



Finance Committee – Main Agenda

Date: TUESDAY, 4 NOVEMBER 2025
Time: 12.45 pm
Venue: COMMITTEE ROOMS - 2ND FLOOR WEST WING, GUILDHALL

Members:

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

Enquiries: John Cater

Accessing the virtual public meeting

Members of the public can observe all virtual public meetings of the City of London Corporation by following the below link:

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

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

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

**Ian Thomas CBE
Town Clerk and Chief Executive**

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 16th September 2025.

For Decision
(Pages 7 - 16)
4. **FINANCE COMMITTEE'S FORWARD PLAN**
Report of the Chamberlain.

For Information
(Pages 17 - 18)
5. **PUBLIC UPDATE OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING - 14 OCTOBER**
The Chairman of the Projects and Procurement Sub-Committee to be heard.

For Information
6. **CITY'S ESTATE FINANCIAL STATEMENTS**
Report of the Chamberlain.

For Decision
(Pages 19 - 22)
7. **CITY'S ESTATE TRUST FUNDS AND SUNDRY TRUST FUNDS ANNUAL REPORTS AND FINANCIAL STATEMENTS**
Report of the Chamberlain.

For Decision
(Pages 23 - 26)

8. **BUDGET MONITORING Q2 & CAPITAL PROJECTS FORECASTING**

Report of the Chamberlain.

For Information
(Pages 27 - 50)

9. **RISK MANAGEMENT UPDATE REPORT**

Report of the Chamberlain.

For Decision
(Pages 51 - 74)

10. **CLIMATE ACTION STRATEGY FINANCE UPDATE TO END OF Q2 YEAR 5
(2025/2026)**

Report of the Executive Director of Innovation and Growth.

For Information
(Pages 75 - 86)

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 16th September 2025.

For Decision
(Pages 87 - 90)

15. **NON-PUBLIC UPDATE OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING - 14 OCTOBER**

The Chairman of the Projects and Procurement Sub-Committee to be heard.

16. **SHL ESERVICE RE-PROCUREMENT**
Joint Report of the Director of Community & Children's Services and the Chamberlain.
- For Decision**
(Pages 91 - 102)
17. **FPEP: SECURING POLICE ACCOMMODATION TO 2030**
Report of the City Surveyor.
- For Decision**
(Pages 103 - 110)
18. **EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN**
Report of the Chamberlain.
- For Information**
(Pages 111 - 112)
19. **MPO DASHBOARDS REPORTING**
Report of the Chamberlain.
- For Information**
(Pages 113 - 126)
20. **RISK REPORT NON-PUBLIC APPENDIX**
To be read in conjunction with Item 9.
- For Decision**
(Pages 127 - 128)
21. **HRA FUNDING**
Report of the Chamberlain.
- To Follow.*
- For Decision**
22. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk.
- For Information**
(Pages 129 - 134)
23. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

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

FINANCE COMMITTEE

Tuesday, 16 September 2025

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 16 September 2025 at 1.30 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Deputy Ann Holmes
Deputy Andrien Meyers (Deputy Chair)	Deputy Paul Martinelli
Alderman Alexander Barr	Alderman Bronek Masojada
Deputy Timothy Butcher	Sushil Saluja
Deputy Bethany Coombs	Hugh Selka
Deputy Anne Corbett	Deputy Oliver Sells KC
Susan Farrington	Deputy Sir Michael Snyder
Deputy Madush Gupta	James St John Davis
Stephen Hodgson	James Tumbridge
Adam Hogg	Deputy Christopher Hayward (Ex-Officio Member)

Observers

Deputy Benjamin Murphy
Fraser Peck

Officers:

Caroline Al-Beyerty	- Chamberlain
Greg Moore	- Deputy Town Clerk
Dionne Corradine	- Chief Strategy Officer
Robert Murphy	- Investment Property Director
Sonia Virdee	- Finance Services Director
Genine Whitehorne	- Commercial Director
Phil Black	- Chamberlain's Department
James Carter	- Chamberlain's Department
Oliqur Chowdhury	- Chamberlain's Department
Jade Coombes	- Chamberlain's Department
Monica Patel	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Tracey Plumb	- Chamberlain's Department
Onika Sayeda	- Chamberlain's Department
Shadi Brazell	- Central London Forward
Joe Kingston	- Environment Department
Laura Davison	- Innovation & Growth
John Cater	- Committee Clerk

1. APOLOGIES

Apologies for absence were received from Shannan Bakth, Nicholas Bensted-Smith, Simon Duckworth, Steve Goodman, Alderwoman Martha Grekos, Sandra Jenner, Deputy Benjamin Murphy, Fraser Peck, and Deputy James Thomson.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: - that the public minutes and non-public summary of the meeting held on 1st July 2025 be approved as an accurate record, subject to a minor amendment on page 11 regarding £10m of income generation.

Separately, under matters arising, the Chairman thanked Members for their support in the summer concerning the approval of the P3 Framework which had subsequently been approved at the July meeting of the Court of Common Council with the formal go-live due in November.

In response to a Member's recent concern about unnecessary size of the packs, the Chairman emphasised his message to report authors, namely, that the summary and recommendations for papers should consist of a maximum of two pages.

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

The Committee received a Report of the Chamberlain concerning the Committee's Forward Workplan.

The Chairman updated Members that a Report would come to the Committee in December concerning an audit review of the Purchase (P) cards and requested a draft Report concerning the Barbican Centre's Ten-Year Plan be added.

RESOLVED: - that the Committee noted the Report.

5. **PUBLIC UPDATE OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING OF 4TH SEPTEMBER 2025**

RESOLVED – That the public update of the Projects and Procurement Sub-Committee meeting held on 4th September 2025 be noted.

6. **CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS**

The Committee considered a Report of the Chamberlain concerning the City Fund and Pension Fund – Statement of Accounts, Audit Findings and the external auditor's Annual Audit Report for 2024-25.

In response to a query, the Chamberlain would separate the various appendices more clearly in next year's Report.

RESOLVED: - that the Committee:

- Recommended approval of the 2024-25 Statement of Accounts.
- Delegated authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approval of

any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30th September 2025.

- Considered the Audit Findings Report for the City Fund and Pension Fund 2024-25 as set out in Appendix 2 and Appendix 3.

7. **CITY RE LIMITED – PERFORMANCE MONITORING**

The Committee received a Report of the Chamberlain concerning City Re Ltd.

Members supported the Chairman's view that the Finance Committee Chairman's alternate on City Re should ideally have a background in insurance. Options would be considered after the meeting.

RESOLVED: - that the Committee noted the Report.

8. **CENTRAL LONDON FORWARD – GRANT RECEIPTS AND PROGRAMME DELIVERY**

The Committee considered a consolidated Report of the Executive Director of Innovation & Growth concerning the grant receipts and programme delivery for Central London Forward.

RESOLVED: - that the Committee approved:

- The acceptance of up to £200,000 from the Greater London Authority (GLA) for the extension of Phase 1 of the Central London Integration Hub to 31 March 2026, and the launch of the Central London Youth Integration Hub, also to 31 March 2026.
- The acceptance of future funding from the GLA for the Integration Hub programme up to a total value of £1.25m for a three-year programme (for delivery between April 2026 and March 2029). This includes a projected extension of the Youth Integration Network, and Phase Two of the No Wrong Door programme.
- To delegate authority to the Chamberlain and Executive Director, Innovation and Growth to finalise and enter into the relevant contractual information with support from the Comptroller & City Solicitor's Department.
- The novation of the agreement between the GLA and the London Borough of Camden, and the agreements between the London Borough of Camden and the other CLF member authorities in relation to this programme.
- Pursuant to that, acceptance of funding from the GLA or the Department for Work and Pensions (DWP) for an extension of and growth within the 'Full Potential' Get Britain Working Trailblazer programme, up to a total value of £15m and for delivery between April 2026 and March 2029, and

the endorsement of the subsequently required contractual amendments or variations.

- Novation of the agreement between the London Borough of Camden and the Learning and Work Institute for the evaluation of this programme, and the extension of that agreement to cover the extended programme period, to March 2029.
- To delegate authority to the Chamberlain and Executive Director, Innovation and Growth, with support from the Comptroller & City Solicitor's Department to finalise and enter into the relevant contractual information.
- Growth within the Connect to Work programme of up to £1m in the financial year 2025/26.
- Growth within the Connect to Work programme of up to £2m in the financial year 26/27.
- To delegate authority to the Chamberlain and Executive Director, Innovation and Growth, with support from the Comptroller & City Solicitor's Department to finalise and enter into the relevant contractual information.
- An extension of the existing trial arrangement between CLF and GLA Economics for the provision of data services, up to a total of £150,000 and until March 2029.
- Acceptance and management of up to £310k of funding for the central London Local Skills Improvement Plan Phase One, to be used in line with priorities agreed with the Department for Education and BusinessLDN by the end of March 2026.
- Delegation to the Chamberlain and Executive Director, Innovation and Growth, with support from the Comptroller & City Solicitor's Department to finalise and approve and enter into the relevant contractual information for the above.
- A standing delegation to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to approve the following extensions to or growth within existing CLF programmes (to be exercised no later than September 2026):
 - Acceptance and management of funding for Phase 2 of the London Skills Improvement Plan from Business LDN, up to a value of £500,000 and for delivery between March 2026 and March 2031, subject to the details of this being confirmed by BusinessLDN.

- Acceptance of funding from the GLA of up to £300,000 and from the UKRI Local Innovation Partnership Fund or similar programmes for growth and expansion of the Digital Connectivity programme, within its current programme timeline (to March 2029), subject to confirmation of available funding envelopes.
- Delegation to the Chamberlain and Executive Director, Innovation and Growth, with support from the Comptroller & City Solicitor's Department to finalise and approve and enter into the relevant contractual information for the above.

9. INVESTMENT GOVERNANCE UPDATE

The Committee considered a joint Report of the Town Clerk and the City Surveyor concerning governance arrangements for decisions pertaining to Investment Property.

RESOLVED: - that the Committee approved:

- The amendment of the thresholds for investment property transactions in Standing Orders as set out at paragraphs 3 to 5 and in Appendix 1 of the Report.
- Authorised the Town Clerk to make the necessary amendment to the Scheme of Delegation to Officers to give effect to these changed thresholds.

10. BUDGET MONITORING Q1

The Committee received a Report of the Chamberlain concerning the forecast position for the 2025/26 financial year as at the end of Quarter 1 (June).

A Member expressed his concern at the adverse variances projected for several departments and institutions. It was disappointing that the Barbican Centre was again due to record a deficit at year end which had been an all-too frequent occurrence over recent years. This year's projection should be highlighted given the large capital funding allocation approved for the Barbican Renewal Programme. He added that a similar record of deficits had been observed at the GSMD and felt it incumbent on the Finance Committee and the Chamberlain's team to ensure that there were robust plans and controls in place to restore the financial balance to both institutions.

In response to a separate concern about any potential further requests for financial support from the London Museum Project, the Chairman reaffirmed the Committee's position that any additional funding from the City Corporation would only take the form of a loan on commercial terms.

Separately, it was commented that the Barbican Centre Board was confident about achieving its essential £40m fundraising target as a contribution towards the Renewal Programme.

Officers commented that both respective officer groups at the GSMD and the Barbican Centre were working very hard with the Chamberlain's Department to bring their finances into balance. A clearer escalatory process was now in place to provide for greater oversight for the Chamberlain, and ability for the Finance Committee to make earlier interventions when necessary. The Chamberlain also informed the Committee that a draft Barbican Centre Ten-Year Plan would shortly be scrutinised by the Committee's Efficiency & Performance Working Party (EPWP) which was intended to offer informal but robust scrutiny prior to issue of a formal Report to the Grand Committee. GSMD would also return shortly for EPWP scrutiny.

It was currently too early to determine if and how the Barbican Centre would demonstrate its long-term financial sustainability pending production of a realistically thought through plan. It had to be recognised on all sides that there was not an unlimited pot of money in City Fund to keep funding the Barbican Centre; a point that the Chairman had made to taxpayers back in February as well.

A Member queried whether the Grenfell High Risk Building Regulations would impact the Barbican Renewal Programme. Officers confirmed that the issue had been identified as a live risk by the Renewal Project Programme Board and was being actively managed.

Two Members queried the appropriateness and effectiveness of current governance arrangements of the Barbican Renewal Programme. The Chairman reminded Members that Finance Committee did not have a remit over wider Committee governance arrangements and emphasised the importance of allowing the Centre to present its Ten-Year Plan before any wider judgements were drawn about governance arrangements.

Separately, the Chamberlain confirmed that a Report would be submitted to the next meeting of the Committee in November concerning the projected funding shortfall for HRA projects and how this could be met.

RESOLVED: - that the Committee noted the Report.

11. CHAMBERLAIN'S BUSINESS PLAN Q1 REPORT

The Committee received a Report of the Chamberlain concerning the Chamberlain's Departmental Business Plan.

RESOLVED: - that the Committee noted the Report.

12. RISK MANAGEMENT UPDATE REPORT

The Committee considered a Report of the Chamberlain concerning the Chamberlain's Departmental Risk Management.

RESOLVED: - that the Committee:

- Noted the risk updates

- Agreed the risk appetite level for Corporate Risks; CR35 Unsustainable Medium-Term Finances – City Fund and CR38 Unsustainable Medium-Term Finances – City’s Estate.

13. CENTRAL CONTINGENCIES

The Committee received a Report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

In response to a query about unspent contingencies at year-end and whether they rolled forward, the Chamberlain confirmed that at the end of 2024/25, the Chairman had taken a more prudent approach regarding reallocation of unspent sums.

The Commercial Director asked for delegated authority to the Town Clerk, in consultation with the Chairman and the Deputy Chair to agree the allocation of £270,000 from the Project Contingency/Reserve Fund to fund the additional resources needed for the continued Procurement Improvement Plan. As explained at the recent meeting of the Projects and Procurement Sub-Committee, the Commercial Team was experiencing challenges with trying to move forward at pace on the priority areas, renewing the Corporation’s Procurement Governance Framework and allowing the organisation to exploit the freedoms now available under the new Procurement Act.

The request will fund additional resources for team members to lead the organisation in this transformational change without prejudicing normal commitments. The request was contingent upon recommendations in a Procurement Improvement Plan report at the next Projects and Procurement Sub-Committee; subject to approval of such Plan by PPSC, the Commercial Director would then approach the Town Clerk to proceed with actioning the Delegated Authority.

RESOLVED: - that the Committee agreed in principle to the request for Delegated Authority and noted the Report.

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

There were no public questions.

15. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent public items.

16. 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.

17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED: - that the non-public minutes of the meeting held on 1st July 2025 be approved as an accurate record.
18. **NON-PUBLIC UPDATE OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING OF 4TH SEPTEMBER 2025**
RESOLVED – That the non-public update of the Projects and Procurement Sub-Committee meeting held on 4th September 2025 be noted.
19. **STAGE 2 AWARD PROCUREMENT REPORT - ENFORCEMENT AGENTS FOR REVENUES AND PARKING**
The Committee considered a Report of the Chamberlain concerning the Enforcement Agent contracts for the City of London Corporation Revenues Team and Parking Ticket Office Team.
20. **CONTINUATION OF WASTE MANAGEMENT SERVICE CONTRACT**
The Committee considered a Report of the Executive Director, Environment concerning the City Corporation's Waste Management and Disposal Services Contract.
21. **EXTENSION OF WASTE COLLECTION, STREET CLEANSING AND ANCILLARY SERVICES CONTRACT**
The Committee considered a Report of the Executive Director, Environment concerning the City Corporation's contract for waste collection, street cleansing, and other similar ancillary services.
22. **CENTRAL LONDON WORKS PROGRAMME - DELIVERY PARTNER INGEUS CONTRACT GROWTH**
The Committee considered a Report of the Executive Director, Innovation & Growth concerning contract growth within the Central London Works Programme.
23. **CITY SCHOOLS BUDGETS 2024/25**
This item was deferred.
24. **PRIVATE PLACEMENT LOAN - GREEN AND SUSTAINABLE FINANCING FRAMEWORK**
The Committee received a Report of the Chamberlain concerning the annual update of spending against the private placement for City's Estate that was agreed in 2019.
25. **PROVISION FOR BAD AND DOUBTFUL DEBTS**
The Committee received a Report of the Chamberlain concerning the City Corporation's provision for bad and doubtful debts.
26. **NON-PUBLIC APPENDIX TO RISK**
This item was read in conjunction with item 12 (Risk Management).

27. **ALL ESTATES - REVIEW OF METRICS USED IN MAKING MAJOR PROPERTY DECISIONS - 1ST ANNUAL REVIEW**

The Committee considered a Report of the City Surveyor concerning the metrics and benchmarks utilised by the City Surveyor in appraising major property investment decisions, as approved by Property Investment Board (PIB) and Finance Committee in February 2017, and as updated in April 2020 and February 2024.

28. **INVESTMENT PROPERTY DELEGATIONS**

The Committee considered a Report of the City Surveyor concerning several requests for Delegated Authority to proceed with Investment Property transactions over the coming period.

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

The Committee received a Report of the Chamberlain concerning the Forward Work Programme for the Finance Committee's Efficiency and Performance's Working Party in 2025/26.

30. **MPO DASHBOARDS REPORTING**

The Committee received a Report of the Chamberlain providing an overview of the Major Capital Projects for City Fund and City's Estate.

