account Verification.
- 24.3** The verification procedures set out in (a) and (b) below will apply to final fee accounts for consultants that exceed £50,000 in value. In this context, references to risks relate to the matrix set out in the Project Procedure:
- a) Fee accounts associated with works contracts will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,
 - b) Fee accounts shall also be submitted for verification by the FSD where the associated works contract final account requires verification by the FSD in accordance with the above regulations.
- 24.4** Where a consultant's remit includes preparation of final account documentation for the works contract, they shall not submit their final fee account for payment until the works contract final account has been verified as correct in accordance with clauses ~~(a)1-a~~ and/or ~~(b)1-b~~ above. A clause to this effect should have been inserted in the fee agreement.

Submission of Final Accounts to the Chamberlain's Financial Services Division for Verification

- 24.5 Project Management and Technical staff shall either prepare final accounts, or ensure that this is done by our consultant(s) and contractor(s) for all works contracts, in accordance with the time scales stipulated in the contract conditions, and then make this information available in either digital or hard copy format to the appropriate Financial Services Head of Finance along with relevant supporting documentation in the form of Contract Instructions, Variation Orders, Site Meeting Minutes, Practical Completion Certificates, Extension of Time Certificates, Payment Certificates, Invoices, Day-Work Sheets, Priced Bills of Quantities, Specifications, etc.
- 24.6 Project Management and Technical staff shall prepare final fee accounts for all consultancy appointments, in accordance with the time scales stipulated in the contract conditions and then make this information available in either digital or hard copy format to the appropriate Financial Services Head of Finance or CBF Head of Finance along with relevant supporting documentation.
- 24.7 When all the applicable documentation is available the "Originating" Officer in the technical department should email that the final account is ready for verification to the appropriate Financial Services Head of Finance. This is the Head of Finance who heads the unit responsible for providing financial support services to the client department for the project in question. For works contracts, attached to this email should be a completed copy of the Contractor's Final Account checklist form. This email should be copied to the Town Clerk's Corporate Programme Team and to the CBF Chief Operating Officer for CBF schemes, for information.

City of London Corporation Committee Report

Committee(s): Finance Committee – For Information Corporate Services Committee – For Information Digital Services Committee – For Information	Dated: 29 April 2025 7 May 2025 15 May 2025
Subject: Quarterly Programme Sapphire (ERP) Update Report – Q4 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 	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of:	Caroline Al-Beyerty, Chamberlain
Report author:	Simon Gray, Chamberlain’s Department

Summary

The Programme has made good progress and is tracking to both plan and budget. The first go live milestone (the Learning Management System) has been achieved and the remaining Wave 1 deliverable are progressing well.

The scale and complexity of the programme requires additional risk mitigation for Wave 2 (HR & Payroll) and Wave 3 (Finance). There has been no change in the plan and the focus is on taking proactive steps to mitigate any delivery risks. All risks are being managed at Programme Board level.

The principle of “Adopt not Adapt” is being maintained and there have been minimal changes proposed. A quality assurance partner (SAP) has been appointed to provide additional confidence and help drive the transformation work.

Recommendation(s)

Members are asked to:

- Note the report.

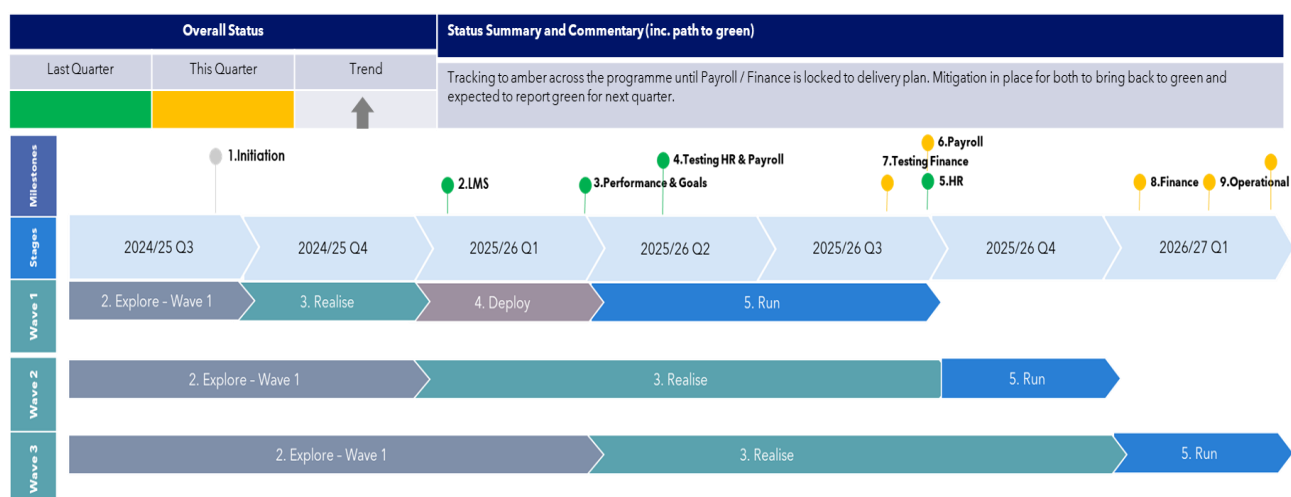
Main Report

Background

1. The Programme Sapphire - Enterprise Resource Planning (ERP) Programme is the project for the City of London Corporation to replace its current legacy systems; City People (Midland i-Trent) for HR & Payroll and Oracle R12 for both strategic and operational finance.
2. The new ERP Solution will modernise the technology we rely upon to deliver back-office services aligning our services with organisational excellence.
3. A vital component of the new ERP Solution is that it will support the City of London Corporation's culture change. It will promote and enable self-service for all employees to access their information, provide access to real-time information and enable informed business decisions.
4. The change workstream will be key to driving the success of the programme over and above the technology, this is driven by the 'adopt not adapt' principle.
5. The Programme is delivering in 3 waves (see Appendix 3 for further details):

Wave 1	Leaning Management System (April 2025) Performance & Goals (May 2025) Recruitment (June 2025)	Q1 2025/26
Wave 2	Core HR & Payroll	Q3 2025/26
Wave 3	Finance & Budget Management / Forecasting	Q1 2026/27

Current Position



6. Significant progress has been made in strengthening the Programme Team through a combination of internal appointments and external recruitment. Across the programme no critical roles are currently outstanding. The high-level structure can be viewed in Appendix 1. Additional recruitment will be linked to the programme phases.
7. The overall budget forecast is unchanged at £19m with no use of Costed Risk Provision (£8.6m). Appendix 4 provides a breakdown of the budget. Variances in actual vs forecast is related to actual spend being slower due to:

- Spend with System Integrator being weighted towards end of programme linked to milestones / outcomes vs original forecast which was based on expected burn rate.
- Programme Team ramp-aligned to phased delivery plan / controls on backfill budget.

8. Progress against the plan is currently logged as Amber with the following status updates:

Wave 1 Update

9. Progress is Green with the programme on track / delivering against the plan:

Module	Progress Update																												
Learning Management System (April 2025)	<ul style="list-style-type: none">The Learning Management module had a soft go-live on 01/04 to a limited number of users and is now available to all users from the 07/04A train-the-trainer approach was used for the Learning team, with end user training being supported by quick guides / videosA full User Acceptance Testing (UAT) was completed for the product prior to go live and all issues either resolved or a mitigation in place as shown below in readiness for cut-over.Delivery was achieved to plan and cost. <table><tr><th>Metric</th><th>Phase 1</th><th>Phase 2</th><th>Total</th></tr><tr><td>Total Tasks Tested</td><td>420</td><td>312</td><td>732</td></tr><tr><td>Issues Reported</td><td>29</td><td>22</td><td>51</td></tr><tr><td>Issues Resolved</td><td>24</td><td>18</td><td>42</td></tr><tr><td>Known Issues (Still Open –SAP Aware)</td><td>5</td><td>4</td><td>9</td></tr><tr><td>Success Rate (Tasks with no issues)</td><td>93.10%</td><td>92.90%</td><td>93.00%</td></tr><tr><td>Issue Resolution Rate (Resolved)</td><td>82.80%</td><td>81.80%</td><td>82.40%</td></tr></table>	Metric	Phase 1	Phase 2	Total	Total Tasks Tested	420	312	732	Issues Reported	29	22	51	Issues Resolved	24	18	42	Known Issues (Still Open –SAP Aware)	5	4	9	Success Rate (Tasks with no issues)	93.10%	92.90%	93.00%	Issue Resolution Rate (Resolved)	82.80%	81.80%	82.40%
Metric	Phase 1	Phase 2	Total																										
Total Tasks Tested	420	312	732																										
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Issue Resolution Rate (Resolved)	82.80%	81.80%	82.40%																										
Performance & Goals (May 2025)	<ul style="list-style-type: none">Completed System Integration Testing and UAT will be completed in April in preparation for planned go live on the 19th of May.A train-the-trainer approach will be used for the Performance Team, with end user training being supported by quick guides / videos but being intuitive in nature.Delivery is forecast as on time and budget.																												
Recruitment (June 2025)	<ul style="list-style-type: none">Recruitment will progress through System Integration Testing, User Acceptance Testing in preparation for planned go-live in June. Existing recruitment will complete in the existing system meaning the solution will work in parallel to ensure current campaigns are not disrupted. Delivery is on time and budget.Recruitment will have a more extensive training support given the relative complexity and need to embed process changes – supported by guides and videos																												

10. The Digital workstream had a strong quarter supporting the data migration of the Learning Management solution and resolving issues with single sign-on across the institutions. This was welcomed by staff compared to the multi-factor

authentication process required by the existing HR solution and was part of a wider Digital Services Team initiative to make life simpler for colleagues across the Corporation.

