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Finance Committee – Main Agenda

Date: **WEDNESDAY, 4 JUNE 2025**

Time: **12.45 pm**

Venue: **COMMITTEE ROOMS - 2ND FLOOR WEST WING, GUILDHALL**

Members:

Deputy Henry Colthurst (Chairman)
Deputy Andrien Meyers (Deputy Chair)
Shahnan Bakth
Brendan Barns
Alderman Alexander Barr
Deputy Emily Benn
Nicholas Bensted-Smith
Deputy Timothy Butcher
Deputy Bethany Coombs
Deputy Anne Corbett
Elizabeth Corrin
Simon Duckworth OBE DL
Susan Farrington
Steve Goodman OBE
Alderman Prem Goyal OBE
Alderwoman Martha Grekos
Deputy Madush Gupta
Stephen Hodgson
Adam Hogg
Sandra Jenner
Deputy Paul Martinelli
Alderman Bronek Masojada
Deputy Benjamin Murphy
Alderwoman Jennette Newman
Fraser Peck
Deputy Nighat Qureishi
Hugh Selka
Deputy Oliver Sells KC
Deputy Sir Michael Snyder
James St John Davis
Deputy James Thomson CBE
James Tumbridge
Mark Wheatley
Deputy Christopher Hayward, Policy and Resources Committee (Ex-Officio Member)

Enquiries: **John Cater**

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES OF THE PREVIOUS MEETING**
   To agree the public minutes and non-public summary of the meeting held on 29th April 2025.

   For Decision
   (Pages 7 - 16)

4. **FINANCE COMMITTEE'S FORWARD PLAN**
   Report of the Chamberlain.

   For Information
   (Pages 17 - 18)

5. **PUBLIC SUMMARY OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING - 19 MAY 2025**
   The Chairman of the Projects and Procurement Sub-Committee to be heard.

   For Information

6. **PAN-LONDON SEXUAL HEALTH ESERVICE (SHL.UK)**
   Joint Report of the Director of Community & Children's Services and the Chamberlain.

   For Decision
   (Pages 19 - 28)

7. **REVIEW OF RECHARGES - BARBICAN LEASEHOLDER SERVICE CHARGES**
Joint Report of the Director of Community & Children's Services and the Chamberlain.

For Information
(Pages 29 - 32)

8. **CLIMATE ACTION STRATEGY FINANCE UPDATE TO END OF YEAR 4 (2024/2025)**
Report of the Executive Director of Innovation & Growth.

For Information
(Pages 33 - 44)

9. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.

For Decision
(Pages 45 - 50)

10. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**
Report of the Chamberlain.

For Information
(Pages 51 - 76)

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

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

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

For Decision

Part 2 - Non-Public Agenda

14. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 29th April 2025.

For Decision
(Pages 77 - 78)

15. **NON-PUBLIC SUMMARY OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING - 19 MAY 2025**
The Chairman of the Projects and Procurement Sub-Committee to be heard.

16. **EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN**
To receive the Efficiency and Performance Working Party's Forward Plan.

For Information
(Pages 79 - 80)

17. **DELEGATION REQUESTS**
Report of the City Surveyor.

For Decision
(Pages 81 - 84)

18. **INTEREST RATES FOR LOAN FACILITIES**
Report of the Chamberlain.

For Decision
(Pages 85 - 92)

19. **ENFORCEMENT AGENTS FOR REVENUES AND PARKING - STAGE 1 STRATEGY**
Report of the Chamberlain.

For Decision
(Pages 93 - 98)

20. **CITY SCHOOLS CATERING - STAGE 2 AWARD**
Joint Report of the Headmaster, City of London School and the Headmistress, City of London School for Girls

For Decision
(Pages 99 - 112)

21. **UPDATE ON PROCUREMENT TRANSFORMATION**
Report of the Chamberlain.

For Information
(Pages 113 - 144)

22. **BARBICAN RENEWAL SIX-MONTH UPDATE (BARBICAN CENTRE)**
The Interim CEO of the Barbican Centre to be heard.

For Information

23. **MPO DASHBOARD REPORTING**
Report of the Chamberlain.

For Information
(Pages 145 - 160)

24. **CENTRAL CONTINGENCIES APPENDICES**
To be read in conjunction with Item 8.

For Information
(Pages 161 - 166)

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

26. **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

27. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

For Decision

28. **MARKET SITES REGENERATION PROGRAMME FURTHER INFORMATION**

For Information

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FINANCE COMMITTEE

Tuesday, 29 April 2025

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 29 April 2025 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)
Deputy Andrien Meyers (Deputy Chair)
Shahnan Bakth
Brendan Barns
Alderman Alexander Barr
Nicholas Bensted-Smith
Deputy Timothy Butcher
Deputy Bethany Coombs
Deputy Anne Corbett
Elizabeth Corrin
Simon Duckworth OBE DL
Steve Goodman OBE
Alderwoman Martha Grekos
Deputy Madush Gupta
Stephen Hodgson
Adam Hogg
Sandra Jenner
Deputy Paul Martinelli
Alderman Bronek Masojada
Deputy Benjamin Murphy
Alderwoman Jennette Newman
Fraser Peck
Deputy Nighat Qureishi
Hugh Selka
Deputy Oliver Sells KC
Deputy Sir Michael Snyder
James St John Davis
Deputy James Thomson CBE
Deputy Keith Bottomley (Ex-Officio Member)

Officers:

Ian Thomas, CBE	-	Town Clerk and Chief Executive
Caroline Al-Beyerty	-	Chamberlain
Gregory Moore	-	Deputy Town Clerk
Michael Cogher	-	Comptroller and City Solicitor
Paul Wilkinson	-	City Surveyor
Dionne Corradine	-	Corporate Strategy & Performance
Sonia Virdee	-	Chamberlain's Department
Daniel Peattie	-	Chamberlain's Department
Ben Dunleavy	-	Town Clerk's Department
Phil Black	-	Chamberlain's Department
John James	-	Chamberlain's Department
Genine Whitehorne	-	Chamberlain's Department

1. **APOLOGIES**

At the outset of the meeting, Alderman Alexander Barr, as senior Member present, was moved into the Chair.

Apologies for absence were received from Alderman Prem Goyal and Deputy Christopher Hayward.

Shahnan Bakth, Josephine Hayes and Deputy Henry Pollard observed the meeting online.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
There were no declarations of interest.

3. **ORDER OF THE COURT**
The Committee received the Order of the Court of Common Council dated 25 April 2025.

4. **ELECTION OF CHAIR**
The Committee proceeded to elect a Chairman in accordance with Standing Order No. 28.

Deputy Henry Colthurst, as the only Member expressing their willingness to serve, was duly elected as Chairman for the ensuing year and took the Chair.

The Chairman thanked the Committee for its support, and took the opportunity to thank all Members who had served in the Committee over the past 12 months, including the former Deputy Chairman Randall Anderson. He welcomed those Members joining the Committee for the first time.

RESOLVED, that – Deputy Henry Colthurst be elected Chairman of the Finance Committee for the ensuing year.

5. **ELECTION OF DEPUTY CHAIR**
The Committee proceeded to elect a Deputy Chair in accordance with Standing Order No. 29.

The Town Clerk informed the Committee that Steve Goodman and Deputy Andrien Meyers had both expressed a willingness to serve, and that a ballot was therefore necessary.

A ballot having been taken, votes were cast as follows:-

Steve Goodman	-	8
Deputy Andrien Meyers	-	14

Deputy Andrien Meyers, having received the majority of votes, was duly elected as Deputy Chair for the ensuing year.

The Deputy Chair thanked the Committee for its support.

RESOLVED, that – Deputy Andrien Meyers be elected as Deputy Chairman of the Finance Committee for the ensuing year.

6. **MINUTES OF THE PREVIOUS MEETING**
RESOLVED, that – the public minutes and non-public summary of the meeting held on 18 February 2025 be approved as an accurate record.

7. **ACTION TRACKER**
Members received the Committee's Action Tracker.

It was noted that a detailed report on Barbican leaseholder service charges would be submitted to the Finance Committee's June meeting.

8. **FINANCE COMMITTEE'S FORWARD PLAN**
Members received the Committee's Forward Plan.

It was noted that the report on the Procurement Code Review would be submitted to the Finance Committee's June meeting.

9. **DRAFT PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**
RESOLVED, that - the public minutes and non-public summary of the Projects and Procurement Sub-Committee meeting held on 4 February 2025 be noted.

10. **APPOINTMENTS TO COMMITTEES**
Members received a report of the Town Clerk concerning Committee and Sub-Committee appointments.

The Chairman informed the Committee that he was seeking a change to the composition of the Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee with the effect of granting nomination rights.

RESOLVED, that – Members:

a) Agree the composition and Terms of Reference of the Projects and Procurement Sub-Committee

b) Appoint the following Members of the Finance Committee to the Projects and Procurement Sub-Committee:

- Ben Murphy
- Stephen Hodgson
- Anne Corbett (Chairman's nominee)

c) Elect Deputy Benjamin Murphy as the Chair of 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

d) 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

f) Appoint the following Members of the Committee to the Efficiency and Performance Working Party

- Nick Bensted-Smith
- Deputy Benjamin Murphy
- Stephen Hodgson
- Adam Hogg

g) agree the appointments of representatives to the following Committees and Sub-Committees:

i. Corporate Services Committee – Adam Hogg

ii. Investment Committee – Simon Duckworth and Deputy Madush Gupta (following a ballot)

iii. Streets and Walkways Sub (Planning & Transportation) Committee - Deputy Timothy Butcher

h) agree the appointment of the Chairman and the Deputy Chairman as representatives of the Finance Committee for informal consultation with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances

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 – James St John Davis

ii. Digital Services Committee – Sue Farrington

iii. Investment Committee – Deputy Henry Colthurst

iv. Capital Buildings Board – Deputy Henry Colthurst.

v. Civic Affairs Sub Committee – Deputy Henry Colthurst

vi. Communications & Corporate Affairs Sub (Policy & Resources) Committee – James Tumbridge

vii. Resource, Risk & Estates (Police) Committee – Deputy Bethany Coombs.

viii. House Committee of the Guildhall Club – Adam Hogg

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.

11. **REVIEW OF FINANCIAL REGULATIONS**

Members considered a report of the Chamberlain concerning the Financial Regulations.

The Town Clerk informed the Committee of a required correction to the recommendations – the requirement to consult the Town Clerk on the use of central contingencies should be retained.

The Chairman highlighted four points for the Committee to note: the increase in the level of thresholds, the need to support these with a comparable level of controls, ongoing work on the revised Procurement Code and the accounting model for the Natural Environment Charities was also important.

The Chamberlain also highlighted that the Regulations were being updated to comply with the new IFRS 16 standards. The Chairman noted that the capitalisation threshold seemed low at £50,000; officers undertook to look at comparators.

A Member asked what work had been done on monitoring and reporting on the effect of increasing the thresholds. The Chairman reiterated his point on the need to increase the thresholds requiring member scrutiny and reiterated that robustness of controls were important for assurance. The Chamberlain said that the threshold changes for member scrutiny were largely driven by the procurement and project thresholds. Officer governance below these levels require robust controls and arrangements and these were being specified. Internal Audit and the Audit and Risk Management Committee were reviewing signs of a drop-off in compliance with some controls, particularly with the project procedure. The Chamberlain assured the Committee that strong measures were being implemented to address this. The Chairman requested that the results of that this review also be brought to the Finance Committee for information.