31. **NON-PUBLIC APPENDIX - CENTRAL CONTINGENCIES**

This item was read in conjunction with item 13 (Central Contingencies).

32. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee received a Report of the Town Clerk detailing non-public decisions taken under urgency and delegated authority procedures since the last meeting of the Committee.

33. **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.

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

There were no items of urgent business.

The meeting ended at 3.00 pm

Chairman

Contact Officer: John Cater

This page is intentionally left blank

FINANCE COMMITTEE – WORK PROGRAMME 2025-26

	Nov-25	Dec-25	Jan-26	Feb-26	April - 26	May-26	June - 26	July-26
Budget Setting Process & Medium-Term Financial Planning				City Fund Budget Report and Medium-Term Financial Strategy City Estates Budget report and Medium-Term Financial Strategy				Update on Budget setting 26/27
Effective Financial Management Arrangements for The City Corporation	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Budget monitoring Q2 & Capital Projects – Forecasting	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Review of Financial controls (Internal Audit update) P-cards internal audit review Annual On-Street Parking Accounts 2024/25 and Related Funding of Highway Improvements and Schemes	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Update of Finance Regulations - deep dive	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Review of Recharges - Barbican leaseholder service charges Interest Rates for Loan Facilities	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Revenue Outturn report 24/25 Provisional Outturn report 24/25 Update from Internal Audit – Assurance Financial Control Write off report or Business Rates and Council tax
Financial Statements	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	Risk Management Update Report Chamberlain's Business plan Q2 report	Risk Management Update Report ERP Programme Update (Quarterly) Business Plan 2026/27 (Decision)	Risk Management Update Report Chamberlain's Business plan Q3 report	Risk Management Update Report Chamberlains Business Plan End of Year update ERP Programme Update (Quarterly)	Risk Management Update Report	Risk Management Update Report Central Contingencies (Quarterly report)	Risk Management Update Report ERP Programme Update (Quarterly)
Other Departments reports					Appointments (Town Clerks)			

This page is intentionally left blank

City of London Corporation Committee Report

Committee(s): Finance Committee – For decision	Dated: 04/11/2025
Subject: 2024-25 City's Estate Financial Statements	Public report: For Decision
This proposal: <ul style="list-style-type: none"> provides statutory duties 	Compliance with external audit requirements
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/a
What is the source of Funding?	N/a
Has this Funding Source been agreed with the Chamberlain's Department?	N/a
Report of:	The Chamberlain
Report author:	Daniel Peattie, Assistant Director Strategic Finance

Summary

The draft Consolidated Financial Statements for City's Estate, for the year ending 31 March 2025 are attached at Appendix 1 for delegated approval subject to consideration and Audit and Risk Management Committee.

In addition, the 9 draft Annual Reports and Financial Statements of the Open Spaces and Sundry Trust charities which are consolidated within the City's Estate accounts (listed at paragraph 1 below) are attached at Appendix 2 for delegated approval subject to consideration and Audit and Risk Management Committee.

Recommendation(s)

The **Finance Committee** is requested to:

- Consider** the draft 2024-25 City's Estate accounts
- Delegate** to the Chairman and Deputy Chairman of Finance Committee, subject to the recommendation of the Audit and Risk Committee, the approval and signing of the 2024-25 City's Estate Financial statements, and the financial statements of each of the 9 consolidated charities, for the year ending 31 March 2025. Enabling the accounts to then be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

- **Authorise the Chamberlain**, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve and material changes to the statement of accounts and annual reports and financial statements required before the signing of the audit opinion by Crowe UK LLP (“Crowe”)– which is expected by the end of November 2025 for City’s Estate consolidated financial statements, and for the consolidated charities.

Main Report

Background

1. The draft Annual Reports and Financial Statements for each of the consolidated charities for the same period are attached at Appendix 2 for approval. The 9 charity financial statements are listed below with their charity numbers, and are made up of the Open Spaces and other consolidated sundry trusts:
 - i. Ashtead Common (registered charity no. 1051510)
 - ii. Highgate Wood and Queen's Park Kilburn (registered charity no. 232986)
 - iii. West Ham Park (registered charity no. 206948)
 - iv. Hampstead Heath Charity (registered charity no. 803392), incorporating the linked charity the Hampstead Heath Trust Fund (registered charity no. 803392- 1)
 - v. Sir Thomas Gresham Charity (registered charity no. 221982)
 - vi. Keats House (registered charity no. 1053381)
 - vii. Burnham Beeches and Stoke Common (registered charity no. 232987)
 - viii. Epping Forest (registered charity no. 232990)
 - ix. West Wickham Common and Spring Park Wood (registered charity no. 232988) & Coulsdon and Other Commons (registered charity no. 232989)
2. It should be noted that the accounts shown as appendices to this are the draft accounts submitted to the auditors, and do not include the audit adjustments set out in this report.
3. Members will be aware that in order to comply with the covenants in the private placement Note Purchase Agreement, the audited City’s Estate consolidated financial statements along with an opinion that states that such financial statements give a true and fair view of the financial position of City’s Estate, must be submitted to the private placement lenders as soon as they become available but in any event within 270 days after the end of each financial year (i.e. by 26 December).
4. The 9 sets of charity financial statements must be submitted to the Charity Commission within 10 months of their financial year end, i.e. by 31 January 2026. The financial statements for Barking Power and Thames Power, which are consolidated within the City Estate accounts, must be submitted to Companies House within 9 months of their financial year end, i.e. by 31 December 2025.

5. The overall movement on the City's Estate balance sheet is a decrease in net assets of -£81m. This movement is comprised of the following items:

- Decrease in Investment Properties of -£83.4m
- Increase in Tangible Assets of +£10.7
- Decrease in Non-Property Investments of -£130.3m
- Increase in Short Term Non-Property Investments of +£86.7m
- Increase in Cash and Cash Equivalents of +£14.1m
- Movement in Deferred Income of -£4.5m
- Movement in Defined benefit pension scheme liability of +£21.7m
- Other movements of +£4m

Current Position and Audit Findings report

6. To date, no new audit recommendations or material audit adjustments have been identified by Crowe on the City's Estate accounts at the time of drafting the report. The table below sets out the two adjustments that will be amended within the City's Estate accounts when updated and presented to Audit and Risk Committee. Note these are not included within appendix 1. Should any further recommendations of adjustments be identified, these will be included within the report to Audit and Risk Committee.

Table 1: City's Estate audit adjustments

Adjustment description	Increase / (decrease) in net income £k	Increase / (decrease) in assets £k	Increase / (decrease) in liabilities £k	Increase / (decrease) in funds £k
1. City's Estate Dr Income Cr Creditors <i>Included within school trip income is £195k relating to trips Apr-25 to Sept-25 which are therefore post year end and should be deferred.</i>	(195)		195	(195)
2. City's Estate Dr Expenditure Cr Creditors <i>Posting of Holiday pay accrual which has not been included in accounts</i>	(205)		205	(205)

Approval of the financial statements

7. It is recommended that the Finance Committee delegate approval of the City's Estate Financial Statements for the 2024-25 financial year, along with the financial statements of the 9 consolidated charities subject to the approval of and any observations from the Audit and Risk Management Committee on 17 November 2025.

8. Whilst not a statutory deadline, due to the availability of the audit partner working on the City's Estate audit, the accounts need to be signed by the end of November as they are then unavailable to sign until the new year. It is therefore not possible to wait until the December Finance Committee meeting to obtain approval for signing and as a result this paper includes a request for delegated authority to the Chair and Deputy Chair, following any approval from the Audit and Risk Committee.
9. Additionally, the Committee should authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any significant changes to the accounts and annual reports before the audit opinion, anticipated by the end of November 2025, is signed by Crowe for both the City's Estate consolidated financial statements and the consolidated charities.

Corporate & Strategic Implications

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

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications - None

Equalities implications – None

Climate implications - None

Security implications - None

Appendices

- Appendix 1 – City's Estate Annual Report and Financial Statements 2024-25
- Appendix 2a – Ashted Common 2024-25
- Appendix 2b – Highgate Wood and Queen's Park Kilburn 2024-25
- Appendix 2c – West Ham Park 2024-25
- Appendix 2d – Hampstead Heath Charity incorporating Hampstead Heath Trust Fund 2024-25
- Appendix 2e – Sir Thomas Gresham Charity 2024-25
- Appendix 2f – Keats House 2024-25
- Appendix 2g – Burnham Beeches and Stoke Common 2024-25
- Appendix 2h – Epping Forest 2024-25
- Appendix 2i – West Wickham and Coulsdon 2024-25

Daniel Peattie

Assistant Director, Strategic Finance

T: 02038348915

E: Daniel.Peattie@cityoflondon.gov.uk

City of London Corporation Committee Report

Committee(s): Finance Committee – For decision	Dated: 4 th November 2025
Subject: City's Estate Trust Funds and Sundry Trust annual reports and financial statements - 2024/25	Public report: For Decision
This proposal: <ul style="list-style-type: none"> provides statutory duties 	Completion of annual external audit
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/a
What is the source of Funding?	N/a
Has this Funding Source been agreed with the Chamberlain's Department?	N/a
Report of:	The Chamberlain
Report author:	Daniel Peattie, Assistant Director Strategic Finance

Summary

This report provides an update on the annual reports and financial statements for the 11 Sundry Trust charities listed at **Appendix 1** for the year ended 31 March 2025. It also requests delegated authority to proceed with the formal signing following the 17th November Audit and Risk Committee.

Of the 14 charities, 3 annual reports and financial statements are audited by Crowe U.K. LLP, 7 are subject to an independent examination by Crowe U.K. LLP ("Crowe"), and 4 are below the threshold for an audit or independent examination.

Where the Corporation is Trustee, the Finance Committee approves the annual reports; if charities have individual trustees, or the Trustee is acting through the Court of Aldermen (as indicated in **Appendix 1**), the reports are approved by the respective trustees or the Aldermen following recommendation by this Committee.

The draft annual report and financial statements for each charity for the year ended 31 March 2025 are attached at **Appendix 2** for approval.

Crowe's work on the audits and independent examinations of the charities remains in progress at the date this report was submitted (October 2025). To date we understand that Crowe currently intend to issue an unqualified opinion (audit) or unmodified report

(independent examination) for each annual report, with no material audit adjustments identified to date.

Recommendation(s)

The Finance Committee are asked to:

- **Note** the progress on the sundry trust accounts and associated audits,
- **Delegate** to the Chairman and Deputy Chairman of Finance Committee, subject to the recommendation of the Audit and Risk Committee, the approval and signing of the 11 charities presented for the year ended 31 March 2025, for those charities where the Corporation is Trustee;
- **Delegate** to the Chairman and Deputy Chairman of Finance Committee, subject to the recommendation of the Audit and Risk Committee, the authority to recommend the accounts to the Aldermen for the Emanuel Hospital charity where the Corporation is acting by the Court of Aldermen as the named corporate trustee; and to the individual trustees of the Sir William Coxen Trust Fund and the Samuel Wilson Loan Charity for the year ending 31 March 2025; and
- **Authorise the Chamberlain**, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve and material changes to the statement of accounts and annual reports and financial statements required before the signing of the audit opinion by Crowe – which is expected by the end of November 2025 for City's Estate consolidated financial statements, and for the consolidated charities.

Main Report

Background

1. The 2024-25 Annual Report and Financial Statements for 14 Sundry Trust charities for the year ended 31 March 2025 are presented for review.
2. The annual reports of the Sundry Trusts have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.
3. The Charity Commission requires charities to submit their annual report within 10 months of their financial year-end, that is by 31 January 2026. A failure to meet this deadline is recorded on the charity's entry on the Charity Commission website. There are no financial penalties incurred. In addition, the City of London Almshouses charity is regulated by the Regulator for Social Housing with a submission deadline of 6 months from the financial year end, that is 30 September 2025. These accounts have already been submitted and are therefore included for completeness.
4. 14 annual reports and financial statements are presented for the Sundry Trusts of which the City Corporation is Trustee or otherwise has rights of nomination or

appointment of the majority of trustees. A summary of the required form of assurance provided by Crowe is provided in the table below:

Table 1: Category of assurance

Type of review	Number of sundry trust charities
Audit	3
Independent examination	7
No review required	4

Current Position

5. The external auditor (Crowe) is expected to give an unqualified opinion on the annual reports and financial statements of each of the 3 Sundry Trust charities subject to an audit. This is due to be presented to the Audit and Risk Committee on the 17th November 2025. Their partner review is due to take place during the week of the 20th October, to date no adjustments other than casting amendments have been raised.
6. In order to meet necessary filing deadlines it is requested that Finance Committee delegate recommendation and approval of the 14 charities for the 2024-25 financial year, subject to the approval of and any observations from the Audit and Risk Management Committee on 17 November 2025.
7. Note the Almshouses accounts have already been signed and submitted in order to meet the 30th September filing deadline.
8. Due to the availability of the audit partner working on the City's Estate audit, the accounts need to be signed by the end of November as they are then unavailable to sign until the new year. It is therefore not possible to wait until the December Finance Committee meeting to obtain approval for signing and as a result this paper includes a request for delegated authority to the Chair and Deputy Chair, following any approval from the Audit and Risk Committee. Whilst Trust accounts are covered by a separate partner it is intended to sign in line with these same timescales.
9. Additionally, the Committee should authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any significant changes to the accounts and annual reports before the audit opinion, anticipated by the end of November 2025, is signed by Crowe for all 14 sundry trust charities.

Progress and Submission of Signed Annual Reports and Financial Statements

10. Crowe's work remains in progress, with review of the annual reports and some areas of audit/IE work ongoing. To date no material adjustments or new audit recommendations have been identified.

11. Crowe representatives will attend the Audit and Risk Management Committee to present their completion report, update on the status of the audits and to clarify any points or issues raised.
12. Each set of signed annual reports will be submitted to the Charity Commission and will be available to download from its website.

Corporate & Strategic Implications

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

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications - None

Equalities implications – None

Climate implications - None

Security implications - None

Conclusion

13. The draft annual reports and financial statements of 11 Sundry Trust charities are presented to Finance Committee for delegation to approve. For the remaining 3 entities the draft annual reports and financial statements are presented to Finance Committee for delegation to recommend to the Aldermen or the individual charity Trustees as applicable. At the date of this report, no material audit adjustments or new recommendations have been identified. The audit reports from Crowe will be presented to Audit and Risk Management Committee on the 17th November.

Appendices

Appendix 1 – List of charities

Appendix 2 – Annual Reports and Financial Statements of the Sundry Trust charities

Daniel Peattie

Assistant Director Strategic Finance

T: 02038348915

E: daniel.peattie@cityoflondon.gov.uk

City of London Corporation Committee Report

Committee(s): Finance Committee – For information	Dated: 04/11/2025
Subject: Budget Monitoring Quarter 2 2025/26	Public report: For Information
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties • provides business enabling functions 	The budget provides the funding to deliver all of the Corporation's corporate objectives either directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	The Chamberlain
Report author:	Daniel Peattie, Assistant Director – Strategic Finance

Summary

The report below outlines the forecast position for the 2025/26 financial year as at the end of Quarter 2 (September). This report combines the monitoring for both revenue and capital. The total position per fund is shown in the table below and explanations for variances highlighted in the main report.

Revenue forecast variance by fund – Q2

	City Fund £'000	City's Estate £'000	Guildhall Administration £'000	Total £'000
Local Risk	4,450	927	613	5,990
Central Risk	(17,285)	(4,019)	971	(20,333)
Total Q2	(12,835)	(3,092)	1,585	(14,343)
Total Q1	(12,808)	(6,450)	3,663	(15,595)
(better)/worse from Q1	(27)	3,358	(2,078)	1,253

It should be noted that although both City Fund and City's Estate are forecasting a surplus, the Local risk (Chief Officer cash limited budgets) are forecasting an

overspend across all funds. This position has remained consistent across a number of financial years indicating mitigations are not resolving the underlying pressures. A number of actions are being taken to address the gaps including a series of Star Chambers which are led by the Town Clerk and in particular will challenge the level and speed of cost mitigations in the HRA, Barbican Centre and Guildhall School. Explanations for large variances are included in this report. A proposal is being presented to this Committee as another agenda item to review potential options for addressing the pressures in HRA.

Main report – City Fund Dashboard

Revenue

1. At the end of quarter 2, the 2025/26 forecast revenue outturn is an underspend of £12.8m against budget which comprises £4.4m overspend on Local risk and an underspend of £17.3m on central risk. The underspend is largely due to an increased forecast of interest earned on cash balances which is shown in para 25 (appendix 4). Unallocated contingencies, currently amounting to £10.5m will be transferred to reserves at year end and are therefore showing a nil variance in the forecast.
2. Large variances in the Barbican (£3.7m) and Children Services (£0.5m) are explained in more detail in appendix 4. This appendix also outlines the measures being implemented to address the overspends and restore expenditures to within budgetary limits. Within the Barbican these measures include vacancy management as well as stricter controls on travel, catering and other variable cost elements. Further scrutiny will be undertaken through the risk based monitoring referenced above as well as the upcoming Star Chamber.
3. It should be noted that the Housing Revenue Account is currently forecasting an overspend on revenue amounting to £1.2m, which is an increase of £0.6m since Q1. This is due to loss of income as a result of delays to COLPAI and Black Raven Court Habitation. There are also significant pressures on the repairs and maintenance budget due to higher repair volumes to meet new regulatory requirements, requirement to introduce annual survey programmes, additional contract costs. Several vacant posts within HRA are currently being covered by temporary staff, which is resulting in higher costs.
4. Urgent action is now needed to ensure that statutory duties are not breached and a separate paper will be considered by your Committee.