11. The Change Management work stream has supported the creation of the Change Champions with Future Ambition 18 with over 50 volunteers identified across the organisation.
12. The benefits tracking is in place to track Wave 1 deliverables following and will be further expanded in Wave 2 & 3.

Wave 2 Update

13. Progress is Amber (see table below). The plan remains on track, there are risks to delivery being tracked with mitigating work in progress to return to Green. The overall programme status is Green but the following actions are being tracked which has resulted in an amber status:

Module	Progress Update
HR Service Desk (December 2025)	<ul style="list-style-type: none"> • SAP have decided to sunset their existing product (in 5 years' time) and the Corporation will need to evaluate the alternative product to ensure compliance with requirements. • This issue has been escalated to SAP at the latest executive meeting by the SRO.
Employee Health & Safety (April 2026)	<ul style="list-style-type: none"> • The workshops are underway in March / April and need to evidence the product meets UK requirements. This is a Wave 3 deliverable. • This issue has been escalated to SAP at the latest executive meeting by the SRO
Payroll (December 2025)	<ul style="list-style-type: none"> • The plan is being evaluation to ensure that December 2025 is achievable with contingency plans in the event of delays during the parallel run process. • This issue has been escalated to HCL to resolve and mitigation is in place and a draft plan to return to green

14. The Corporation leads are now focused on data collection/ cleansing in preparation for the first data migration wave. Workshops are due to complete in April in readiness for first wave migrations in July 2025.
15. The level of change management / stakeholder management needs to increase significantly with a focus on driving the transformation from the service delivery teams (Finance / HR / DITS).

Wave 3 Update

16. Progress against the overall plan is currently logged as Amber with the following status updates:
 - The explore phase was planned to complete by the 31st of March but key decisions over the enterprise structure, chart of accounts and hierarchy were outstanding. This risk was escalated to the Chamberlain and Financial Services

Director on 25/02/25. Measures to address this issue include onboarding an Assurance Partner and implementing additional scrutiny and sign-off procedures by the Financial Services Director. Additional support was also offered by SAP was also provided to resolve the issue and a recommendation was made to Programme Board on the 24/03/25 which enabled design work to progress and build work on the HR workstream.

- Resource gaps from the system integration partner (HCL) were escalated on the 07/02/25 on the HCL governance call by the SRO and Financial Services Director and by Board on the 25/02/25
- HCL director committed to provide the resource on the 28/02/25 to the SRO
- Resource provision will continue to be flagged on the monthly review calls with the SRO
- The workstream is currently being re-planned and the expectation is still to deliver for 1st April 2026 once the replan is complete.
- The level of change management / stakeholder management needs to increase significantly with a focus on driving the transformation from the service delivery teams (Finance / DITS).

Procurement Update

17. The Corporation completed a procurement using the G-Cloud framework and appointed EPI-USE as the data migration for SuccessFactors (HR & Payroll) to December 2025. They will bring specific resource and tools to de-risk the Wave 2 delivery plan.
18. Concur, which is the expenses module of SAP, was confirmed in March 2025. This was part of the original procurement scope, but the service / software was not contracted until the programme was ready to commence delivery. The delivery of Concur is direct with SAP rather than the other elements which sit with HCL.
19. The SAP “Preferred Success” services will be used to provide quality assurance on the design of the solution and also to maximise the transformation capabilities of the product with the expansion of new features.

Look ahead – Quarter 2 2025/26

20. The build for Wave 2 (HR and Payroll) to be completed and commencement of System Integration Testing (this will include 3 playback sessions to validate the solution during build and the delivery of data migration to support the testing waves).
21. Explore phase to be completed and build and playback sessions to be delivered (but not completed).
22. Change champions network to be established and training needs analysis (TNA) to support the Wave 2 & 3 delivery plans – See Appendix 2.

Corporate & Strategic Implications

Strategic implications

23. The ERP Programme supports the Corporate Initiatives to deliver brilliant basics and mitigates the risk of unsupported legacy systems.

Financial implications

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

Resource implications

25. The requirement of resourcing is detailed in this paper.

Legal implications

26. All staff resourcing, and employment contracts will comply with statutory requirements and be in line with best practice.

Risk implications

27. Failure to baseline the programme roles would place a risk on the organisation.

Equalities implications

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

Climate implications

29. None

Security implications

30. None (other than standard vetting requirements)

Conclusion

23. The programme is tracking to plan on deliverables and budget and no use of costed risk. The key principle of adopt not adapt is being adhered to with minimal change. Risk and issues will continue to be monitored / reported with the focus on robust planning for Wave 2 & 3. The levels of change management / stakeholder engagement need to ramp up to support the transformation journey over the next quarter and will be reported on at the next stage report.

Appendices

- Appendix 1 – High Level Structure Chart
- Appendix 2 – Comms and Engagement Roadmap
- Appendix 3 – Project Plan on the page
- Appendix 4 – Budget Update (Non-Public)