The Deputy Chairman, noting these compliance issues, asked if the recommendations regarding provision of information to Internal Audit (as set out at Section 4.5 of the Regulations) should be strengthened. In reply, the Chamberlain felt that Audit and Risk Management should consider any points of concern, and share these with the Finance Committee as part of the review.

A Member asked if the number of outside trustees sitting on the City Corporation's Natural Environment charity committees, such as the West Ham Park Committee, was compliant with current charitable law. Some of these trustees had been on the committees for several years, leading to what they felt was an unsatisfactory situation where City Corporation trustees changed frequently while the outside ones did not. A Member, also the Chair of the Epping Forest and Commons Committee, said that the current governance arrangements for the Natural Environment charities were under review.

A Member asked if it was appropriate for the City Corporation to have petty cash accounts. In reply, the Chamberlain said that petty cash was still required in certain areas, but she hoped it would reduce over time.

A Member, noted that the revisions brought significant control back to the Chamberlain, and asked the Chamberlain if she felt she had sufficient capacity to manage that requirement. In reply, the Chamberlain said that the Financial Services team was now fully recruited, with work continuing on developing the skills of the team. She also set out the governance arrangements for spending within the organisation.

The Deputy Chair asked if the recommendations regarding provision of information to Internal Audit should be strengthened. In reply, the Chamberlain said that the Chief Internal Auditor had a new system to help in his work. She felt that any areas of concern should first be tackled by the Executive Leadership Board, but should concerns remain, she would appreciate the assistance of the Committee.

RESOLVED, that – Members:

1. Agree the revised Financial Regulations set out in Appendix B;
2. Approve the continued delegation to the Chamberlain, in consultation with the Town Clerk/Chief Executive to manage Central Contingencies, held under Finance Committee, as set out in para 2.2 of the Financial Regulations, noting this delegation excluded the Finance Committee's own contingency which will continue to be managed by the 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.

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

Members received a report of the Chamberlain concerning Programme Sapphire.

The Chairman encouraged Members of the Committee to consider standing for the vacant positions on the Digital Services Committee, given the importance of a successful Programme Sapphire project.

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

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

Members received a report of the Chamberlain concerning the departmental business plan.

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

14. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**
Members received a report of the Chamberlain concerning the departmental risk register.

The Chamberlain introduced the report, highlighting the key risks including the fiscal sustainability of City Fund and the status of the Housing Revenue Account (HRA). The latter was in a fragile state; it was only just breaking even on income and expenditure, had low reserves and virtually no borrowing capacity headroom. A Working Group had been established, including senior Members and officers from the Chamberlain's and Community and Children's Services Departments to explore solutions. It was a national problem requiring national solutions, and the City Corporation was working with HM Treasury and the Ministry for Housing, Communities and Local Government on some of the more innovative solutions.

A Member, welcoming the Chamberlain's comments, noted that it was important to remember the conditions of residents' homes, and said that the status of the HRA needed to remain a priority for the Committee.

In reply to a question on how the City Corporation compared to other local authorities, the Chamberlain said that many other local authorities were in a similar position on the HRA. The City Corporation was relatively well placed in its other funds, but faced similar political dynamics on prioritisation.

A Member asked for further information on the Working Group's reporting mechanisms. The Chamberlain said that the Working Group would look through solutions and report back to the Housing Management and Almshouses Sub-Committee, the Community and Children's Committee and the Finance Committee. The Chairman requested that officers return to the Committee with an update at an appropriate time.

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

15. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Members received a report of the Town Clerk providing information on action taken between meetings.

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

16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
A Member noted that she, alongside other Members, had received emails from residents in their Ward seeking information on the introduction of the second-homes premium. While acknowledging that there was no legal need to consult, she said that she had been told that residents had been notified of the introduction of the premium through various ways, but the residents she had spoken to did not feel that had received any communication. She encouraged

officers to consider improved ways of disseminating decisions, especially when these would have financial consequences.

The Chairman said that he felt the high-level communication around the introduction of the second-homes premium had been good, but asked officers to take the Members' point on board. In reply, officers said that while they had not seen anything to suggest other local authorities had taken a different approach, they would continue to review and speak to the Communications Team.

17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
The Town Clerk informed the Committee of a request for delegated authority from the Central London Forward team. Officers were seeking delegated authority to accept £83,400 of GLA funding to support the extension of the Integration Hub.

RESOLVED, that – the Committee delegates authority to the Town Clerk to approve the acceptance of the GLA funding.

18. **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

19. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
The non-public minutes of the meeting held on 18 February 2025 were approved as an accurate record.

20. **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 4 February 2025 were noted.

21. **DRAFT MINUTES OF THE EFFICIENCY AND PERFORMANCE WORKING PARTY**
The draft minutes of the Efficiency and Performance Working Party meeting held on 3 March 2025 were noted.

22. **EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN**
The Efficiency and Performance Working Party's Forward Plan was noted.

23. **MAJOR PROJECT DASHBOARD - PERIOD 11, 2024/25**
Members received a report of the Chamberlain concerning major projects.

24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no non-public questions 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**
There were two items of other business.

26. **MARKETS SITES REGENERATION PROGRAMME**
Members considered a confidential report of the Comptroller and City Solicitor and the City Surveyor concerning the Markets sites.

The meeting ended at 2.11 pm

Chairman

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

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FINANCE COMMITTEE – WORK PROGRAMME 2024-25

	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) Efficiency and Performance forward plan Review of Recharges - Barbican leaseholder service charges Interest Rates for Loan Facilities Strategic Procurement Review update Climate Action Strategy Finance Update to End of Year 4 (2024/25) Enforcement Agents for Revenues and Parking - Stage 1 Strategy	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 Project Procedures *TBC - Update from Internal Audit – Assurance Financial Control* Write off report or Business Rates and Council tax	MPO Dashboard Reporting (CHB) Budget Monitoring Q1 Provision for Bad and Doubtful Debts City Re update Efficiency and Performance forward plan Private Placement Loan – Green Financing Updated Procurement Code	MPO Dashboard Reporting (CHB) Budget monitoring Q2 Capital Projects – Forecasting Review of Financial controls	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 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	Barbican Renewal six-month update (Barbican Centre) City Schools Catering - Stage 2 Award		Annual Terms of Reference Review (Town Clerks)		

Updated as at: 27 May 2025

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City of London Corporation Committee Report

Committee(s): Health & Wellbeing Board Finance Committee – For decision (Delegated Authority) Projects & Procurement Sub-Committee – For decision Court of Common Council – For decision	**Dated:** 15/11/2024 04/06/2025 16/06/2025 26/06/2025
Subject: Pan-London Sexual Health eService (SHL.UK)	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes**	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?	The Public Health Grant
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Joint report of the Director of Community & Children's DCCS and the Director of Commercial Services	For approval
Report author: Mona Hayat, Director of Sexual Health, DCCS	

Summary

Local Authorities are obliged, by the Health and Social Care Act 2012, to provide open access sexual health services, including STI testing, treatment, and contraception.

The existing SHL.UK service is a public health success story: by providing a discreet, convenient, and cost-effective online platform, we have broken down barriers to care, reaching more residents than ever before. This service ensures that everyone, regardless of their circumstances, can get the support they need from the privacy of their own home. The existing service contract expires in August 2026 and so the second iteration of SHL.UK is required to replace it.

High-quality sexual and reproductive health services are critical to improving health and wellbeing, as are our efforts to address barriers such as stigma, discrimination, language, and cultural competence.

The SHL.UK service provides remote STI testing, results management, and contraception services. It has high user satisfaction and significant testing activity, focusing on cost savings and improved access. The service has been particularly effective in shifting lower-risk and asymptomatic users from clinics to the online platform, freeing up clinic capacity for urgent needs.

The new service will be required to provide enhanced communication, use inclusive imagery, and provide awareness training for other organizations who work with key communities. Specific changes to service requirements include making contraception a core service, exploring multi-lingual support, and improving result communication. The new service also aims to lower the minimum age for access and increase testing kit limits to better meet the needs of the populatio

The successor service aims to enhance communication, inclusivity, and access to sexual health services. It includes aspirations for remote PrEP care, multi-lingual support, and targeted promotion for underserved populations. The service will continue to provide core STI testing and treatment, with optional modules for contraception, PrEP care, and condom distribution. The successor service is set to commence in August 2026 with an initial term of 5 years, until 2031. There is an option for two additional extensions of 2 years each, potentially extending the contract to August 2035. The estimated contract value is £235 million over 9 years, with annual costs rising from £22 million to £29 million.

A PIN was issued in January 2024, where interested suppliers were asked to complete a questionnaire about the services they provide and the structure of the replacement SHL.UK e-Service. We received 7 responses to this. Following the review of the questionnaire responses, interviews were conducted with each of these suppliers to gather more detail. Finally, a market engagement day was conducted in March 2025 where 22 representatives from interested bidders attended.

The service is divided into two areas: the online portal and the testing service. The expenditure is allocated with 20% on the online portal and 80% on the testing service. In accordance with the Health Care Services (Provider Selection Regime) Regulations 2023, soft market testing has confirmed market competition. Therefore, the Competitive Process is deemed the most suitable route to market.

Recommendation(s)

Members are asked to endorse the procurement to Court of Common Council for the replacement E-services contract, due to commence on 15 August 2026.

This recommendation is made following the approval of City Corporation continuing to act as the Lead Authority and accountable body for the procurement of a new Pan-London Sexual Health E-services contract and the host of the programme management service under an inter-authority agreement.

As the Projects & Procurement Sub-Committee meets after the Finance Committee in June, **FC Members** are requested to provide Delegated Authority to the Town

Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee to approve this recommendation, once PPSC Members have scrutinised the Report.

Main Report

Background

1. London's Sexual Health E-Service is part of the Pan London Sexual Health Programme (LSHP) which aims "to manage and deliver an efficient virtual service as part of a wider healthcare system that responds effectively to the sexual and reproductive health needs of London's residents."
2. In 2017 the 30 London local health authorities, including the City Corporation acting in that capacity, agreed to collaborate to deliver these sexual health services under an Inter-Authority Agreement (IAA) dated16th May 2017, with the City Corporation also agreeing to be appointed as the Lead Authority, being the accountable body responsible for hosting the programme management service and procuring the E-service.
3. The contract for the provision of the E-Service, valued at over £200m, was awarded by the City Corporation on 15 August 2017, for a minimum 5-year term with options to extend it by a maximum of 4 years. The contract was extended for a further 3-years extension in 2022, and then a final 1-year extension was applied, taking the contract end date to 14 August, 2026.
4. The current E-Service is provided by Preventx Ltd who sub-contract with Chelsea and Westminster NHS Trust and Lloyds Online Doctor for clinical leadership, patient care and the supply of medical treatments.
5. It provides online assessment for sexual health testing services by post with remote treatment for chlamydia. The E-Service is partnered with London's NHS Trusts who provide ongoing care to E-Service users as required. It provides contraception to residents of 16 authorities, who have called off this optional service line.
6. The E-Service has performed well against the key performance indicators, the supplier has been responsive to our evolving needs and service user feedback is consistently positive. When compared with providing similar care pathways in a traditional clinic setting, the E-Service provides value for money to the participating Authorities and convenience for their residents.
7. A small Programme team, the London Sexual Health Programme Team (LSHPT) hosted by the Directorate of Community and Children's Services within the City Corporation, manages the E-Service contract on behalf of 30 participating authorities under the IAA. The arrangements provide for the costs of the hosting to be met by the participating authorities as well as for recharging each of the local authorities for their residents' usage in a timely manner so that liquidity risk is managed for the City Corporation as the accountable body.
8. An E-Service Management Board (ESMB), comprising of representatives from each participating Authority, provides strategic oversight for the contract and makes recommendations to the City Corporation when variations, including extensions, to the contract are needed.