Chart 1 – City Fund local risk forecast Q2

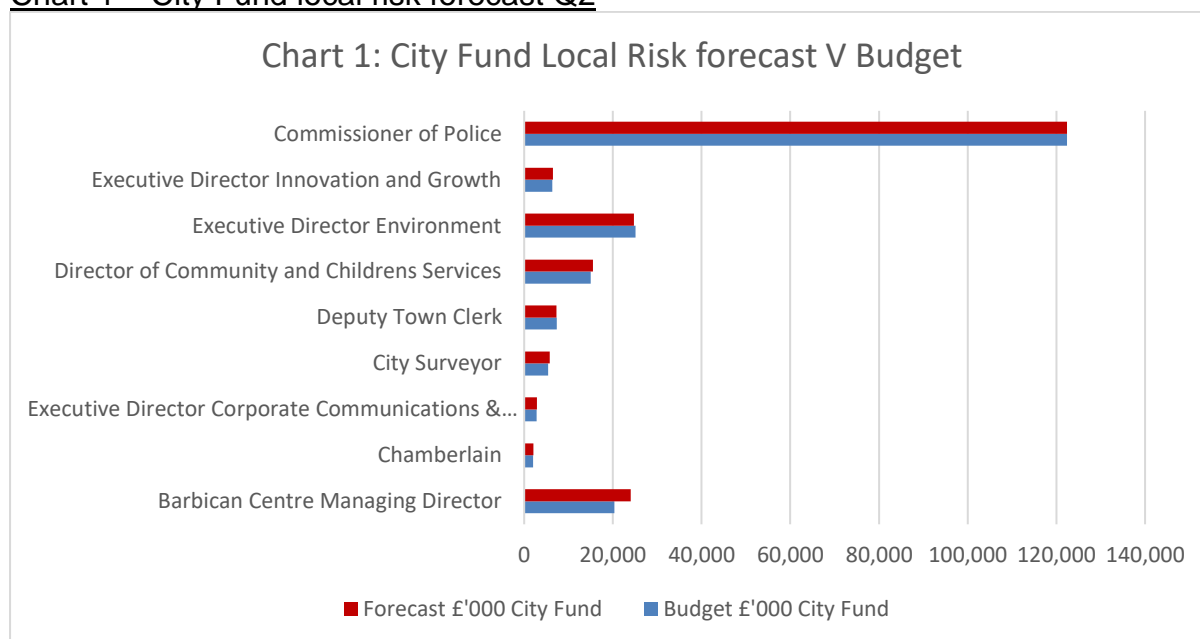
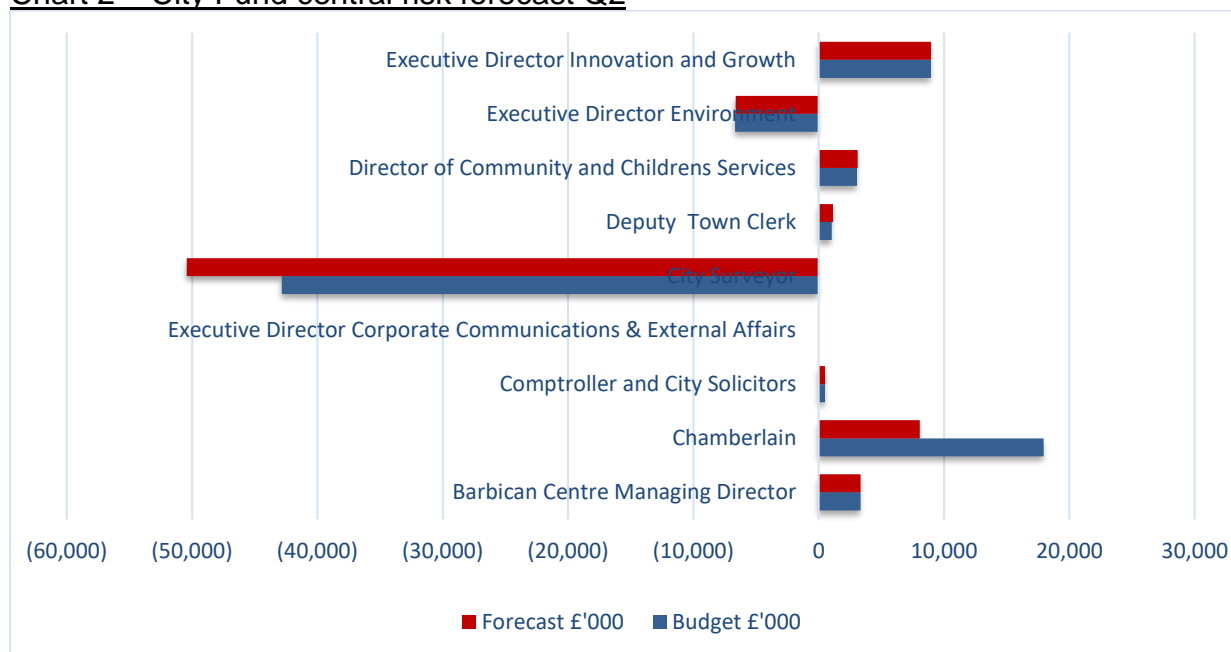


Chart 2 – City Fund central risk forecast Q2



Savings – City Fund

The total in year savings target for City Fund amount to £9.2m. Of this amount £3.7m are on track or have already been delivered. This has increased by £0.5m since Q1 and relates to savings under the Executive Director of Community & Children's Services which have been realised during Q2 and therefore moved from Amber to Green RAG rating

Those elements undelivered within the Barbican are contributing towards the overspend highlighted above. These are being monitored as part of the local

arrangements identified by the Barbican management team but also through the star chamber process. The cross-cutting savings relate to income generation opportunities. The progress of these is being reviewed by the income generation working group and Efficiency and Performance working group.

Chart 3 – City Fund savings forecast Q2 (£9.2m total)

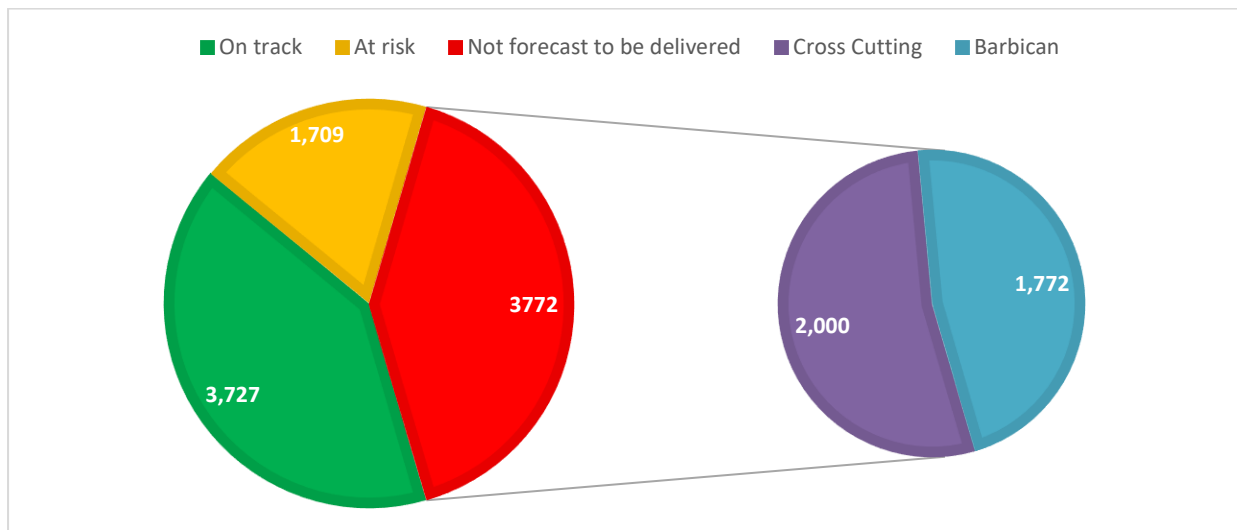
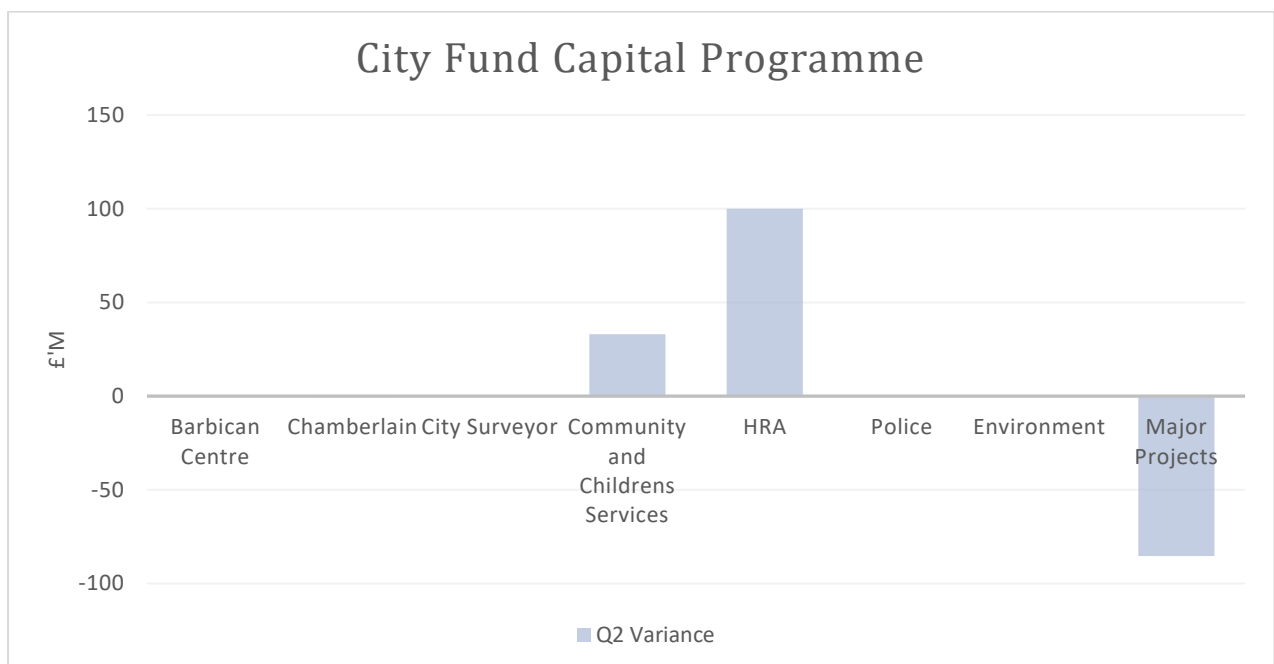


Chart 4 - City Fund Capital forecast project variance

5. Significant adverse variances are forecast on the HRA capital programme and Barbican podium works. More detail is within appendix 4.



Key points – City Fund

- Local risk overspends continue to be supported by additional central income.

- Revenue forecast, overspend in HRA of £1.2m requiring urgent savings plan/funding solutions
- The HRA major projects improvement programme has identified substantial risks regarding funding for the 10-year plan.
- Community and Children's Services capital programme contains significant forecast overspends requiring bespoke funding solutions.

Main report – City's Estate Dashboard

Revenue

6. At the end of quarter 2, the 2025/26 forecast revenue outturn is an underspend of £3.1m of which £4m relates to central risk offset by an overspend of £0.9m on Local risk. (A decrease of £3.3m since Q1). This is due in the main to increased dividend income which is explained in para 15. Unallocated contingencies currently amount to £17.7m and will be transferred into reserves at year end and therefore showing a nil variance in the forecast.

Chart 5 – City's Estate local risk forecast Q2

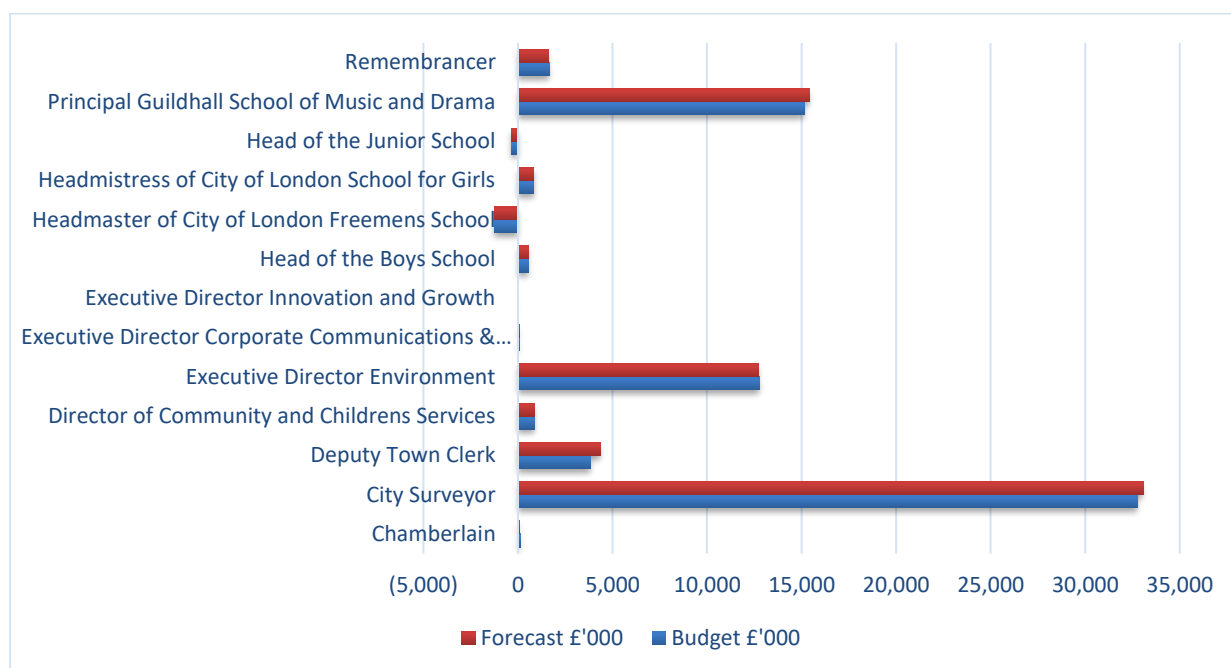
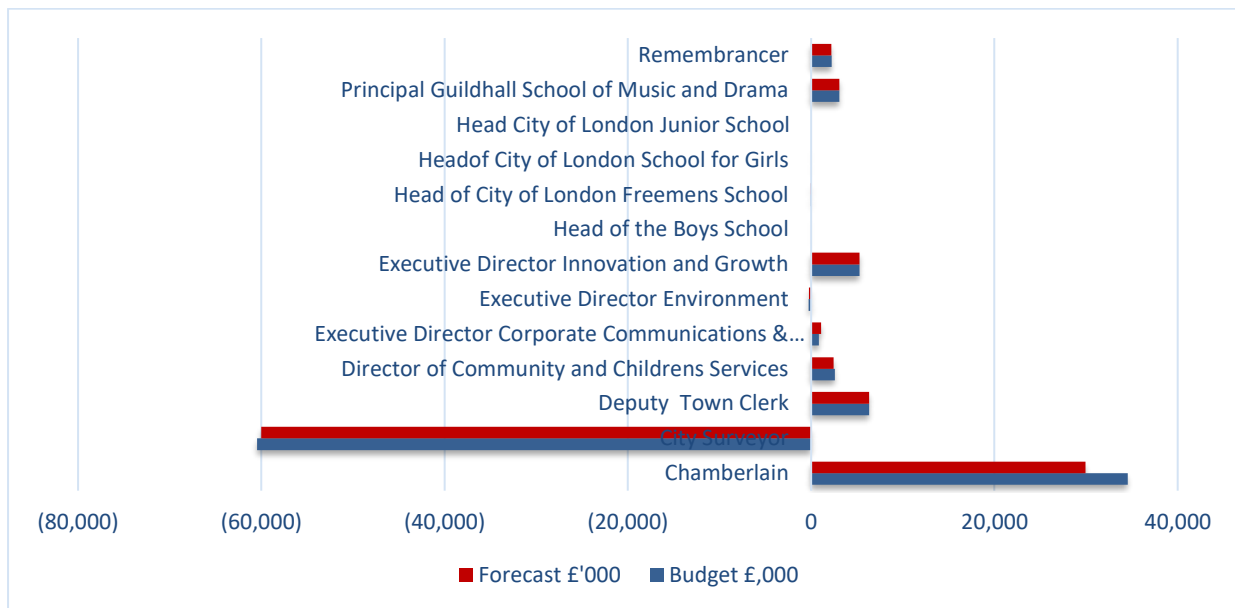


Chart 6 – City's Estate central risk forecast Q2



City's Estate Savings

7. The total saving for City Estate amounts to £4.9m of which £4m are either delivered already or on track to be delivered by the end of the year.
8. There is one saving that has a very high risk of non-delivery amounting to £0.2m which is in relation to improved income at Monument. Based on the last couple of years income performance it is not expected to materialise these savings in full however there are a number of options being looked into as part of income generation but unsure currently if they can be achieved this year.
9. Since Q1, £2m of savings relating to GSMD have moved from Amber to Green as the pressure has been mitigated from using carry forward funds from 2024-25. Mitigating strategies to meet this pressure from 2026/27 onwards are being developed and will be review on 22nd October at the Town Clerk's Star Chamber and Efficiency and Performance Working Party as per the forward plan.