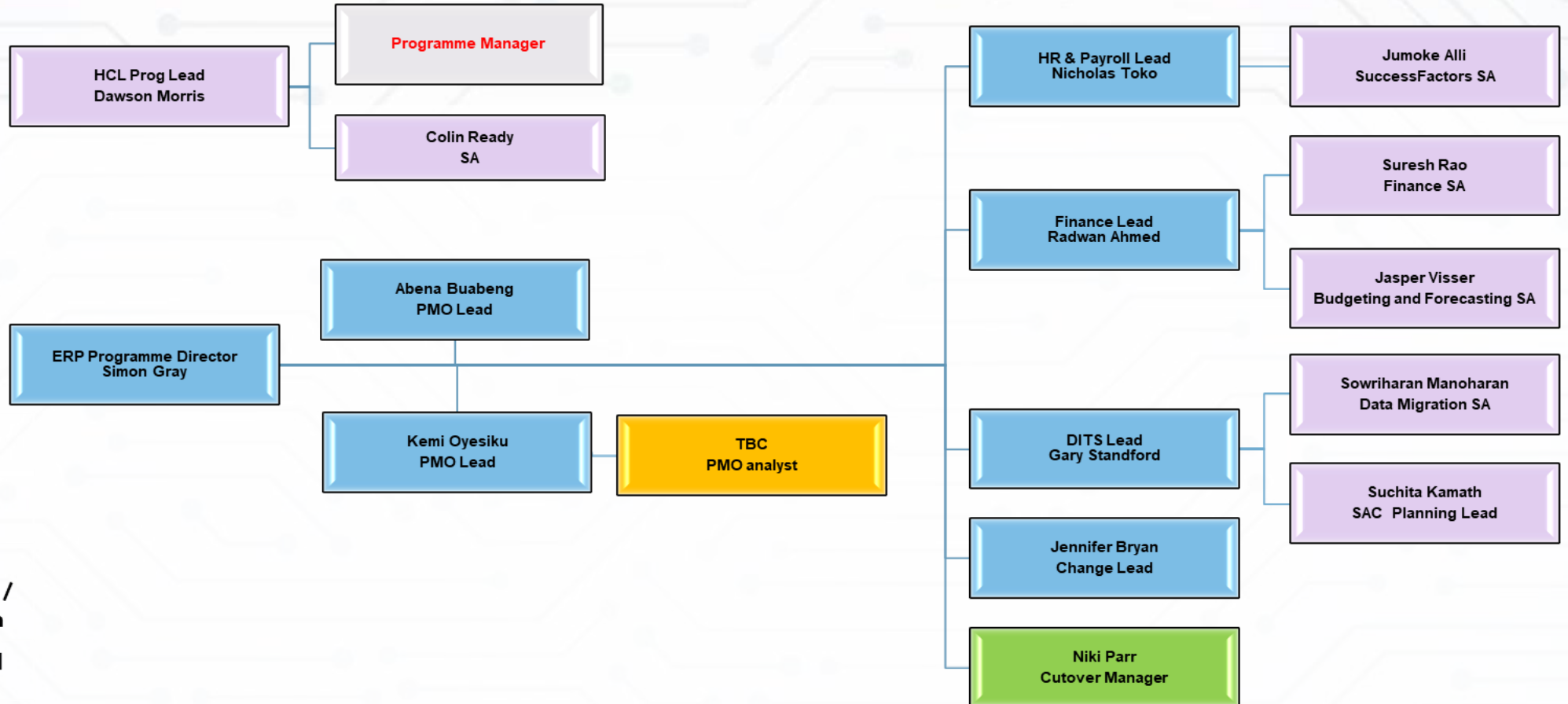
Simon Gray

Programme Director, Chamberlain's Department

T: 07557 568016

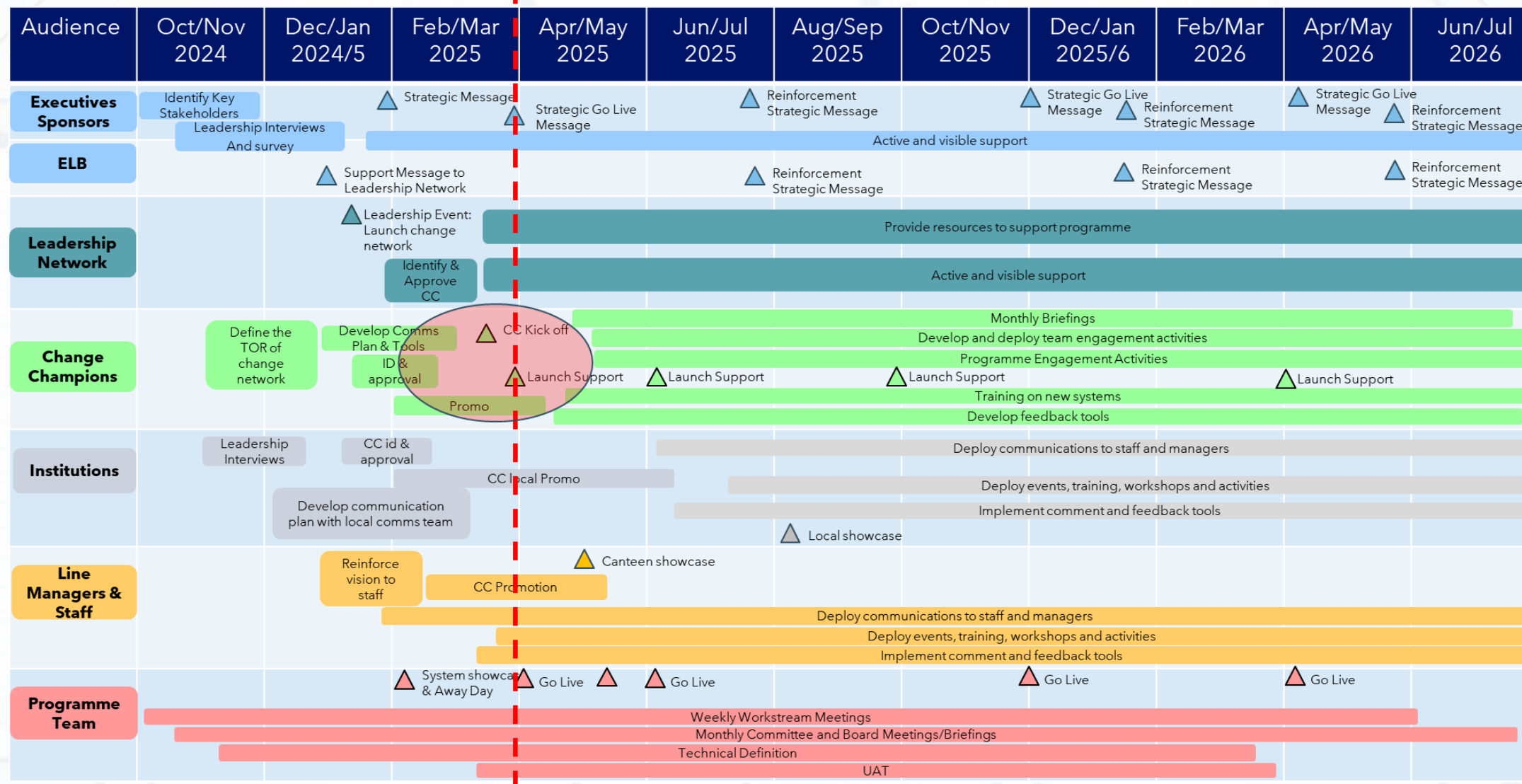
E: simon.gray@cityoflondon.gov.uk

Appendix 1 – High Level Structure Chart



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Appendix 2 – Comms and Engagement Roadmap



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Appendix 3 – Plan on a Page

Progress Status Vs Plan – As Per Week – 31.03.2025

**EC & ECP Plan subject to change as per CoL's decision on PPR proposal submitted.*
*** S/4 Finance plan subject to changed as per CoL's decision on revised plan submitted.*

Wave Plan

#	Target Milestones #Wave 1	Key Dates
1	Wave# 1 – LMS (MVP) Planned Go –Live	01.04.2025
2	Wave# 1 –PM/GM (MVP) Planned Go-Live	19.05.2025
3	Wave# 1 –RCM, RMK (MVP) Planned Go-Live	01.06.2025



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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City of London Corporation Committee Report

Committee(s): Finance Committee – For information	Dated: 29 April 2025
Subject: Chamberlain's Business Plan Quarter 4 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 four of 2024/25.

Highlights from quarter four of 2024/25 include:

- Financial Shared Services have completed Annual Billing with all Council Tax and Business Rates bills dispatched on time.
- Internal Audit achieved the 600 audit days target for the 2024/25 year.
- Programme Sapphire (the ERP Programme implementing SAP Financials and HR) continued to track to Plan. The full design was signed-off for HR & Payroll and Wave 1 deliverables have been built (Learning Management System, Performance & Goals and Recruitment) and will go live in Q1 2025/26. Wave 2 build is due to complete at the end of Q1 2025/26 (Core HR & Payroll) and Wave 3 (Finance) will sign off design and then commence build in the next quarter. The programme is tracking to budget and is resourced to plan. The overall status is tracked as Amber while the detailed planning is completed for Wave 2 / 3.

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 four of 2024/25.

Current Position

Financial Services Division & Corporate Treasury

2. The production of medium-term cash flow modelling for both City Fund and City's Estate has now transitioned into business as usual. At the February meeting, the Investment Committee received an update on the latest cashflow forecast position, considering significant decisions made around the Barbican Renewal Programme and Markets. This collaborative effort between Chamberlain's and the City Surveyor's teams informs Members about the cash flow requirements for City Fund and City's Estate over the medium-term financial plan. Investment Committee agreed a capital realisation strategy to ensure sufficient liquidity for major project costs, daily operations, and unforeseen expenses. Additionally, for City's Estate, the proposed strategy aligns with the broader asset allocation targets, considering the timeframes necessary for the disposal of illiquid property investment assets.
3. The 2025/26 *Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management)* was approved by the Court of Common Council at their March meeting.

Financial Shared Services

4. Annual Billing for Business Rates and Council Tax was completed on time with the Second Home Premium for Council Tax being implemented and all impacted residents being notified in advance of the bill. This is the first-year e-billing has been available for all Council Tax and Business Rates customers since it was rolled out in September 2024.
5. In-year collection rates for Council Tax during Q4 2024/25 is at 97.9% which is an increase of 1.3% when compared to Q4 23/24. This is the best in-year collection performance since 2018/19 and the best since the Covid Pandemic.
6. In-year collection rates for Business Rates during Q4 2024/25 is at 97.32% which is an increase on 96.07% when compared to Q4 23/24 collection.
7. Investment Property Income overall collection was 94.70% at the end of Q4 which equates to £8.5m of arrears. £40.7k is subject to an ongoing arrangement and circa £50k relates to former tenant arrears. £3.6m is with City Solicitor's for further action.

8. The City's performance for the payment of invoices within 30 days has improved since Q4, with 95.35% paid within 30 days, however this is still 1.65% short of the target.
9. Housing and Council Tax Benefit claim processing performance has improved from Q3. Days to assess new claims has improved from 12.44 days to 10.23 days and changes of circumstance have been assessed in 3.23 days, which is a marginal increase from 3.05 days in Q3.

Internal Audit

10. The Internal Audit team achieved the baseline target of 600 audit days delivered in 2024/25 and remains on target to achieve the longer-term target of 1000 audit days per year by 31/03/2026. Sufficient work has been completed to enable the Head of Internal Audit to form an opinion on the overall adequacy of the Internal Control Environment, Governance and Risk Management arrangements, this opinion will follow on completion of the detailed analysis of audit findings. Excellent progress has been made in transitioning to the new Global Internal Audit Standards in accordance with the Internal Audit Strategy.

Chamberlain's Transformation

11. **Programme Sapphire (ERP)** completed the build and testing for the first deliverable, the learning management system. Work continues on the design of the chart of accounts for the new SAP system. A key focus for Q4 was resourcing the team to deliver the programme and enabling the change and engagement workstreams.
12. The **Digital, Data and Technology Strategy 2024-2029**, was launched at the end of 2024 and the Chamberlain's Transformation Board met in January to identify opportunities across the department where the new strategy can be utilised to create efficiencies, such as AI bots to answer general enquiries, automation of reporting and modernising our processes.
13. The **Financial Services Transformation (FIT Strategy)** is under development, whilst the strategy is being refined, the transformation works have continued. A skills assessment was completed for all team members to inform the training programme for 2025/26; the budget setting process reset was delivered for 2025/26 and will be refined for 2026/27; and reporting templates have been updated. Further transformation is planned for 2025/26, in preparation for the implementation of the SAP Finance system in April 2026.
14. The **Commercial Improvement Programme** is now underway, Q4 of 2024/25 was focused on designing the new service, with consultation being completed on transitioning to a category structure (taking effect from 1st April 2025). The Procurement Act 2023 has come into effect in February and internal and supplier facing documentation and processes have been updated in conjunction with the Comptrollers team to comply with the legislative changes. Engagement was commenced with internal commercial service users on the new upcoming Procurement Policy, which will be presented to Members of this committee in June. Finally, the Training and Development workstream, undertook a training

needs analysis for all Commercial Team Members to design the 2025/26 training programme.

Commercial, Change and Portfolio Delivery

15. The Commercial Service has completed significant work in readiness for the new procurement act which is now in effect. Training sessions have been rolled out to stakeholders across the Corporation and the appropriate policies, templates and processes have been updated to reflect the legislative changes. These will be monitored for improvements throughout 2025.
16. The new Project Management System, Cora, has been developed and configured. Training on the new system will commence in Q1 25/26. Work continues on the new project procedure and gateways which will be presented for committee approvals in July 2025.
17. The CCPD Service is now fully resourced, skills and competency assessments are being undertaken and a learning and development programme will be launched alongside start of year appraisals.

Conclusion

18. The Chamberlain's Department have made good progress on the 2024/25 business plan and will work to build on this success in the 2025/26 Business Plan.

Corporate & Strategic Implications

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

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

Resource implications – The recruitment campaign to fill the new roles in the Commercial, change and portfolio delivery division was undertaken in Q2 the team are now fully resourced.