Current Position

9. The 30 participating Authorities have recommended to the City Corporation, via the E-Services Management Board (ESMB), that the current E-Services contract is reprocured and to go live on 15 August 2026.
10. Publishing the tender documentation in June 2025 will ensure there is adequate time for the delivery of a comprehensive competitive procurement process by the City Corporation as Lead Authority, allowing all participating Authorities to obtain their own authorisations throughout the process, and to participate in the subsequent service contract awarded by the City Corporation. The competitive procurement (including legal advice) will be funded by all the participating authorities.
11. The new Provider Selection Regime (PSR) sets out the rules for procuring health care services in England by organisations termed Relevant Authorities. The key criteria under regulation 5 of the PSR are (a) quality and innovation, (b) value, (c) integration, collaboration and service sustainability, (d) improving access, reducing health inequalities and facilitating choice and (e) social value.
12. The participating Authorities reached a consensus in the ESMB of the 18 April 2024 for a competitive process to be undertaken for the (re)procurement of the Sexual Health E-services and this was endorsed by the authorities at a subsequent meeting of the LSHP's Strategic Board. City Corporation as the host authority has taken this decision on behalf of the Related Authorities via the IAA.

Options

13. There were four options identified to take forward the re-procurement:

Option 1: Run a "Competitive Process" under the Health Care Services Provider Selection Regime

Advantages to this Option:

- Value for Money: Encourages cost-effective service e provision.
- Innovation: Promotes new approaches and improvements in service delivery.
- Transparency & Fairness: Reduces legal and reputational risks associated with direct awards.

Disadvantages to this Option:

- Time & Resource Intensive: Longer procurement timelines and higher administrative costs.
- Potential Disruption: Transitioning between providers may pose risks to service continuity.
- Market Uncertainty: Can create instability for existing providers.

Possible risks associated with this Option:

The key risk to this option is the continued provision of a quality service to residents of London. This has been mitigated through extensive market engagement and the

drafting of a detailed specification. The ITT will seek responses to key method statements, with minimum scores required to ensure continued quality. A period of 4 months has been allowed for the new service to “ramp up” prior to the cessation of the current service (a term confirmed with all potential bidders to be sufficient). The contract will contain key performance indicators to allow for robust contract management post award.

Option 2: Use the “Most Suitable Provider” process under the Health Care Services Provider Selection Regime.

Advantages to this Option:

- Flexibility: Enables authorities to tailor service selection to strategic priorities.
- Reduced Procurement Burden: Avoids lengthy competitive processes.
- Continuity of Care: Maintains stability when transitioning to a new contract.

Disadvantages to this Option:

- Subjectivity Risk: Requires clear justification, which may be challenged.
- Limited Market Testing: Does not always ensure the best value for money.
- Potential Provider Discontent: Other providers may dispute the selection process.

Possible risks associated with this option:

Due to the complexity of this service (value, cross-borough), conducting a desktop exercise to identify the most suitable provider would be a huge risk, as it would be unlikely to sufficiently allow us to be satisfied that any provider would be able to meet the requirement to the scale and complexity required.

Option 3: Use the “Direct Award Process C” process under the Health Care Services Provider Selection Regime (awarding to the incumbent).

Advantages to this option:

- Efficiency: Faster procurement with reduced administrative burden.
- Continuity: Ensures stability in service delivery.
- Market Confidence: Reduces uncertainty for providers currently delivering services.

Disadvantages to this option:

- Limited Competition: May not encourage innovation or cost savings.
- Legal Challenge Risk: Could be subject to scrutiny if the justification for direct award is weak.
- Equity Concerns: Could be perceived as favouring incumbent providers unfairly.

Possible risks associated with this option:

The soft market testing that has been conducted has demonstrated that there are several providers working in this space. They have demonstrated an appetite to bid for this contract and bring with them new and innovative ideas regarding service delivery. Having engaged with them throughout the process so far, The City would stand a significant risk of challenge should the contract not be competed. Whilst the service being provided is of a high quality, some Boroughs are happier than others with the incumbent provider performance.

Option 4: Use a framework agreement.

Advantages to this Option:

- Reduced Procurement Burden: Avoids lengthy competitive processes.
- Risk Management: With established terms and conditions, there is more certainty and stability in the procurement process, reducing potential risks and uncertainties.
- Compliance: They help demonstrate and justify decision-making and best practices, ensuring compliance with procurement regulations.

Disadvantages to this Option:

- Reduced Competition: Framework Agreements limit access to new or alternative suppliers, hindering the opportunity to achieve the full service requirement, and negotiate better prices or terms (the Framework Terms and Conditions must be used).
- Lack of Flexibility: The scope and T&Cs of the Framework may restrict our ability to adapt to changing needs or circumstances and explore new or improved ways of delivering goods or services.
- Simplistic: Framework Agreements are not designed for such complex service delivery models of SHL.UK

Possible risks associated with this option:

There is currently no Framework Agreement in the market available for us to use should this have been the preferred route to market. NHS SBS are putting a Framework in place, but it will not be active until after we have awarded our contract. As such, it is not clear whether the incumbent and other providers included in the soft market testing will be on the Framework. Going to market later using a Framework that may not include these suppliers would provide a significant risk of challenge.

Proposals

14. In April 2024, contract law specialists held a workshop for London commissioning and procurement teams to review the new legislative framework for sexual health services. A consensus emerged that both Direct Award Process C and a Competitive Process were viable procurement routes.

During the LSHP Strategic Board meeting in October 2024, a number of Authorities agreed on their preferred procurement route for the London e-Service being the Competitive Process; the rationale being that since the award of the existing contract, a number of new entrants have entered the market. With new entrants in the market, this approach fosters competition and innovation, ensuring value for money while enhancing service quality for users.

Key Data

15. The London Sexual Health Programme has made significant strides in both clinic-based and online sexual health services. The NHS operates 34 specialist sexual health clinics that now offer contraception services aligned to a common service specification, ensuring consistent performance indicators. In the 2023/24 period, these clinics activated 409,648 STI testing currencies, with Chelsea and Westminster Hospital NHS Foundation Trust and Central and North West London NHS Foundation Trust being the largest providers. Notably, there has been a 26.1% reduction in out-of-area activity since 2013, with 27.4% of residents attending these services.

    Between 2019/20 and 2023/24, there was a 20% reduction in overall attendances at NHS clinics, leading to a £9.6 million reduction in overall spend. Specifically, attendances for STI care dropped by 28%, resulting in an £11 million reduction in spend on STI interventions. Overall, London's total local authority expenditure on STI testing and treatment decreased by £13.1 million from 2018 to 2023.

    NHS clinics have referred over 500,000 individuals to the SHL.UK website, with more than 200,000 of these referrals occurring in clinics, allowing test kits to be taken away and freeing up clinic capacity for urgent needs. A 2024 survey of 1,420 London residents confirmed the effectiveness of this shift, with two-thirds having visited a sexual health clinic in the past 12 months, and over a third of these also using SHL.UK. Additionally, over half of those who did not visit a clinic used the online service.

16. Corporate & Strategic Implications

Strategic implications

Having a 99% service user satisfaction rate, the SHL.UK E-Service fully supports the City's outcome of "Providing Excellent Services".

The current contract has so far delivered high user satisfaction (99% recommendation rate), award-winning service, and significant testing activity (57% of all testing in London). The service has recently been awarded 'Environmental Sustainability Project of the Year' at the HSJ Partnership Awards 2025 for the recycling and reuse of testing equipment.

Performance against KPIs is reviewed with the supplier at quarterly Contract Board and reported to all Authorities at quarterly E-Service Management Board.

Results savings, efficiencies and benefits

The current contract for E-services provides value for money to the participating authorities when compared with providing similar care pathways in a traditional clinic setting. Currently the participating authorities are spending £11 million less on STI interventions than in 2019/20. The greater the proportion of activity that happens online, the greater the efficiencies for the Authorities individually and collectively. Public Health England predict that the next 10 years will see a return on investment based on £9.00 saving for every £1 invested in publicly provided contraception.

The E-Service is addressing accessibility challenges for residents from deprived areas. 69% of STI Kits were ordered from the top 5 most deprived areas in London with 74% for routine contraception and 81% for Emergency contraception.

Providing the same care at lower prices enable the participating Authorities to meet the challenge of rising demand for sexual health testing that accompanies expanded uptake of Pre- Exposure Prophylaxis (PrEP) and fulfil the capital's commitment to becoming the first nation in the world to achieve zero new HIV transmissions by 2030.

The LSHP Team have a new dedicated senior Health Business Analyst joining the team in September 2024 to undertake all the data and financial modelling to detail the efficiency, effectiveness, value and behaviour of Pan-London residents accessing the Sexual Health E-Service and how it is critically improving health outcomes across all participating authorities. This information has underpinned the Business Case for the re-procurement and has been approved across all Related Authorities to proceed to market via a PSR route.

Financial implications

City Corporation acting as a trusted broker on behalf of the LSHP is of no cost to the Corporation.

The value of the monthly invoices from the existing supplier under the current contract requires enhanced approval processes involving the Chamberlain, Chamberlain's Department, and the Executive Director of Community & Children's Services. The programme team includes a dedicated resource for recharging the participating authorities each month according to their residents' usage. The level of liquidity in the funds under the arrangements is regularly reviewed with the Chamberlain and any new measures to manage risk for the City Corporation as accountable body are then implemented.

Resource implications

There is already a team in place within City of London who manage the SHL.UK service on behalf of the London Boroughs; the re-procurement will not require additional resource to be brought in.

Legal implications

There will be a continuation of the existing governing arrangements, including financial commitments; this will include the City Corporation as local authority which decisions are for the Health and Wellbeing Board and will be considered separately by that Board should this reports recommendations be supported. The City Corporation, as the Lead Authority can then take the relevant steps to (re)procure the Sexual Health E-Service in accordance with the City Corporation's standard procurement procedures and a new IAA will be required after approvals are confirmed at City Corporation. The IAA will clearly state the apportionment of liabilities across all participating authorities.

Risk implications

There is significant risk for London's sexual health system if the City Corporation does not re-tender the SHI.UK E-Service on behalf of the Related Authorities.

If the mandate is not approved as recommended by the participating Authorities, this would create significant risk of major reputational damage for all participating Authorities and potential adverse publicity for all Authorities, including the City Corporation because the activity currently managed through the sexual health E-Service will be transferred back to in-person clinics across London. If this were to occur the LSHP team will have to support participating authorities with a streamlined contingency plan service due to service disruption and financial constraints.

The re-procurement of the SHL.UK E-Service gives the Programme's capability to seek a more effective and efficient supplier in a competitive market under the PSR regime. The current pan London Needs Assessment indicates that there are critical changes in resident profiles and trends that require an updated service model and specification.

A lack of continuity of service will create a significant rise in financial burden for all participating authorities that has not been accounted for. The LSHP would have to seek advice and guidance from each participating authority finance teams (including City Corporation through its own participation).

A disruption in service will have a impact on residents requiring STI and contraception support across the region. This is counter-intuitive to the values and principles of the City Corporation's Corporate Plan, specifically Outcome 2: Diverse engaged communities, providing excellent services.

Equalities implications

The Programme has sought external support from the Equalities & Human Rights Commission to ensure Public Sector Equalities Duty compliance. To ensure the Programme remains fully compliant throughout the duration of the Programme an Equity Equalities Diversity & Inclusion Advisory Board (EEDIAB) has been established as part of the existing governance structure to provide advice to the Statutory Board and Clinical Advisory Board on all matters related to the delivery of the Programme. The EEDIAB consists of diverse service user representation to ensure service users' voices are heard and represented on all matters related to the Programme. This Group will be consulted on the Equalities Impact Assessment (EQIA) completed by the Programme.