Chart 7 – City’s Estate savings forecast Q2 (£4.9m total)

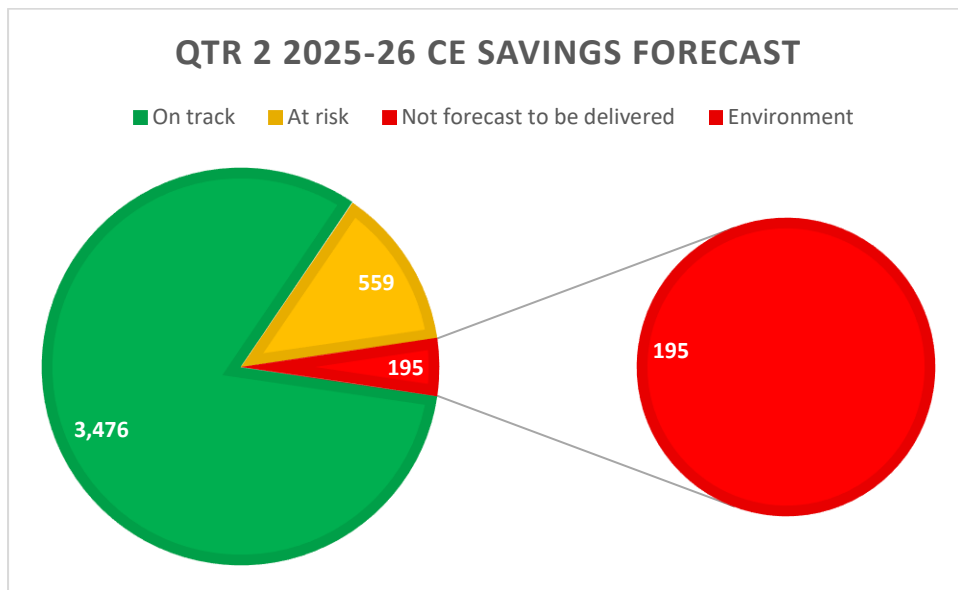
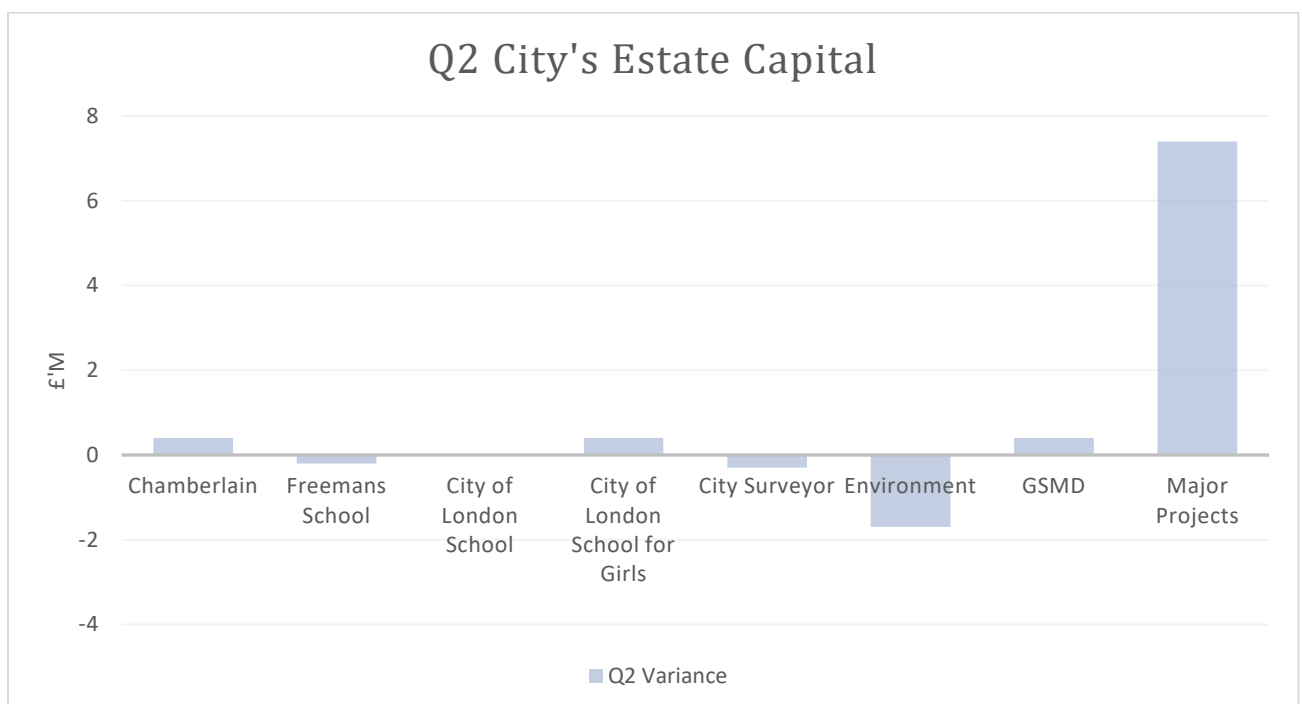


Chart 8 – City’s Estate Capital

10. The adverse variance forecast on the Museum of London project relates to the optimism bias, which was not included within the original MTFP budget. This will be updated at Quarter three.



Key points – City’s Estate

- Local risk overspends continue to be supported by additional central income
- GSMD is now showing all savings as being delivered or on track to be delivered this financial year

Main report – Guildhall Admin Dashboard

Revenue

11. Guildhall Administration budgets are central costs which are recharged to the relevant funds (inc. City Bridge Foundation), these budgets are currently forecasting an overspend of £1.6m which is £0.6m on Local risk and £1m on central risk. This is an improvement of £2.1m since Q1 where a predicted overspend of £3.6m was reported. The reason for this reduction was the approval of carry forward bids which were agreed after Q1 and has therefore offset a number of pre-approved cost pressures. Any variance will have a direct impact on City Fund and City's Estate as costs are recharged out.

Chart 9 – Guildhall Admin local risk forecast Q2

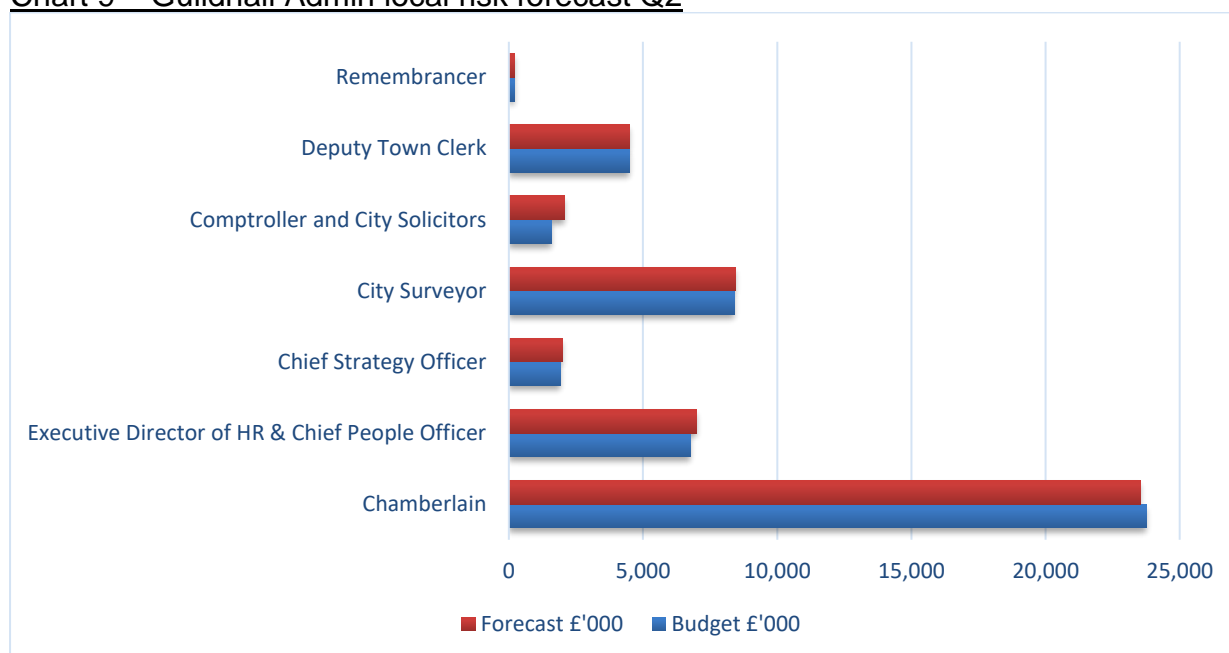
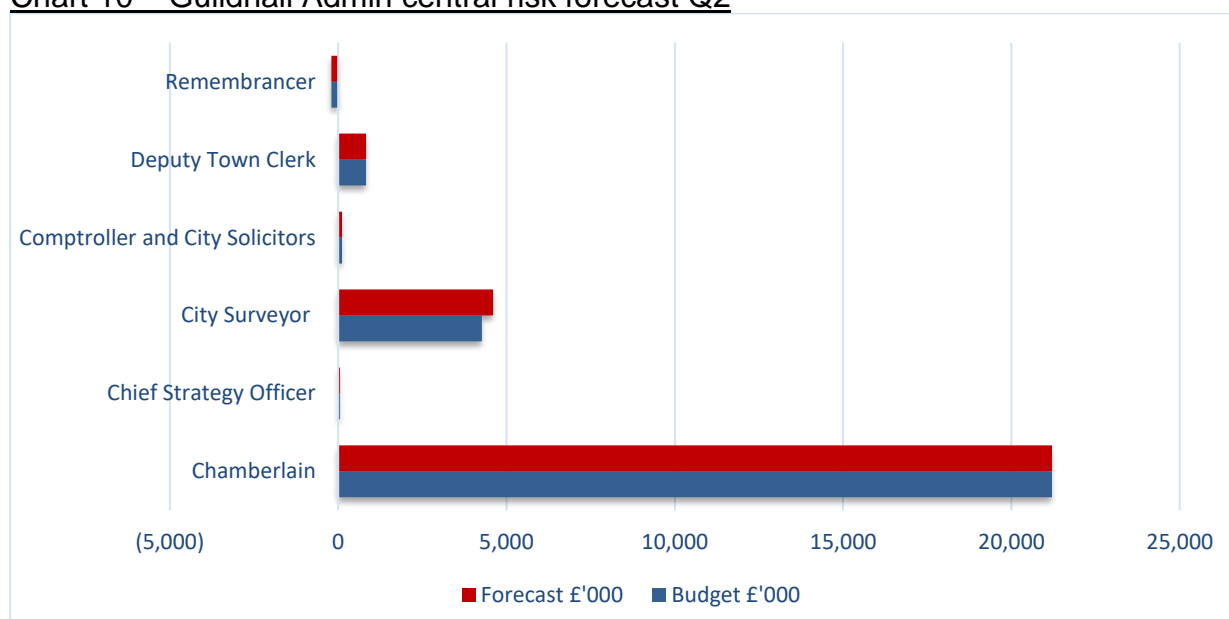


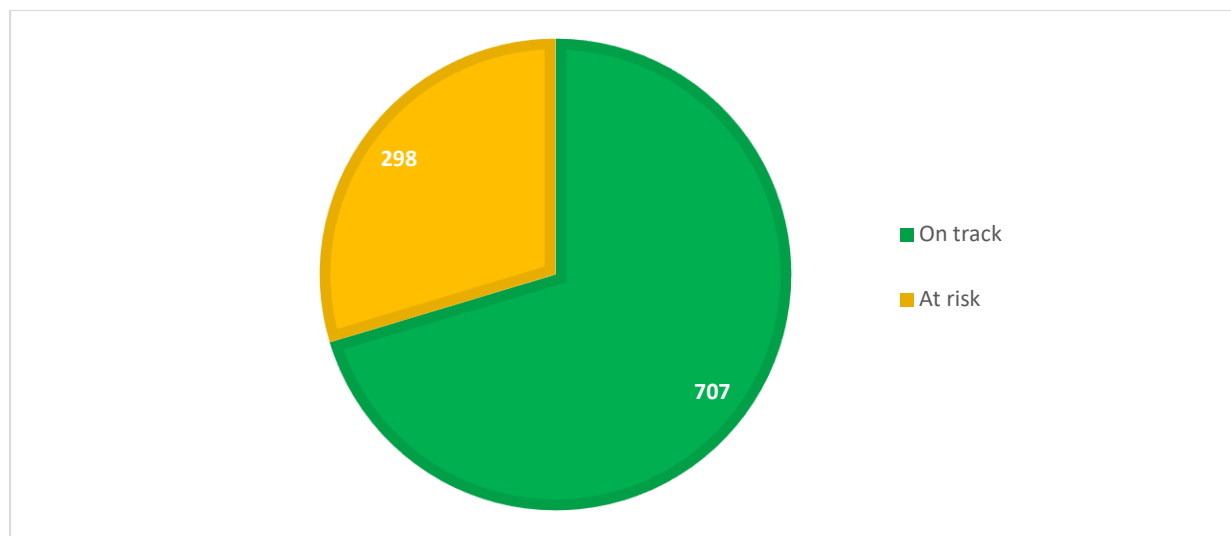
Chart 10 – Guildhall Admin central risk forecast Q2



Guildhall Admin – savings

12. The 2025/26 budget includes savings targets of £1m across Guildhall Administration services. Of this amount, £707k is expected to be found during the year which equates to 70% of the overall target with the remaining 30% showing as amber rated. No savings are currently showing as high risk of non-delivery however we will continue to monitor and report back at Q3

Chart 11 – Guildhall Admin savings forecast Q2 (£1m total)



Corporate and Strategic implications

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

Financial implications – Contained within the body of the report

Resource implications – Contained within the body of the report

Legal implications – No direct implications

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

Equalities implications – No direct implications

Climate implications – No direct implications

Security implications – No direct implications

Conclusion

13. At the end of Quarter 2 2025/26 the revenue forecast position for City Fund is an underspend of £12.8m which comprises a favourable variance on central risk of £17.3m offset by an adverse variance of £4.4m on Chief Officer Cash Limited Budgets. City's Estate is in a similar position showing an overall revenue forecast of £3.1m underspend which is largely on central risk - £4m offset by a smaller overspend on Local risk of £0.9m. Guildhall Admin is showing a total forecast of £1.6m overspend which is broken down as £1m on

central risk and £0.6m on Local risk. Reasons for large variances are set out in appendix 4.

14. It should be noted that although the overall position per fund excluding Guildhall Admin is forecasting a surplus, the Local risk (Chief Officer cash limited budgets) on all funds are forecasting an overspend across a number of departments/service areas/Institutions. This position has remained consistent across several financial years indicating mitigations are not resolving the underlying pressures.
15. During the September Committee meeting, the Financial Services Director (FSD) introduced an escalation process. Meetings are now being coordinated between the FSD and Chief Officers' Senior Leadership Teams to ensure delivery of the required savings and address the current overspend within the allocated budget.
16. It should be further noted that central contingencies are currently underspent by £28.2m (£17.7m City's Estate and £10.5m City Fund), however this will be transferred to reserves at the end of the year and therefore showing as nil variance in the monitoring.
17. City Fund capital is forecasting an in-year slippage of £129.8m and an in-year slippage on City's Estate of £29.8m. Over the life of the projects the forecast is an overspend of £47.6m for City Fund, this is mostly due to HRA expenditure of £100m, that has not been factored into the Medium-Term Financial Plan, offset by contingencies on the major projects that are yet to be utilised. On City Estate the projects over their lifetime are coming in approximately to budget apart from the Museum of London works, which has a overspend of £7.4m against the original MTFP.