Legal implications – None.

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

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

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

Security implications – None.

Background Papers

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

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

Appendices

Appendix 1 – Chamberlain's Business Plan progress report

Appendix 2 – Transformation Dashboard

Hayley Puhlhofer

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Chamberlain 2024-25 Business Plan Quarterly Report
Q4 1 January - 31 March 2025
Report completed by

Executive Summary

Our Impacts 2024/25
2024 saw unprecedented numbers of applicants admitted to the Freedom of the City of London, continuing to work with our stakeholders and building relationships. Development medium term cash flow modelling for both City Fund and City's Estate is now business as usual enabling advice on internal borrowing caps, external borrowing requirements/limits, draw down on financial investments and reserves held in illiquid asset classes such as property. Internal Audit achieved the baseline target of 600 audit days delivered in 2024/25 and remains on target to achieve the longer term target of 1000 audit days per year by 31/03/2026. This has provided sufficient work for the Head of Internal Audit to for an opinion on the overall adequacy of the Internal Control Environment, Governance and Risk Management arrangements. Programme Sapphire (ERP) completed the build and testing for the first deliverable; the learning management system. The new system is far more user friendly and we should see benefits of this in the coming year. Secured HCL as our delivery partner for Programme Sapphire which will enable us to deliver the programme to target.

Summary of Q4
The Chamberlain's Department have made good progress against the departmental business plan for 2024/25. In Quarter 4 the Internal Audit team achieved the baseline target of 600 audit days delivered in 2024/25 and remains on target to achieve the longer term target of 1000 audit days per year by 31/03/2026. Sufficient work has been completed to enable the Head of Internal Audit to form an opinion on the overall adequacy of the Internal Control Environment, Governance and Risk Management arrangements, this opinion will follow on completion of the detailed analysis of audit findings. In-year collection rates for Council Tax during Q4 2024/25 was 97.9% which is an increase of 1.3% when compared to Q4 23/24. This is the best in-year collection performance since 2018/19 and the best since the COVID Pandemic. The Commercial Service has completed significant work in readiness for the new procurement act which is now in effect. Training sessions have been rolled out to stakeholders across the Corporation and the appropriate policies, templates and processes have been updated to reflect the legislative changes. The new Project Management System, Cora, has been developed and configured. Training on the new system will commence in Q1 25/26. Work continues on the new project procedure and gateways which will be presented for committee approvals in July 2025.

Cross - cutting themes:					
1. EEDI		Chamberlain's colleagues are very active in staff Networks with many of our colleagues taking part as members co-chairs or sponsors. The team contribute to the Corporate EEDI Groups and colleagues are also encouraged to join networks. EQIAs are completed on projects. We have recently been active participants in the EEDI corporate review. having relaunched our EEDI group we have just agreed our Terms of Reference with the following objectives. •Responsible for driving Chamberlain's activities to support the delivery of the City of London Corporation's equality objectives and priorities. •A forum to escalate and discuss EEDI issues and to make decisions as appropriate. •A forum to discuss good news stories. □			
2. Transformation		Programme Sapphire (ERP) completed the build and testing for the first deliverable; the learning management system. Work continues the design of the chart of accounts for the new SAP system. A key focus for Q4 was resourcing the team to deliver the programme and enabling the change and engagement workstreams. The Digital, Data and Technology Strategy 2024-2029, was launched at the end of 2024 and the Chamberlain's Transformation Board met in January to identify opportunities across the department where the new strategy can be utilised to create efficiencies, such as through AI bots to answer general enquiries, automation of reporting and modernising our processes. The Financial Services Transformation (FIT Strategy) is under development, whilst the strategy is being refined, the transformation works have continued; a skills assessment was completed for all team members to inform the training programme for 2025/26, the budget setting process reset was delivered for 2025/26 and will be refined for 2026/27 and reporting templates have been updated. Further transformation is planned for 2025/26, in preparation for the implementation of the SAP Finance system in April 2026. The Commercial Improvement Programme is now underway, Q4 of 2024/25 was focused on designing the new service, with consultation being completed on transitioning to a category structure (taking effect from 1st April 2025). The Procurement Act 2023 has come into effect in February and internal and supplier facing documentation and processes have been updated in conjunction with the Comptrollers team to comply with the legislative changes. Engagement was commenced with internal commercial service users on the new upcoming Procurement Policy, which will be presented to Members of this committee in June. Finally, the Training and Development workstream, undertook a training needs analysis for all Commercial Team Members to design the 2025/26 training programme. As part of the Financial Improvement and Transformation (FIT) Strategy, budget manager training workshops have been conducted during quarter 3 and 4. These workshops are initial steps toward a self-service monitoring process. 3 training sessions have occurred with 50 invited and 24 attending. 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. We have booked 32 training sessions between May and August to which 18 of these have a Finance Business Partner attending to which they are still being signed up to. Finance Business Partners will be inviting their Budget Managers to the training sessions. The training is still on track to reach all 450 budget managers by December 2025. Feedback has been positive from the sessions and are continually evaluated to ensure the benefits of the training are being met. The FIT strategy, being officially launched in June 2025, 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.			
3. Risk and interdependencies		The Chamberlain's Senior Leadership team review risk regularly including horizon scanning. There are 2 risks are currently emerging which are being scoped and will be escalated through the appropriate channels in coming months.			
Workstream	Workstream Assessment	RAG Status	Next Steps	Corporate Plan 2024-2029 Outcomes	Measures data submitted? Y/N
"Collection of: -Business Rates -Council Tax"	In Year collection rates for business Rates during Q4 2024/25 is at 97.32%. Council Tax collection has increased by 1.3% on 23/24 to 97.9% in Q4. This is the highest collection rate reported since 2018/19.	G		Providing Excellent Services	Y
Payment of Housing and Council Tax Benefits	New Claims were processed within 10.42 days which was faster than in Q3. Change of Circumstances were processed within 3.23 days which is a marginal increase on 3.05 days in Q3.	G		Providing Excellent Services	Y

Brilliant Basics - capital and revenue reporting through to statement of accounts	Regular reporting on capital and revenue will continue, with an emphasis on training budget holders and project accountants to assume greater responsibility. Additionally, the Finance Team will be upskilled to play a more strategic role instead of completing tasks for the budget holders. This transition will involve extensive training and a cultural shift, with full benefits expected after the implementation of the new ERP system.	A	The FIT Strategy will remain a priority and is scheduled to be officially launched in June 2025.	Providing Excellent Services	Y
Delivery of a programme of Internal Audit work to inform the Head of Internal Audit Annual Opinion on the adequacy of the Internal Control Environment, Governance and Risk Management arrangements	Programme of work delivered - the spread and depth of coverage is sufficient to form an overall opinion.	G		Providing Excellent Services	Y
Planning, organisation, delivery and administration of Freedom Ceremonies and events at the Guildhall	Freedom recipient numbers were 2200 for 2024. A fantastic effort from the team. Numbers are expected to be lower than this in 2025 as this was an unprecedented year, but the current trajectory still looks to be above that of 2023.	G		Providing Excellent Services	Y
Develop medium term cash flow modelling for both City Fund and City's Estate enabling advice on internal borrowing caps, external borrowing requirements/limits, draw down on financial investments and reserves held in illiquid asset classes such as property	This workstream has now transitioned into Business As Usual. At their February meeting, the Investment Committee received an update on the latest cashflow forecast position, considering significant decisions made around the Barbican Renewal Programme and Markets. This collaborative effort between Chamberlain's and the City Surveyors team informs Members about the cash flow requirements for City Fund and City's Estate over the medium-term financial plan. It also proposes a capital realisation strategy to ensure sufficient liquidity for major project costs, daily operations, and unforeseen expenses. Additionally, for City's Estate, the proposed strategy aligns with the broader asset allocation targets, considering the timeframes necessary for the disposal of illiquid property investment assets.	G	Business As Usual	Providing Excellent Services	Y
"Enterprise Resource Planning system implementation across Finance, HR, Payroll, IT and Procurement"	The Programme has made good progress and is tracking to both plan and budget. The first go live milestone (the Learning Management System) was approved for 1st April, the remaining Wave 1 deliverables are progressing well (Performance & Goals / Recruitment) with go live planned in Quarter 1 2025/26	A	Deploy Build of Wave 2 (HR & Payroll to be advanced) Build of Wave 3 to be in progress (Finance)	Providing Excellent Services	N/A
	The scale and complexity of the programme requires additional risk mitigation for Wave 2 (HR & Payroll) and Wave 3 (Finance). There has been no change in the plan and the focus is on taking proactive steps to mitigate any delivery risks. All risks are being managed at Programme Board level. The status has been put at Amber while the replan is completed. The principle of "Adopt not Adapt" is being maintained and there have been minimal changes proposed. A quality assurance partner (SAP) has been appointed to provide additional confidence and help drive the transformation work.				
	Proactive deployment of measures to prevent and detect fraud against the City of London Corporation and provision of a corporate wide responsive fraud investigation service				
Automation of Invoice Payments	The e-invoicing project is currently on hold while we implement SAP.	A	This project will be stood up again following the implementation of SAP.	Providing Excellent Services	Y