Climate implications

The following initiatives around climate and responsible procurement are in place currently and will be built upon throughout the new service:

- The existing e-Service as recently won a national environmental award:
- Environmental impact (energy use, managing waste)
  Community benefits (engagement with neighbours, residents & businesses, service user involvement)
- Workforce representation (ethos, culture, mindset)
- Economic outcomes (recruitment of workers from London's diverse communities, local volunteering opportunities)

Security implications

N/A

Conclusion

17. The City Corporation as a Lead Authority (and through its own participation as a local authority) will ensure an exemplary LSHP procurement process will be undertaken on behalf of all participating authorities with the re-procurement of the SHL.UK E-Service.

    By conducting this re-procurement, the City Corporation is provided with the opportunity to continue to enhance its reputation for delivering excellent public services, technological innovation and cost effectiveness.

Appendices

- Appendix 1 – List or write 'None'

NONE

Report author

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City of London Corporation Committee Report

Committee(s): Finance Committee	**Dated:** 04/06/2025
Subject: Charges to the Barbican Residential Service Charge for support services and management costs	**Public** For Information
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3,7,8
Does this proposal require extra revenue and/or capital spending?	No
Report of: The Chamberlain and the Executive Director of Community and Children's Services	
Report author: Mark Jarvis, Chamberlain's Department	

Summary

This Committee requested officers to provide more details on the recharges applied to the Barbican leaseholder service charge.

This report gives a summary breakdown of the budgeted £1.331m annual charge to the Barbican Residential Service Charge which covers primarily allocation of management staff time for the Barbican Estate Office and the wider technical services provided by the Housing department, as well as costs for Information Services (IS) licenses and Insurance.

Detailed schedules showing the individual percentage allocations of individual roles that support these figures are to be provided to the next Service Charge Working Party (on 2nd June), which reports back to the Barbican Residential Consultation Committee.

Recommendations

Members are asked to:

Note the contents of the report and that the further detailed schedules outlining individual roles which underpin the calculations will be reviewed at the next Barbican Service Charge Working Party meeting on 2nd June.

Main Report

Introduction

1. The charge made for Barbican service charge for support services and management costs are made up of a number of elements including insurance charges, information services licences costs and allocations of

Barbican Estate Office and Housing staff time as set out in the table at the end of this report. Note the breakdown of the individual posts and allocations are being provided in the next meeting of the Barbican Service Charge Working Party in June.

Support Service Charges

2. Insurance charges relate to the cost of building insurance premiums paid centrally by the Insurance Team and these are recharged based on premiums for buildings within the Barbican Residential estate.

3. The Information Services (IS) Recharge relates to the cost of IT services including hardware, infrastructure and support services. Charges are apportioned based on usage by departments – this is derived from the number of user licences within each department.

Recharges within Committee are made up of:

4. The Supervision & Management (S&M) Recharge is based on allocations of the following areas of staff costs directly supporting the Barbican Residential service charge. Allocations of individual staff time is based on their roles and responsibilities and is reviewed annually. The detailed breakdown of these individual posts and allocations are being provided in the next meeting of the Barbican Service Charge Working Party in June.

Estate Wide Expenses - Other	346,000
House Officers	184,000
Car Parking Staff Service Charge Account	26,000
Service Charge Account Cleaning	130,000
Service Charge Account Lobby Staff	25,000
	711,000

Recharges Within Funds (Recharged cost to other Committees) are made up of:

5. The DCCS Housing staff recharge is the apportionment of project managers time on both projects and procurement of new service contracts which is directly attributable to the Barbican Residential Estate. Additionally, this includes an allocation of the shared cost of the Repairs & Maintenance call centre.

Support Service Charges from/(to) Barbican Service Charges	Original Budget 2024/25 000	Latest Approved Budget 2024/25 000	Original Budget 2025/26 000
Support Services Charges			
Insurance charge	(65)	(65)	(73)
Information Services (IS) charge (licences)	(28)	(28)	(214)
Total Support Services	(93)	(93)	(287)
Recharges within Committee			
Cleaning and Lighting credit	126	126	126

Barbican Estate Office – allocation of staff costs covering Supervision and Management	(905)	(905)	(711)
Recharges Within Funds DCCS – Housing staff technical services	(459)	(459)	(459)
TOTAL SUPPORT SERVICE AND CAPITAL CHARGES	(1,331)	(1,331)	**(1,331)**

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Committee(s): Finance Committee	Date(s): 04 June 2025
Subject: Climate Action Strategy Finance update to end of Year 4 (2024/2025).	**Public Report:** For Information
This proposal: • Delivers Corporate Plan 2024-29 outcomes	Leading Sustainable Environment, Flourishing Public Spaces, Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	*Original budget envelope for CAS approved by Court upon adoption. Year 5 drawdown approved by Policy and Resources on 08 May 2025. CBF portion is approved by CBF Board separately.*
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of:	Damian Nussbaum, Executive Director of Innovation and Growth and Senior Responsible Officer, Climate Action
Report author:	Kate Neale, Programme Director, Climate Action

Summary

In October 2020, the Court of Common Council approved an ambitious Climate Action Strategy (CAS). The Strategy aims to support the achievement of net zero, build climate resilience and champion sustainable growth.

CAS has a £68m budget for implementation from April 2021 through to March 2027. As of March 2025, 59% of the revenue budget and 16% of the capital budget has been spent, with a further £11m leveraged in grant funding. The remainder is expected to be spent by March 2027. Continued focus is needed on speedy financial scoping and approvals for work to be delivered as needed, prioritising activities supporting the 2027 net zero target.

The CAS is delivering long-term value to the City Corporation, maintaining asset value and reputation. Investment in the operational estate to date has already resulted in over £32m in avoided energy costs.

Progress against targets to the end of Year 3, 2023/24 (latest available data), shows we are not on track to meet net zero for our own operations in 2027 due to lack of national grid decarbonisation and changing timelines of Corporation major projects. The underspend to date has left us in a strong financial position to recover from exogenous factors and deliver additional works within the same budget envelope.

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

Recommendations

Members are asked to note the report.

Main Report

Background

1. Starting November 2024, the Finance Committee is updated twice a year on expenditure and progress against the Climate Action Strategy programme budget.

2. The City Corporation's ambitious CAS was adopted at Court of Common Council on the 8 October 2020 and became operational in April 2021.

3. The CAS marked the start of a new and transformative programme of action ensuring the City of London is Responsible, Sustainable and Competitive. It set out three interlinked objectives for the City Corporation and the Square Mile:
   - to support the achievement of net zero emissions,
   - to build resilience, and
   - to champion sustainable growth.

4. These objectives were tied to ambitious timescales and the City Corporation committed to 4 targets:
   - Achieve net zero in own operations (scopes 1 & 2) by 2027
   - Achieve net zero across the Corporation's full value chain (scopes 1, 2 & 3) by 2040
   - Support net zero in the Square Mile by 2040
   - Build climate resilience in our buildings, public spaces and infrastructure.

5. Policy and Resources Committee approved an original funding envelope of £68m to deliver the Strategy up to March 2027. Policy and Resources approves annual budget drawdown against the original envelope for City Fund and City's Estate, approving a Year 5 (FY25/26) budget on 08 May 2025 for City Fund and City's Estate of £26.2m (£29m including CBF).

6. For the initial years, City Fund and City's Estate drawdowns are from central reserves. In later years towards 2027, annual budgets are partly funded by savings to the Corporation's energy bill. A revolving mechanism is in place, capturing savings from the capital interventions from CAS projects, detailed in paragraph 20.

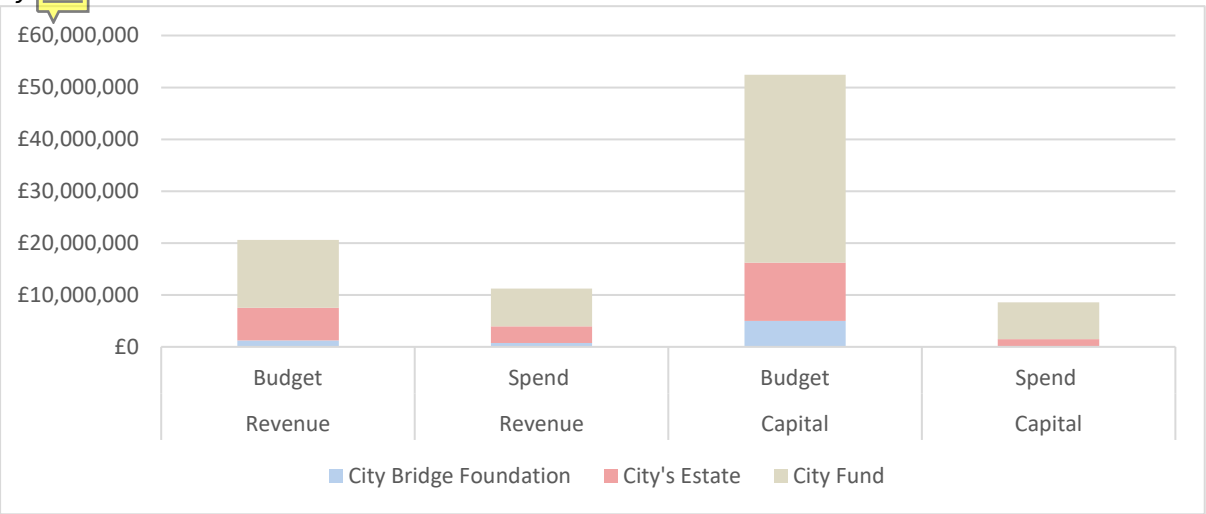
7. CBF funds are approved by the CBF Board but are shown here for illustrative

purposes, and for demonstrating combined commitment between CBF and the City Corporation. The decisions relevant to CBF are taken through their independent governance arrangements.

Financial Update

8. Figure 1 summarises the financial position of the CAS from April 2021 to March 2025 (Years 1 – 4), split by capital and revenue, and by Fund. This is presented alongside the total programme budget (April 2021-March 2027, Years 1 – 6). More detail can be found in Appendix 1.

Figure 1: Total programme budget, and spend to March 2025, split by capital and revenue, and by Fund



9. To the end of FY24/25 (Year 4), 27% of the total programme budget has been spent. Taking into account a further £2 million committed spend (spend approved but not yet delivered) and £11 million leveraged in grant funding, the spend profile tracks at 45%. This demonstrates effective use of funds and ability to attract external investment.

10. To the end of FY24/25 (Year 4), 59% of the programme's revenue budget has been spent. Revenue has been re-prioritised to deliver the most impact before 2027, and set up the programme for long term success.

11. To the end of FY24/25 (Year 4), 16% of the programme's capital budget has been spent. The speed of capital delivery is accelerating, as expected:
    a) Grant funding supported early delivery of emissions reduction actions (such as the Public Sector Decarbonisation Scheme);
    b) Early years of the Strategy focused more on surveys and audits, in order to deploy capital works later in the programme; and
    c) Delays in appointing sufficient resource to manage and deliver capital works have been resolved.

12. The FY24/25 (Year 4) budget was £22.6m. Figures 2 and 3 set out the Year 4 budget

and spend, split by revenue and capital, and by project. Actual spend is correct to 31 March 2025. More detail can be found in Appendix 1.