Appendices

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

Daniel Peattie

Assistant Director – Strategic Finance

02038348915

Daniel.Peattie@cityoflondon.gov.uk

Appendix 1 - Chief Officer Cash Limited Budgets by Fund

Q1	Chief Officer	Full Year Forecast as at 30 Sept 2025			
Variance (Better) / worse		Budget	Forecast	Variance (Better) / Worse	
£'000		£'000	£'000	£'000	%
	City Fund				
2,163	Barbican Centre Managing Director	20,338	24,036	3,698	18%
(111)	Chamberlain	2,023	2,094	71	3%
100	Executive Director Corporate Communications & External Relations	2,782	2,882	100	4%
81	City Surveyor	5,379	5,752	373	7%
0	Deputy Town Clerk	6,425	6,425	0	0%
284	Director of Community and Childrens Services	14,989	15,498	509	3%
259	Executive Director Environment	25,141	24,719	(422)	(2%)
201	Executive Director Innovation and Growth	6,322	6,522	200	3%
2,977	Total City Fund (excluding Police)	83,399	87,928	4,529	37%
	City's Estate				
(38)	Chamberlain	121	92	(29)	(24%)
38	City Surveyor	32,781	33,062	281	1%
745	Deputy Town Clerk	3,851	4,352	501	13%
0	Director of Community and Childrens Services	885	885	0	0%
82	Executive Director Environment	12,755	12,714	(41)	(0%)
0	Executive Director Corporate Communications & External Relations	71	71	0	0%
0	Executive Director Innovation and Growth	0	0	0	0%
0	Head of the Boys School	530	530	0	0%
0	Headmaster of City of London Freemens School	(1,250)	(1,250)	0	0%
0	Headmistress of City of London School for Girls	845	845	0	0%
0	Head of the Junior School	(344)	(344)	0	0%
0	Principal Guildhall School of Music and Drama	15,178	15,438	260	2%
0	Remembrancer	1,657	1,612	(45)	(3%)
827	Total City's Estate	67,080	68,007	927	1%
	Guildhall Administration				
262	Chamberlain	23,757	23,554	(203)	(1%)
2,728	Executive Director of HR & Chief People Officer	6,786	6,980	194	3%
79	Chief Strategy Officer	1,931	2,011	80	4%
0	City Surveyor	8,396	8,438	42	0%
201	Comptroller and City Solicitors	1,588	2,089	501	32%
(0)	Deputy Town Clerk	4,502	4,502	(0)	(0%)
0	Remembrancer	204	204	0	0%
3,270	Total Guildhall Administration	47,164	47,777	613	1%
7,074	Grand Total (excluding Police)	197,643	203,712	6,069	3%
1,115	Commissioner of Police	122,437	122,437	0	0%
(89)	Police Authority Board	928	849	(79)	(9%)
8,099	Grand Total	321,008	326,998	5,990	2%

Appendix 1 - Central Risk Budgets by Fund

Central Risk Budgets					
As at 30 June 2025	Chief Officer	Full Year Forecast as at 30 September 2025			
Forecast		Budget	Forecast	Variance (Better) / Worse	
£'000		£'000	£'000	£'000	%
	City Fund				
	0 Barbican Centre Managing Director	3,330	3,330	0	0%
(10,498)	Chamberlain	17,955	8,063	(9,892)	(55%)
	0 Comptroller and City Solicitors	509	509	(0)	(0%)
	0 Executive Director Corporate Communications & External Affairs	0	0	0	0%
(7,547)	City Surveyor	(42,826)	(50,424)	(7,598)	18%
111	Deputy Town Clerk	1,035	1,145	110	11%
1,124	Director of Community and Childrens Services	3,056	3,111	55	2%
	0 Executive Director Environment	(6,666)	(6,627)	39	(1%)
	0 Executive Director Innovation and Growth	8,959	8,959	1	0%
(16,810)	Total City Fund	(14,649)	(31,934)	(17,285)	118%
	City's Estate				
(8,065)	Chamberlain	34,548	29,954	(4,594)	(13%)
338	City Surveyor	(60,476)	(60,006)	470	(1%)
(125)	Deputy Town Clerk	6,316	6,316	(0)	(0%)
(65)	Director of Community and Childrens Services	2,578	2,447	(131)	(5%)
250	Executive Director Corporate Communications & External Affairs	852	1,102	250	
35	Executive Director Environment	(284)	(253)	31	(11%)
(0)	Executive Director Innovation and Growth	5,283	5,283	(0)	(0%)
(15)	Head of the Boys School	15	15	0	0%
50	Head of City of London Freemens School	(50)	(50)	0	0%
(21)	Head of City of London School for Girls	21	21	0	0%
	Head City of London Junior School				
(9)	Principal Guildhall School of Music and Drama	3,086	3,086	0	0%
350	Remembrancer	2,233	2,188	(45)	(2%)
(7,277)	Total City's Estate	(5,878)	(9,897)	(4,019)	68%
	Guildhall Administration				
	0 Chamberlain	21,202	21,202	0	0%
	2 Chief Strategy Officer	56	56	0	0%
	0 Executive Director of HR & Chief People Officer	1,887	2,528	641	34%
391	City Surveyor	4,269	4,599	330	8%
	0 Comptroller and City Solicitors	110	110	0	0%
	0 Deputy Town Clerk	826	826	0	0%
	0 Remembrancer	(204)	(204)	0	0%
393	Total Guildhall Administration	28,146	29,117	971	3%
(23,695)	Grand Total	7,620	(12,713)	(20,333)	(3)

Appendix 1 – Forecast by Chief Officer

Full yr forecast as at 30 June 2025	Chief Officer total budget by fund	Full Year Forecast as at 30 September 2025				Movement in
Variance (Better) / Worse £'000	Chief Officer	Budget	Forecast	Variance (Better) / Worse £'000	%	Forecast Variance Better / (Worse) £'000
		£'000	£'000	£'000	%	£'000
	City Fund					
2,163	Barbican Centre Managing Director	23,668	27,366	3,698	16%	1,535
(10,609)	Chamberlain	19,978	10,157	(9,821)	(49%)	788
0	Comptroller and City Solicitors	509	509	0	0%	0
100	Executive Director Corporate Communications & External	2,782	2,882	100	4%	0
(7,465)	City Surveyor	(37,447)	(44,672)	(7,225)	19%	240
111	Deputy Town Clerk	7,460	7,570	110	1%	(1)
1,408	Director of Community and Childrens Services	18,045	18,609	564	3%	(844)
259	Executive Director Environment	18,475	18,092	(383)	(2%)	(642)
201	Executive Director Innovation and Growth	15,281	15,481	201	1%	(0)
(13,833)	Total City Fund (excluding Police)	68,751	55,994	(12,756)	(7%)	1,077
	City's Estate					
(8,103)	Chamberlain	34,669	30,047	(4,622)	(13%)	3,480
376	City Surveyor	(27,695)	(26,945)	750	(3%)	375
620	Deputy Town Clerk	10,167	10,668	501	5%	(119)
(65)	Director of Community and Childrens Services	3,463	3,332	(131)	(4%)	(66)
250	Executive Director Corporate Communications & External	852	1,102	250	29%	(0)
117	Executive Director Environment	12,471	12,461	(10)	(0%)	(127)
(0)	Executive Director Innovation and Growth	5,283	5,283	(0)	(0%)	0
(15)	Head of the Boys School	545	545	0	0%	15
50	Headmaster of City of London Freemens School	(1,300)	(1,300)	0	0%	(50)
(21)	Headmistress of City of London School for Girls	866	866	0	0%	21
0	Head of the Junior School	(344)	(344)	0	0%	0
(9)	Principal Guildhall School of Music and Drama	18,264	18,524	260	1%	269
350	Remembrancer	3,890	3,800	(90)	(2%)	(440)
(6,450)	Total City's Estate	61,131	58,039	(3,092)	(5%)	3,359
	Guildhall Administration					
262	Chamberlain	44,959	44,756	(203)	(0%)	(465)
2,728	Executive Director of HR & Chief People Officer	8,673	9,508	835	10%	(1,893)
81	Chief Strategy Officer	1,987	2,067	80	4%	(1)
391	City Surveyor	12,665	13,037	372	3%	(19)
201	Comptroller and City Solicitors	1,698	2,199	501	29%	300
(0)	Deputy Town Clerk	5,328	5,328	(0)	(0%)	0
0	Remembrancer	0	0	0	0%	0
3,663	Total Guildhall Administration	75,310	76,895	1,585	2%	(2,078)
(16,621)	Grand Total (excluding Police)	205,192	190,928	(14,263)	(7%)	2,358
1,115	Commissioner of Police	122,437	122,437	0	0%	(1,115)
(89)	Police Authority Board	928	849	(79)	(9%)	10
(15,595)	Grand Total	328,557	314,214	(14,343)	(4%)	1,253

Appendix 2 - City Fund Capital Breakdown by Service

CAPITAL PROGRAMME - CITY FUND	2025/26 Budget	2025/26 Actuals	2025/26 Forecast Q2	Forecast t Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
CAPITAL & SRP - BAU	£m	£m	£m	£m	£m	£m	£m	£m
Barbican Centre	12.1	0.7	1.7	(10.4)	5.6	16.0	10.4	0.0
Chamberlains & Chief Financial Officer	22.4	0.3	15.3	(7.1)	37.5	44.0	6.5	(0.6)
City Surveyor & Property Community & Children's Services (Non HRA)	7.2	1.4	7.3	0.0	76.9	77.1	0.2	0.2
Community Services - HRA	15.8	1.2	2.0	(13.9)	13.2	60.0	46.8	32.9
Community Services - HRA	44.5	18.4	48.6	4.1	52.9	148.8	95.9	100.0
City of London Police	9.3	4.8	16.7	7.4	15.0	7.6	(7.4)	0.0
Environment	44.6	3.9	35.5	(9.1)	87.1	96.2	9.1	0.1
Sub-Total	155.9	30.6	127.1	(28.8)	288.3	449.7	161.5	132.6
CAPITAL & SRP - MAJOR PROJECTS								
Museum of London	92.8	30.3	69.3	(23.5)	11.3	34.8	23.4	(0.1)
- Bastion House	5.0	0.1	1.0	(4.0)	0.0	4.8	4.8	0.8
Salisbury Square Development	263.1	69.9	216.0	(47.1)	127.0	176.3	49.3	2.2
Future Police Accommodation	40.9	7.0	25.8	(15.1)	87.4	70.3	(17.0)	(32.2)
Barbican Renewal	44.4	6.1	33.1	(11.3)	253.9	209.4	(44.5)	(55.8)
Sub-Total	446.1	113.4	345.2	(100.9)	480	495.6	15.9	(85.0)
TOTAL CAPITAL PROGRAMME	602.0	144.0	472.3	(129.8)	768.0	945.3	177.4	47.6

Appendix 3 - City Estate Capital Breakdown by Service

CAPITAL PROGRAMME - CITY'S ESTATE	2025/26 Budget	2025/26 Actuals	2025/26 Forecast Q2	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
CAPITAL & SRP - BAU	£m	£m	£m	£m	£m	£m	£m	£m
Chamberlains & Chief Financial Officer	9.8	4.2	10.2	0.4	66.5	66.5	0.0	0.5
City of London Freeman's School	-	0.7	1.1	1.1	1.3	-	-	(0.2)
City of London School	2.6	2.1	2.6	0.0	2.1	2.1	0.0	0.0
City of London School For Girls	0.9	1.1	1.3	0.4	1.3	1.3	0.0	0.4
City Surveyor & Property	27.6	2.0	7.5	(20.1)	39.6	59.4	20	(0.2)
Community & Children's Services (Non HRA)	-	-	0.0	-	0.0	-	-	0.0
Environment	2.4	0.8	3.0	0.5	2.7	0.4	(2.4)	(1.8)
Principal GSMD	2.1	0.4	3.5	1.4	2.4	1.4	(1.02)	0
Sub-Total	45.5	11.2	29.2	(16.3)	115.8	131.1	16.6	(1.0)
CAPITAL & SRP - MAJOR PROJECTS								
Museum of London	17.5	8.4	22.9	5.4	0.0	2.0	2.0	7.4
City Fund (Combined Courts)	105.2	0.0	86.4	(18.8)	50.9	69.7	18.8	0.0
Sub-Total	122.7	8.4	109.3	(13.4)	50.9	71.7	21	7.4
TOTAL CAPITAL PROGRAMME	168.2	19.6	138.5	(29.7)	166.7	202.8	37.4	6.4

Appendix 4 – Detailed information by Fund

City Fund – Detailed appendix

Chart 1 compares the local risk outturn forecast to the budget for each Chief Officer.

1. Significant variances on Chief Officer Cash Limited budget are;
 - a) Barbican Centre (adverse variance of £3.7m - an increase of £1.5m from Q1) The main contributing factor is under performance against in-year targets and carried-forward deficits, totalling £2m. Trading income is down by £0.8m, though this represents a significant improvement following the successful delivery of 3% savings targets across the organisation (£1.2m). The remaining shortfall is due to one-off building costs and delays in implementing planned savings due to delivery challenges. The Finance team and the Barbican centres Management team are working closely together to minimise this pressure.
 - b) Executive Director of Community & Children's Services (adverse variance of £0.5m – an increase of £0.3m since Q1) – Pressure reflects a mix of raising costs for client care packages not known when setting the budget and new clients since budget was set, along with additional spending on temporary staff to support service delivery. Efforts will be made, where possible, to review the appropriate level of existing packages, reduce reliance on temporary staff and explore the potential to offset some of these costs against available grants before the end of the financial year.
2. Significant variances on central risk budgets are
 - a) City Surveyor (£7.5m underspent, no change from Q1) The rental income is forecast to exceed budget by £8.1m as per paragraph 25. This is primarily due to the disposal of Worship Street Estate which has been postponed until March 2027, resulting in additional income in 2025/26 and 2026/27. As well as income from 69 Mansell Court, where the disposal has completed but the City has retained the rental income until the expiry of the sole occupier's lease in September 2025, resulting in additional income of £0.7m in 25/26. This income has been partly offset by an increased in rates.
 - b) Chamberlain (£9.9m underspend, decrease of £0.6m from Q1) This is due to additional interest receivable on money market funds of £13m as per paragraph 25 offset by a savings target of £2m which has not yet been identified. This savings target is a crosscutting initiative that spans all departments, encompassing business events and income generation activities.

City Fund Capital

3. At the end of Q2, the City Fund is forecasting spend of £472.3m which represents an in year budget slippage of £129.8m. Overall there is a £47.6m projected overspend across the lifetime of the programme. Of this, £100m is

for the HRA major works, the figures are part of a separate report to the November Finance Committee and £30m for non-HRA unfunded items primarily for the Barbican podium, this is offset by £87m contingencies on the Major Projects that are yet to be utilised.

CITY FUND	2025/26 Budget	2025/26 Actuals	2025/26 Forecast Q2	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
BAU	155.9	30.6	127.1	(28.8)	288.3	449.7	161.5	132.6
Major Projects	446.1	113.4	345.2	(100.9)	479.7	495.6	15.9	(85.0)
Total	602.1	144.0	472.3	(129.8)	768.0	945.3	177	47.6

- Appendix 2 shows the forecast expenditure for City Fund Capital and Supplementary Revenue Projects (SRP), split between Business as Usual (BAU) and Major Projects. The forecast for the year is £472.3m for the year, comprising £127.1m BAU projects and £345.2m across the City Fund Major Projects.
- The HRA projects are showing a projected underspend of £2.5m for 25/26 and overall overspend of £100m. This is due to additional major refurb requirements that were yet to have funding approved at Q2
- The overall forecast spend on the Children's and Community Services (Non-HRA) is a £32.9m overspend, this is due to the Barbican podium works not having sufficient funding. This shortfall will need to be addressed prior to the project commencing to Gateway five. The Town Clerks Priorities Board have requested a deep dive into the costs, plus a review of existing programmes to support prioritisation – currently underway. There is also additional overspend on Barbican Estate fire doors that currently do not have sufficient budget in the Medium-Term Financial Plan. The in-year underspend of £4.9m is due to slippage of projects that will be phased into future years.
- Chamberlain's have a projected slippage in year of £7.1m this is due to the 25/26 contingency not currently being planned to be used in the current financial year but will be used for future financial years.
- The £10.4m underspend is due to the Barbican Centre fire safety works being coordinated with the Barbican Renewal Programme, therefore has led to slippage and phasing of the programme.

Major Projects

- More information on Major Projects is contained within the separate paper to this committee. Overall, there are two main variances – an underspend against

SSD/FPEP of c£30m in respect of the optimism bias that was added to the budget, and an underspend of £57m due to the contingency budget that is held for the Barbican. The Barbican contingency is centrally retained, therefore not reported as a variance against the project within the separate Major Projects dashboard.

10. **Museum of London** – Overall, the programme is on budget, though there is a risk that the Corporation will need to jointly-underwrite alongside the GLA or forward-fund some expenditure should anticipated fundraising fail to materialise to the quantum or timings forecast. The forward funding is likely to occur during 2026/27. The total project forecast excludes the Museum's own financing element (£120m).
11. **Salisbury Square Development (SSD) / Future Police Estate Programme (FPEP)** — has a combined forecast of c£750m against a revised funding envelope of £780m; the underspend being due to the optimism bias. Though there remains risks against this, i.e. potential cost increases across FPEP projects that are still in their preliminary stages; a delay claim is currently being negotiated with the main SSD contractor; and an assumed contribution for the tactical firearms training facility (TFTF) is still to be agreed.
12. **Barbican Renewal** – The new programme includes £230.6m of core project budget, plus £57m of centrally held contingency. The £230.6m core budget is also partially funded by a fundraising target of £40m, leaving a net budget of £190.6m. Critical infrastructure works are currently being undertaken, but the main renewal programme is currently at RIBA stage three (design), and the main works will commence in 2027. As the Barbican has now been confirmed as a High-Risk Building (HRB) under the Building Safety Act (being at least seven storeys and containing at least two residential units), a different planning route is required than first anticipated. This will impact the early stages of delivery but is unlikely to impact the five-year plan.

City's Estate – Detailed narrative

13. Significant variances on Local risk budgets are:

- a. Deputy Town Clerk: (£0.5m overspent – Reduction of £0.2m since Q1) relates primarily to staff costs as requirements have increased over the years in relation to security and operational staff supporting the Mayoralty and operation of the Mansion House. This has been addressed as part of the Zero Based Review going forward. The Mansion House is continuing to develop commercial income to offset its operational costs. A budget review for Mansion House and mayoralty budgets was completed for 25/26, approved by GP Alderman Committee, and will be funded from 24/25 carry forwards and reflected in the third quarter budget update.