Provide high level executive & programme management support to Chamberlain's senior leaders in the strategical and operational delivery of CHB's transformation programme	The Chamberlain's Transformation Programme will continue to support the delivery of chamberlain's transformation workstreams, the focus for 2025/26 is supporting the delivery of the Commercial improvement programme, implementation of the ERP Programme and financial service transformation programme.	G	Utilisation of the new project management reporting tools to improve portfolio reporting.	Providing Excellent Services	Y
Training and Development/Succession planning	Chamberlain's Learning and Engagement Board continue to meet on a monthly basis. The Chamberlain's learning policy has been refreshed and a lunch and learn programme has been developed. Over the last quarter two lunch and learn sessions took place on SharePoint and were attended by around 70 staff. Staff continue to complete the CIPFA Competency Framework tool which will assist in identifying team and individual development requirements. Workshops have also taken place in relation to the Finance Improvement and Transformation Strategy.	G		Providing Excellent Services	Y
Portfolio management implementation	The new Project Management System: Cora has been developed and configured. Training on the new system will commence in Q1 25/26. Work continues on the new project procedure and gateways which will be presented for committee approvals in July 25.	A	Roll out training on the new Cora system, conduct officer and member engagement sessions on the new project procedure and gateways. Reports on track to be presented to committees in June/July 25	Providing Excellent Services	Y
Commercial maturity assessment and improvement plan (procurement governance review)	The Commercial maturity assessment was completed in Nov-24, with the recommendations and improvement plan signed off by PPsC in Dec-24. Q4 2025/26 focused on stakeholder engagement and creating workstream project plans to deliver throughout 2025.	G		Providing Excellent Services	Y
Data and insights – understanding our impact	The Impact and Reporting team are now fully resourced. There is an initial focus on developing a business plan for the CCPD Division for 25/26. Work has commenced on data cleansing on the contracts register following the transition to the new Jaggaer system. The Corporate Benefits Realisation Model delivery plan has been mapped for delivery about 2025/26.	G		Providing Excellent Services	Y
Transformation and improvement framework (embedding RPR)	In Q4 work continued across the 4 transformational pillars: Organisational Excellence, Innovative Collaboration, Entrepreneurial Spirit and Future First. Boards and working groups for each pillar have been established. Work also progressed on procuring a transformation partner to deliver the workstreams across the corporation, this anticipated to go to market in Q1 2025/26.	A	Onboard transformation partner	Providing Excellent Services	Y
Service development – capacity and capability	The CCPD Service is now fully resourced, skills and competency assessments are being undertaken and a learning and development programme will be launched alongside start of year appraisals.	G		Providing Excellent Services	Y
Procurement Act implementation	The procurement act is now in effect and the appropriate policies, templates and processes have been updated to reflect the legislative changes. These will be monitored for any improvements in 2025.	G		Providing Excellent Services	Y
"DITS Strategy Implementation"	Following on from the approval of our Shared Data Strategy that was approved last year, we have commenced work to deliver the Strategic Outcomes set out in the Strategy. This includes the work we have commenced around network and connectivity improvements where we have seen a 97% drop in network dropouts across the wider corporation estate. We have now implemented Microsoft Fabric, which will form the foundation for a Corporation-wide data hub. We are also working on a single CRM system for the wider organisation, with support from our Institutions. Work is continuing around convergence across the wider organisation, with closer ties with Barbican and GSMD being forged, and federating our estate allowing greater trust between the Corporation and Institutions. We are also testing several AI bots which are due to be deployed shortly, and are increasing our work around automation. We have deployed a single Cyber Security training package across every part of the Corporation with the exception of the Police, who have their own training suite and there has been an 82% takeup. Work around a new Shared Services Agreement between the Corporation and the City of London Police is still in progress, with PWC being engaged.	G		Providing Excellent Services	Y

"Managed Print Service"	<p>The initial procurement exercise for our Managed Print solution was abandoned as there were concerns raised by the Print Room regarding the suitability of the preferred supplier. A new procurement exercise is currently underway with the Print Room and the Managed Print Service split into two lots and an updated specification. The new approach will allow the maximum level of benefit to be achieved whilst ensuring that the unique requirements of the Print Room can be accommodated.</p>	A		Providing Excellent Services	Y
Network Refresh	<p>We have agreed a direction of travel for our future network and will be carrying out a full refresh with a "wireless first" approach. Work is continuing to ensure effective procurement of the new solution.</p> <p>This solution will be a blueprint for our wider organisation, allowing colleagues across the Corporation – including Institutions, to connect without friction to a network regardless of which building they are working from.</p> <p>We are currently moderating the selection questionnaire and will shortlist 3-5 bidders who will be invited to tender, evaluating tenders, with an award expected by July and work to commence in early 2026.</p>	G		Providing Excellent Services	Y

"SharePoint migration (COL and COLP)"	SharePoint migration is complete. We are now optimising our storage and decommissioning the file shares.	G		Providing Excellent Services	Y
"Data Maturity Programme"	<p>Following on from a successful proof of concept, we received transformation funding for a "Data Lighthouse" project, which will bring together disparate CRM systems from across the wider organisation.</p> <p>We are looking to sign off requirements and complete user workshops by next week, and have opted to use Microsoft Dynamics, which fits in well with our wider architecture. A new Dynamics 365 Customer Insights specialist has been recruited.</p> <p>A Transformation Bid has been submitted to fund further phases of the project.</p>	G		Providing Excellent Services	Y

*Key
<p>Blue: Completed</p> <p>Green: On track, milestones achieved in this quarter to the planned timeline</p> <p>Amber: Slippage to planned progress / milestones not achieved to planned timeline but will be achieved by end of next quarter</p> <p>Red: Slippage to planned progress is significant and cannot be achieved in the next quarter. Risk of non-delivery.</p> <p>Black: A decision to pause or stop workstream activities has been taken.</p>

Provide Rag Status (*refer to key)

G
A
R
B
P

Corporate Plan 2024-29 outcomes:

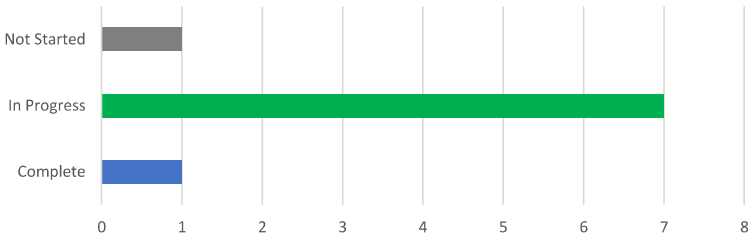
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CHAMBERLAIN'S PROJECT PORTFOLIO DASHBOARD - MARCH 2025

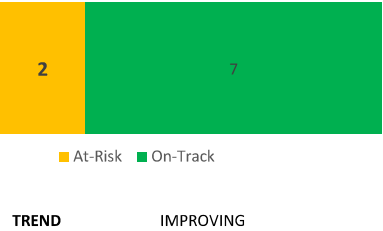
TOTAL NUMBER
OF PROJECTS

9

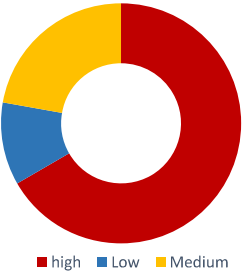
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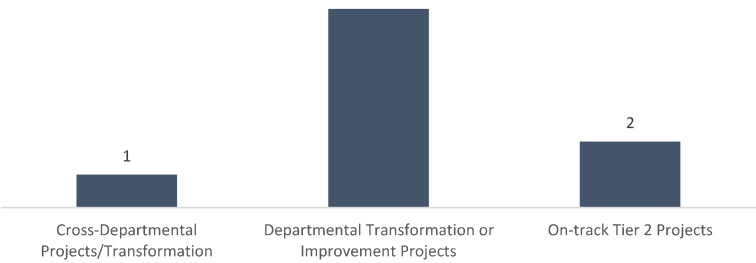
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RAG RATING



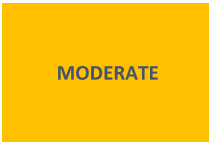
PROJECT BY
PRIORITY



PROJECTS BY TYPE



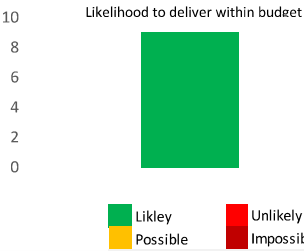
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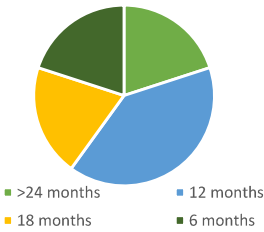
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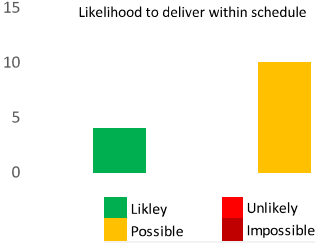
BUDGET
RAG STATUS



DELIVERY
TIMELINES



SCHEDULE
RAG STATUS



Status:

Complete

In Progress

Not Started

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Not Yet Started

Overall RAG

At-Risk

On-Track

Project Cate...

Cross-Departm...

Departmental ...

On-track Tier 2...

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City of London Corporation Committee Report

Committee(s): Finance Committee – For information	Dated: 29 April 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 Chamberlain's Senior Leadership Team, along with divisional management teams, regularly review and update the risk register to identify potential risks and opportunities.

Recommendation

Members are asked to:

- Note the report

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to the Committee the key risks faced in their department. The Finance Committee has determined that it will receive the Chamberlain's Risk Register at each meeting.
2. The Digital Information Technology Service (DITS) 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

4. The Chamberlain's department currently has one financial RED Corporate Risk and one RED Departmental risk, all risks are regularly reviewed, and several mitigating measures are in place to prevent the realisation of these risks or future risks
5. The risk score for CR35 **Unsustainable Medium-Term Finances – City Fund (current score RED 16)** increased from AMBER 12 following the approval of the 2025/26 City Fund Medium Term Financial Plan. Budget pressures from social care, children services, business rates reset, and policing persist. Mitigations include developing a savings programme aligned with the Town Clerk's Fantastic Five Years vision, supporting organisational excellence, focusing on efficiencies, and transformation across services. This includes generating income, seeking preventative approaches, reviewing strategic prioritisation and continuous improvements.
6. **CR38 Unsustainable Medium-Term Finances – City's Estate (current score AMBER 12)** decreased in March from a red score of 16, following the approval of the 2025/26 City Fund Medium Term Financial Plan. The amber score is contingent on the successful implementation of the Investment Strategy, the effective fundraising efforts by Charities, and income generation. Additionally, further work on savings aligned to the Town Clerk's Fantastic Five Years as per paragraph 5 above will be presented at the Policy and Resources away day in July 2025.