*Figure 2: Year 4 **revenue** budget and spend per project to 31 March 2025*

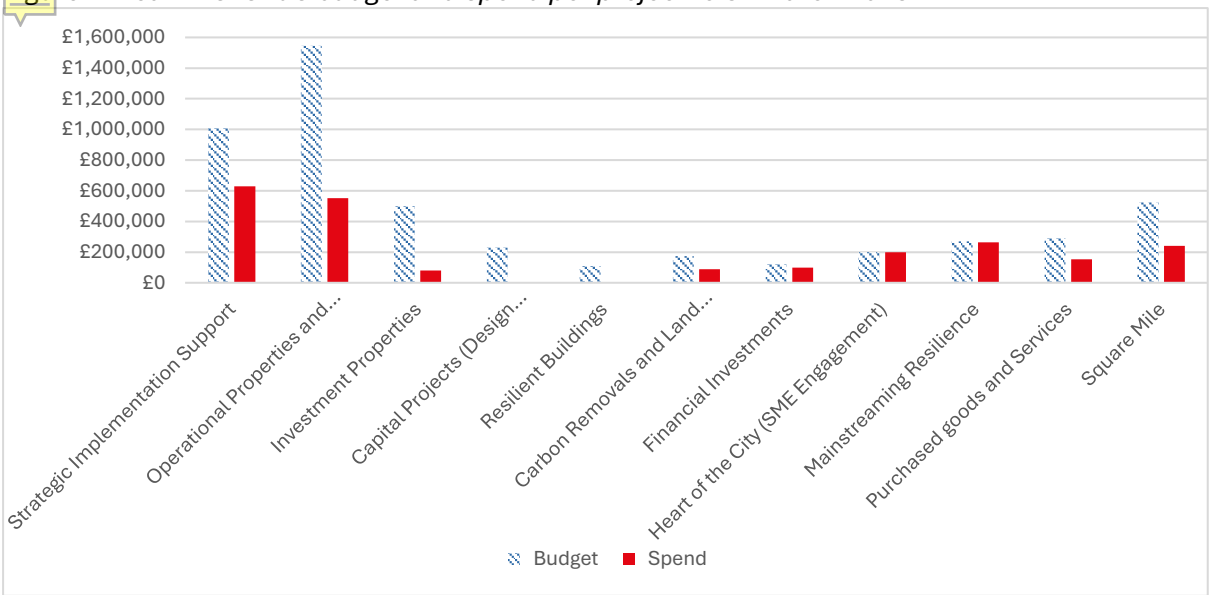
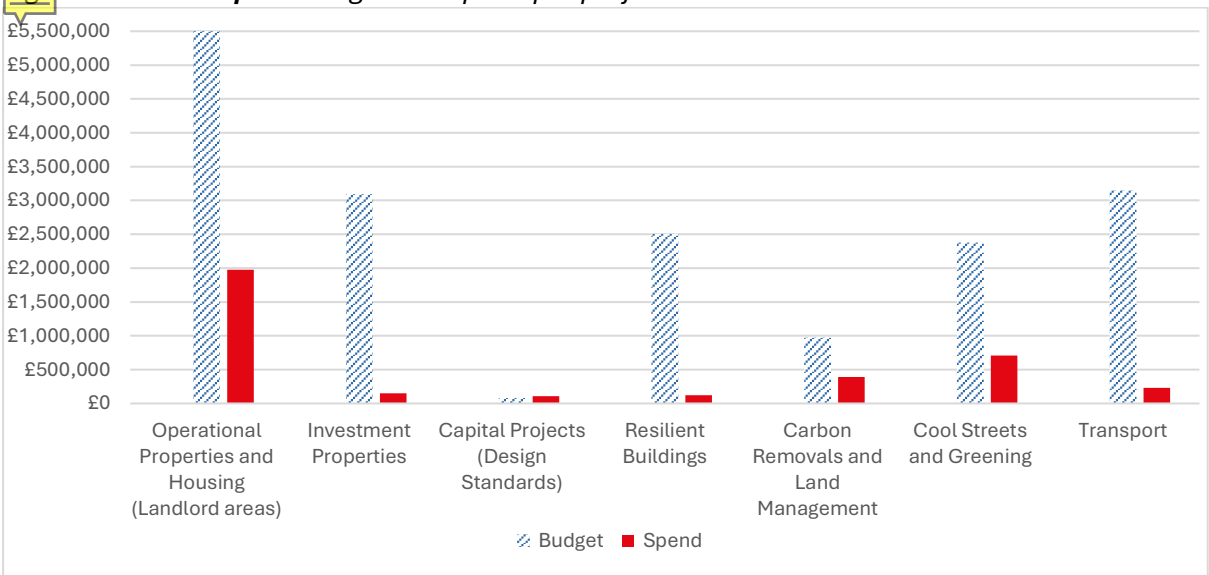


*Figure 3: Year 4 **capital** budget and spend per project to 31 March 2025*



13. The Year 4 underspend reflects a lag in seeing the full impact of mitigating actions following earlier delays. The underspend has been reprofiled into the Years 5 and 6 budgets (FY25/26 and FY26/27) for continued delivery.

14. The programme budget is expected to be fully utilised by March 2027. A significant portion of the remaining budget is expected to be spent in the next 12 months deploying capital works across net zero and resilience targets, prioritising works to support net zero by 2027. More detail on planned expenditure in FY25/26 and FY26/27 (Years 5 and 6) can be found in Appendix 1. No additional funds are sought at this time.

Strategic progress and long-term value

15. CAS delivers long-term value to the City Corporation both financially and reputationally. Figure 4 details financial savings to date. The clearest returns seen across the operational estate, with further details in paragraph 20. Work is ongoing to quantify savings in other areas.

Figure 4: CAS project spend and savings generated in Years 1- 4, against total programme allocation

Project Name	Total Programme Allocation	Spend to 31 March 2025	Saving / avoided cost generated to date
Strategy Implementation Support	£5,032,069	£2,617,602	
Net zero for CoLC operations by 2027			
Operational Properties & Housing (Landlord areas)	£24,652,796	£5,048,770	£32,483,000
Carbon Removals & Land Management	£2,324,642	£823,736	
Net zero for full CoLC value chain by 2040			
Investment Properties	£12,552,580	£1,684,428	£15,697,600 (to tenants)
Capital Projects (Design Standards)	£1,144,918	£682,461	
Financial Investments	£651,434	£414,793	
Purchased Goods & Services	£1,120,000	£566,629	
Net zero for Square Mile by 2040			
Square Mile	£3,919,775	£917,961	
Transport	£5,921,257	£1,903,785	
Heart of the City & SMEs	£800,000	£800,000	
Climate Resilience			
Cool Streets & Greening	£8,347,593	£2,905,643	
Mainstreaming Climate Resilience	£726,686	£737,312	
Buildings Resilience	£6,379,610	£675,220	
CAS Programme Total	**£73,573,360**	**£19,778,339**	

Note these include capital budget from CBF (subject to approval), which is outside of the original budget envelope of £68m.

16. The public Climate Action Dashboard provides a comprehensive view of CAS progress, reporting on 69 KPIs detailing progress in all areas of the Strategy. This was last updated on 11 April 2025.

17. Every year we conduct a thorough emissions assessment, which is independently audited, and assess progress against 2027 and 2040 targets. The latest available data shows performance to the end of Year 3 (2023/24), which was presented to this committee in November 2024. A comprehensive emissions accounting exercise for Year 4 (2024/25) will soon be completed across all net zero targets. Results will be presented to this committee in autumn 2025, with commentary on progress towards targets.

Target: Achieve net zero in own operations by 2027

18. In 2023/24, we achieved a 65% reduction in operational emissions against the 2018/19 baseline, falling short of the 84% interim target. The shortfall was due to slower-than-expected decarbonisation of the National Grid, and delays to major projects (such as Guildhall refurbishment and Barbican Renewal) which had been forecast to deliver significant emissions savings.

19. We have already delivered 136% of our original modelled energy reduction pathway, under budget. This headroom is essential, as we now need to go further to compensate for lack of decarbonisation at the National Grid.

20. The Operational Portfolio has seen 32.5 million kWh energy savings since 2018/19. These improvements have generated over £565k in real savings, which is being reinvested through a revolving financial mechanism to fund further energy efficiency capital works to deliver CAS targets. Actual savings are significantly lower than originally forecast due to rising energy prices. However, efficiency measures have secured over £32m in avoided energy costs over the past 4 years, at a cost of £5m to the Corporation (plus £10m of grant funding). Notably, the value of avoided costs will increase as energy prices rise.

21. If the National Grid decarbonises as per revised forecasts up to 2027, and all planned capital works are delivered on time, we should reach net zero. If works are not all delivered as planned, or the grid decarbonisation under-performs, we have no buffer and risk missing net zero in 2027. If this happens, we would be likely to meet the target in 2028.

<u>Target: Achieve net zero across the Corporation's full value chain by 2040</u>

22. In 2023/24 we achieved a 23% reduction in value chain emissions from the 2018/19 baseline, keeping us on track to meet our first interim target of a 26% reduction by 2024/25, whilst under budget.

23. Financial investments are the largest source of value chain carbon emissions. Since the baseline, this category has achieved a reduction of 82,628 tCO_2e, with all funds demonstrating clear emission reductions, whilst maintaining returns. This has partly been driven by divestment in order to meet various priorities across the City's funds. However, reinvestment of these funds will likely see emissions increase.

24. In 2024/25, new climate scenario analysis provided updated understanding of climate risks in each financial investment portfolio, identifying medium-term risks to returns in multiple climate scenarios. This will support more informed decision-making and help mitigate the risk of long-term financial losses or stranded assets.

<u>Target: Support net zero in the Square Mile by 2040</u>

25. The first interim target is a reduction of 60% by 2025 against the 2017 baseline. The latest data (2021) shows a 35% reduction against the baseline. We are on track to reach net zero in the Square Mile by 2040, whilst under budget.

26. In 2024/ 25 our Planning for Sustainability Supplementary Planning Document (SPD) was adopted, guiding developers on integrating the City Corporation's

sustainability policies into planning designs and applications. Since 2021, we've been working collaboratively with developers on sustainable design solutions, including retrofitting, and have seen a rise in retrofitting in major planning applications from 8% to 54%. With the formal adoption of the Planning for Sustainability SPD, we expect this positive trend to accelerate.

Target: Build climate resilience

27. The City Corporation is continuing to prepare buildings, infrastructure and open spaces for warmer, wetter winters and hotter, drier summers, responding to six key climate-related risks likely to affect the Square Mile:
    - Flooding
    - Overheating
    - Water stress
    - Biodiversity loss
    - Pests and diseases
    - Trade, food and infrastructure

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

Risk

29. The Corporate Risk Register recognises the risks posed to the Corporation and City from climate change, including both physical risk from more extreme weather events, and the risks associated with a transition to a low-carbon economy. Mitigating actions are primarily addressed by the Climate Action Strategy, and supported by other areas of work in sustainable finance. This risk was recently updated to move away from programme-level risks (which are separately managed) and better account for the full risk posed by a changing climate. The current risk rating remains the same at Amber 12 (4 major x 3 possible). The target risk score has changed from Green 4 (4 major x 1 rare) to Amber 6 (2 serious x 3 possible) to reflect the fact that climate change is inevitable and impacts cannot be entirely mitigated.