14. Significant variances on Central risk budgets are:

- a. Chamberlain: (£4.6m underspent – decrease of £3.4m since Q1.) is due to increased dividend income which includes an estimate of income from the new fixed interest gilts, index-linked gilts and corporate bonds allocation, and invest & private equity income distributions.
 - b. City Surveyor (£0.5m overspend- increase of £0.2m since Q1) – which is due in the main to reduced rental income from our investment properties as shown in table 4 below. This reflects the current market conditions as well as a number of property disposal to support the City's Major Projects. The surveyor is currently working on the latest rental income forecast and an updater provided for Q3.
15. Whilst additional funding has been provided to The Guildhall School of Music & Drama to support the current years pressures, a significant amount of activity continues to be undertaken to address these pressures further. The school remains near balanced however the reason for the projected overspend is due to staffing costs in relation to the release of 6 months of the vacancy factor, which has not been achieved yet. To fulfil our service provision obligation, vacancies in teaching staff are offset against temporary/freelance staff to ensure teaching continues. The school is currently prolonging vacancies in non-teaching staff wherever operationally possible and at the same time is reviewing its professors' costs in line with student numbers and will look for any savings based on the latest enrolment figures for 25/26 as well as reviewing various initiatives to address the structural deficit which will be reported through the relevant committees in due course.
16. As well as the in-year initiatives the school is currently working on its long-term financial plan for sustainability. There has been significant progress on this, for example a substantial increase to unregulated fees from 26/27 academic year, review of our home versus overseas student ratio, commercial business plans. Further detailed updates are to be provided at the school's STAR Chamber with the Town Clerk and Efficiency and Performance Working Party.

City's Estate Capital

17. City's Estate is forecasting an in-year slippage of £16.3m on the BAU and £18.8 slippage on the city estate grant for Salisbury Square, this offset by a £5m overspend on Museum of London Works

Chart 7: City's Estate capital forecast

CITY ESTATE	2025/26 Budget	2025/26 Actuals	2025/26 Forecast Q2	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
	£m	£m	£m	£m	£m	£m	£m	£m
BAU	45.5	11.2	29.2	(16.3)	115.8	131.1	17	(1.0)
Major Projects	122.7	8.4	109.3	(13.4)	50.9	71.7	20.8	7.4
Total	168.2	19.6	138.5	(29.7)	166.7	202.8	37	6.4

- i. Appendix 2 shows the breakdown of the forecast for City Estate, with £125.2m projected on major projects and a further £29.2m on BAU Capital and SRP.
- ii. The primary in year slippage is £16.3m is in the surveyors area for BAU DSP programme, from the MTFP figures, this includes a range of energy performance upgrades on various properties.
- iii. **Major Projects**
 - **Museum of London Landlord works** - the works are now nearing completion, with the forecast spend representing the remaining drawdown from the museum plus ongoing highways works. The forecast for 2025/26 is £22.9m against the MTFP estimate of £17.5m.
 - **Contribution to Salisbury Square Development (SSD)** – City Estate is making a 40% funding contribution towards the cost of SSD, which for 2025/26 equates to a forecast of £86.4m. This represents reduction of £18.4 against the MTFP, due to a slippage on the programme.

Guildhall Administration – Detailed Information

18. Significant variances on Local risk budgets are:

- a) Comptroller and City Solicitor (£0.5m overspent – Increase of £0.3m since Q1) – this pressure is caused by agency staff covering vacancies. The department is working on recruitment for permanent staff to reduce these costs in 25/26 whilst operating in a tight labour market.

19. Significant variances on central risk budgets are:

- a. Executive Director of HR and Chief People Officer (£0.6m overspent – increase of £0.6m since Q1) – largely due to increased staffing costs as vacancies are being filled by temporary staff.

All other Chief Officer variances are minor.

Additional Revenue information

20. Contingency budgets (including central provisions, Finance and P&R) are currently holding budgets of £28.2m (£10.5m City Fund and £17.7m City's Estate) however it is anticipated that the majority of the contingency balance will be drawn down and utilised throughout the year. Any remaining funds at the end of the year will be transferred to reserves and is therefore showing a nil variance.

21. Corporate Income Budgets are forecast to be better than budget by £20.2m and are summarised in the table below.

Table 4: Major income budgets

	Budget	Forecast	Forecast Variance	
	£'000	£'000	(Better) / Worse	%
			£'000	
<u>Property Investment Income</u>				
City Fund	(32,882)	(41,163)	(8,281)	(25%)
City's Estate*	(60,206)	(59,825)	381	1%
Total Property Investment Income	(93,088)	(100,988)	(7,900)	(8%)
<u>Interest on Cash Balances</u>				
City Fund	(22,603)	(35,668)	(13,065)	(58%)
City's Estate*	(2,050)	(1,085)	965	47%
Total Interest on Cash Balances	(24,653)	(36,753)	(12,100)	(49%)
Grand Total	(111,741)	(137,741)	(20,000)	17%

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

- i. Property Investment Income is forecast to be £41.2m on City Fund and £59.8m on City Estate which reflects the June 2025 rental estimates.
- ii. The higher income forecast under City Fund is primarily due to the disposal of Worship Street Estate which has been postponed until March 2027, resulting in additional income in 2025/26 and 2026/27. As well as income from 69 Mansell Court, where the disposal has completed but the City has retained the rental income until the expiry of the sole occupier's lease in September 2025, resulting in additional income of £0.7m in 25/26.
- iii. Rental income on City Estates is slightly under budget (£0.4m) and reflects the June 2025 forecast. The department are currently reviewing these and the September 2025 forecast will be reported in Q3 report.
- iv. Income from interest on average cash Income from interest on average cash balances is currently forecast to exceed budget by £13m for City

Fund. This is principally due to changes in the level of average cash balances held, and hence available for investment, and upon which interest is applied, compared to that anticipated when the budget was set in November 2024. This is largely as a result of the re-phasing of capital and major project expenditure, and the timing of receipts from the planned property disposals.

- v. For City's estate the income is forecast to be approx. £1m short of the target due to the changes in average level of cash balances held.

Cyclical Works Programme (CWP)

22. The Cyclical Works Programme (CWP) is a critical component of the City's approach to maintaining the operational property portfolio, focusing on essential health and safety repairs and cyclical maintenance. Historically, CWP expenditure has been treated as revenue due to its similarity to routine repairs and maintenance. However, where programmes exceed materiality thresholds, they may be capitalised. In recognition of the growing backlog and the need for urgent remedial works, the Resource Allocation Sub-Committee and Finance Committee approved a significant funding package in 2024/25. A total of £133.7m has been allocated over a five-year period to address immediate and high-priority repairs across the operational estate. After this 5-year period, a further £15m pa has been agreed by Court of Common Council (£7.5m each for City Fund and City's Estate).

Table 5: CWP Quarter 2

	Budget £'000	Actual & Commitments £'000	Percent Spent %
City Fund	13,026	8,602	66
City's Estate	12,160	7,216	59
Guildhall Admin	5,586	2,255	40
Grand Total	30,772	17,983	

Capital – observations on risks

23. For the Major Projects there is joint underwriting (alongside GLA) of up to £50m should the Museum not achieve their fundraising target or be unable to generate sufficient funds to repay their loan from the GLA. There is also a forward funding risk that is likely to occur in May 2026, and be cleared by 2029, though the timing and amount still depends on several factors. A loan is to be agreed with the museum in line with PWLB rate.

24. The Court of Common Council on 26 November 24, ratified a decision to end the City Corporation's interest in co-locating the wholesale food markets of Smithfield and Billingsgate to a new site at Dagenham Dock. Instead, a new agreement has been reached with market traders that would see them receive

financial support to relocate to new premises. The City Corporation is already actively supporting Traders to identify suitable new sites to ensure that they can continue their essential role in London's food supply chain and is in close dialogue with them and other wholesale markets about this already.

25. There is additional capital expenditure on the HRA which was not factored into the Medium-term financial plan and additional funding sources have been identified and presented to this committee.

This page is intentionally left blank

City of London Corporation Committee Report

Committee(s): Finance Committee – For information	Dated: 04 November 2025
Subject: Chamberlain’s Departmental Risk Management Update	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties 	Providing Excellent Services Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£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 updates the Finance Committee on risks faced by the Chamberlain’s department, focusing on Financial Corporate and Departmental risks. Currently, there are **two** RED risks on the Corporate Risk Register under the Chamberlain’s responsibility. The Housing Revenue Account departmental risk has been escalated to a corporate risk in October, following review by the Chief Officer Risk Management Group. The Chamberlain’s Senior Leadership Team and divisional management teams regularly review and update the risk register to identify potential risks and opportunities.

Recommendation

Members are asked to:

- Note the report
- Agree the risk appetite level for new corporate risk CR42 – Housing Revenue Account Financials

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. 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

3. The Chamberlain's department currently has two financial RED Corporate Risk, all risks are regularly reviewed, and several mitigating measures are in place to prevent the realisation of these risks or future risks
4. The risk score for CR35 **Unsustainable Medium-Term Finances – City Fund (current score RED 16)** is unchanged.
5. CHB002 Housing Revenue Account (HRA) Finances has a risk score of RED 16. It was recommended by the Chamberlain at the October meeting of the Chief Officer Risk Management group that this risk be escalated from a departmental risk to a corporate risk level, creating **CR43 Housing Revenue Account (HRA) Financials**. The rationale for the escalation has several factors including cross-departmental dependencies, and if realised would have potential regulatory intervention, financial penalties, and reputational damage at the corporate level.
6. Whilst the HRA sits within the City Fund and is captured under corporate risk CR35, it is recommended to be a standalone corporate risk due to the legislative requirement of the HRA to be self-contained, therefore cannot share or depend on the resources within the wider City Fund.
7. Full details of all Chamberlain's corporate and departmental risks can be found in appendix 1. The proposed risk appetite level for CR43 is outlined in appendix 2 (non-public).

Conclusion

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

Appendices

- Appendix 1 – Departmental Risk Register
- Appendix 2 – Risk Appetite Level for CR43 Housing Revenue Account (HRA) Financials

Background Papers

Chamberlain's Departmental Risk Management Update Reports

Leah Woodlock

Chamberlain's Project Manager

Chamberlain's Department

E: Leah.Woodlock@cityoflondon.gov.uk

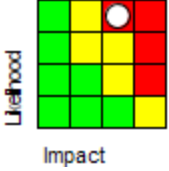
Finance Committee - Detailed Report

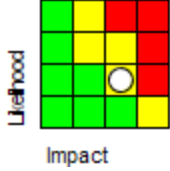


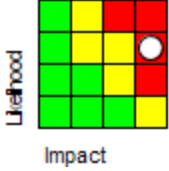
Rows are sorted by Risk Score

Risk Level Description Corporate

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

Current Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Trend	Constant

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

Original Risk		
Risk Score	Likelihood	Impact
24	Possible	Extreme
Red	Creation Date	19-Jun-2020

<div>Page 54</div> <div>Latest Note</div>	<p>Government have confirmed the Business Rate reset in April 2026. Government are consulting on the fair funding review and outcomes will be confirmed in the Local Government Settlement in December. There is likely to be transitional funding which will reduce the risk in the short term, but we await the Settlement for confirmation of impact.</p> <p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2025/26 through carried forward from 2024/25 underspends. Pressures on adult social care, children services, security and policing continue and are addressed through increase in taxes and business rates premium.</p> <p>The medium-term financial plan includes:</p> <ul style="list-style-type: none"> 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. <p>Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.</p>	14- Oct-2025
---	---	--------------

Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
---------	-------------	-------------	-----------	----------	----------

CR35a Impact of inflation	<p>Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme</p> <ul style="list-style-type: none"> • Use of inflation contingency 	<p>Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.8% in the 12 months to August 2025, unchanged from July (source Office for National Statistics).</p> <p>Identify areas that are forecasting to exceed budget envelope due to inflation increases.</p>	10-Oct-2025	Sonia Virdee	31-Mar-2026
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	<p>Monthly update on major projects forecasts and issues arising.</p> <p>Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Portfolio Board chaired by the Town Clerk/Chief Executive.</p> <p>Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.</p> <p>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, particularly relating to Salisbury Square Development / Future Police Estate Programme.</p>	31-Aug-2025	David Abbott	31-Mar-2029
CR35f Achievement of current Savings Programme	<p>Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)</p> <ul style="list-style-type: none"> • Develop income generation opportunities 	<p>Court of Common Council, in March 2025 reaffirmed the profiling of remaining fundamental review savings.</p> <p>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. An Income Generation Working Party has been established to recommend direction, momentum and prioritisation on income generation opportunities.</p>	31-Aug-2025	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Mar-2026


		<p>This coupled with 2025 Star Chamber outputs will provide a cross-corporation programme to deliver.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting. One of the outcomes was to review how we inform Committee Chairs on City Funds' overall position. This was addressed in an informal Member briefing session on 16th July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>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 the plan by April 2026.</p> <p>Officer Star Chambers led by the Town Clerk have commenced and will continue into October 2025, with a progress update being presented to Policy and Resources Committee in December 2025 on income generation and savings across the Corporation to inform the 2026/27 budget setting work.</p>			
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	The Government has set the Business Rate reset for April 2026. They are consulting on the fair funding review, with outcomes to be confirmed in the Autumn Local Government Settlement. Transitional funding is likely, but its impact will be clarified in the Settlement. In the absence of transitional funding, additional cost savings, increased income generation, or an increase in Council Tax and Business Rate Premium, the City	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

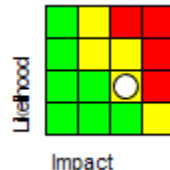
		<p>Fund is projected to enter into deficit from 2026/27 onwards.</p> <p>A statutory requirement exists to maintain balance both annually and throughout the medium-term financial plan.</p> <p>Future deficits should not be ignored, previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible.</p> <p>The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the medium-term-financial plan.</p>			
--	--	--	--	--	--

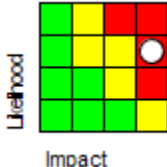
Risk Code	CR38
------------------	------

Risk Title	<i>Unsustainable Medium Term Finances - City's Estate</i>
-------------------	---

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

Page 58	Current Risk		
	Risk Score	Likelihood	Impact
	12	Possible	Major
	Amber	Trend	Constant

Target Risk		
	Risk Score	
	8	
	Amber	

Original Risk		
	Risk Score	
	24	
	Red	
	Likelihood	Impact
	Possible	Extreme
	Creation Date	31-Oct-2022

Latest Note	<p>City's Estate maintains a balance budget with its regular revenue activities. However, when factoring in major project financing, cyclical works programmes, capital programmes, and exceptional items, additional drawdowns are still necessary to support annual budgets throughout the five-year financial year plan and beyond.</p> <p>Inflation rates will be reviewed on a quarterly basis, and an inflation contingency will be maintained for 2025/26 through carrying forward underspends from 2024/25</p> <p>The five-year financial plan includes:</p>	31-Aug-2025
--------------------	--	--------------------

	<ul style="list-style-type: none"> • Reprofiting of cyclical works programmes to cover bow-wave of outstanding works and provision of 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 programmes against budget • Securing income generation opportunities. • Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy <p>Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.</p> <p>Budget setting is currently underway for 2026/27.</p>	
--	--	--

Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	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 3.8% in the 12 months to August 2025, unchanged from July (source Office for National Statistics).	10-Oct-2025	Sonia Virdee	31-Mar-2026
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams	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,	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

	<ul style="list-style-type: none"> • i.e. rental income from the property investment portfolio. 	<p>these include but not limited to; Lord Mayor Show and events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges.</p> <p>Benchmarking exercises are currently being undertaken to provide a market comparison.</p> <p>Officer Star Chambers led by the Town Clerk have commenced and will continue into October 2025. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>			
CR38f Achievement of current savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	<p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting. One of the outcomes was to review how we inform Committee Chairs on City's Estate' overall position. This was addressed in an informal Member briefing session on 16th July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p>	14-Oct-2025	Daniel Peattie	31-Mar-2026

		The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round scheduled during September-October to finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.			
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	<p>Monthly updates and budget monitoring on major projects forecasts and issues arising. Projects are routinely reviewed by the Chamberlain's Assurance Board.</p> <p>The only major project remaining within City Estate is the MoL Landlord Works, which is nearing completion, as well as the funding contribution towards SSD.</p> <p>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.</p>	31-Aug-2025	David Abbott	31-Mar-2029
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	<p>Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the Corporation. This includes creating opportunities to generate more income in support of their operational ambitions and operational property requirements.</p> <p>Finance Committee on 14 January, agreed to proceed with the implementation phase and move to a grant funding model for 2025/26. This was confirmed by RASC and P&R in February 2025. The two-year</p>	31-Aug-2025	Emily Brennan; Sonia Virdee	31-Mar-2026

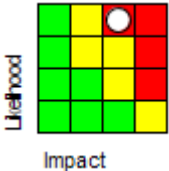
		implementation phase commenced in April 2025 and will report progress to NE Committees in 2025 and interim outcomes to the Efficiency & Performance Working Party in November 2025 and Finance Committee in January 2026..			
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	<p>Despite the Court of Common Council decision on the markets, 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, but not sustainable over the longer term. Stopping the markets co-location programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which according to longer term modelling, suggests recovery and a transition into surplus in 15 years. Implementing these decisions shifts the risk dial from red to amber.</p> <p>However, Members should note failure to implement the investment strategy will compromise the recovery of City's Estate's I&E position. Therefore, it is not recommended to add any additional pressure on City's Estate investment assets to allow time for the strategy to be embedded.</p> <p>Additionally, continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