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. Mitigations for this risk include continues close monitoring of capital schemes into 2025/26, reprocuring the repairs and maintenance contract and an external valuation of the depreciation charge and significantly reduced as a result. Understanding of how the business model is progressing will be discussed at the Town Clerk's star chambers held during May and June.

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

Leah Woodlock

Chamberlain's Project Manager

Chamberlain's Department

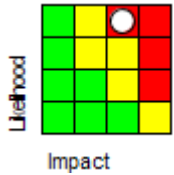
E: Leah.Woodlock@cityoflondon.gov.uk


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Chamberlain's Corporate Risks

Code	CR35	Title	Unsustainable Medium Term Finances - City Fund
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Description	<p>Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth. The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: The failure to manage financial pressures within the fiscal year and achieve a sustainable savings programme, or to boost income generation to address the Corporation's projected medium-term financial deficit.</p> <p>Effect: Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community. Challenges in executing the capital program and major projects within affordable limits.</p>
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Current Risk Assessment, Score & Trend Comparison		16	↑	Increasing
Likelihood	Likely	Impact	Major	
Risk Score	16	Review Date	12-Feb-2025	

Target Risk Assessment & Score		8		
Likelihood	Unlikely	Impact	Major	
Risk Score	8	Target Date	31-Mar-2026	

Latest Note	<p>The 2025/26 budget and medium term financial plan has been updated. The Final Local Government Settlement has confirmed the business rates reset, which moves the risk rating from Amber to Red. Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2025/26 through carried forward from 2024/25 underspends. Pressures on adult social care, children services, security and policing continue, and are addressed through increase in taxes and business rates premium.</p> <p>Other on-going pressures totalling £0.4m, plus net 2% inflation uplift approved in 2025/26 local risk budgets. The medium-term financial plan includes:</p> <ul style="list-style-type: none"> • Reprofiting of cyclical works programme to cover bow-wave of outstanding works and provision for works going forward. • Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves. • Quarterly monitoring of capital programme against budgets. • Securing income generation opportunities. • Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.
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Risk Level	Corporate	Department	Chamberlain's
Creation Date	19-Jun-2020	Risk Owner	Caroline Al-Beyerty
Approach	Reduce	Risk Administrator	Leah Woodlock
Head of Profession 1	Financial Services	Risk assigned to	Sonia Virdee
Head of Profession 2		Committee	Finance Committee
Head of Profession 3		Parent Risk	CR Corporate Risk Register

Actions related to this risk:

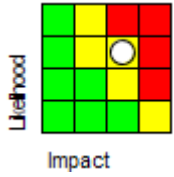
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR35a Impact of inflation	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme • Use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 2.8% in the 12 months to February 2025, down from 3.0% in the 12 months to January. Identify areas that are forecasting to exceed budget envelope due to inflation increases.	28-Mar-2025	Iain Jenkins	31-Mar-2026
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	Monthly update on major projects forecasts and issues arising. Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Portfolio Board chaired by the Town Clerk/Chief Executive. Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee. Court of Common Council approved an updated (additional) funding envelope for the Future Police Estates Programme.	-07-Apr-2025	David Abbott	31-Mar-2029
CR35f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority) • Develop income generation opportunities	Court of Common Council, in March 2025 reaffirmed the profiling of remaining fundamental review savings. Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges.	04-Apr-2025	Mark Paddon; Daniel Peattie; Ellie Robles	31-Mar-2026

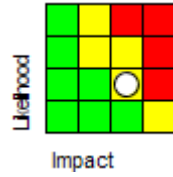
		<p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information will be incorporated into the budget monitoring reports from 2025/26 quarter 1 onwards to help inform Members of key risks and progress.</p> <p>Savings programmes/initiatives will continued to be considered during the 2025/26 financial year in line with the Town Clerk's Fantastic Five Years with the aim to deliver by April 2026.</p> <p>An update is being presented to Policy and Resources away day in July 2025 on savings across the Corporation to inform the 2026/27 budget setting work.</p>			
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	<p>The revised medium-term financial plan is only balanced over the next five years with the use of general fund reserves and further savings and/or revenue raising by increasing Council Tax and Business Rate Premium. City Fund moves into deficit position from 2026/27 onwards. The Final Local Government Settlement confirms plans to reset the business rates retention system and plans to engage with councils about reforms to the funding system. This consultation has begun in early 2025, with implementation of these reforms starting through the multi-year Settlement in 2026/27.</p> <p>Future deficits should not be ignored, previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible. Radical decisions are now needed on how best to bring down the annual operating deficit, over and above those already identified (income generation, operational property review, investment property review), including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation underpin by a clear communication plan to all members, so they are aware of the challenges ahead.</p> <p>The focus of the May/June Star Chamber meetings is to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies.</p>	04-Apr-2025	Daniel Peattie	31-Mar-2026

Code	CR38
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Title	Unsustainable Medium Term Finances - City's Estate
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Description	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on investment drawdowns. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p>Effects: The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>
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Current Risk Assessment, Score & Trend Comparison		12	↓	Decreasing
Likelihood	Possible	Impact	Major	
Risk Score	12	Review Date	28-Mar-2025	

Target Risk Assessment & Score		8		
Likelihood	Unlikely	Impact	Major	
Risk Score	8	Target Date	31-Mar-2026	

Latest Note	<p>The 2025/26 budget and 5 and 20 year financial model has been updated. The revised position shifts the risk rating from Red to Amber.</p> <p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2025/26 through carried forward from 2024/25 underspends. On-going pressures totalling £2.0m, plus net 2% inflation uplift approved in 2025/26 budgets.</p> <p>The five-year financial plan includes reprofiling of cyclical works programme to cover bow-wave of outstanding works, plus a further provision for works going forward.</p> <p>Earning more income from property investment portfolio. To this end the Investment Property Strategy was approved by Investment Committee in July 2024, and the team is currently being shaped in order to be able to deliver the strategy's objectives.</p> <p>The funding strategy identifies where best to bring third-party capital, reducing demand on own Reserves.</p> <p>Key mitigations include quarterly monitoring of capital programme against budgets and developing comprehensive business cases and securing and implementation plans for income generation opportunities.</p>
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	Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.
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Risk Level	Corporate	Department	Chamberlain's
Creation Date	31-Oct-2022	Risk Owner	Caroline Al-Beyerty
Approach	Reduce	Risk Administrator	Leah Woodlock
Head of Profession 1	Financial Services	Risk assigned to	Sonia Virdee
Head of Profession 2		Committee	Finance Committee
Head of Profession 3		Parent Risk	CR Corporate Risk Register

Actions related to this risk:

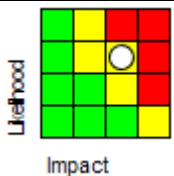

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme • Monitor the use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 2.8% in the 12 months to February 2025, down from 3.0% in the 12 months to January.	28-Mar-2025	Iain Jenkins	31-Mar-2026
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams • i.e. rental income from the property investment portfolio.	This is being monitored monthly, with action being taken to within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to; Lord Mayor Show and events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges. Benchmarking exercises are currently being undertaken to provide a market comparison. An update is being presented to Policy and Resources away day in July 2025 on income stream across the Corporation.	28-Mar-2025	Daniel Peattie	31-Mar-2026

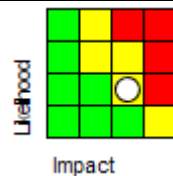
CR38f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	<p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information will be incorporated into the budget monitoring reports from 2025/26 quarter 1 onwards to help inform Members of key risks and progress.</p> <p>An update on the revised 5 and 20 year financial plans were presented to the Joint RASC and Service Committee Chairman in January 2025. Which then informed the proposals taken forward and approved at Court of Common Council in March 2025.</p> <p>An update is being presented to Policy and Resources away day in July 2025 on savings across the Corporation to inform the 2026/27 budget setting work</p>	04-Apr-2025	Daniel Peattie	31-Mar-2026
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	<p>Monthly updates and budget monitoring on major projects forecasts and issues arising. Projects are routinely reviewed by the Chamberlain's Assurance Board.</p> <p>On 26th November, the Court of Common Council ratified a decision to end its interest in co-locating the wholesale food markets of Smithfield and Billingsgate to a new site at Dagenham Docks. A Bill was deposited in Parliament on 27th November that provides for the ending of the City Corporation's responsibilities to operate markets at these sites. Under a new agreement with market traders, financial support will be provided to help them relocate to new premises, ensuring their continued success. The 5-year and longer-term plans have been updated as part of the 25/26 budget setting process to reflect these decisions and is presented to this committee. However, still subject to legal agreements signed by market traders and Parliament passing the Bill.</p>	09-Apr-2025	David Abbott	31-Mar-2029
CR38h Third Party Capital Funding	Bringing third party capital to surplus operational property opportunities.	<p>Identified initial opportunities which have been supported by Resource Allocation Sub Committee.</p> <p>Now that decision on markets has been made, remaining proposals for each opportunity has been worked through by the Chamberlain's and City Surveyor's teams and was submitted for member consideration to the Investment Committee in February.</p>	09-Apr-2025	Sonia Virdee; Robert Murphy	31-Mar-2025

CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	<p>The ability for charities to fundraise and generate more income to support ambitions for activities and operational property requirements.</p> <p>Finance Committee on 14 January, agreed to proceed with the implementation phase and move to a grant funding model for 2025/26. This was confirmed by RASC and P&R in February 2025</p>	09-Apr-2025	Emily Brennan; Pauline Mouskis	31-Mar-2025
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	<p>The decision by Court of Common Council on the markets in November has now been modelled, however, City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the revised cumulative deficit is forecast to be £395m in addition to the financial gain already modelled. Balance sheet modelling indicates this is manageable in the medium term Stopping the markets co-location programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which according to longer term modelling, suggests recovery and a transition into surplus in 15 years. Implementing these decisions shifts the risk dial from red to amber.</p> <p>However, Members should note failure to implement the investment strategy will compromise the recovery of City's Estate's I&E position. Therefore, it is not recommended to add any additional pressure on City's Estate investment assets to allow time for the strategy to be embedded.</p> <p>Additionally, continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.</p> <p>Transformation programme in flight, supported at Resource Allocation Sub away day. Progress reporting to the Efficiency and Performance Working Party to ensure corporate focus and pace.</p>	09-Apr-2025	Daniel Peattie	31-Mar-2025

Code	CR33	Title	Major Capital Schemes
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Description	<p>Cause: The City Corporation has set itself the ambition to deliver a portfolio of major capital schemes in a fiscally constrained environment.</p> <p>Event: There is insufficient resourcing and controls in place to effectively oversee and administer the portfolio according to strategic priorities.</p> <p>Effects:</p> <ul style="list-style-type: none"> • Failure to deliver on corporate outcomes and strategic priorities. • Schemes not delivered on time and therefore a delay to the realisation of benefits. • Potential for increased capital costs as a result of delayed decision making, and ineffective oversight and controls across the portfolio. • Inability of the organisation to move at the required pace to secure decisions. • Reputational impact on the Corporation vis-a- vis key stakeholders across London, UK Government, and investors. • Revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police).
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Current Risk Assessment, Score & Trend Comparison		12		Constant
Likelihood	Possible	Impact	Major	
Risk Score	12	Review Date	07-Apr-2025	

Target Risk Assessment & Score		8		
Likelihood	Unlikely	Impact	Major	
Risk Score	8	Target Date	31-Mar-2029	

Latest Note	<p>The project governance review has recommended a move to a portfolio management model which will more effectively manage the prioritisation of projects aligned to strategic objectives and the allocation of resources to enable successful delivery.</p> <p>Monthly monitoring of cashflow forecasting continues and is reported to relevant committees and the Chamberlain's Assurance Board.</p> <p>The new project procedure is currently being drafted and proposals tested. The final draft is due to be approved by Summer 25/26.</p> <p>A change in approach to the future of the markets has resulted in the cancellation of the Markets Co-location Programme. The landlord works at the Museum of London are nearing completion and work on Salisbury Square and the Future Police Estate Programme continues to plan.</p>
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Risk Level	Corporate	Department	Chamberlain's
Creation Date	14-Feb-2020	Risk Owner	Caroline Al-Beyerty

Approach	Reduce	Risk Administrator	Leah Woodlock
Head of Profession 1	Financial Services	Risk assigned to	Genine Whitehorne
Head of Profession 2	Commercial	Committee	Finance Committee
Head of Profession 3	Programme Management	Parent Risk	CR Corporate Risk Register

Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR33h New Project Governance Approach	Implement a new project governance approach	<p>The Town Clerk's portfolio board commenced in November 2023.</p> <p>A portfolio overview report approved by Projects and Procurement sub-committee, with one-off funding approved by CoCo on 7 March, further work underway to identify permanent funding source.</p> <p>A drafted project procedure and guidance is currently being reviewed by the project governance working group.</p> <p>Work ongoing with project procedure, construction of gateways and scenarios. Significant level of change for departments which suggests a phased approach.</p> <ul style="list-style-type: none"> • Phase 1 – Provision of PM Toolkit and enabling portfolio reporting to Portfolio Board and Members – reporting to commence from Summer 2025 • Phase 2 – Roll out of new Gateways in the Project Procedure from September 2025 <p>Plan to be presented and approved at Portfolio Board, PPsC (June 25), Finance Committee (July 25), and CoCo (July 25).</p>	07-Apr-2025	Matthew Miles	31-Jul-2025
CR33j Project Management Academy	Refresh the Project Management Academy	<p>Exploratory discussions as part of soft market testing ongoing with prospective supplier to ascertain appetite and costings for an outline training proposal in line with new project procedure and framework/ PM Academy seeking for partners to undertake Green Book training.</p> <p>A vacancy in the Projects Skills and Capability Manager role is contributing pressures. However, an apprentice is being recruited to provide administrative support.</p>	07-Apr-2025	Nadhim Ahmed	30-Sep-2025

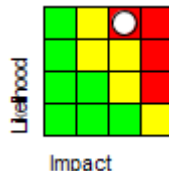

CR33k New Project Management System	Procure and implement a new project management system	<p>A broad programme of requirements workshops for the new Cora Project Management system completed in January 2025. Moreover, User Acceptance Testing (UAT) completed in March 2025. Identified issues are being resolved as part of system configuration.</p> <p>The approach to user engagement and training is currently being implemented, with the system expected to be in use for the first Portfolio reports at end May 2025.</p>	07-Apr-2025	Matthew Miles	31-Jul-2025
CR33l Cashflow and Forecast Monitoring	Monitor the high-level cashflow/forecast monthly	<p>The Investment Management Monthly Meeting has been established.</p> <p>The Chamberlain's Assurance Board has also been established to review the financial dashboards and forecasts for the Major Programmes, with updates provided to the Portfolio Board.</p> <p>The cashflow and capital realisation strategy was presented to Finance and Investment Committees in February. Quarterly monitoring/reporting will continue going forwards,</p>	07-Apr-2025	David Abbott	31-Mar-2029
CR33m Secure Third-Party Funding	Secure Third-Party Funding	A project update report has been prepared Finance Committee, City Bridge Foundation Board and Policy & Resources Committee on a regular basis. This will continue throughout the lifespan of the Major Programmes.	03-Dec-2024	Sonia Virdee; Paul Wilkinson	31-Mar-2029
CR33n Provide regular Member updates	Provide regular Member updates	A project update report has been prepared Projects and Procurement Sub Committee, Finance Committee, City Bridge Foundation Board and Policy & Resources Committee on a regular basis. This will continue throughout the lifespan of the Major Programmes.	03-Feb-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2029

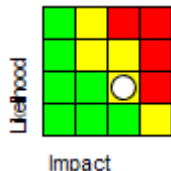
Risk Level Description Departmental

Code	CHB 002	Title	Housing Revenue Account Financials
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Description	<p>Cause: The embedded increased impact of inflation, following peak of 10.7% in Autumn 2022. Potential issue around non-recoverability of elements of service charge costs due to capped rents and higher repairs and maintenance costs than originally foreseen.</p> <p>Event: Inability to contain financial pressures on the Housing Revenue Account, especially around repairs and maintenance costs, management costs and depreciation charges . Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risk.</p> <p>Effect: The City Corporation's reputation is damaged due to failure to deliver housing services.</p>
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Current Risk Assessment, Score & Trend Comparison		16		Constant
	Likelihood	Likely	Impact	Major
	Risk Score	16	Review Date	02-Apr-2025

Target Risk Assessment & Score		8		
	Likelihood	Unlikely	Impact	Major
	Risk Score	8	Target Date	31-May-2025

Latest Note	<p>The latest financial position on the overall HRA was agreed in the latest Estimates report in January. An updated five year financial projection was presented to members in September 2024. Latest projections show the revenue funding position remains precarious and vulnerable to revenue overspends, further delays to new build projects or significantly rising capital costs (leading to higher loan repayments and interest charges).</p> <p>On 7 March Court of Common Council approved rent increases of 7.7%.</p>
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Risk Level	Departmental	Department	Chamberlain's
Creation Date	16-Oct-2023	Risk Owner	Sonia Virdee
Approach	Reduce	Risk Administrator	Leah Woodlock
Head of Profession 1	Financial Services	Risk assigned to	Mark Jarvis
Head of Profession 2	Estates & Facilities	Committee	Finance Committee

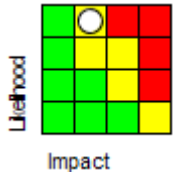

Head of Profession 3		Parent Risk	CHB Departmental Cross Cutting Risks
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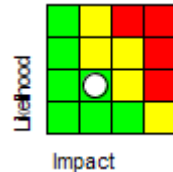
Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CHB002a Capital Schemes Monitoring	Close monitoring of capital schemes is required during 2025/26, update to be provided in regular reporting of capital forecasts next due in July. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects.	Close monitoring of capital schemes is required during 2025/26, update to be provided in regular reporting of capital forecasts due in the revised HRA 5 Year Plan after Closing. Further risk of delays to new build projects will impact the 5 Year Plan revenue projections. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects.	02-Apr-2024	Mark Jarvis	31-July-2025
CHB002b Repairs & maintenance	Increased repairs and maintenance costs and energy costs.	The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The current repairs and maintenance contract is being re-procured in 2025/26. The calculation of the depreciation charge has been reviewed with external valuers and significantly reduced as a result – this has helped to offset past inflationary revenue pressures. The 2025/26 approved Estimates show a finely balanced position that will be updated in the new 5 Year Plan figures in July.	023-Apr-2024	Mark Jarvis	31-July-2025