30. A programme level risk log is updated regularly. The most pressing delivery risks include:
    a) The deadline for completing energy efficiency works impacting the 2027 target measurement is March 2026, to allow for time to see the benefits of works in energy consumption data. This timeframe is quickly narrowing, leaving no room for project slippage. Any delays to planning, procurement or site access will hamper our ability to meet the target.
    b) Additional resource is needed in City Surveyors to support delivery of targets, in a challenging market, which has been slow to progress. Insufficient resource will mean works need prioritising, risking lack of delivery on more complex projects.
    c) Additional budget will be needed to deliver the 2040 targets, beyond the current budget envelope which expires in March 2027. This is currently being scoped, and will return to Policy and Resources committee for debate in summer 2025.

Corporate and Strategic Implications

31. Strategic implications – The CAS supports delivery against four outcomes in the Corporate Plan 2024-29:
    - Leading Sustainable Environment
    - Vibrant Thriving Destination
    - Flourishing Public Spaces
    - Providing Excellent Services

32. The CAS builds upon existing strategies and policies, including: The Responsible Business Strategy 2018-23, the City Procurement Strategy 2020-24, the Local Plan 2015 (and draft City Plan 2040), the Transport Strategy 2019-44, the Air Quality Strategy 2025-30, the Local Flood Risk Management Strategy 2021-27, the Biodiversity Action Plan 2021-26, the Responsible Investment Policy, the Transition to a Zero Emission Fleet Policy, the Renewable Electricity Policy & Sourcing Strategy and related campaigns, such as Plastic Free City. It is aligned to ongoing reviews of our financial and property investment portfolio.

33. Risk Implications – To manage the Strategy risk effectively, all projects have a risk register and the overall risks are controlled through a corporation level risk CR30 – Climate Action Strategy. The Corporate Risk CR30 has recently been updated as detailed in paragraph 29.

34. Equalities Implications – A Test of Relevance was undertaken on the CAS and several positive impacts were identified for five protected groups - age, disability, race, pregnancy/maternity and gender. These include a reduction in air pollution, physical public realm improvements and increased indoor comfort levels, and lower fuel poverty. No negative impacts were identified. A mid-year review of the initial Test of Relevance findings was conducted, confirming that the results remain unchanged. Impacts will be investigated and assessed on an ongoing basis in conjunction with the delivery of the CAS programme of work.

35. Climate Implications - The CAS focuses on reducing climate risk through reduction of emissions and preparing for the impacts of climate change. The lack of sufficient progress to the 2027 net zero target however poses an ongoing climate implication and risk, having potential reputational impacts.

36. No new resourcing, legal, or security implications arise from the recommendations in this report.

Conclusion

37. Despite significant underspend on the CAS programme to date, substantial progress has been made against targets which has delivered long-term value to the City Corporation. Investment in the operational estate to date has already resulted in over £32m in avoided energy costs. The underspend to date has left us in a strong financial position to recover from exogenous factors and deliver additional works

within the same budget envelope, continuing momentum towards net zero and climate resilience targets, prioritising net zero by 2027 on our own operations.

Appendices

Appendix 1 – Financial Analysis

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Appendix 1: Financial Analysis

CAS Spend in Years 1-4

Years 1 - 4 spend is for the period 1 April 2021 to 31 March 2024.

Note this includes capital budget from CBF (subject to approval), which is outside of the original budget envelope of £68m.

Figure 5: Total Programme budget and spend in Years 1-4, split by capital and revenue and by Fund

		City Bridge Foundation	City's Estate	City Fund	Total
Revenue	**Programme Budget**	£1,267,103	£5,175,327	£12,566,452	£19,008,882
	Spend to 31/03/25	£772,758	£3,194,790	£7,244,427	£11,211,975
Capital	**Programme Budget**	£5,094,970	£13,024,731	£36,444,777	£54,564,478
	Spend to 31/03/25	£0	£1,470,933	£7,095,430	£8,566,363

CAS Spend within Year 4 (FY24/25)

Year 4 spend is for the period 1 April 2024 to 31 March 2025.

Note this includes capital budget from CBF (subject to approval), which is outside of the original budget envelope of £68m.

Figure 6: Year 4 budget and spend, split by capital and revenue, and by Fund

YEAR 4	**Budget (£k)**				**Spend (£k)**			
Fund	**CBF**	**CE**	**CF**	**Total**	**CBF**	**CE**	**CF**	**Total**
Capital + SRP	2,482	3,917	11,291	17,689	0	1,201	2,485	3,686
Revenue	280	1,453	3,243	4,976	97	632	1,578	2,307
Grand Total	2,762	5,369	14,534	**22,665**	97	1,833	4,063	**5,993**

Figure 7: Year 4 budget and spend to 31 March 2025, split by revenue and capital (all Funds)

Project Name	**Revenue**		**Capital**	
	Budget	**Spend**	**Budget**	**Spend**
Strategy Implementation Support	£1,009,500	£629,812	£0	£0
Net zero for CoLC operations by 2027				
Operational Properties & Housing (Landlord areas)	£1,545,737	£551,775	£5,511,258	£1,974,200
Carbon Removals & Land Management	£174,000	£88,990	£973,791	£391,634
Net zero for full CoLC value chain by 2040				
Investment Properties	£500,000	£79,261	£3,089,908	£151,430
Capital Projects (Design Standards)	£230,000	£1,750	£80,000	£105,793
Financial Investments	£120,900	£97,959	£0	£0
Purchased Goods & Services	£291,000	£153,773	£0	£0

Net zero for Square Mile by 2040				
Square Mile	£525,000	£240,886	£0	£0
Transport	£0	£0	£3,150,000	£232,528
Heart of the City & SMEs	£200,000	£200,000	£0	£0
Climate Resilience				
Cool Streets & Greening	£0	£0	£2,380,000	£709,623
Mainstreaming Climate Resilience	£270,000	£263,626	£0	£0
Buildings Resilience	£110,000	£0	£2,504,000	£120,519
CAS Programme Total	**£4,976,137**	**£2,307,831**	**£17,688,957**	**£3,685,727**

Programme Spend planned for Year 5 – 6 (FY25/26 – FY26/27)

Year 5 spend is for the period 1 April 2025 to 31 March 2026.
Year 6 spend is for the period 1 April 2026 to 31 March 2027.

Figure 8: Year 5 and 6 budget, split by capital and revenue, and by Fund

	Year 5 (£k)				**Year 6 (£k)**			
Fund	**CF**	**CE**	**CBF**	**Total**	**CF**	**CE**	**CBF**	**Total**
Capital	14,800	7,310	2,608	24,718	9,596	4,986	2,214	16,796
Revenue	3,000	1,112	229	4,341	2,559	672	159	3,390
Total	17,800	8,423	2,836	**29,059**	12,155	5,658	2,373	**20,186**

Note, underspend from Year 4 is wrapped into Year 5 and 6 Programme Budgets (FY 25/26 – 26/27):

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Committee(s): Finance Committee – For Decision	**Dated:** 4 June 2025
Subject: Central Contingencies 2025/26	**Public report:** For Decision
This proposal: • **provides business enabling functions**	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	Chamberlain
Report author:	Laura Yeo, Financial Services Division

Summary

This report has been produced to provide Members with an anticipated year-end position for 2024/25 Contingencies and an update on the uncommitted balances for 2025/26 Contingencies.

Of the previous allocations agreed by Committee, a sum of £1,587,000 will be required in future years, therefore it is proposed that these committed sums are carried forward from 2024/25 to 2025/26, thereby ensuring that a full year's contingency provision is available during 2025/26.

Due to expected increased revenue pressures it is also proposed that the uncommitted balances for Central Contingencies 2024/25 of £923,000 are ring-fenced for inflationary pressures and carried forward from 2024/25 to 2025/26.

Recommendation(s)

Members are asked to:

- Agree to carry forward sufficient resources of £1,587,000 to meet existing allocations and £923,000 uncommitted balances to meet expected increased revenue pressures thereby providing sufficient contingencies for funding requirements that may arise during 2025/26.

- Support the proposal that during the carry forward process consideration is given to top up the project reserve contingency to ensure adequate funding is available in future years.

- Note a future bid will be coming forward to support a version upgrade to the MRI Horizon system in the region of £250k which is required due to Microsoft server moving out of support in 2026.

Main Report

Background

1. Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee, and with the exception of the Policy and Resources Committee, such budgets do not include any significant contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies to meet unforeseen and/or exceptional items that may be identified across the City Corporation's range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions.

2. In addition to the Central Contingencies, the Committee has two specific City's Estate Contingencies, an International Disasters Fund (IDF) of £100,000 to support humanitarian emergency funding appeals, and a Project Reserve to support project type spend.

Current Position

<u>2024/25 Contingency Balances</u>

3. The year-end position of the 2024/25 Central Contingencies and Specific Contingencies are set out in Tables 1 and 2 respectively. Appendix 1 provides details of the sums the Committee has previously allocated from the 2024/25 Contingencies.

Table 1: 2024/25 Central Contingencies			
	City's Estate £'000	**City Fund £'000**	**Total £'000**
2024/25 Provision	950	800	1,750
Provision brought forward to fund allocations agreed in previous years	855	1,631	2,486
Provision brought forward to fund future years	0	20	20
Total Provision	**1,805**	**2,451**	**4,256**
Less Allocations			
2024/25 financial year	(1,593)	(778)	(2,371)
To be carried forward to fund allocations agreed	(128)	(1,244)	(1,372)

For future financial years to be carried forward	(84)	(429)	(513)
Total Allocations	**(1,805)**	**(2,451)**	**(4,256)**
Uncommitted Balances	**0**	**0**	**0**

Table 2: 2024/25 Specific Contingencies	
International Disaster Fund	**City's Estate £'000**
2024/25 Provision	100
Provision brought forward	0
Less Allocations	
2024/25 financial year	(100)
Uncommitted Balance	**0**
Project Reserve Contingency	
2024/25 Provision	0
Provision brought forward to fund allocations agreed in previous years	200
Provision brought forward to fund future years	143
Additional allocation brought forward to fund future years	710
Total Provision	**1,053**
Less Allocations	
2024/25 financial year	(428)
To be carried forward to fund allocations agreed	(215)
For future financial years to be carried forward	(410)
Total Allocations	**(1,053)**
Uncommitted Balance	**0**

4. Of the previous allocations agreed by Committee, a total sum of £1,587,000 as listed below will be required in future years. Therefore, it is proposed that these sums are carried forward from 2024/25 to 2025/26, thereby ensuring that a full year's contingency provision is available during 2025/26.

- £128,000 towards the National Environment Charities fundamental review support from City's Estate Contingency.
- £215,000 towards Puddle Dock options analysis from Project Reserve
- £835,000 towards Barbican Residential Estate non recovery of service charge from City Fund Contingency.
- £239,000 towards housing additional funding external review findings from City Fund Contingency
- £150,000 towards London Metropolitan Archives feasibility works from City Fund Contingency
- £20,000 towards Barbican Centre fire detection and alarm system works from City Fund Contingency

5. Members will note that there are expected increased revenue pressures that may arise during 2025/26. Although measures have been taken in the 2025/26 budget and part of medium-term financial planning, the external environment is becoming increasingly more challenging, especially for inflationary pressures. Therefore, it is proposed that the uncommitted balances of £923,000 are ring-fenced and carried forward to meet these pressures.

2025/26 Contingency Balances

6. If the proposed sums to be carried forward are agreed, the uncommitted balances that are available for 2025/26 Contingencies are set out in the table below.

Table 3: 2025/26 Central Contingencies			
	City's Estate £'000	**City Fund £'000**	**Total £'000**
Central Contingencies			
2025/26 Provision	950	800	1,750
2024/25 Brought forward	212	1,673	1,885
Total Provision	**1,162**	**2,473**	**3,635**
Previously agreed allocations	(128)	(1,244)	(1,372)
Pending request on the agenda	(0)	(0)	(0)
Total Commitments	**(128)**	**(1,244)**	**(1,372)**
Uncommitted Balances	**1,034**	**1,229**	**2,263**
Specific Contingency - International Disaster Fund			
2025/26 Provision	100	0	100
204/25 Brought forward	0	0	0
Total Provision	**100**	**0**	**100**
Previously agreed allocations	(25)	0	(25)
Pending requests on the agenda			
Total Commitments	**0**	**0**	**0**
Uncommitted Balance	**75**	**0**	**75**

Specific Contingency – Project Reserve			
2025/26 Provision	0	0	0
2024/25 Brought forward	625	0	625
Total Provision	**625**	**0**	**625**
Previously agreed allocations	(215)	0	(215)
Pending request on the agenda	(0)	0	(0)
Total Commitments	**(215)**	**0**	**(215)**
Uncommitted Balance	**410**	**0**	**410**

7. In the case of a request for additional funding for a project that affects all three funds, the City Bridge Foundation (CBF) Board would approve its portion of any such joint project. All requests specific to CBF only are considered solely by the CBF Board.

8. At the time of preparing this report, there are no requests for allocations from contingency funds elsewhere on the agenda.

Corporate & Strategic Implications

Strategic Implications – Contained within the body of the report
Resource Implications – Contained within the body of the report
Legal Implications - None
Risk Implications - None
Equalities Implications - None
Climate Implications - None
Security Implications - None

Conclusion

9. Members are asked to agree to carry forward resources of £1,587,000 to meet existing allocations and £923,000 uncommitted balances to meet expected increased revenue pressures, and to support the top up of the project reserve, thereby providing sufficient contingencies for funding requirements that may arise during 2025/26.

Appendices

- Appendix 1 - 2024/25 Contingencies
- Appendix 2 – 2025/26 Contingencies

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City of London Corporation Committee Report

Committee(s): Finance Committee – For information	**Dated:** 04 June 2025
Subject: Chamberlain's Departmental Risk Management Update	**Public report:** For Information
This proposal: • **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. Two new risks have been added to the Departmental Risk register in May. 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)** is unchanged. The May/June Officer Star Chamber meetings will scrutinise the necessary resources to achieve our strategic objectives, evaluateng efficiencies and carefully prioritise actions amidst ongoing financial pressures. While some Star Chambers are organised by department, efforts will be cross departmental to achieve a comprehensive view of income generation and budget planning . The impact of inflation continues to be monitored and there is a key focus on achievable savings initiatives. In addition, progress against existing planned savings will be considered by the June Efficiency and Performance Working Party.

6. **CR38 Unsustainable Medium-Term Finances – City's Estate (current score AMBER 12)** is unchanged. Monthly monitoring of major programmes continues, with any issues being reported to the Chamberlain's Assurance Board. The Natural Environment Charity review began its two-year implementation phase in April 2025, with progress updates anticipated by the end of 2025. The May/June Star Chamber meetings will lso focus specific pressures such as Guildhall School alongside cross cutting themes to enhance current income generation strategies and review of grants. As with City Fund, a report on existing planned savings is being prepared for the June Efficiency and Performance Working Party.

7. **CHB002 Housing Revenue Account (HRA) Finances** has a risk score of **RED 16** and is unchanged from the previous update. A comprehensive 10-year plan is currently being developed, incorporating the latest projections for work. The report is anticipated to be completed by July 2025. Additionally, capital schemes, as well as repairs and maintenance expenditures, are being closely monitored. Many other London Boroughs also have very fragile HRAs and we are working with local government colleagues as well MHCLG and Treasury on wider solutions to the current challenges.

8. Two risks have emerged and have been added to the Chamberlain's Departmental Risk Register, following endorsement from the Chamberlain's Senior Leadership Team.

9. **CHB004 – Vetting Delays** has been added as a risk with a risk score of **AMBER 6**, due to the high demand for vetting services Chamberlain's staff applications (especially those in IT, Procurement and Projects) for security vetting are experiencing significant delays (both new applications and renewals), which could lead to reduced resource availability to support City of London Police and their operations. Whilst the resourcing is currently being managed, it has been identified that there is weakened resource resilience compared to other areas, due to the limited number of staff who have had their vetting completed.

10. **CHB005 – Change Fatigue** has been added to the risk register with a risk score of **AMBER 12.** Currently, numerous transformation/improvement programs and new strategies are being implemented across the Chamberlain department and the wider City of London Corporation supported by the Chamberlain's department. This increases the risk of change fatigue and the likelihood of not effectively implementing changes, in addition to failing to deliver business as usual services. Mitigations and further details on the new risks are included in Appendix 1 of this report.

Conclusion

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

Appendices

- Appendix 1 – Departmental Risk Register

Background Papers

Chamberlain's Departmental Risk Management Update Reports

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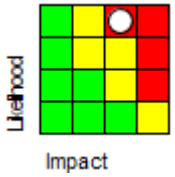
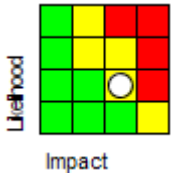
Chamberlain's Corporate Risks

Code	CR35

Title	Unsustainable Medium Term Finances - City Fund

Description	**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. **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. **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.

Current Risk Assessment, Score & Trend Comparison		16		Increasing
Likelihood	Likely	**Impact**		Major
Risk Score	16	**Review Date**		12-May-2025

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

Latest Note	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. 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: • Reprofiling 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.

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:

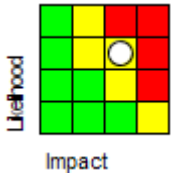
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR35a Impact of inflation	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme • Use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 2.6% in the 12 months to March 2025, down from 2.8% in the 12 months to February. Identify areas that are forecasting to exceed budget envelope due to inflation increases.	01-May-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. All projects are currently forecast to be completed within budget, although there are quite significant risks to funding and costs, which will continue to be reviewed. This particularly relates to SSD/FPEP (funding risk of £20m, plus risk of cost increases).	11-May-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.	16-May-2025	Mark Paddon; Daniel Peattie; Ellie Robles	31-Mar-2026

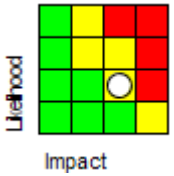
		Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information will be incorporated into the budget monitoring reports from 2025/26 quarter 1 onwards to help inform Members of key risks and progress. In addition, an update on the savings will be considered by the Efficiency and Performance Working Party at its June meeting, Savings programmes/initiatives will continue 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. Star Chambers led by the Town Clerk have commenced and will continue into June 2025, with an update being presented to Policy and Resources away day in July 2025 on savings across the Corporation to inform the 2026/27 budget setting work.			
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	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. 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. 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.	09-May-2025	Daniel Peattie	31-Mar-2026

Code	CR38

Title	Unsustainable Medium Term Finances - City's Estate

Description	**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. **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. **Effects: T**he 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.

Current Risk Assessment, Score & Trend Comparison		12		Decreasing
Likelihood	Possible	**Impact**		Major
Risk Score	12	**Review Date**		12-May-2025

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

Latest Note	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. 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. 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. 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. The funding strategy identifies where best to bring third-party capital, reducing demand on own Reserves. Key mitigations include quarterly monitoring of capital programme against budgets and developing comprehensive business cases and securing and implementation plans for 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.

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 2.6% in the 12 months to March 2025, down from 2.8% in the 12 months to February.	01-May-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 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. Star Chambers led by the Town Clerk have commenced and will continue into June 2025, with an update is being presented to Policy and Resources away day in July 2025 on income stream across the Corporation.	16-May-2025	Ellie Robles / Daniel Peattie	31-Mar-2026

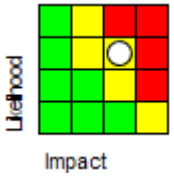
CR38f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable. Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information will be incorporated into the budget monitoring reports from 2025/26 quarter 1 onwards to help inform Members of key risks and progress. In addition, an update on the savings will be considered by the Efficiency and Performance Working Party at its June meeting, 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. Star Chambers led by the Town Clerk have commenced and will continue into June 2025, with 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	16-May-2025	Daniel Peattie	31-Mar-2026
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	Monthly updates and budget monitoring on major projects forecasts and issues arising. Projects are routinely reviewed by the Chamberlain's Assurance Board. The new Markets Regeneration Programme (replacing the Markets Co-Location Programme) is being progressed to Court of Common Council for approval on 22nd May, once approved will be monitored/reported separately to the major projects. The only major project remaining within City Estate is the MoL Landlord Works, which is nearing completion, as well as the contribution towards SSD. The achievement of property disposals on time as well as drawdown from financial investments, will be needed to fund cashflows, which is being monitored as part of the cashflow reporting to Investment Committee.	11-May-2025	David Abbott	31-Mar-2029
CR38h Third Party Capital Funding	Bringing third party capital to surplus operational property opportunities.	Identified initial opportunities which have been supported by Resource Allocation Sub Committee.	16-May-2025	Sonia Virdee; Robert Murphy	31-Mar-2025

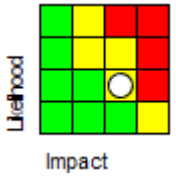
		Now that decision on markets has been made, remaining proposals for each opportunity has been worked through by the Chamberlain's and City Surveyor's teams and was submitted for member consideration to the Investment Committee in February. Progress will be updated to the Investment Committee on a quarterly basis.			
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	The ability for charities to fundraise and generate more income to support ambitions for activities and operational property requirements. 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. The two-year implementation phase commenced in April 2025 and will report progress to NE Committees in 2025 and interim outcomes to the Finance Committee in December 2025	11-May-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.	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 additional 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. 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. 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. Star Chambers led by the Town Clerk have commenced and will continue into June 2025. The focus of the Star Chamber meetings is to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies.	09-Apr-2025	Daniel Peattie	31-Mar-2025

		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			

Code	CR33	Title	Major Capital Schemes

Description	**Cause:** The City Corporation has set itself the ambition to deliver a portfolio of major capital schemes in a fiscally constrained environment. **Event:** There is insufficient resourcing and controls in place to effectively oversee and administer the portfolio according to strategic priorities. **Effects:** • 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).

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	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. Monthly monitoring of cashflow forecasting continues and is reported to relevant committees and the Chamberlain's Assurance Board. The new project procedure is currently being drafted and proposals tested. The final draft is due to be approved by Summer 25/26. 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.

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:

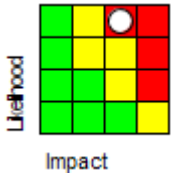
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR33h New Project Governance Approach	Implement a new project governance approach	The Town Clerk's portfolio board commenced in November 2023. A portfolio overview report approved by Projects and Procurement sub-committee, with one-off funding approved by CoCo on 7 March, further work underway to identify permanent funding source. A drafted project procedure and guidance is currently being reviewed by the project governance working group. Work ongoing with project procedure, construction of gateways and scenarios. Significant level of change for departments which suggests a phased approach. • 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/October 2025 Plan to be presented and approved at Portfolio Board, PPsC (June 25), Finance Committee (July 25), and CoCo (July 25).	12-May-2025	Matthew Miles	31-Jul-2025
CR33j Project Management Academy	Refresh the Project Management Academy	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.A transformation funding proposal was submitted to undertake this work in April 2025. A vacancy in the Projects Skills and Capability Manager role is contributing pressures. However, an apprentice is being recruited to provide administrative support.	12-May-2025	Nadhim Ahmed	30-Sep-2025

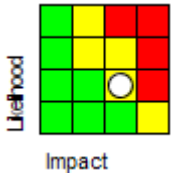
CR33k New Project Management System	Procure and implement a new project management system	A broad programme of requirements workshops for the new Cora Project Management system completed in January 2025. Moreover, User Acceptance Testing (UAT) completed in March 2025. Identified issues are being resolved as part of system configuration. The approach to user engagement and training is currently being implemented, with pilot portfolio dashboard reporting to be trialled in early May, with the system expected to be in use for the first full Portfolio reports at end May 2025. Phase 2 system implementation planning is underway. This will likely cover changes associated with the updated Project Procedure, implementation of a benefits module; and finance module.	12-May-2025	Matthew Miles	31-Jul-2025
CR33l Cashflow and Forecast Monitoring	Monitor the high-level cashflow/forecast monthly	The Investment Management Monthly Meeting is ongoing. 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. The cashflow and capital realisation strategy was presented to Finance and Investment Committees in February. Quarterly monitoring/reporting will continue going forwards (next update is in May). The achievement of property sales on time, as well as drawdown from financial investments, is necessary to fund cash outflows. This is a key risk that will continue to be monitored.	11-May-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

Description	**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. Extensive planned 10 year programme of major works requiring funding source. **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. **Effect**: The City Corporation's reputation is damaged due to failure to deliver housing services.