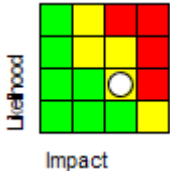
		<p>Star Chambers led by the Town Clerk are underway and will continue into October 2025. Phase one of the Star Chambers meeting helped to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. Phase two scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers.</p> <p>A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>			
--	--	---	--	--	--

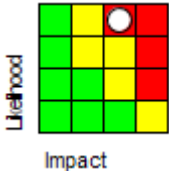
Risk Code	CR43 (Formerly CHB 002)
------------------	-------------------------

Risk Title	<i>Housing Revenue Account Financials</i>
-------------------	---

Description	<p>Cause: The Housing Revenue Account must be self-financing , cost pressures include:</p> <ul style="list-style-type: none"> • Ongoing delays in building statutory new homes causing delays to income streams and increased costs • Resourcing for health and safety to ensure meeting of compliance requirements • Substantial improvement works required on existing stock • Existing funding streams are constrained, with reliance on temporary or uncertain sources such as National Insurance grant allocations, external grants, and re-prioritisation decisions regarding City Fund Capital Reserves. <p>Event: Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties.</p> <p>Effect: Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.</p>
--------------------	---

Current Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
8	Unlikely	Major
Amber	Target Date	30-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
16	Likely	Major
Red	Creation Date	16-Oct-2023

Latest Note	<p>This risk has been upgraded from a departmental risk to a corporate risk following review by the Chief Officer Risk Management Group.</p> <p>The Housing Revenue Account is at a pivotal point, needing decisive changes to ensure its sustainability and effective delivery.</p> <p>The Housing Revenue Account is undergoing significant changes aimed at strengthening its financial position and operational effectiveness. Revised capital financing plans have reduced borrowing requirements, providing additional annual headroom that will be used to rebuild reserve balances over the next three years. Simultaneously, the HRA delivery model is being reviewed to ensure it remains both efficient and adaptable to changing needs.</p> <p>To support these improvements, stronger monitoring procedures are being implemented for housing unit delivery, featuring enhanced reporting and accountability so that targets can be met and any issues addressed promptly. Recognising previous weaknesses, new</p>	17-Oct-2025
--------------------	--	--------------------

	budget oversight measures are also being put in place, including real-time tracking of expenditure, early warning systems, clear escalation protocols, and empowering managers to halt or adjust spending where necessary. Collectively, these steps are designed to boost the HRA's financial resilience, improve the delivery of housing services, and ensure robust oversight into the future.	
--	---	--

Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Mark Jarvis; Sonia Virdee

Associated Actions


Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB002a Capital Schemes Monitoring	<p>Close monitoring of delivery of new housing units and improvement works is required during 2025/26, next update due in early November. Continue to assess the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.</p> <p>Impact of inflation - capital schemes forecast to exceed budget</p>	<p>The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial challenges and a funding gap of approximately £100m. Failure to address this gap across the major project programmes presents significant health and safety risks. Additionally, potential delays to new build projects may impact the revenue projections outlined in the 10 Year Plan. Ongoing monitoring of the risk associated with non-recovery of leaseholder contributions to capital projects remains essential.</p> <p>Efforts are in progress to address the funding gap through City Fund by considering external and third-party funding sources. A report detailing available options will be presented to the committee in November 2025 for review</p>	31-Aug-2025	Mark Jarvis	31-Oct-2025
CHB002b Repairs & maintenance	Impact of inflation - much increased repairs and maintenance and energy costs.	The Savills report and Pennington review identified high repairs and maintenance costs, management costs and depreciation charges. When compared to other local authorities, this outcome is expected given the relatively low housing stock—3,000 units as opposed to 15,000 units in comparable jurisdictions.	31-Aug-2025	Mark Jarvis	31-Oct-2025


		<p>Property condition surveys will be available in October, along with further recommendations.</p> <p>Planning to commission further review of cost base to identify efficiencies, including where technology may assist in reducing costs.</p>			
CHB002c MHCLG Engagement	Engagement with government departments (e.g., MHCLG) and other stakeholders to discuss challenges and options.	<p>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.</p> <p>A meeting is booked with MHCLG in October.</p>	06-Oct-2025	Mark Jarvis	31-Oct-2025
CHB002d Grant Funding for 2025/26	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs for 2025/26	Modelling full staff costs in the 5 year HRA plan.	06-Oct-2025	Mark Jarvis	31-Mar-2026


Risk Level Description Departmental

Risk Code	CHB 005	Risk Title	<i>Resistance to Transformation and Change (Change Fatigue)</i>
------------------	---------	-------------------	---

<div> <div>Page 67</div> <div>Description</div> </div>	<div> <div> <div>Cause:</div> <ul style="list-style-type: none"> • Ineffective change management and business transformation activities • Culture of resisting change within the organisation • Resource capacity – staff are consumed by BAU tasks they have no further capacity to support change • Ineffective prioritisation of programmes </div> <div> <div>Event:</div> <ul style="list-style-type: none"> • Low user acceptance rates and failure to integrate the necessary cultural changes. • Low change readiness • Un-utilised technologies or enhancements <p>• 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.</p> </div> <div> <div>Effect:</div> <p>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.</p> </div> </div>
--	--

Current Risk			
	Risk Score	Likelihood	Impact
	12	Possible	Major
	Amber	Trend	Constant

<div> <div>Target Risk</div> <div>  </div> </div>	<div>Risk Score</div> <div>2</div> <div>Green</div>	<div>Likelihood</div> <div>Unlikely</div>	<div>Impact</div> <div>Minor</div>
	<div>Target Date</div> <div>30-Jun-2026</div>		

Original Risk		
	Risk Score	
	12	
	Amber	
	Likelihood	Impact
	Possible	Major
	Creation Date	12-May-2025

Latest Note	Currently, numerous transformation/improvement programs and new strategies are being implemented across the Chamberlain's department and the wider City of London Corporation. A Transformation Portfolio Lead and Change Portfolio Lead have been appointed over the summer to support the transformation agenda. An programme integration lead has also been appointed to oversee the Programme Sapphire and Ambition 25 programmes.	28-Aug-2025
--------------------	---	-------------

Risk Level	Departmental
Department	Chamberlain's


Risk Approach	Reduce
Risk Owner	Genine Whitehorne

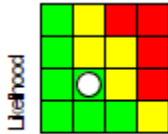
Associated Actions

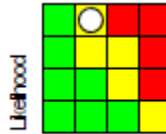
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB 005a Stakeholder Engagement Page 68	Identifying and engaging with key stakeholders to enable success of the transformation	Introducing change leadership role to Future Ambition 18, utilising the bi-monthly meetings to present the change and transformation programmes. Recruitment for the Integration and Change Director position is complete to support Ambition 25 and ERP. The role will focus on aligning interdependencies between these two major transformation programmes to facilitate their successful implementation.	31-Aug-2025	Genine Whitehorne	30-Apr-2026
CHB 005b Change Management Strategy	Develop a change management strategy	A need for a change management strategy has been identified. A Change Portfolio Lead has now been onboarding and has commenced work on the change management strategy	28-Aug-2025	Julie Simmons	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.	28-Aug-2025	Genine Whitehorne	31-Dec-2025

Risk Code	CHB 003	Risk Title	<i>Inconsistent application of the internal control environment</i>
------------------	---------	-------------------	---

Description Page 69	Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Increase in transactional errors • Decrease in payment performance • Impact on cashflow management and accuracy of forecasting • Heightened demand for customised approvals and urgent decisions • Diminished strategic challenge capacity • Disrupted delivery of Business as Usual (BAU) operations
	Effect: <ul style="list-style-type: none"> • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market

Current Risk	
---------------------	---

Target Risk	
--------------------	---

Original Risk	
----------------------	---

Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	Trend	Constant

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

Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	Creation Date	28-Feb-2024

Latest Note Page 70	Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.	31-Aug-2025
	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.	
	Poor performance sanctions have been agreed by the Finance Leadership Group which includes reporting repeat offenders to Chief Officers, removal of purchase cards as a result of non-compliance and performance management.	
	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

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

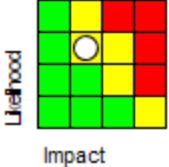
Associated Actions

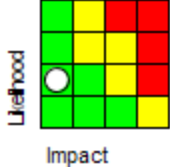
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB003e Review of procurement regulation	Review of procurement regulations and are explicit around requirements	Procurement Code is being updated however the first presentation of the revised policy format has not landed well so it is being revisited. A commercial update paper is being taken to PPSC in October to outline next steps/approach.	10-Oct-2025	Sue Smith; Genine Whitehorne	31-Dec-2025


CHB003h Escalation and enforcement of non-compliance activities	Escalation and enforcement of non-compliance activities	<p>Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director.</p> <p>Further non-compliance to be escalated to the Chamberlain.</p> <p>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.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Dec-2025
CHB003i Finance Leadership Group interventions	The Finance Leadership Group are responsible for partnering with departments and services to improve overall compliance. An action plan for each department/institution will be details and reviewed monthly at the FLG meetings. This will encourage sharing of strategies and best practice.	<p>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.</p> <p>A special session of the FLG was held in August to refocus members of their role and responsibility in the application of the internal controls. The Group Head of Internal Audit introduced the Three Line Model.</p>	20-Aug-2025	Sonia Virdee	31-Dec-2025

Risk Code	CHB 004	Risk Title	<i>Vetting Delays</i>
------------------	---------	-------------------	-----------------------

Description	<p>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.</p> <p>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.</p> <p>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.</p>
--------------------	--

Current Risk		
Risk Score	Likelihood	Impact
6	Possible	Serious
Amber	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
6	Possible	Serious
Amber	Creation Date	12-May-2025

Latest Note	<p>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.</p> <p>An internal process has been set for submitting Chamberlain's staff applications utilising the Warwickshire Police Vetting Service</p>	10-Oct-2025
--------------------	---	-------------

Risk Level	Departmental	Risk Approach	Reduce
-------------------	--------------	----------------------	--------

Department	Chamberlain's
-------------------	---------------

Risk Owner	Chamberlain
-------------------	-------------

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB 004a Hold regular Vetting Review Meetings	Monthly meetings have now been scheduled to review current vetting status and prioritise.	Monthly meetings have now been scheduled to review current vetting status and prioritise.	23-Jun-2025	Zakki Ghauri	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.	Using the national vetting service, applications can be made to reduce the demand on the COLP service. The EPMO team have access to submit applications on behalf of staff.	20-Aug-2025	Michael Curtis	31-Dec-2025

This page is intentionally left blank

Committee(s): Finance Committee	Date(s): 04 November 2025
Subject: Climate Action Strategy Finance update to end of Q2 Year 5 (2025/2026)	Public Report: For Information
This proposal: <ul style="list-style-type: none"> 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, Climate Action Director

Summary

In October 2020, the Court of Common Council approved an ambitious Climate Action Strategy (CAS): a transformative portfolio with a vision of creating a responsible, sustainable and competitive City. It sets out three interlinked primary 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.

The CAS total implementation budget is £68m from April 2021 through to March 2027. As of 31 August 2025, **34% has been spent**. An additional £9.4m is committed (spend approved but not yet delivered) and £11m leveraged in grant funding – bringing the spend profile tracking to 66%. This reflects both strategic resource deployment and success in attracting external investment.

The CAS is delivering material long-term value to the City Corporation, maintaining asset value, income, reputation, and service resilience. Investment in the operational estate and changes to open spaces land management have resulted in **£33m in savings** (avoided and realised) to the City Corporation - meaning the portfolio has already more than covered its costs.

Progress against targets to the end of Year 4 (2024/25) shows there is risk to achieving net zero for our own operations in 2027, due to lack of national grid decarbonisation, particularly cold weather increasing heating demand, and changing timelines of Corporation major projects. Underspend to date places us in a **strong financial position** to recover from exogenous factors and deliver prioritised 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 climate resilience in our buildings and public spaces.

Recommendations

Members are asked to note the CAS financial position to the end of Q2 2025/26 and long-term value created.

Main Report

Background

1. In October 2020, the Court of Common Council approved an ambitious Climate Action Strategy (CAS): a transformative portfolio, with a vision of creating a responsible, sustainable and competitive City. It sets out three interlinked primary objectives for the City Corporation and the Square Mile: to support achievement of net zero emissions, to build resilience, and to champion sustainable growth. CAS became operational in April 2021.
2. The CAS sets out 4 ambitious targets:
 - a. Achieve net zero in own operations (scopes 1 & 2) by 2027
 - b. Achieve net zero across the Corporation's full value chain (scopes 1, 2 & 3) by 2040
 - c. Support net zero in the Square Mile by 2040
 - d. Build climate resilience in our buildings, public spaces and infrastructure.
3. 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 of £26.2m on 08 May 2025 for these Funds. CBF Board approved a Year 5 expenditure of £2.8m on 10 July 2025, bringing the Year 5 total budget to £29m.
4. The upfront investment required during the initial years for City Fund and City's Estate were funded 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 17.
5. 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

6. Figure 1 summarises the financial position of the CAS from April 2021 to 31 August 2025 split by capital and revenue, and by Fund. This is presented alongside the total portfolio budget (April 2021-March 2027, Years 1 – 6). Figure 2 show CAS spend from April 2021 to 31 August 2025 by year, alongside future spend forecast through to March 2027. More detail can be found in Appendix 1.

Figure 1: Total portfolio budget, and spend from April 2021 to 31 August 2025, split by capital and revenue, and by Fund

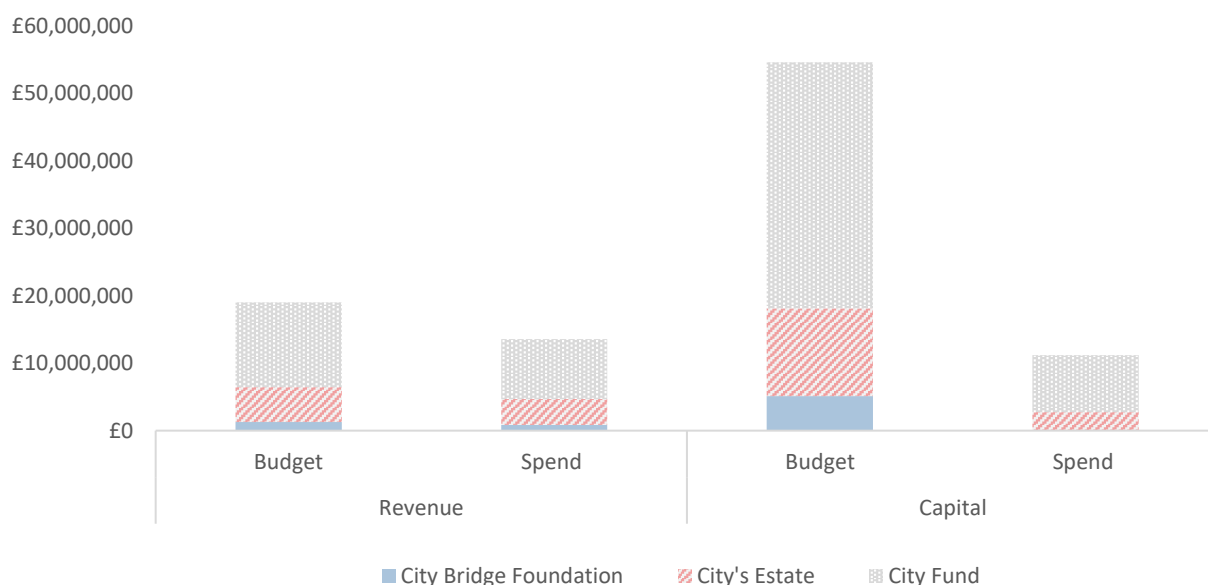
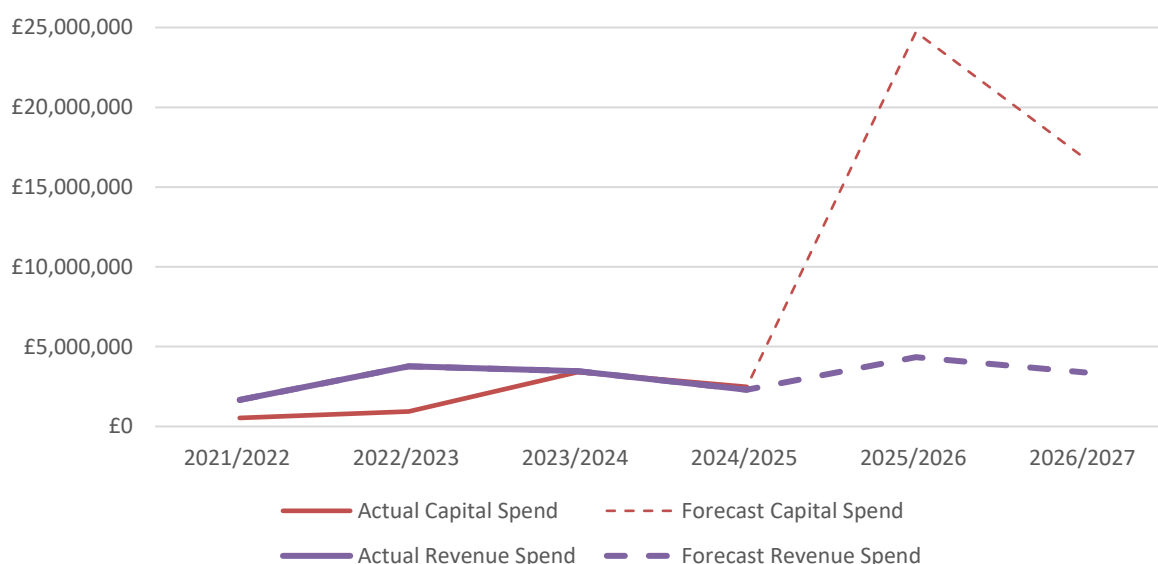


Figure 2: Total portfolio capital and revenue budget and spend to 2024/25, with forecasted spend forecast to March 2027



7. To the 31 August 2025:
- £24.8m of the total portfolio budget** has been spent (34%). This has generated **£33m in savings** (avoided and realised) to the City Corporation - meaning the portfolio is already more than covering its costs. More details are in paragraph

12. Taking into account a further £9.4m committed spend (spend approved but not yet delivered) and £11m leveraged in grant funding, the spend profile tracks at 66%. This evidences our strategic deployment of resources coupled with success in securing external investment.