Code	CHB 003	Title	Inconsistent application of the internal control environment
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Description	<p>Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to: Failure of staff management to adhere to financial and procurement regulations, leading to: Poor Purchase Order Compliance, Inefficient budget management, Delays in setting up Project Codes due to governance, Ineffective contract and supplier management, Lack of management oversight of purchasing activities, Misinterpretation and inconsistent understanding of financial and procurement regulations, Inconsistent guidance from subject matter experts & Complex procedures driving officers towards using workarounds</p> <p>Event:</p> <ul style="list-style-type: none"> • Increase in transactional errors • Decrease in payment performance • Impact on cashflow management and accuracy of forecasting • Heightened demand for customised approvals and urgent decisions • Diminished strategic challenge capacity • Disrupted delivery of Business as Usual (BAU) operations <p>Effect:</p> <ul style="list-style-type: none"> • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market
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Current Risk Assessment, Score & Trend Comparison		8		Constant
Likelihood	Likely	Impact	Serious	
Risk Score	8	Review Date	26-Feb-2025	

Target Risk Assessment & Score		4		
Likelihood	Unlikely	Impact	Serious	
Risk Score	4	Target Date	31-Jul-2025	

Latest Note	<p>Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.</p> <p>The financial leadership group, consisting of finance representatives from across the corporation and its institutions, has been appointed to mitigate the risk of inconsistent application of the internal control environment by working with business customers.</p> <p>A number of mitigations have been identified to improve compliance and overall benefits of controls. FLG have been instructed to provide a list and evidence of further in-place actions to be added to the action list below.</p>
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	<p>A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls.</p> <p>This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.</p>
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Risk Level	Departmental	Department	Chamberlain's
Creation Date	28-Feb-2024	Risk Owner	Caroline Al-Beyerty
Approach	Reduce	Risk Administrator	Leah Woodlock
Head of Profession 1	Commercial	Risk assigned to	Sonia Virdee
Head of Profession 2	Financial Services	Committee	Finance Committee
Head of Profession 3	Internal Audit	Parent Risk	

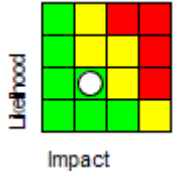

Actions related to this risk:

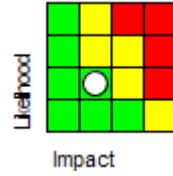
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CHB003c Project Governance Process Review	Review gateway process and project budget code creation.	<p>The review of the gateway process is underway as part of action CR33h</p> <p>Considering the separation of capital accounting arrangements from project procured.</p> <p>A draft revision is currently being socialised amongst the working group.</p> <p>Some interdependencies to the Programme Sapphire (ERP) implementation exist.</p>	07-Apr-2025	Matthew Miles	31-Jul-2025
CHB003e Review of procurement regulation	Review of procurement regulations	First draft policy is under review by a limited group. The Policy will be presented to Projects and Procurement Sub-Committee in June for approval.	28-Mar-2025	Sue Smith;	31-Jul-2025
CHB003h Escalation and enforcement of non-compliance activities	Escalation and enforcement of non-compliance activities	<p>Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director.</p> <p>Further non-compliance to be escalated to the Chamberlain.</p>	03-Dec-2024	Sonia Virdee; Genine Whitehorne	31-Jul-2025

		Monthly reviews are taking place at Financial Leadership Group to highlight any areas of concern.			
CHB003i Finance Leadership Group Interventions	The Finance Leadership Group are responsible for partnering with departments and services to improve overall compliance.	Current actions and mitigations are reviewed and discussed at the monthly Finance Leadership Group. The performance of departments and institutions are reviewed monthly, with finance reps sharing their best practice on reducing non-compliance.	12-Feb-2025	Sonia Virdee	31-Jul-2025

Code	CHB 001	Title	Chamberlain's department transformation and knowledge transfer
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Description	<p>Cause: Transferring knowledge can be challenging due to resistance to change, poor training, or lack of proper documentation.</p> <p>Event: Culture change is insufficient. Corporate memory is lost. The Chamberlain's Department is not fit for the future.</p> <p>Effect: Chamberlain's Department fails to deliver its objectives.</p>
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Current Risk Assessment, Score & Trend Comparison		4		Constant
Likelihood	Unlikely	Impact	Serious	
Risk Score	4	Review Date	09-Apr-2025	

Target Risk Assessment & Score		4	
Likelihood	Unlikely	Impact	Serious
Risk Score	4	Target Date	31-Dec-2025

Test Note	<p>Most of the vacancies within the commercial, change and portfolio delivery team have been successfully recruited into. The approach to the remaining vacancies will be to recruit and fill on the basis of upcoming priorities.</p> <p>The Learning and Engagement Board continues to support and develop staff. A skills matrix assessment has been commissioned for Finance Staff, this is being piloted with the Financial Shared Services team, with the plan to extend to all finance teams within Chamberlain's department.</p> <p>A strategic review of Commercial and Contract management has been completed in November 2024. The implementation was approved by PPSC in December.</p> <p>The five improvement workstreams have been established with a core focus on readiness for the Procurement Act 2023.</p> <p>A procedure note review is underway and pending the positive results of this review, this risk will be deactivated.</p>
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Risk Level	Departmental	Department	Chamberlain's
Creation Date	12-Nov-2021	Risk Owner	Caroline Al-Beyerty
Approach	Reduce	Risk Administrator	Leah Woodlock
Head of Profession 1	Financial Services	Risk assigned to	Chamberlain
Head of Profession 2		Committee	Finance Committee

Head of Profession 3		Parent Risk	CHB CHB Departmental Cross Cutting Risks
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Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CHB001b Sufficient means for upskilling team members	Colleagues are provided with the training they need to fulfil their role.	<p>A CIPFA skills matrix review is underway to independently analyse strengths and areas for improvement for Chamberlain's staff. This has now been completed by FSS and Internal Audit. Results have been received for FSD, which are currently being reviewed.</p> <p>Key workstreams for the board have been identified and are currently being progressed.</p> <p>Lunchtime learning sessions are being delivered on a variety of topics in the coming months.</p> <p>Separate to the above, the Financial Services Division have carried out training sessions to support staffs continued professional development; these sessions have been mandated to support staff with upskilling through the year end close-down process. Training sessions will be programmed into annual forward plans to ensure continued development.</p> <p>In addition, succession planning is now being reviewed to support skill shortages within capital, supported by excellent interim support. Alongside the above the FSD are also launching their Financial Improvement and Transformation strategy (FIT). This links to the Corporate Plan and People Strategy. One of the goals is to imbed best practice and transformation across the organisation.</p>	09-Apr-2025	Phil Black	31-Dec-2025
CHB001g Commercial and Contract Management Improvement Plan	A draft improvement plan is being formulated following the recommendations from the strategic review. Further details will be provided in Q4 of the progress of identified quick wins.	A workstream has been identified within the Commercial Transformation plan which is focussing on training and development. This has specific deliverables and initiatives that are planned to be rolled out over Q4 and Q1 (FY 25-26).	28-Mar-2025	Nish Dubey	31-Dec-2025
CHB001h Procedure Notes Review	Undertaking of an audit of all critical processes and ensuring	All process owners have been requested to provide evidence of procedure notes for critical processes for review by Chamberlain's SLT at the April meeting.	28-Mar-2025	Leah Woodlock	31-May-2025

	appropriate materials are in place				
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City of London Corporation Committee Report

Committee(s): Finance Committee – For Information	Dated: 29 April 2025
Subject: Report of Action Taken	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:	Town Clerk
Report author:	Ben Dunleavy

Summary

This report provides details of decisions taken under urgency and delegated authority procedures between Committee meetings.

Recommendation

Members are asked to note the report.

Urgent Decisions Under Standing Order 41A

Extension of Central London Forward's Digital Connectivity Programme

1. Central London Forward (CLF) is the sub-regional partnership of the 11 central London local authorities and the City of London Corporation. The City of London Corporation acts as the contracting body for CLF. CLF promotes inclusive and sustainable growth in central London and manages employment and training programmes for central London residents.
2. Central London Forward's Digital Connectivity programme aims to support the CLF member authorities in attracting inward investment to improve broadband and mobile connectivity in central London. CLF currently receive £125,000 per annum from GLA to deliver the Programme, covering the costs of the digital lead post and residual funding to cover programme activity. The programme is due to end 31 March 2025.

3. The GLA secured additional funding to continue delivering the digital connectivity programme, which would require a variation agreement to be signed. This would continue funding of £125,000 per annum for a further four years (to financial year 2028/9), with an annual break clause, available to either party.
4. The variation agreement needed to be signed by 18 March to allow funding to be transferred by the end of FY 2024/25. As the Finance Committee would need meet until April 2025, approval was sought under urgency procedures. Owing to a lack of clarity among officers as to the correct governance procedures for approving the variation, a decision (or request for delegated authority) was not ready in time to be presented to Committees at an earlier time. Officers have committed to a review of mechanisms for the approving the variation of agreements for CLF, and this has also been flagged as part of the wider procurement review.
5. The Town Clerk accordingly approved the following under urgency procedures on 19 March 2025:
 - Approve CLF accepting funding of £500,000 over four years from the GLA. To enable the continuation of the Digital Connectivity Programme and the digital connectivity lead, who is responsible for programme delivery.
 - Authorise the Executive Director of Innovation and Growth to sign the variation agreement to accept the funding of £500,000 over four years.

Background Papers

1. Extension of Central London Forward's Digital Connectivity Programme

Ben Dunleavy

Governance and Member Services Manager

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