Current Risk Assessment, Score & Trend Comparison		16		Constant
Likelihood	Likely	**Impact**		Major
Risk Score	16	**Review Date**		302-Sept-2025

Target Risk Assessment & Score		**8**	
Likelihood	Unlikely	**Impact**	Major
Risk Score	8	**Target Date**	30Septay-2025

Latest Note	The latest financial position on the overall HRA was agreed in the latest Estimates report in January 2025. An updated five year financial projection was previously 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). On 7 March Court of Common Council approved rent increases of 7.7%. Work on a revised 10 year plan including the latest projections for works on GLE is expected to be ready for the P&R Away Day in July.

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

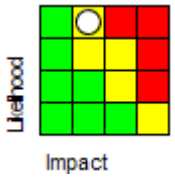
Head of Profession 2	Estates & Facilities	**Committee**	Finance Committee
Head of Profession 3		**Parent Risk**	CHB Departmental Cross Cutting Risks

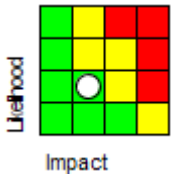
Actions related to this risk:

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 10 Year Plan to be completed by July 2025. Further risk of delays to new build projects will impact the 10 Year Plan revenue projections. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects. Many other London Boroughs also have very fragile HRAs and we are working with local government colleagues as well as MHCLG and Treasury on wider solutions to current challenges.	16-May-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 10 Year Plan figures in July.	16-May-2024	Mark Jarvis	31-July-2025

Code	CHB 003	Title	Inconsistent application of the internal control environment

Description	**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 **Event**: • 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 **Effect**: • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market

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	Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation. 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. 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.

	A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls. This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.

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:

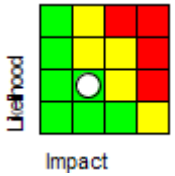
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CHB003c Project Governance Process Review	Review gateway process and project budget code creation.	The review of the gateway process is underway as part of action CR33h Considering the separation of capital accounting arrangements from project procured. A draft revision is currently being socialised amongst the working group. Some interdependencies to the Programme Sapphire (ERP) implementation exist.	07-Apr-2025	Matthew Miles	31-Jul-2025
CHB003e Review of procurement regulation	Review of procurement regulations	Procurement Code is being updated however the first presentation of the revised policy format has not landed well so it is being revisited. Consequently, the timeline for ultimate approval by Court of Common Council is likely now to be October.	01-May-2025	Sue Smith;	31-Jul-2025
CHB003h Escalation and enforcement of non-compliance activities	Escalation and enforcement of non-compliance activities	Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director. Further non-compliance to be escalated to the Chamberlain.	16-May-2024	Sonia Virdee; Genine Whitehorne	31-Jul-2025

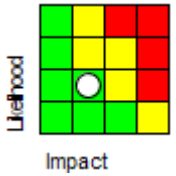
		Monthly reviews are taking place at Financial Leadership Group to highlight any areas of concern. A deep dive session focusing on issues is being planned for its June meeting			
CHB003i Finance Leadership Group Interventions	The Finance Leadership Group are responsible for partnering with departments 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

Description	**Cause:** Transferring knowledge can be challenging due to resistance to change, poor training, or lack of proper documentation. **Event:** Culture change is insufficient. Corporate memory is lost. The Chamberlain's Department is not fit for the future. **Effect:** Chamberlain's Department fails to deliver its objectives.

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

Latest Note	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. 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. A strategic review of Commercial and Contract management has been completed in November 2024. The implementation was approved by PPSC in December. The five improvement workstreams have been established with a core focus on readiness for the Procurement Act 2023. A procedure note review is underway and pending the positive results of this review, this risk will be deactivated.

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 Departmental Cross Cutting Risks

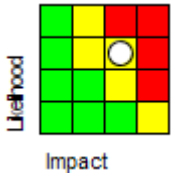
Actions related to this risk:

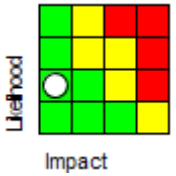
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CHB001b Sufficient means for upskilling team members	Colleagues are provided with the training they need to fulfil their role.	A CIPFA skills matrix review is underway to independently analyse strengths and areas for improvement 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. Key workstreams for the board have been identified and are currently being progressed. Lunchtime learning sessions are being delivered on a variety of topics in the coming months. 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. 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.	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). All Commercial Services team members have completed PA23 eLearning and also have completed a self assessment to identify the depth of their knowledge in skills-based criteria related to their roles with targeted procurement and soft skills training to be delivered via personalised 2025/26 development plans.	28-Mar-2025 09/05/2025	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				

Code	CHB 005	**Title**	Resistance to Transformation and Change (Change Fatigue)

Description	**Cause**: . Ineffective change management and business transformation activities[KN1] contributed to by the lack of comprehensive training and communication, insufficient stakeholder engagement, and resistance to change among leaders and employees. This is further exacerbated by the significant cultural change and capability building required at all levels to support the transformation programme. **Event**: . Low user acceptance rates and failure to integrate the necessary cultural changes. Additionally, the broader transformation programme (such as users not fully adopting the new ERP system), may face resistance. This can result in resistance to the business transformation that the transformation programme and other initiatives aim to achieve **Effect**: Decreased productivity, increased operational costs, and failure to achieve the desired outcomes of the Transformation programme and the broader transformation initiatives. The lack of business transformation may hinder the corporation's ability to modernise operations and align with the current corporate plan and strategies. Furthermore, the failure to achieve the transformation goals, such as improved efficiency, increased capacity, and better information management, may negatively impact the corporation's ability to deliver on its strategic objectives and maintain a competitive edge. [KN1]@Woodlock, Leah I think we should explicitly call out Leadership nd Management accountability for and buy-in to Transformation as a root cause. Slightly controversial but may be worth calling out some of what Sarah mentioned yesterday around member behaviour and governance structure driving an inability to model some of the leadership behaviours necessary for effective Transformation (e.g. agility, independence, imagination)

Current Risk Assessment, Score & Trend Comparison		12		Constant
Likelihood	Possible	**Impact**		Major
Risk Score	12	**Review Date**		12-May-2025

Target Risk Assessment & Score		**2**	
Likelihood	Unlikely	**Impact**	Minor
Risk Score	2	**Target Date**	30-Jun-2026

Latest Note	Currently, numerous transformation/improvement programs and new strategies are being implemented across the Chamberlain department and the wider City of London Corporation.

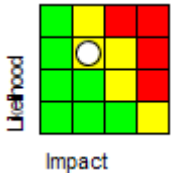
Risk Level	Departmental	**Department**	Chamberlain's
Creation Date	12-May-2025	**Risk Owner**	Genine Whitehorne
Approach	Reduce	**Risk Administrator**	Leah Woodlock
Head of Profession 1	Financial Services	**Risk assigned to**	Chamberlain
Head of Profession 2	Commercial	**Committee**	Finance Committee
Head of Profession 3	Strategy & Plans	**Parent Risk**	

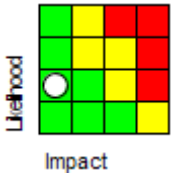
Actions related to this risk:

Ref No:	Action Description	Latest Note	Linked Actions Progress	Latest Note Date	Action Owner	Due Date
CHB 004c Change Champions Network	Launch an officer change champion network	On the 2nd May, the Change champion network was launched. Programme Sapphire (ERP Programme) is being used as a launch pad for the network.	60%	12-May-2025	Change Leads	31-May-2025
CHB 005a Stakeholder Engagement	Identifying and engaging with key stakeholders to enable success of the transformation	Introducing change leadership role to Future Ambition 18, utilising the bi-monthly meetings to present the change and transformation programmes.	20%	12-May-2025	Programme Leads	30-Apr-2026
CHB 005b Change Management Strategy	Develop a change management strategy	A need for a change management strategy has been identified and will form a requirement for the new transformation strategic partner.	0%	12-May-2025	Genine Whitehorne	30-Nov-2025
CHB 005d Strategic Transformation Partner	Procure a transformation partner to deliver the transformation agenda.	The specification for the strategic partner is being finalised, Project and Procurement Sub committee will be presented with the Procurement strategy in June.	0%	12-May-2025	Genine Whitehorne	31-Jul-2025

Code	CHB 004	**Title**	Vetting Delays

Description	**Cause**: • Due to the high demand for vetting services, CHB staff applications for security vetting are experiencing significant delays, potentially taking over 12 months from the point of application. **Event**: • The reduced capacity of DITS and CCPD staff allocated to COLP projects would cause significant delays in service delivery. This shortage of resources is creating a strain on the services provided to COLP, leading to a lack of resilience and impacting the timely execution of programs and support initiatives. **Effect**: • The shortage of eligible staff is creating a strain and reducing the resilience of services provided to COLP. This lack of resources is impacting the timely execution of programs and the ability to provide necessary support, leading to delays and inefficiencies.

Current Risk Assessment, Score & Trend Comparison		6		Constant
Likelihood	Possible	**Impact**		Serious
Risk Score	6	**Review Date**		12-May-2025

Target Risk Assessment & Score		**2**	
Likelihood	Unlikely	**Impact**	Minor
Risk Score	2	**Target Date**	12-May-2025

Latest Note	This risk has been identified due to the high demand for vetting services Chamberlain's staff applications (especially those in IT, Procurement and Projects) for security vetting are experiencing significant delays (both new applications and renewals). The timeframes for vetting, have identified weakened resource for the increasing demand of COLP projects.

Risk Level	Departmental	**Department**	Chamberlain's
Creation Date	12-May-2025	**Risk Owner**	Chamberlain

Approach	Reduce	**Risk Administrator**	Leah Woodlock
Head of Profession 1	Financial Services	**Risk assigned to**	Chamberlain; Zakki Ghauri; Genine Whitehorne
Head of Profession 2	Commercial	**Committee**	Finance Committee
Head of Profession 3	IT	**Parent Risk**	

Actions related to this risk:

Ref No:	Action Description	Latest Note	Linked Actions Progress	Latest Note Date	Action Owner	Due Date
CHB 004a	***Hold regular Vetting Review Meetings***	Monthly meetings have now been scheduled to review current vetting status and prioritise	20%	12-May-2025	DITS	31-Dec-2025
CHB 004b)	***Utilisation of the Police National Vetting Service (provided by Warwickshire Police***	Using the national vetting service, applications can be made to reduce the demand on the COLP service.	20%	12-May-2025	EPMO	31-Dec-2025

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