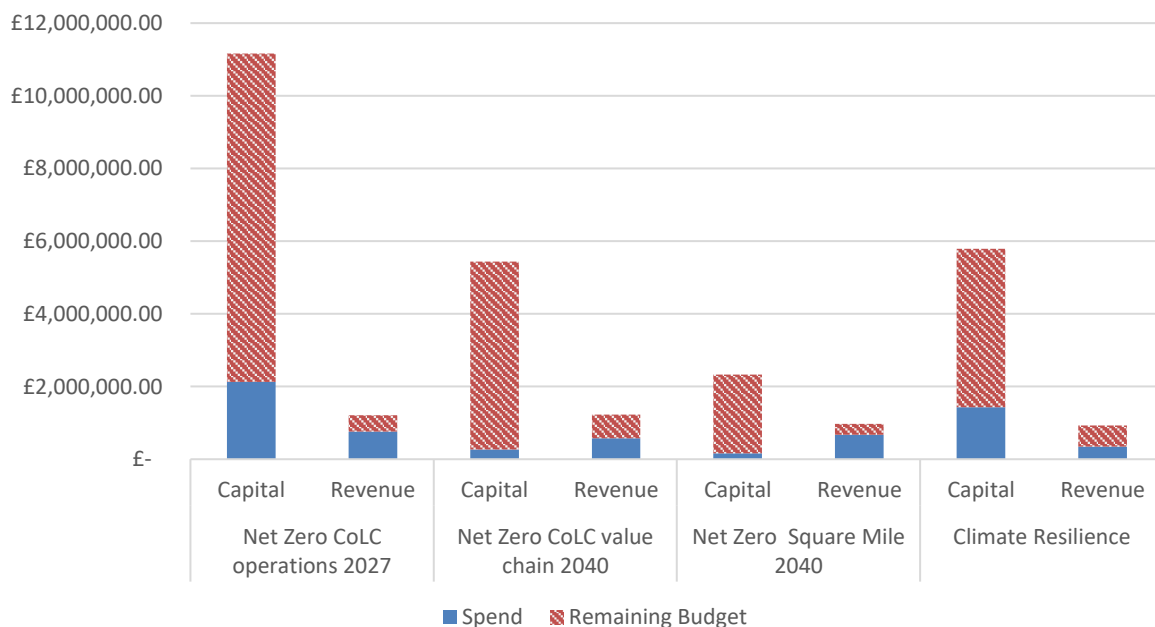
b. **71% of the portfolio's revenue budget** has been spent. Revenue has been re-prioritised to deliver impact and bolster future risk mitigation and cost savings. Early planning and delivery strengthens long-term success and positions us to leverage external funding where possible. More detail can be found in Appendix 1.

c. **21% of the portfolio's capital budget** has been spent. The speed of capital delivery is accelerating, as expected:

- Early years of the Strategy focused more on surveys and audits, in order to deploy capital works later in the portfolio;
- Grant funding supported early delivery of emissions reduction actions (such as the Public Sector Decarbonisation Scheme); and
- Delays in appointing sufficient resource to manage and deliver capital works have been resolved.

8. The FY2025/26 (Year 5) budget is £29m. Figure 3 sets out the Year 5 budget and spend by target, split by revenue and capital. Actual spend is correct to 31 August 2025. More detail can be found in Appendix 1.

Figure 3: Year 5 budget and spend to 31 August 2025 by target, split by capital and revenue



9. In the first five months of this financial year, £6.4m was spent across the portfolio. This spend is equivalent to the portfolio's total expenditure in Year 1 and 2 combined – demonstrating we are accelerating delivery as forecast, particularly for works towards achieving net zero in City Corporation operations by 2027.

10. A significant portion of the remaining in-year budget is expected to be spent in the next 6 months, with £9.4m already committed for spend. The focus is on deploying capital works across net zero and resilience targets, prioritising works to support net zero by 2027 and support accelerating works that provide long term success and savings. The remaining in-year budget is unlikely to be fully expended, and remaining budget will be rolled over into Year 6.
11. In addition to the CAS budget and spend, there is wider organisational spend on projects that contribute to climate action and provide benefits to the City Corporation. While this wider investment is not captured within the CAS budget reporting, it plays an important role in supporting our overall climate objectives. The CAS allocation itself is directed towards changing business practice and accelerating delivery.

Strategic Progress and Long-Term Value

12. 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 in the City Corporation's 2027 net zero target, where we have generated:
 - a. **£31.6m** in avoided cost (additional Corporation energy bill if CAS did not exist),
 - b. **£1.3m** in realised savings to the energy bill,
 - c. circa **£70k** from energy generated income (via the Power Purchase Agreement),
 - d. Over **£15m** of savings costs are directly attributable to tenants across our investment property portfolio.
13. Work is ongoing to quantify savings in other areas. Climate resilience is particularly challenging to financially quantify, with no standardised value-calculations approach, due to its long term risk mitigation and diffuse impacts.

Figure 4: CAS spend and savings generated per target in Years 1 to 31 August 2025 against total portfolio allocation

Target	Total Target Allocation	Spend to 31 August 2025	Saving / avoided cost generated to date
Net zero for CoLC operations by 2027	£28,235,455	£8,686,073	£32,964,922 (to COLC)
Net zero for full CoLC value chain by 2040	£16,726,949	£4,589,088	£15,697,600 (to tenants)
Net zero for Square Mile by 2040	£11,899,049	£5,117,759	£0
Climate Resilience	£16,711,906	£6,390,229	£0
CAS Portfolio Total	£73,573,360	£24,783,048	£48,662,522

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

14. Every year we assess progress against our targets. The latest available data with performance to the end of Year 4 (2024/25) indicates that all four targets remain achievable - although there is some risk to achieving the 2027 net zero target. Importantly, this has been achieved whilst portfolio delivery remains under budget.

Target: Achieve net zero in own operations by 2027

15. In 2024/25, we achieved a 60% reduction in operational emissions against the 2018/19 baseline, against a 67% interim target: a 1ktCO₂e increase since last year. This was primarily due to 2024/25 being 11% colder than 2023/24 – meaning increased gas consumption for heating. Although previous electricity reduction projects delivered some energy savings, they were outweighed by increased demand associated with the success of return to office working policy. Investment in earlier energy efficiency projects prevented costs rising significantly, demonstrating CAS initiatives can deliver both long-term climate and financial sustainability, protecting our operational assets from external pressures.
16. CAS energy projects have already delivered 30% more than originally planned in 2020, within the same budget envelope. However more energy efficiency works are needed to compensate for a slow national grid decarbonisation and changing timelines of Corporation major projects (such as Guildhall Refurbishment, Barbican Renewal and Market Relocation) – both of which were originally identified as critical to reaching net zero. This enables further investment into our operational estate which supports long-term cost savings.
17. The Operational Portfolio has seen 30 million kWh energy savings since 2018/19. These improvements have generated over £1.3m in realised 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 £31.6m in avoided energy costs over the past 4 years, at a cost of £4.3m to the Corporation (plus £10m of grant funding). Notably, the value of avoided costs will increase as energy prices rise.
18. If the National Grid and Citigen decarbonise as expected, 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 March 2027. If this happens, we would be likely to meet the target in 2028 – with no extra funds sought. We will still likely be the first London Borough to reach net zero for all operational emissions.
19. Our operational net emissions (scope 1 and 2) comprise only 6% of our total value chain footprint (scope 1, 2 & 3), which is targeted to reach net zero by 2040.

Target: Achieve net zero across the Corporation's full value chain by 2040

20. In 2024/25, we achieved a 28% reduction in emissions since the 2018/19 baseline – just shy of our first interim target of a 31% reduction. We remain on track to meet this target, whilst under budget.
21. The largest contributors to our total footprint are financial investments (50%), capital goods – our commissioned buildings and major refurbishments (15%), and leased properties - which includes Investment properties and housing dwellings (14%).
22. Revenue investment has provided critical insight of our financial investments current and future exposure to climate-related risks. The findings identify significant long-term risks to the Corporation's investment Funds. Protecting long-term returns is essential,

and this insight can now be used to support investment strategies to enhance resilience and safeguard their future value.

23. Capital investment in the Investment Property portfolio is a market requirement to maintain asset competitiveness. Sustainability and resilience works ensure compliance with regulatory requirements such as MEES (Minimum Energy Efficiency Standards), protects long-term asset value, and avoids risks to rental income.
24. The Corporation's total year-on-year emissions reduction was hampered by an increase in capital goods emissions (our commissioned building developments and major refurbishments). This is the second consecutive annual rise, which is expected given the multiyear nature of large-scale works such as the One Salisbury Square development and energy efficiency estate upgrades. Most projects comply with our Sustainable Design Standards, ensuring they are future-ready. We are enhancing emissions tracking to better reflect specific materials, improving future insights and supporting ongoing reductions through sustainable practices.

Target: Support net zero in the Square Mile by 2040

25. For the Square Mile 2040 net zero goal, the first interim target is a 60% reduction by 2025 against the 2017 baseline. The latest data (2022) shows a 24% reduction against the baseline, an expected increase on 2021 as activity recovered post-COVID. Provisional 2023 figures suggest a 29% reduction - our first annual decrease since the 2020 lockdown and the first signs of Corporation policies taking effect. We remain on track to reach the 2040 target, whilst staying under budget.
26. Commercial and industrial buildings account for 65% of Square Mile emissions, making energy efficiency and heat networks central to progress. To date, we have invested £215k, alongside £720k leveraged in external funding, to prepare for forthcoming heat network regulation. This early investment ensures speedy compliance and positions the City to unlock future external capital investment estimated at £1.2bn - £3.1bn, accelerating large-scale decarbonisation.

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:
 - a. Flooding
 - b. Overheating
 - c. Water stress
 - d. Biodiversity loss
 - e. Pests and diseases
 - f. Trade, food and infrastructure
28. If left unaddressed, these risks will significantly increase costs for the Corporation, both through impacts on our own assets and growing pressure on services. Early intervention reduces long-term costs and builds resilience over time.
29. 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. 186 trees have been planted across the Square Mile since April

2021.

30. The 2024 London Climate Resilience Review, commissioned by the Mayor of London, confirmed the City Corporation is a leader in this space but still have much to do to prepare the City for the impacts of climate change.

Risk

31. 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 (CR30). Mitigating actions are primarily addressed by the Climate Action Strategy, and supported by other areas of work in sustainable finance. The current risk rating is Amber 12 (4 major x 3 possible), with a target risk score of Amber 6 (2 serious x 3 possible) reflecting the fact that climate change is inevitable and impacts cannot be entirely mitigated.
32. A portfolio level risk log is updated regularly. The most pressing delivery risks include:
 - a. Slower than forecasted decarbonisation of the National Grid or Citigen, requiring additional efficiency works and accelerated delivery spend to meet net zero in 2027 or risk missing the target.
 - b. Operational limitations delaying delivery of energy efficiency works (including regulation, planning and technical constraints). This would mean not hitting the 2027 net zero target and delay energy cost savings.
 - c. Changing international guidelines and regulations on the definition of net zero for a Corporation and a City will require us to update our pathways and plans over time.
 - d. Upcoming changes to Local Government pension management in the UK might mean this element of our emissions is excluded from our net zero target – to be confirmed at a future juncture when the impact of new regulations is clear.
 - e. Deployment of heat networks in the City is crucial to reaching net zero. There is currently insufficient heat supply to meet all demand, requiring significant financial investment and collaboration across London to secure greater supply.

Corporate and Strategic Implications

33. Strategic implications – The CAS supports delivery against four outcomes in the Corporate Plan 2024-29:
 - a. Leading Sustainable Environment
 - b. Vibrant Thriving Destination
 - c. Flourishing Public Spaces
 - d. Providing Excellent Services
34. 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.

35. Financial Implications – Delivering the CAS in a challenging financial environment requires balancing immediate cost pressure and long-term value. Target interventions have already delivered substantial savings (£33m) to the Corporation, whilst continued investment within the existing budget envelope strengthens the Corporation’s resilience.
36. Risk Implications – To manage the Strategy risk effectively, all programmes 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 31.
37. 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 portfolio of work.
38. 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.
39. No new resourcing, legal, or security implications arise from the recommendations in this report.

Conclusion

40. Despite significant underspend on the CAS portfolio to date, substantial progress has been made against targets, bringing with it significant value and regulatory compliance to the City Corporation. Investment in the operational estate has already resulted in over £33m savings (avoided and realised) to the organisation. Capital expenditure is accelerating as expected, supporting long-term resilience and sustainability across the City Corporation’s assets, investments, and services. 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

Kate Neale

Climate Director

E: kate.neale@cityoflondon.gov.uk

Appendix 1: Financial Analysis

CAS Spend in Years 1-5

Years 1 – 5 spend is for the period 1 April 2021 to 31 August 2025.

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

Figure 5: Total portfolio budget and spend in Years 1-5 (YTD), split by capital and revenue and by Fund

		City Bridge Foundation	City's Estate	City Fund	Total
Revenue	Portfolio Budget	£1,267,103	£5,175,327	£12,566,452	£19,008,882
	Spend to 31/08/25	£862,095	£3,843,096	£8,871,533	£13,575,724
Capital	Portfolio Budget	£5,094,970	£13,024,731	£36,444,777	£54,564,478
	Spend to 31/08/25	£0	£2,745,305	£8,462,019	£11,207,324

CAS Spend within Year 5 (2025/26)

Year 5 spend is for the period 1 April 2025 to 31 August 2025.

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

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

YEAR 5	Budget (£k)				Spend (£k)			
Fund	CBF	CE	CF	Total	CBF	CE	CF	Total
Capital + SRP	2,608	7,311	14,800	24,718	0	1,721	2,271	3,992
Revenue	229	1,112	3,000	4,341	89	647	1,627	2,364
Grand Total	2,836	8,423	17,800	29,059	89	2,368	3,898	6,355

Figure 7: Year 5 budget, spend and committed spend to 31 August 2025, split by revenue and capital (all Funds)

Programme / target name	Revenue		Capital			Totals	
	Budget	Spend	Budget	Spend	Committed	Budget	Spend
Strategic Implementation Support	£1,135,500	£768,637	£1,141,778	£40,700	£0	£2,277,278	£809,337
Net zero for CoLC operations by 2027	£927,300	£566,713	£10,874,229	£2,114,900	£4,293,248	£11,801,529	£2,681,613
Operational Properties and Housing (Landlord areas)	£804,000	£449,434	£9,741,000	£1,974,531	£4,212,568	£10,545,000	£2,423,965
Carbon Removals and Land Management	£123,300	£117,279	£1,133,229	£140,369	£80,680	£1,256,529	£257,648
Net zero for full CoLC value chain by 2040	£944,800	£383,612	£5,152,100	£257,223	£2,516,677	£6,096,900	£641,165
Investment Properties	£475,000	£145,372	£5,062,100	£151,430	£2,516,677	£5,537,100	£296,802

Capital Projects (Design Standards)	£110,000	£160,437	£90,000	£105,793	£0	£200,000	£266,230
Financial Investments	£97,300	-£10,862	£0	£0	£0	£97,300	-£10,862
Purchased goods and Services	£262,500	£88,995	£0	£0	£0	£262,500	£88,995
Net zero for Square Mile by 2040	£691,250	£483,959	£2,043,750	£154,320	£93,114	£2,735,000	£639,279
Square Mile	£691,250	£484,959	£733,750	£0	£0	£1,425,000	£484,959
Transport	£0	£0	£1,310,000	£154,320	£93,114	£1,310,000	£154,320
Climate Resilience	£642,400	£159,498	£5,506,193	£1,424,438	£2,523,574	£6,148,593	£1,583,937
Cool Streets and Greening	£590,000	£0	£2,762,573	£1,321,918	£2,523,574	£3,352,573	£1,321,918
Mainstreaming Resilience	£2,500	£110,118	£0	£0	£0	£2,500	£110,118
Resilient Buildings	£49,900	£49,380	£2,743,620	£102,520	£0	£2,793,520	£151,901
CAS Portfolio Total	£4,341,250	£2,363,749	£24,718,050	£3,991,582	£9,426,613	£29,059,300	£6,355,331

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank