



## Finance Committee – Main Agenda Pack

**Date:** TUESDAY, 17 FEBRUARY 2026

**Time:** 12.45 pm

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

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

**Enquiries:** John Cater

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<https://www.youtube.com/@CityofLondonCorporationstreams>

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.

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

# AGENDA

## Part 1 - Public Agenda

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

3. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the meeting held on 13<sup>th</sup> January 2026.

**For Decision**  
(Pages 7 - 12)

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

Report of the Chamberlain.

**For Information**  
(Pages 13 - 14)

5. **FINANCE COMMITTEE'S TERMS OF REFERENCE REVIEW**

Report of the Town Clerk.

**For Decision**  
(Pages 15 - 20)

6. **PUBLIC UPDATES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING HELD ON 28TH JANUARY 2026**

Public updates of the Projects and Procurement Sub-Committee meeting held on 28<sup>th</sup> January 2026.

**For Information**

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

Report of the Chamberlain.

*To Follow.*

**For Decision**

8. **CITY'S ESTATE BUDGET REPORT AND MEDIUM-TERM FINANCIAL STRATEGY**  
Report of the Chamberlain.  
*To Follow.*  
**For Decision**

9. **BUDGET MONITORING Q3**  
Report of the Chamberlain.  
**For Decision**  
(Pages 21 - 46)

10. **IMPROVING COMPLIANCE AND THE PROPER USE OF CORPORATE P-CARDS**  
Report of the Chamberlain.  
**For Information**  
(Pages 47 - 50)

11. **CHAMBERLAIN'S BUSINESS PLAN QUARTER 3 2025/26 UPDATE**  
Report of the Chamberlain.  
**For Information**  
(Pages 51 - 54)

12. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**  
Report of the Chamberlain.  
**For Information**  
(Pages 55 - 58)

13. **CENTRAL CONTINGENCIES**  
Report of the Chamberlain.  
**For Information**  
(Pages 59 - 62)

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

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

**16. 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**

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

To agree the non-public minutes of the meeting held on 13<sup>th</sup> January 2026.

**For Decision**  
(Pages 63 - 68)

**18. NON-PUBLIC UPDATES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING HELD ON 28TH JANUARY 2026**

Non-Public updates of the Projects and Procurement Sub-Committee meeting held on 28<sup>th</sup> January 2026.

**19. DOMESTIC & COMMUNAL GAS & ELECTRICAL APPLIANCE TESTING AND MAINTENANCE AT DCCS HOUSING PROPERTIES PROCUREMENT STAGE 1 STRATEGY**

Report of the Executive Director of Community and Children's Services.

**For Decision**  
(Pages 69 - 76)

**20. EXTENSION OF THE NATIONAL UNIFORM MANAGED SERVICE (NUMS) CONTRACT FOR THE CITY OF LONDON POLICE**

Report of the Commissioner of the City of London Police.

**For Decision**  
(Pages 77 - 84)

**21. CITY FUND ANNUAL STRATEGY**

Report of the City Surveyor.

**For Information**  
(Pages 85 - 94)

**22. CITY'S ESTATE ANNUAL STRATEGY**

Report of the City Surveyor.

**For Information**  
(Pages 95 - 104)

**23. BARBICAN TEN YEAR PLAN - VERBAL UPDATE**

**For Information**

**24. DELEGATION REQUESTS**

Report of the City Surveyor.

**For Decision**  
(Pages 105 - 106)

**25. MAJOR PROJECT DASHBOARD**

Report of the Chamberlain.

**For Information**  
(Pages 107 - 112)

**26. EFFICIENCY AND PERFORMANCE FORWARD PLAN**

Report of the Chamberlain.

**For Information**  
(Pages 113 - 114)

**27. NON-PUBLIC APPENDIX TO RISK REPORT**

**For Information**

**28. NON-PUBLIC APPENDIX TO CONTINGENCIES REPORT**

**For Information**

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

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



# Agenda Item 3

## FINANCE COMMITTEE

Tuesday, 13 January 2026

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 13 January 2026 at 12.45 pm

### Present

#### Members:

Deputy Henry Colthurst (Chairman)	Adam Hogg
Deputy Andrien Meyers (Deputy Chair)	Deputy Ann Holmes
Shahnan Bakth	Sandra Jenner
Alderman Alexander Barr	Deputy Paul Martinelli
Deputy Timothy Butcher	Alderman Bronek Masojada
Deputy Bethany Coombs	Fraser Peck
Elizabeth Corrin	Hugh Selka
Susan Farrington	Deputy Oliver Sells KC
Steve Goodman OBE	Deputy Sir Michael Snyder
Alderwoman Martha Grekos	James St John Davis
Deputy Madush Gupta	Deputy James Thomson CBE
Stephen Hodgson	James Tumbridge

#### Observers (via MS Teams)

Deputy Anne Corbett  
Simon Duckworth OBE DL  
Deputy Benjamin Murphy  
Deputy Henry Pollard

#### Officers:

Caroline Al-Beyerty	- The Chamberlain
Michael Cogher	- The Comptroller and City Solicitor
Paul Wilkinson	- The City Surveyor
Katie Stewart	- Executive Director, Environment
Jonathan Vaughan	- Principal, Guildhall School of Music and Drama (GSMD)
Udhay Bhakoo	- Barbican/GSMD
Liz Millington	- Central London Forward
Tom Gillings	- Chamberlain's Department
Simon Gray	- Chamberlain's Department
Marguerite Jenkin	- Chamberlain's Department
Matt Lock	- Chamberlain's Department
David Menoza-Woolfson	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
Jack Joslin	- City Bridge Foundation
Ali Cook	- City of London Police
Ola Obadara	- City Surveyor's Department
Peter Young	- City Surveyor's Department

Emily Brennan	- Environment Department
Jo Hurst	- Environment Department
Laura Davison	- Innovation and Growth
Doris Chan	- Town Clerk's Department
Tim Fletcher	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department
John Cater	- Committee Clerk

**1. APOLOGIES**

Apologies for absence were received from Nicholas Bensted-Smith, Deputy Anne Corbett, Simon Duckworth OBE DL, Deputy Benjamin Murphy, Alderwoman Jennette Newman, Sushil Saluja, and Deputy Christopher Hayward.

**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 9<sup>th</sup> December 2025 be approved as an accurate record.

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

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

**RESOLVED:** - that the Committee noted the Report.

**5. LOCAL GOVERNMENT PROVISIONAL SETTLEMENTS UPDATE**

The Committee received a Report of the Chamberlain concerning the Local Government Provisional Settlement.

Following a brief presentation, the Chairman asked that discussion was taken under the non-public section of the meeting given the sensitivities of these matters.

**RESOLVED:** - that the Committee noted the Report.

**6. DRAFT CHAMBERLAIN'S BUSINESS PLAN: 2026-29**

The Committee considered a Report of the Chamberlain concerning the Chamberlain's Draft Business Plan for 2026 – 2029.

In response to a Member asking about the Committee's responsibility to scrutinise what other City Corporation Committees were doing vis-à-vis ensuring value-for-money, the Chamberlain emphasised that, given the significant pressures on the City's finances it was vital both to strengthen financial controls and to increase the level of scrutiny and oversight of the financial affairs of Departments, institutions and, ultimately, service Committees to ensure the organisation's finances remained sustainable.

The Chairman noted the expanding role of the Efficiency & Performance Review Group (EPRG) and the role the risk side of the Audit and Risk Management Committee would play going forward.

The Chamberlain would come back to the Committee with more detail about what EPRG had been looking at over the past 12-18 months and the outcomes that it has generated as well as outlining how this work would shape E&P's forward work programme.

Reflecting on a prior budget setting exercise in the late 2010s when pressures on the City's finances were also evident, a Member queried whether now would be a good opportunity to ask those service committees with high spending commitments to examine the City Corporation's Medium-Term-Financial Plan and to try to identify savings opportunities and levers which could drive efficiency over the coming years. Such reviews could take the shape of informal meetings between the respective service Committee Chairmen and the Chamberlain and the Chairman and Deputy Chairman of the Finance Committee.

A Member added that as part of the discussions with Departments and Service Committee Chairmen, a zero-based budgeting approach should be encouraged where stakeholders were obliged to justify and explain every layer in their respective budgets.

**RESOLVED:** - that the Committee:

- i) Note that the Chamberlain's Department Business Plan will, in different parts, be separately overseen by the Digital Services and the Finance Committees; and
- ii) Approve, the elements of this Business Plan that relate to the work overseen by this Committee;

## **7. REVIEW OF FINANCIAL CONTROLS (INTERNAL AUDIT UPDATE)**

The Committee received a Report of the Chamberlain concerning the Corporation's arrangement for ensuring robust and effective financial controls.

In response to a Member querying whether any of the actions outlined on page 40 could be delivered sooner, officers confirmed that responding to the local government settlement was the current priority for the Department. In principle however, they would wherever possible look to accelerate any measures which supported the objective of strengthening financial controls.

**RESOLVED:** - that the Committee noted the Report.

## **8. CONNECT TO WORK - CHANGE OF NAMED CONTRACTING BODY**

The Committee received a Report of the Executive Director, Innovation and Growth concerning the Connect to Work Programme.

A Member highlighted the work the Corporation was doing in this area as a good example to central government about the value of the City Corporation, particularly in light of its current discussions with Ministers and civil servants around the local government settlement.

**RESOLVED:** - that the Committee noted the Report.

**9. RISK MANAGEMENT UPDATE REPORT**

The Committee received a Report of the Chamberlain concerning financial, corporate and departmental risks in the Chamberlain's department.

**RESOLVED:** - that the Committee noted the Report.

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

There were no questions.

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

There were no urgent items.

**12. 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.

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

The non-public minutes of the meeting held on 9<sup>th</sup> December 2025 were approved as an accurate record.

**14. GUILDHALL SCHOOL OF MUSIC AND DRAMA 2026/27 TRANSITIONAL AND TRANSFORMATION FUNDING REQUEST**

The Committee considered a joint Report of the Principal of Guildhall School of Music and Drama and the Chamberlain concerning the financial affairs of the Guildhall School of Music and Drama (GSMD).

**15. TRANSFORMATION OF THE NATURAL ENVIRONMENT CHARITIES - UPDATE ON THE IMPLEMENTATION OF THE NATURAL ENVIRONMENT CHARITIES REVIEW**

The Committee received a joint Report of the Executive Director, Environment Department and the Chamberlain concerning the Natural Environment Charities Review (NECR) Transformation Programme.

**16. NATURAL ENVIRONMENT CHARITIES REVIEW - GRANT FUNDING MODEL PRINCIPLES PROPOSAL**

The Committee considered a joint Report of the Executive Director, Environment Department and the Chamberlain concerning the Grant Funding Model principles and arrangements for the Natural Environment Charities Review.

- 17. THE HONOURABLE THE IRISH SOCIETY - PROPOSED TEN-YEAR GRANT FROM THE CITY OF LONDON CORPORATION COMMENCING 2026-27**  
The Committee considered a Report of the Town Clerk concerning funding for The Honourable The Irish Society.
- 18. PROGRAMME SAPPHIRE (ERP) UPDATE REPORT - JANUARY 2026**  
The Committee received a Report of the Chamberlain concerning Programme Sapphire (ERP).
- 19. EFFICIENCY & PERFORMANCE FORWARD WORK PLAN**  
The Committee received a Report of the Chamberlain concerning the forward work plan of the Efficiency & Performance Review Group.
- 20. MAJOR PROGRAMMES DASHBOARD**  
The Committee received a Report of the Chamberlain concerning the Major Programmes.
- 21. 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 delegated authority procedures since the last meeting.
- 22. 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.
- 23. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
The Committee considered two items of urgent business relating to the frequency of the Finance Committee meetings and 20/21 Aldermanbury.
- 24. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**  
The confidential minutes of the meeting held on 9<sup>th</sup> December 2025 were approved as an accurate record.

**The meeting ended at 2.15 pm**

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Chairman

**Contact Officer: John Cater**

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## FINANCE COMMITTEE – WORK PROGRAMME 2025-26

	Feb-26	April - 26	May-26	June - 26	July - 26	Sep - 26	Nov - 26	Dec -26July-27
<b>Budget Setting Process &amp; Medium-Term Financial Planning</b>	City Fund Budget Report and Medium-Term Financial Strategy City Estates Budget report and Medium-Term Financial Strategy Q3 Budget monitoring				Update on Budget setting 26/27			
<b>Effective Financial Management Arrangements for The City Corporation</b>	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan <b>Barbican 10-Year Plan update slides</b> <b>P-cards internal audit review</b>	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 <b>Review of Recharges - Barbican leaseholder service charges</b> 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			
<b>Page 13</b>								
<b>Financial Statements</b>						City Fund and Pension Fund statement of accounts	City's Estate financial statements City's Estate trust funds and sundry trust funds annual reports and financial statements	
<b>Finance Committee as a Service Committee</b>	Risk Management Update Report Chamberlain's Business plan Q3 report Contingency Report (quarterly)	Risk Management Update Report ERP Programme Update (Quarterly)	Risk Management Update Report Chamberlains Business Plan End of Year update	Risk Management Update Report Central Contingencies (Quarterly report)	Risk Management Update Report ERP Programme Update (Quarterly) Chamberlain's Business plan Q1 report	Risk Management Update Report	Risk Management Update Report Chamberlain's Business plan Q2 report Contingency Report (Quarterly)	Risk Management Update Report ERP Programme Review & Benefits Report IFM Contract Review
<b>Other Departments reports</b>		Appointments (Town Clerks)						GSMD 5-year plan

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## City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee	<b>Dated:</b> 17 February 2026
<b>Subject:</b> Annual Review of Terms of Reference	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"><li>• provides statutory duties</li><li>• provides business enabling functions</li></ul>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	Town Clerk
<b>Report author:</b>	John Cater

### Summary

This Report calls for the annual review of the Committee's own Terms of Reference for onward approval to the Policy and Resources Committee and the Court of Common Council in Spring 2026.

Whilst some minor amendments are proposed (marked up in track changes on Appendix A), no material changes to the **Terms of Reference** are proposed at this time; however, Members may wish to make suggestions and provide feedback to be incorporated and approved, either at today's meeting or, if further consideration is required, by the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Sub-Committee under Delegated Authority procedures after the meeting.

### Recommendation(s)

Members are asked to:

- Consider the Committee's Terms of Reference set out at Appendix A and agree whether they sufficiently encapsulate the responsibilities of the Committee;

- If material amendments are required, agree that Delegated Authority be given to the Town Clerk in consultation with the Chairman and Deputy Chairman, to consider the final wording of the revised Terms of Reference.

## Main Report

### Current Position

1. The Committee's Terms of Reference document is set out at Appendix A.
2. Whilst several changes are proposed at this time to the **Terms of Reference**; if Members feel that material updates are necessary, caution should be exercised if attempting to draft wording in the meeting as it can have unintended consequences/implications. Therefore, should the need arise, it is recommended that Officers would be instructed to draft proposed amendments and report back to the Town Clerk, in consultation with the Chairman and Deputy Chairman, via the Delegated Authority arrangements.

### Corporate & Strategic Implications

- **Strategic implications** – Any changes should facilitate efficiencies in the delivery of the City of London Corporation Strategy.
- **Financial and Resource implications** – None, providing no additional changes are required. Financial and Resource Implications will need to be considered should the Committee seek to make amendments of this nature.
- **Legal implications** – any changes proposed will change internal organisational administrative procedures at the City of London Corporation.
- **Risk implications** – None, providing no changes are required. Risk Implications will need to be considered should the Committee seek to make amendments.
- **Equalities implications** – Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.
- **Climate implications** - The proposals included in this paper do not carry any significant implications for the Climate Action programme.
- **Security implications** – None

### Conclusion

3. It is recommended that the Committee approves the several minor changes outlined in appendix A and, thereafter, decide whether the document accurately

reflects the nature of its work and suitably supports the City Corporation in the exercising of its various duties.

## **Appendices**

- Appendix A – Finance Committee Terms of Reference.

### **John Cater**

Committee Clerk

E: [john.cater@cityoflondon.gov.uk](mailto:john.cater@cityoflondon.gov.uk)

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4. **Terms of Reference**  
To be responsible for:-

**Finance**

(a) Ensuring effective arrangements are made for the proper administration of the City Corporation's financial affairs;

(b) making recommendations to the Court of Common Council in respect of:-

- (i) the audited accounts, the Annual Budget and to recommend the non-domestic rate and Council Tax to be levied and to present the capital programme and make recommendations as to its financing;
- (ii) the appointment of the Chamberlain;

(c) considering the annual budget of several committees, to ascertain that they are within the resources allocated, are applied to the policies for which those resources were allocated and represent value for money in the achievement of those policies;

(d) determining annually with the Resource Allocation Sub-Committee, the appropriate performance return bench marks for the City's Estates;

(e) obtaining value for money in all of the City of London Corporation's activities, contracts, and in the City of London Police;

(f) monitoring performance against individual Departmental Business Plans and bringing about improvements in performance;

(g) the effective and sustainable management of the City of London's operational assets, to help deliver strategic priorities and service needs;

(h) overseeing the City of London Corporation's approved list of contractors and consultants;

(i) dealing with requests for allowances, expenses, insurance, business travel, treasure trove and Trophy Tax;

(j) providing strategic oversight and performance management of all grant giving activity by the Corporation, other than for the City Bridge Foundation.

(k) strategies and initiatives in relation to energy;

(l) except for those matters reserved to the Court of Common Council or which are the responsibility of another Committee, the Committee will be responsible for all aspects of the City of London Charities Pool (1021138) day-to-day management and administration of the charity. The Committee may exercise any available powers on behalf of the City Corporation as trustee under delegated authority from the Court of Common Council as the body responsible for exercising the powers of the City Corporation as trustee. This includes, but is not limited to, ensuring effective operational arrangements are in place for the proper administration of the charity, and to support expedient and efficient delivery of the charity's objects and activities in accordance with the charity's annual budget, strategy and policies;

(m) the projects procedure, including scrutiny and oversight of the management of projects and programmes of work delivered in accordance with this,

**Sub-Committees and Review Group**

(n) appointing such Sub-Committees, and Working Parties, and Review Groups as are considered necessary for the better performance of its duties including the following areas:-

**Efficiency & Performance Review Group Working Party**

The Efficiency & Performance Review GroupWorking Party supports officers to drive value for money in areas such as third-party contracts, budgeting and facilities/asset management, and promotes effective planning - both on a departmental and institutional basis and for the Corporation as a whole.

**Projects and Procurement Sub-Committee**

This Sub-Committee provides dedicated scrutiny for all City Corporation and City of London Police procurement contracts as prescribed in the Procurement PolicyCode with a view to driving value for money.

It also provides dedicated scrutiny for all City Corporation and City of London Police Projects as prescribed by the Projects Procedure.

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# Agenda Item 9

<b>Committee(s):</b> Finance Committee – For Decision	<b>Dated:</b> 17/02/2026
<b>Subject:</b> Budget Monitoring Quarter 3 2025/26	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• delivers Corporate Plan 2024-29 outcomes</li> <li>• provides statutory duties</li> <li>• provides business enabling functions</li> </ul>	The budget provides the funding to deliver all of the Corporation's corporate objectives either directly or indirectly.
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	The Chamberlain
<b>Report author:</b>	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 3 (December). 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 – Q3

	<b>City Fund £'000</b>	<b>City's Estate £'000</b>	<b>Guildhall Administration £'000</b>	<b>Total £'000</b>
Local Risk	2,589	676	(714)	2,550
Central Risk	(23,339)	(1,273)	(2,437)	(27,050)
<b>Total Q3</b>	<b>(20,751)</b>	<b>(598)</b>	<b>(3,151)</b>	<b>(24,499)</b>
<b>Total Q2</b>	<b>(12,835)</b>	<b>(3,092)</b>	<b>1,585</b>	<b>(14,343)</b>
<b>Total Q1</b>	<b>(12,808)</b>	<b>(6,450)</b>	<b>3,663</b>	<b>(15,595)</b>
<b>(better)/worse from Q2</b>	<b>(7,916)</b>	<b>2,494</b>	<b>(4,736)</b>	<b>(10,156)</b>

It should be noted that although all funds are forecasting a surplus, the Local risk (Chief Officer cash limited budgets) are forecasting an overspend across City Fund and City's Estate. 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 and these are addressed in the main report. Explanations for large variances are included in this report.

#### Recommendation (s)

Members are asked to:

- Note the report
- Approve the extension of limiting recharges to the HRA (reduction of £281k) for 2025/26 through an allocation from City Fund Finance Committee Contingency (para 5). If agreed the remaining balance on City Fund Finance contingency available for allocation this year will be £610k
- Approve that the potential deficit on West Ham park caused by costs responding to anti-social behaviour is met through an allocation from City Estate's Finance Committee Contingency. (appendix para 17).
- Approve that the legal costs incurred by The Executive Director of Environmental Services are met through an allocation from City's Estate Finance Committee Contingency (appendix para 18). If this and the item above are agreed, the remaining balance on City's Estate Contingency available for allocation this year will be £622k

### **Main report – City Fund Dashboard**

#### Revenue

1. At the end of quarter 3, the 2025/26 forecast revenue outturn is an underspend of £20.7m against budget, £2.6m overspend on Local risk and an underspend of £23.3m on central risk. The underspend is largely due to an increased forecast of interest earned on cash balances which is shown in para 21 (appendix 4). Unallocated contingencies, currently amounting to £10.2m will be transferred to reserves at year end and are therefore showing a nil variance in the forecast.
2. Significant variances in the Barbican (overspend of £1.1m), City Surveyor (underspend of £7.0m), Executive Director of Environment (underspend of £1.2m) and Children Services (overspend of £0.9m) are explained in more detail in appendix 4. This appendix also outlines the measures being implemented to mitigate and address the overspends.
3. Within City Fund, the Housing Revenue Account (HRA) is currently forecasting an overspend on revenue amounting to £0.4m, which is an increase of £0.3m since Q2. As the HRA is a ringfenced fund with strict limitations on the level of support that can be provided from City Fund, this presents a significant issue. The HRA has a statutory requirement to be balanced each year, and current reserve levels are insufficient to cover the full overspend which will result in the HRA breaching its statutory obligations if the deficit is not reduced to nil. This increase has arisen due to the higher than forecast run-rate on R&M responsive repairs partly as a result of compliance pressures, the potential capitalisation of previously identified costs proving to be actually of a revenue nature, further

slippage on timing of revenue generating new build flats being occupied and higher than expected temporary staff costs.

4. The HRA pressure arose partly due to loss of income as a result of delays to COLPAI/Black Raven Court and Sydenham habitation (£0.7m in year). There are also significant pressures on the repairs and maintenance budget due to higher repair volumes to meet new regulatory compliance requirements with the introduction of AWAAB's law, requirement to introduce annual survey programmes, additional contract costs. In particular an urgent health and safety related £0.9m electrical works contract had to be mobilised in the year following on from the review by the housing regulator.
5. In response, the Housing team will pause this year any non-urgent R&M projects and temporary staffing with a further review of capitalisation of costs including staffing costs. This is expected to substantially reduce the overspend. With regards to the depreciation charge and corporate recharges they are also being urgently reviewed with advice from CIPFA. As part of the Corporate recharge review in 2024/25 Members agreed to limit the recharge to HRA for one year to mitigate the impact. It is therefore recommended that this is extended a further year to cover the 2025/26 financial year amounting to £281k. If agreed this will be allocated from City Fund Finance Committee Contingency leaving an amount of £610k to be used for the remainder of 2025/26.
6. Continued ongoing urgent action is needed to ensure that statutory duties are not breached and therefore regular (weekly) meetings are being had to review the position.
7. At the end of October, the Barbican Centre were informed that a settlement had been reached with the Valuation Office Agency (VOA) regarding a challenge on their business rates. This has resulted in a refund of £3.2m (under central risk), which has reduced their overall forecast overspend to £1.1m. (£3.2m overspent on local risk offset by an underspend of £2.1m on central risk) Whilst the refund is on central risk, the Chamberlain and Chairman and Deputy Chairman of Finance Committee are sympathetic to allowing this to be offset against the overspend on Local risk.

Chart 1 – City Fund local risk forecast Q3

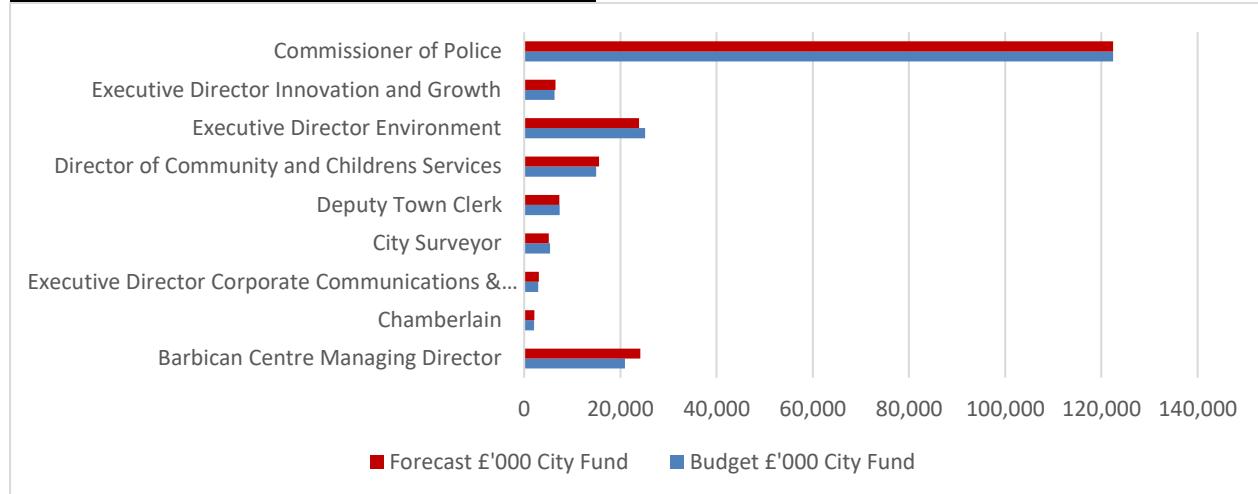
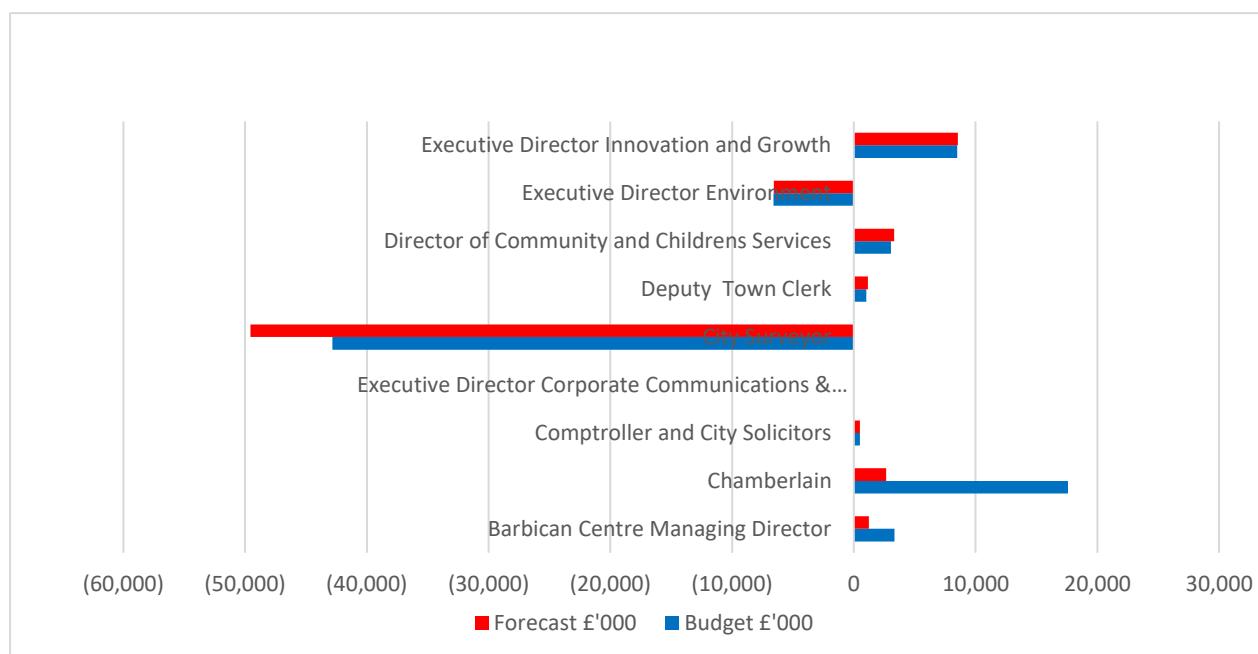


Chart 2 – City Fund central risk forecast Q3



### Savings – City Fund

8. The total in year savings target for City Fund amount to £9.2m. Of this amount £5.4m are on track or have already been delivered, which is the same as at Q2.
9. 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. The cross-cutting savings relate to income generation opportunities. The progress of these is being reviewed by the Efficiency and Performance working group.

10. Whilst these specific savings may not be delivered, offsetting mitigations have been identified, in the form of the Barbican rates rebate mentioned elsewhere within the report.

Chart 3 – City Fund savings forecast Q3 (£9.2m total)

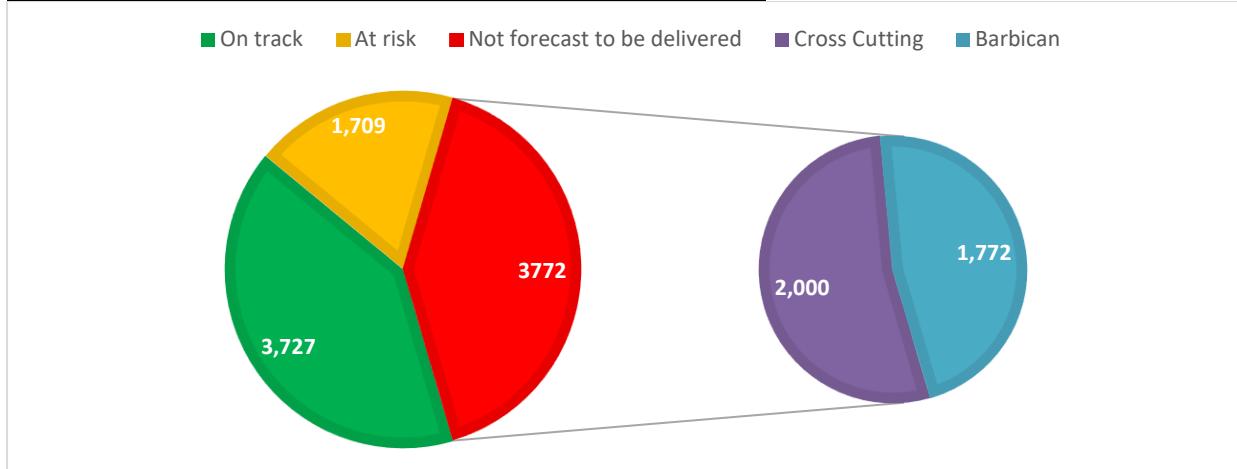
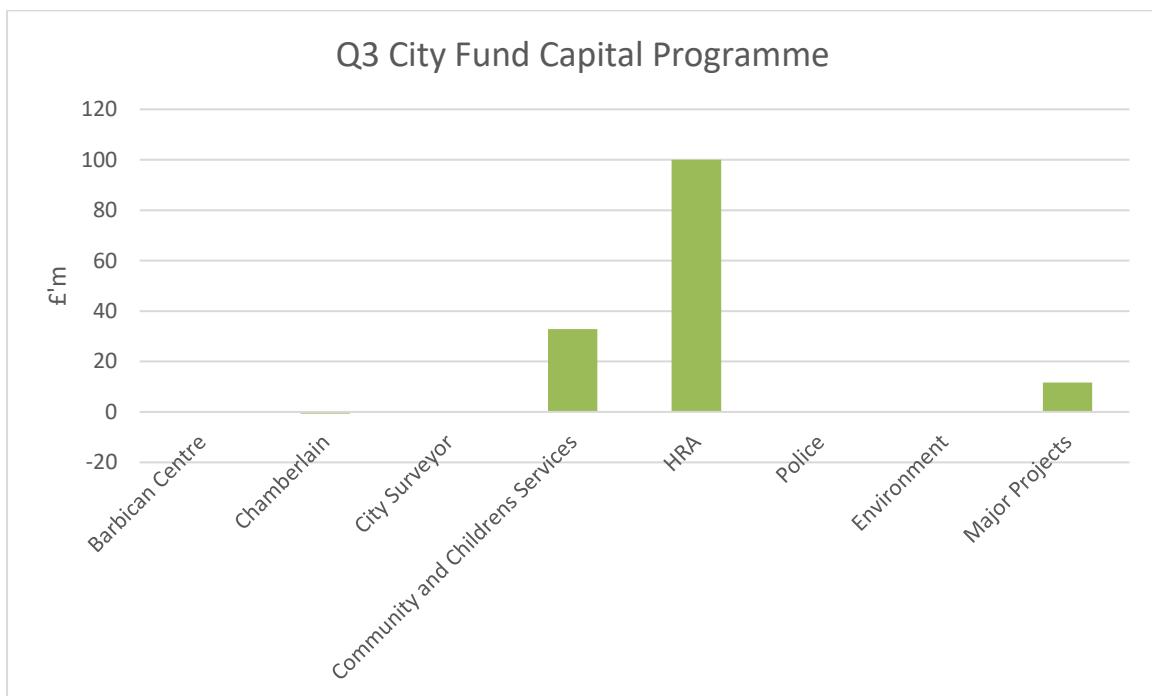


Chart 4 - City Fund Capital forecast project variance

11. 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.
- Barbican Centre have reduced their overall predicted deficit from £3.7m as reported in Q2 to £1.1m as a result of a successful challenge on rates
- The HRA revenue position is showing an overspend of £0.4m which has increased by £0.1m since Q2

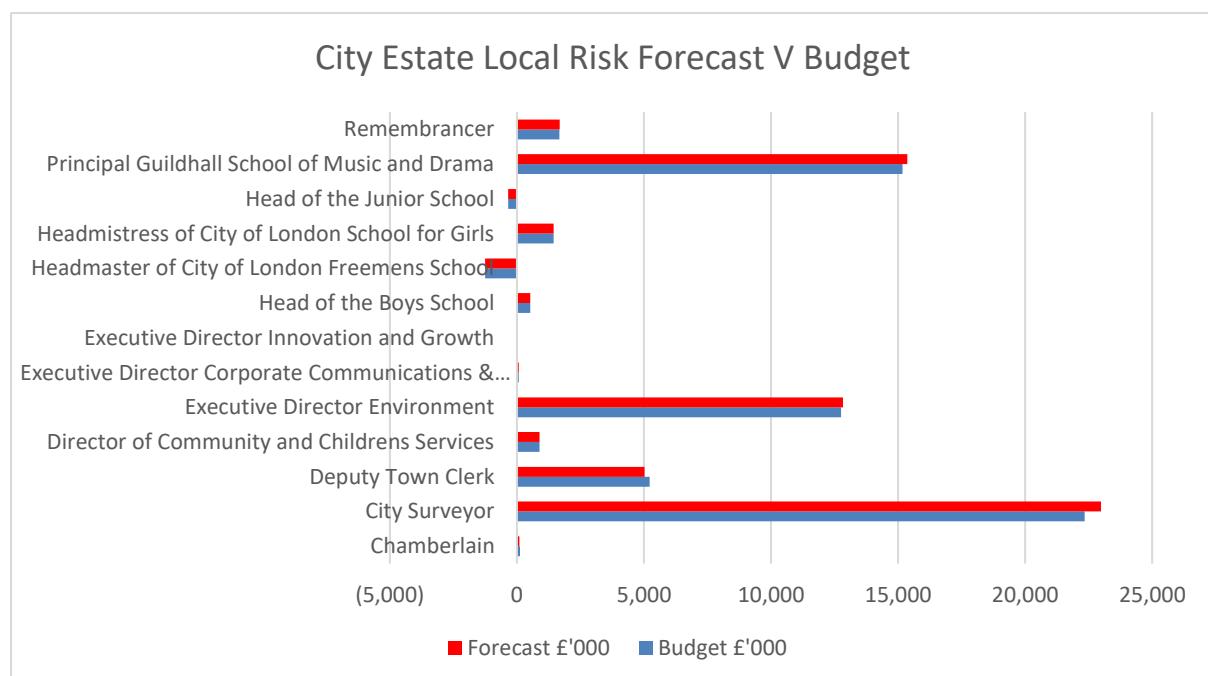
- The HRA major projects improvement programme has identified substantial risks regarding funding for the 10-year plan.
- Community and Children's Services capital programme contains significant forecast overspends requiring bespoke funding solutions.

## **Main report – City's Estate Dashboard**

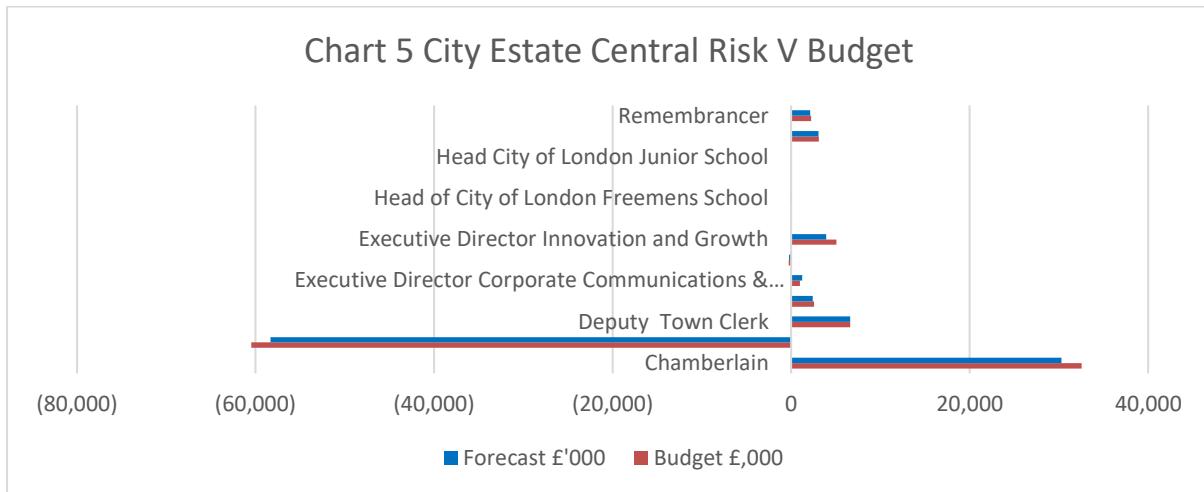
### Revenue

12. At the end of quarter 3, the 2025/26 forecast revenue outturn is an underspend of £0.6m of which £1.3m relates to central risk offset by an overspend of £0.7m on Local risk. (A decrease of £2.5m since Q2). This overall variance is due in the main to increased dividend income which is partly offset by a reduction in interest on cash balances as per para 14 and investment property income as per para 21. Unallocated contingencies currently amount to £11.9m 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 Q3



## Chart 6 – City's Estate central risk forecast Q3



## City's Estate Savings

13. 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. Since Q2, a net £0.3m has been moved from green to amber rating under the City Surveyor relating to vacancy factor. The Deputy Town Clerk has also realised his saving of £0.1m in relation to the redistribution of non-staffing budgets.
14. There are two savings that have a very high risk of non-delivery amounting to £0.8m. £0.2m of this relates 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. £0.6m relates to vacancy factor at the GSMD which is unlikely to be achieved this year.
15. Whilst these specific savings may not be delivered, offsetting mitigations are being identified.

Chart 7 – City's Estate savings forecast Q3 (£4.9m total)

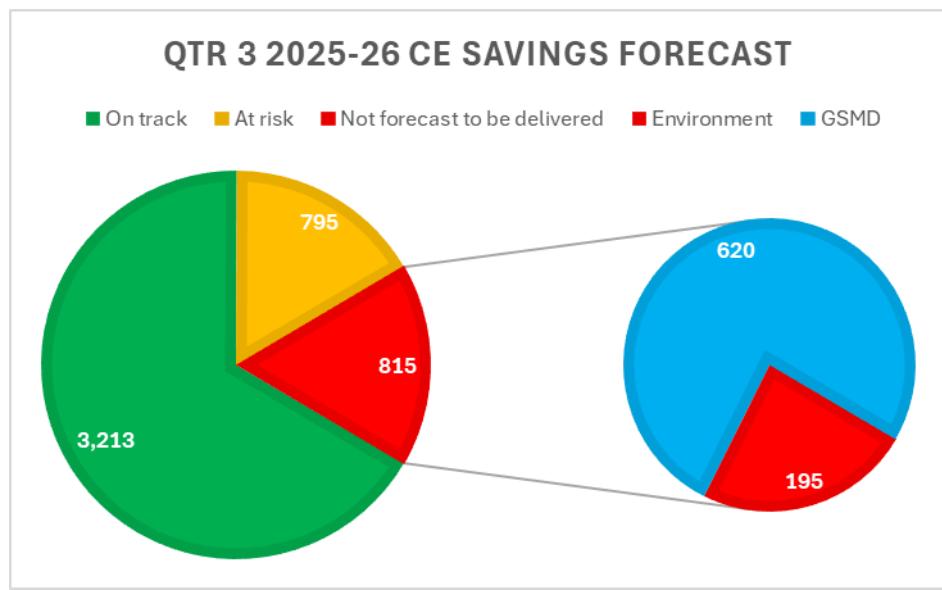
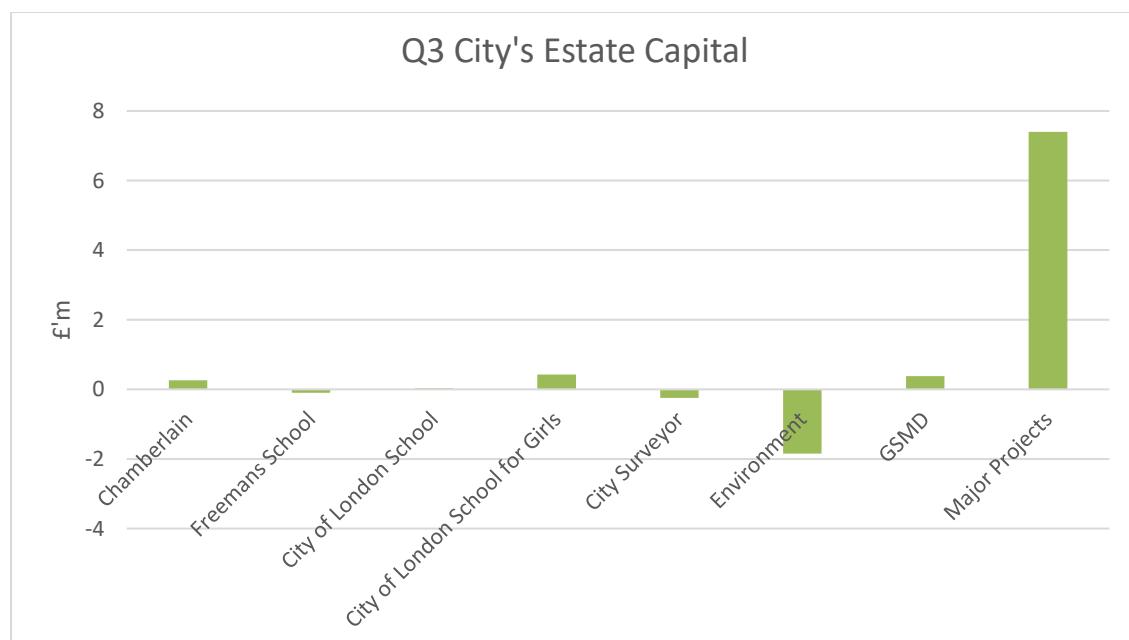


Chart 8 – City's Estate Capital

16. The adverse variance forecast on the Museum of London project relates to the optimism bias provision, which was not included within the original MTFP budget.



**Key points – City's Estate**

- Local risk overspends continue to be supported by additional central income
- Savings of £0.8m unlikely to be achieved this year

## Main report – Guildhall Admin Dashboard

### Revenue

17. Guildhall Administration budgets are central costs which are recharged to the relevant funds (inc. City Bridge Foundation), these budgets are currently forecasting an underspend of £3.2m which is £2.4m on Central risk and £0.8m on Local Risk. This is an improvement of £4.8m since Q2 where a predicted overspend of £1.6m was reported mainly due a rates rebate

Chart 9 – Guildhall Admin local risk forecast Q3

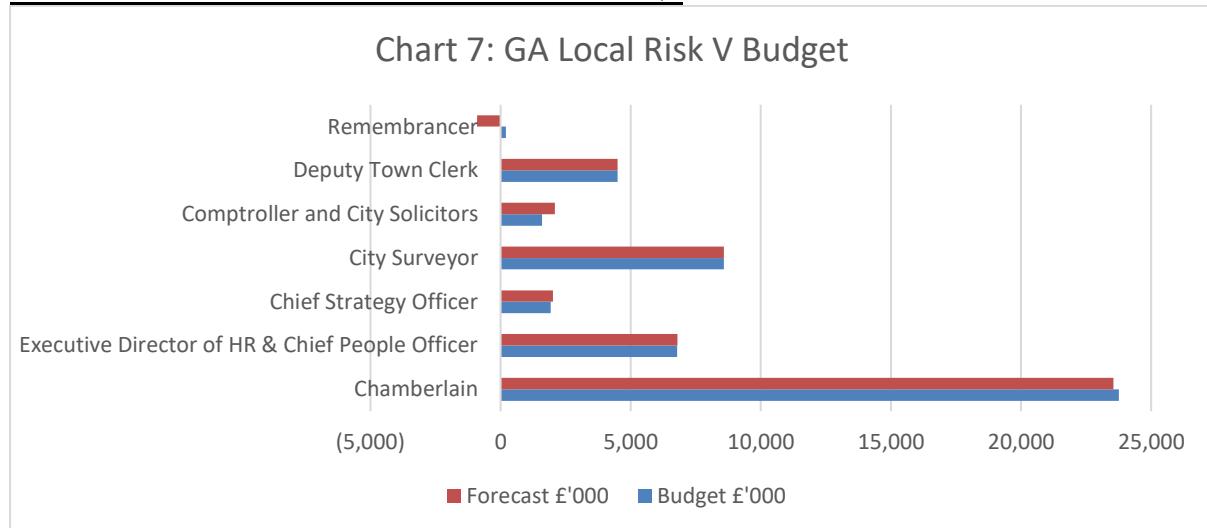
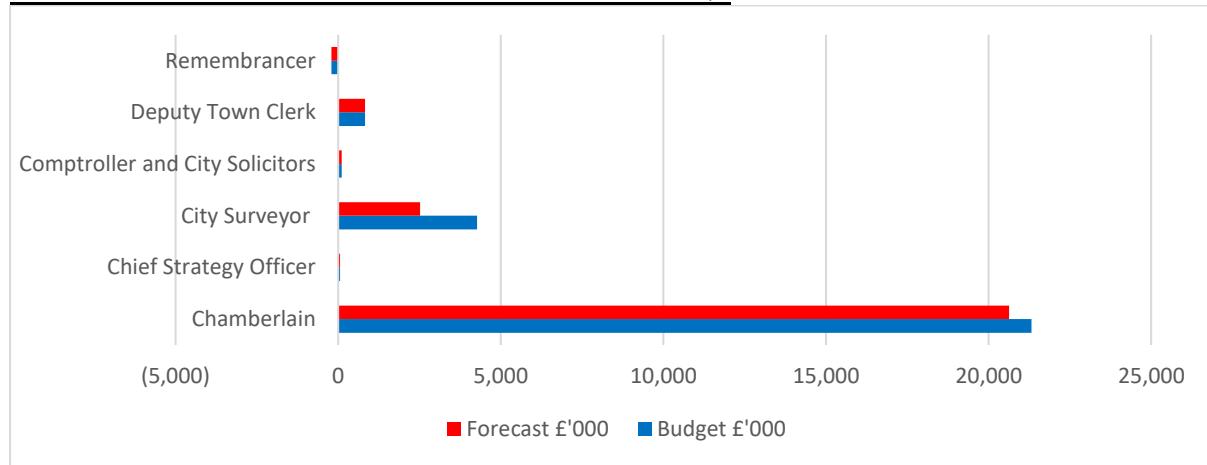


Chart 10 – Guildhall Admin central risk forecast Q3

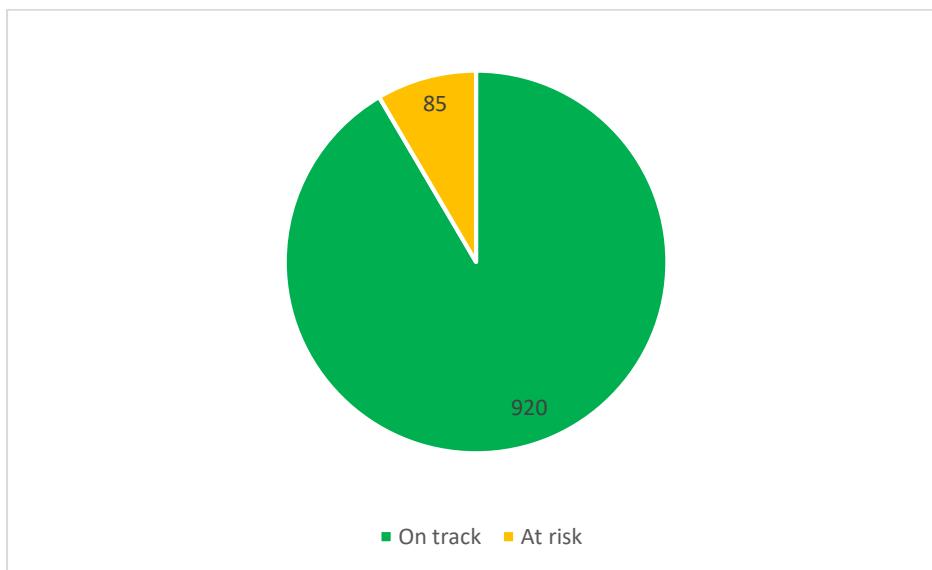


### **Guildhall Admin – savings**

18. The 2025/26 budget includes savings targets of £1m across Guildhall Administration services. Of this amount, £920k is expected to be found during the year which equates to 92% of the overall target with the remaining 8%

showing as amber rated and expected to be achieved before the end of the year.

Chart 11 – Guildhall Admin savings forecast Q3 (£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**

19. At the end of Quarter 3 2025/26 the revenue forecast position for City Fund is an underspend of £20.8m which comprises a favourable variance on central risk of £23.3m offset by an adverse variance of £2.6m on Chief Officer Cash Limited Budgets. City's Estate is in a similar position showing an overall revenue forecast of £0.6m underspend which is largely on central risk - £1.2m offset by a smaller overspend on Local risk of £0.7m. Guildhall Admin is showing a total forecast of £3.2m underspend which is £2.5m on central risk

and £0.7m on Local risk. Reasons for large variances and details of mitigations are set out in appendix 4.

20. It should be noted that although the overall position per fund is forecasting a surplus, the Local risk (Chief Officer cash limited budgets) on City Fund and City's Estate are forecasting an overspend across a number of departments/service areas/Institutions. This position has remained consistent across a number of financial years although the overspend has decreased throughout the year due to mitigating actions being taken.
21. 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.
22. It should be further noted that central contingencies are currently underspent by £22.1m (£11.9m City's Estate and £10.2m City Fund), however this will be transferred to reserves at the end of the year and therefore showing as nil variance in the monitoring.
23. City Fund capital is forecasting an in-year slippage of £149.5m and an in-year City's Estate of £10.4m, the City Estate major projects are showing an overspend of £5.4m. Over the life of the projects the forecast is an overspend of £144.5m for City Fund, this is due to HRA expenditure of £100m, that has not been factored into the last Medium-Term Financial Plan but will be dealt with in the upcoming version. On City Estate the projects over their lifetime are coming in approximately to budget.

## 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

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## Appendix 1 - Chief Officer Cash Limited Budgets by Fund

Q2 Variance (Better) / worse £'000	Chief Officer	Full Year Forecast as at 31 Dec 2025			
		Budget £'000	Forecast £'000	Variance (Better) / Worse £'000	%
<b>City Fund</b>					
3,698	Barbican Centre Managing Director	20,974	24,174	3,200	15%
71	Chamberlain	2,023	2,094	71	4%
100	Executive Director Corporate Communications & External	2,932	3,032	100	3%
373	City Surveyor	5,379	5,092	(287)	(5%)
0	Deputy Town Clerk	6,476	6,476	0	0%
509	Director of Community and Childrens Services	14,989	15,590	601	4%
(422)	Executive Director Environment	25,141	23,907	(1,234)	(5%)
200	Executive Director Innovation and Growth	6,322	6,523	201	3%
<b>4,529</b>	<b>Total City Fund (excluding Police)</b>	<b>84,236</b>	<b>86,888</b>	<b>2,652</b>	<b>19%</b>
<b>City's Estate</b>					
(29)	Chamberlain	121	93	(28)	(23%)
281	City Surveyor	22,348	22,981	633	3%
501	Deputy Town Clerk	5,229	5,024	(205)	(4%)
0	Director of Community and Childrens Services	885	885	0	0%
(41)	Executive Director Environment	12,755	12,830	75	1%
0	Executive Director Corporate Communications & External	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	1,443	1,443	0	0%
0	Head of the Junior School	(344)	(344)	0	0%
260	Principal Guildhall School of Music and Drama	15,178	15,360	182	1%
(45)	Remembrancer	1,669	1,687	18	1%
<b>927</b>	<b>Total City's Estate</b>	<b>58,635</b>	<b>59,311</b>	<b>676</b>	<b>1%</b>
<b>Guildhall Administration</b>					
(203)	Chamberlain	23,757	23,554	(203)	(1%)
194	Executive Director of HR & Chief People Officer	6,786	6,792	6	0%
80	Chief Strategy Officer	1,931	2,011	80	4%
42	City Surveyor	8,576	8,582	6	0%
501	Comptroller and City Solicitors	1,588	2,089	501	32%
(0)	Deputy Town Clerk	4,502	4,502	(0)	(0%)
0	Remembrancer	204	(900)	(1,104)	(541%)
<b>613</b>	<b>Total Guildhall Administration</b>	<b>47,344</b>	<b>46,630</b>	<b>(714)</b>	<b>(2%)</b>
<b>6,069</b>	<b>Grand Total (excluding Police)</b>	<b>190,215</b>	<b>192,829</b>	<b>2,614</b>	<b>1%</b>
0	Commissioner of Police	122,437	122,437	0	0%
(79)	Police Authority Board	928	864	(64)	(7%)
<b>5,990</b>	<b>Grand Total</b>	<b>313,580</b>	<b>316,130</b>	<b>2,550</b>	<b>1%</b>

## Appendix 1 - Central Risk Budgets by Fund

Central Risk Budgets		Full Year Forecast as at 31 December 2025			
As at 30 Sept 2025	Chief Officer	Budget £'000		Forecast £'000	
Forecast (Better) / Worse £'000		Budget £'000	Forecast £'000	Variance (Better) / Worse £'000	%
	<b>City Fund</b>				
0	Barbican Centre Managing Director	3,330	1,230	(2,100)	(63%)
(9,892)	Chamberlain	17,600	2,650	(14,950)	(85%)
(0)	Comptroller and City Solicitors	509	509	0	0%
0	Executive Director Corporate Communications & External Affairs	0	0	0	0%
(7,598)	City Surveyor	(42,826)	(49,564)	(6,738)	16%
110	Deputy Town Clerk	1,035	1,145	110	11%
55	Director of Community and Childrens Services	3,056	3,326	270	9%
39	Executive Director Environment	(6,596)	(6,565)	31	(0%)
1	Executive Director Innovation and Growth	8,499	8,536	38	0%
<b>(17,285)</b>	<b>Total City Fund</b>	<b>(15,394)</b>	<b>(38,733)</b>	<b>(23,339)</b>	<b>152%</b>
	<b>City's Estate</b>				
(4,594)	Chamberlain	32,546	30,277	(2,269)	(7%)
470	City Surveyor	(60,476)	(58,341)	2,135	(4%)
(0)	Deputy Town Clerk	6,603	6,603	(0)	(0%)
(131)	Director of Community and Childrens Services	2,578	2,415	(163)	(6%)
250	Executive Director Corporate Communications & External Affairs	1,002	1,252	250	
31	Executive Director Environment	(284)	(235)	49	(17%)
(0)	Executive Director Innovation and Growth	5,082	3,925	(1,157)	(23%)
0	Head of the Boys School	15	15	0	0%
0	Head of City of London Freemens School	(50)	(50)	0	0%
0	Head of City of London School for Girls	21	21	0	0%
	Head City of London Junior School				
0	Principal Guildhall School of Music and Drama	3,086	3,077	(9)	(0%)
(45)	Remembrancer	2,240	2,131	(109)	(5%)
<b>(4,019)</b>	<b>Total City's Estate</b>	<b>(7,637)</b>	<b>(8,910)</b>	<b>(1,273)</b>	<b>17%</b>
	<b>Guildhall Administration</b>				
0	Chamberlain	21,320	20,628	(692)	(3%)
0	Chief Strategy Officer	56	56	0	0%
641	Executive Director of HR & Chief People Officer	1,799	1,805	6	0%
330	City Surveyor	4,269	2,518	(1,751)	(41%)
0	Comptroller and City Solicitors	110	110	0	0%
0	Deputy Town Clerk	826	826	0	0%
0	Remembrancer	(204)	(204)	0	0%
<b>971</b>	<b>Total Guildhall Administration</b>	<b>28,176</b>	<b>25,739</b>	<b>(2,437)</b>	<b>(9%)</b>
<b>(20,333)</b>	<b>Grand Total</b>	<b>5,146</b>	<b>(21,904)</b>	<b>(27,050)</b>	<b>(5)</b>

## Appendix 1 – Forecast by Chief Officer

Full yr forecast as at 30 September 2025	Chief Officer total budget by fund	Full Year Forecast as at 31 December 2025				Movement in Forecast Variance Better / (Worse) £'000
		Chief Officer	Budget	Forecast	Variance (Better) / Worse	
Variance (Better) / Worse £'000		£'000	£'000	£'000	%	
	<b>City Fund</b>					
3,698	Barbican Centre Managing Director	24,304	25,404	1,100	5%	(2,598)
(9,821)	Chamberlain	19,623	4,744	(14,879)	(76%)	(5,058)
100	Comptroller and City Solicitors	509	509	0	0%	(100)
0	Executive Director Corporate Communications & External	2,932	3,032	100	3%	100
(7,225)	City Surveyor	(37,447)	(44,471)	(7,024)	19%	201
110	Deputy Town Clerk	7,511	7,621	110	1%	0
564	Director of Community and Childrens Services	18,045	18,916	871	5%	306
(383)	Executive Director Environment	18,545	17,342	(1,203)	(6%)	(820)
201	Executive Director Innovation and Growth	14,821	15,059	238	2%	38
<b>(12,756)</b>	<b>Total City Fund (excluding Police)</b>	<b>68,843</b>	<b>48,155</b>	<b>(20,687)</b>	<b>(48%)</b>	<b>(7,931)</b>
	<b>City's Estate</b>					
(4,622)	Chamberlain	32,667	30,370	(2,297)	(7%)	2,325
750	City Surveyor	(38,128)	(35,359)	2,769	(7%)	2,018
501	Deputy Town Clerk	11,832	11,627	(205)	(2%)	(956)
(131)	Director of Community and Childrens Services	3,463	3,300	(163)	(5%)	(665)
209	Executive Director Corporate Communications & External	1,002	1,252	250	25%	381
31	Executive Director Environment	12,471	12,595	124	1%	(85)
(0)	Executive Director Innovation and Growth	5,082	3,925	(1,157)	(23%)	(1,188)
0	Head of the Boys School	545	545	0	0%	0
0	Headmaster of City of London Freemens School	(1,300)	(1,300)	0	0%	0
0	Headmistress of City of London School for Girls	1,464	1,464	0	0%	0
0	Head of the Junior School	(344)	(344)	0	0%	0
260	Principal Guildhall School of Music and Drama	18,264	18,437	173	1%	173
(90)	Remembrancer	3,909	3,818	(91)	(2%)	(350)
<b>(3,092)</b>	<b>Total City's Estate</b>	<b>50,927</b>	<b>50,329</b>	<b>(598)</b>	<b>(1%)</b>	<b>1,654</b>
	<b>Guildhall Administration</b>					
(203)	Chamberlain	45,077	44,182	(895)	(2%)	(692)
194	Executive Director of HR & Chief People Officer	8,585	8,597	12	0%	(182)
721	Chief Strategy Officer	1,987	2,067	80	4%	(641)
330	City Surveyor	12,845	11,100	(1,745)	(14%)	(2,075)
42	Comptroller and City Solicitors	1,698	2,199	501	29%	459
501	Deputy Town Clerk	5,328	5,328	0	0%	(501)
(0)	Remembrancer	0	(1,104)	(1,104)	0%	(1,104)
<b>1,585</b>	<b>Total Guildhall Administration</b>	<b>75,520</b>	<b>72,369</b>	<b>(3,151)</b>	<b>(4%)</b>	<b>(4,736)</b>
<b>(14,263)</b>	<b>Grand Total (excluding Police)</b>	<b>195,290</b>	<b>170,854</b>	<b>(24,436)</b>	<b>(13%)</b>	<b>(10,172)</b>
0	Commissioner of Police	122,437	122,437	0	0%	0
(79)	Police Authority Board	928	864	(64)	(7%)	15
<b>(14,343)</b>	<b>Grand Total</b>	<b>318,655</b>	<b>294,155</b>	<b>(24,499)</b>	<b>(8%)</b>	<b>(10,157)</b>

## Appendix 2 - City Fund Capital Breakdown by Service

CAPITAL PROGRAMME - CITY FUND	2025/26 Budget	2025/26 Actuals	2025/26 Forecast Q3	Forecast Variance	Future Years Budget	Future Years Forecast	Forecast vs Budget in Future Years	Total Budget vs Total Forecast
<b>CAPITAL &amp; SRP - BAU</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Barbican Centre	12.1	1.1	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	7.3	3.2	7.3	(0.0)	21.8	22.0	0	0.2
Community & Children's Services (Non HRA)	15.8	1.2	2.0	(13.9)	13.2	60.0	46.8	32.9
Community Services - HRA	44.5	28.0	48.6	4.1	52.9	148.8	95.9	100.0
City of London Police	16.8	10.4	16.8	0.0	15.0	15.0	0	0.0
Environment	44.6	8.8	35.5	(9.1)	87.1	96.2	9.1	0.1
<b>Sub-Total</b>	<b>163.5</b>	<b>53.0</b>	<b>127.1</b>	<b>(36.4)</b>	<b>233.1</b>	<b>402.0</b>	<b>168.9</b>	<b>132.5</b>
<b>CAPITAL &amp; SRP - MAJOR PROJECTS</b>								
Museum of London	92.8	72.2	70.2	(22.6)	11.3	50.4	39.0	16.4
- Bastion House	5.0	0.5	0.9	(4.0)	0.0	3.8	3.8	(0.3)
Salisbury Square Development	263.1	142.3	209.3	(53.8)	127.0	183.1	56.1	2.3
Future Police Accommodation	40.9	7.0	25.6	(15.3)	87.4	95.0	7.6	(7.8)
Barbican Renewal	44.4	12.0	27.0	(17.4)	253.9	272.5	18.6	1.2
<b>Sub-Total</b>	<b>446.1</b>	<b>234.0</b>	<b>333.0</b>	<b>(113.1)</b>	<b>480</b>	<b>604.8</b>	<b>125.1</b>	<b>12</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>609.6</b>	<b>287.0</b>	<b>460.1</b>	<b>(149.5)</b>	<b>712.8</b>	<b>1,006.8</b>	<b>294.0</b>	<b>144.5</b>

### Appendix 3 - City Estate Capital Breakdown by Service

CAPITAL PROGRAMME - CITY'S ESTATE	2025/26 Budget	2025/26 Actuals	2025/26 Forecast Q3	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	5.6	10.0	0.2	66.5	66.5	0	0.3
City of London Freeman's School	-	1.7	1.8	1.8	1.9	-	-	(0.1)
City of London School	2.6	2.6	2.6	0.0	2.1	2.1	0.0	0.0
City of London School For Girls	0.9	1.5	1.3	0.4	1.3	1.3	0.0	0.4
City Surveyor & Property	27.6	3.7	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	1.5	3.0	0.5	2.7	0.4	(2.4)	(1.8)
Principal GSMD	2.1	1.0	3.5	1.4	2.4	1.4	(1.02)	0
<b>Sub-Total</b>	<b>45.5</b>	<b>17.6</b>	<b>29.7</b>	<b>(15.8)</b>	<b>116.4</b>	<b>131.1</b>	<b>16.6</b>	<b>(1.1)</b>
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
<b>Sub-Total</b>	<b>122.7</b>	<b>8.4</b>	<b>109.3</b>	<b>(13.4)</b>	<b>50.9</b>	<b>71.7</b>	<b>21</b>	<b>7.4</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>168.2</b>	<b>19.6</b>	<b>138.5</b>	<b>(29.7)</b>	<b>166.7</b>	<b>202.8</b>	<b>37.4</b>	<b>6.4</b>

## 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 **local risk budgets** are.

Barbican Centre (adverse variance of £3.2m - a decrease of £0.5m from Q2) The main contributing factor is under performance against in-year targets and carried-forward deficits, totalling £2.3m. Trading income is down by £1.3m, 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. For some time the Barbican Centre have been working towards a 3 year timetable to reach a balanced budget with the target endpoint being the 2026/27 budget. They are engaging consultants to explore material financial options that could positively impact both the current and future years financial position. The intention is to report back with more detail on these opportunities this year. The Chamberlain, along with the Chairman and Deputy Chairman of Finance have reviewed the expenditure and are sympathetic to allowing the local risk overspend to be offset by the underspend on central risk relating to the rates rebate. (see para 2a).

- a) Executive Director of Community & Children's Services exc HRA (adverse variance of £0.6m, – an increase of £0.1m since Q2) – 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. Additional pressures have also arisen from increased legal fees and significant price increases for the Emergency Duty Team and Youth Offending services with some contracts having almost doubled in costs. In addition, a further £0.1m has been incurred in relation to Civica consultancy costs for additional support requirements since Q2. Ongoing mitigation, including the application of available grant funding is being reviewed.
- b) Executive Director Environment – (underspend of £1.2m, an increase of £0.8m since Q2) - Net savings from staff vacancies across all services of £0.5m contribute to this favourable position along with an increase in income from traffic management activities of £0.6m, planning fees £0.3m and building regulation fees of £0.3m offset by £0.8m unidentified savings still to be achieved.

#### 2. Significant variances on **central risk budgets** are

- a) Barbican Centre (£2.1m underspend - an increase of £2.1m from Q2) – As reported to SLT at period 7, the central risk position has improved due to a rates settlement which has been reached with the Valuation Office Agency.

b) City Surveyor (£6.7m underspent, a decrease of £0.9m since Q2) The rental income is forecast to exceed budget by £7.5m as per paragraph 21. 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 lower insurance income due to vacant properties along with a 5% non-recovery of rates from HMCTS.

c) Chamberlain (£14.9m underspend, increase of £5m from Q2) This is mainly due to additional interest receivable on money market funds of £13m as per paragraph 21 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 Q3, the City Fund is forecasting spend of £460.1m which represents an in-year budget slippage of £149.5m. Overall there is a £144.6m 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 podium, barbican podium, these will be addressed in the upcoming Medium Term Financial Plan.

CITY FUND	2025/26 Budget	2025/26 Actuals	2025/26 Forec'st Q3	Forecast Variance	Future Years Budget	Future Years Forec'st	Forecast vs Budget in Future Years	Total Budget vs Total Forec'st
	£m	£m	£m	£m	£m	£m	£m	£m
BAU Major Projects	163.5	53.0	127.1	(36.4)	233.1	402.0	168.9	132.5
	446.1	234.0	333.0	(113.1)	479.7	604.8	125	12.0
<b>Total</b>	<b>609.6</b>	<b>287.0</b>	<b>460.1</b>	<b>(149.5)</b>	<b>712.8</b>	<b>1,006.8</b>	<b>294</b>	<b>144.5</b>

4. 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 £460.1m for the year, comprising £127.1m BAU projects and £333.0m across the City Fund Major Projects.

5. 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.
6. The overall forecast spend on the Children's and Community Services (Non-HRA) is a £32.9m overspend, £26m of is due to the Barbican podium works not having sufficient funding. This shortfall will be addressed in the upcoming medium term financial plan. 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.
7. 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.
8. 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

9. More information on Major Projects is contained within the separate paper to this committee.
10. **Museum of London** – Overall the programme is on budget, though there is a risk that the Corporation will need to jointly-underwrite or forward-fund some expenditure, alongside the GLA, should anticipated fundraising fail to materialise to the quantum or timings forecast. The forward funding is likely to occur during 2026/27 and will be subject to approval from Members. The total project forecast excludes the Museum's own financing element of £120m.
11. **Salisbury Square Development (SSD) / Future Police Estate Programme (FPEP)** — has a combined forecast of £751m against a revised funding envelope of £780m. Risks remain against this, including cost increases given some FPEP projects are still in their infancy.
12. **Barbican Renewal** – The new programme includes £230.6m of core project budget, plus £57m of centrally held contingency. The £230.6m is also partially funded by a fundraising target of £40m, leaving a net budget of £190.6m. Critical infrastructure works are currently being undertaken, and the main renewal programme is currently at RIBA stage three (design), with the main works set to commence in 2027. As the Barbican has 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. City Surveyor: (£0.6m overspent – increase of £0.3m since Q2) relates primarily to staff costs along with unidentified savings of £0.2m not yet achieved.

14. Significant variances on **central risk budgets** are:

- a. Chamberlain: (£2.2m underspent – decrease of £2.3m since Q2.) 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 (£2.1m overspend- increase of £1.7m since Q2) – 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. In addition, staff costs are higher than budget due to pay award, lower recharge of staffing to capital projects than anticipated.
- c. Executive Director Innovation & Growth (£1.2m underspend – increase of £1.2m since Q2). During the year a re-prioritisation exercise was carried out on works which has led to some being deferred to 2026/27 resulting in an underspend against current budget.

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 9 months of the vacancy factor, which has not been achieved yet along with the impact of the July 25 pay award. Due to the nature of the business, vacancies in teaching staff have to be covered through use of temporary staff in order to ensure service provision is maintained. The school is continuing to prolong vacancies where operationally possible and there is on-going work to review professor costs in relation to student numbers in order to drive savings based on the latest enrolment figures.

16. There is a significant risk to the current outturn position in relation to additional costs under the OCS contract, the GSMD are working with the Surveyors to fully understand the costs and mitigate the impact in 2025-26 where possible.

17. Although not flagged as a significant variance, West Ham Park are anticipating an overspend of approx. £108k which has arisen from increased incidents of anti-social behaviour, which necessitated additional security personnel and CCTV resources to ensure the safety of staff and visitors. A review was undertaken to identify whether the overspend could be mitigated through reductions in other areas of expenditure, but no viable savings or offsetting

opportunities were identified. A business case is currently being developed to seek additional funding in future years to support the ongoing requirement for these resources. For 2025/26, approval is requested that the overspend is met from City's Estate Finance Committee's Contingency, in order to ensure that West Ham Park staff can continue to deliver all services and functions in accordance with required Health and Safety standards. It should be noted that although West Ham Park formally transitioned to a grant funding model from 1 April 2025, detailed principles and arrangements will not be in place until 1 April 2026 and West Ham Park do not currently have reserves to draw upon.'

18. The Executive Director of Environment has incurred legal costs following a consultation that was undertaken in relation to the Open Spaces. Approval is therefore requested that the consultation cost and legal fees totally £198k are met from City's Estate Finance Contingency. If this and item 7 are approved, this will reduce the City's Estate contingencies leaving £622k for allocation for the remainder of 2025/26.

#### **City's Estate Capital**

19. City's Estate is forecasting an in-year slippage of £15.8m on the BAU and £18.8 slippage on the city estate grant for Salisbury Square, this offset by a £5.4m overspend on Museum of London Works

Chart 7: City's Estate capital forecast

CITY ESTATE	2025/26	2025/26	2025/26	Forec'st Var'nce	Future Years Budget	Future Years Forec'st	Forec'st vs Budget in Future Years	Total Budget vs Total Forec'st
	Budget	Actuals	Forec'st Q3					
	£m	£m	£m	£m	£m	£m	£m	£m
BAU	45.5	17.6	29.7	(15.8)	116.4	131.1	17	(1.1)
Major Projects	122.7	11.4	128.1	5.4	50.9	52.9	2.0	7.4
<b>Total</b>	<b>168.2</b>	<b>29.0</b>	<b>157.8</b>	<b>(10.4)</b>	<b>167.3</b>	<b>184.0</b>	<b>18.6</b>	<b>6.3</b>

- i. Appendix 2 shows the breakdown of the forecast for City Estate, with £128.1m projected on major projects and a further £29.7m on BAU Capital and SRP.
- ii. The primary in year slippage is £16.3m is in the surveyor's 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 £18.4m against the MTFP, due to slippage on the programme.

## **Guildhall Administration – Detailed Information**

20. Significant variances on Local risk budgets are:

- a) Comptroller and City Solicitor (£0.5m overspent – same position as Q2) – 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.
- b) Remembrancer (£1.1m underspent – increase of £1.1m since Q2) – this is due to additional income being generated from events.

21. Significant variances on central risk budgets are:

- a. City Surveyor – (£1.8m underspend – increase of £2.1m since Q2) – this favourable variance is attributable to a rate rebate for the Guildhall complex amounting to £1.7m.

All other Chief Officer variances are minor.

## **Additional Revenue information**

22. Contingency budgets (including central provisions, Finance and P&R) are currently holding budgets of £22.1m (£10.2m City Fund and £11.9m 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.

23. 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

	<b>Budget</b>	<b>Forecast</b>	<b>Forecast Variance Better / (Worse)</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
<b><u>Property Investment Income</u></b>				
City Fund	(32,882)	(40,363)	(7,481)	23%
City's Estate *	(60,206)	(58,910)	1,296	(2%)
<b>Total Property Investment Income</b>	<b>(93,088)</b>	<b>(99,273)</b>	<b>(6,185)</b>	<b>7%</b>
<b><u>Interest on Cash Balances</u></b>				
City Fund	(22,603)	(38,419)	(15,816)	70%
City's Estate	(2,050)	(844)	1,206	(59%)
<b>Total Interest on Cash Balances</b>	<b>(24,653)</b>	<b>(39,263)</b>	<b>(14,610)</b>	<b>59%</b>
<b>Grand Total</b>	<b>(117,741)</b>	<b>(138,536)</b>	<b>(20,795)</b>	<b>18%</b>

\*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 £40.4m on City Fund and £58.9m on City Estate which reflects the September 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 (£1.3m) and reflects the September 2025 forecast.
- iv. Income from interest on average cash Income from interest on average cash balances is currently forecast to exceed budget by £15.8m 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. £1.2m short of the target due to the changes in average level of cash balances held.

#### Cyclical Works Programme (CWP)

24. 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 3

	Budget £'000	Actual & Commitments £'000	Percent Spent %
City Fund	11,443	10,374	90
City's Estate	13,517	10,245	75
Guildhall Admin	2,896	3,244	112
<b>Grand Total</b>	<b>27,856</b>	<b>23,863</b>	

#### **Capital – observations on risks**

25. 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 early 2026, and be cleared by 2029, though the timing and amount still depends on several factors. A report will be brought before Members for decision on a short-term bridging loan for the museum at PWLB borrowing rate.

26. The Court of Common Council on 26 November 2024 ratified a decision to end the City Corporation's interest in co-locating the wholesale food markets of Smithfield and Billingsgate to a new site at Dagenham Dock. A preferred site has now been identified at London's Royal Docks to ensure that market traders can continue their essential role in London's food supply chain.

27. 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.



## City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> <b>17/02/2026</b>
<b>Subject:</b> Improving Compliance and the Proper Use of Corporate P-cards	<b>Public report:</b> For Information
<b>Does this proposal require extra revenue and/or capital spending?</b>	n/a
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b>	Matt Lock – Group Chief Internal Auditor
<b>Report author:</b>	Matt Lock

### Summary

Internal Audit and the Chamberlain's Financial Shared Services Team have worked closely together to develop a number of enhancements to the control framework to ensure consistent proper use of Corporate P-cards. This report provides the Finance Committee with information and assurance relating to this recent work.

### Recommendation(s)

Members are asked to note the report and the actions being led by the Chamberlain to enhance the control environment for the proper use of Purchase Cards.

### Main Report

#### Background

1. Following discussions at a previous meeting of the Finance Committee concerning the appropriate and proper use of P-cards, Internal Audit have undertaken further review. This report provides an overview of the work undertaken in collaboration with the Chamberlain's Financial Shared Services Team and assurance that a robust management action plan is in place to enhance the control framework to ensure the proper use of corporate P-cards.

2. Members should note that Corporate P-cards are used almost exclusively for operational purchasing rather than personal or individual expenses, which are processed via the expenses module of the ERP system.

### **Current Position**

3. Compliance with expected process and proper use of corporate P-cards has been consistently below expectations. There are two broad categories of non-compliance:

- Incorrect completion of expenditure reports, which largely relates to transactional errors such as miscoding, missing receipts or descriptions.
- Failure to complete expenditure reports which results in no management visibility of the associated expenditure and so represents unidentified potential misuse.

4. The focus of recent and current work is on improving the control framework to ensure completion of expenditure reports. Correct completion of expenditure reports is addressed by existing continuous improvement activity (monitoring and education). An Internal Audit Insight Report has been provided and is included as Appendix 1. Further detail, including the agreed management actions, is contained within Appendix 2.

### **Key Data**

5. Data related to P-card usage in quarter 2 of the current year was used to inform discussion and review, some key highlights are:

- Approximately 13000 transactions in the period, of which over 1000 transactions were not submitted for review and approval
- Value of transactions not submitted: £89k
- 180 named card holders failed to submit transactions for approval (from a total of 1000 cards in use at present)
- 800 of the transactions not submitted for approval are for P-cards in use in 5 of the Institutional departments, compliance within the Corporate departments is significantly better.

### **Corporate & Strategic Implications**

6. Persistent failure to carry out basic duties, such as submitting expense reports, can create the impression of a lax attitude toward financial controls, which in turn risks weakening the organisation's wider control culture.

## Conclusion

7. There is no management oversight of expenditure where a P-card user fails to submit expenditure reports. Repeated non-compliance with simple processes, including expense reporting, can create the impression that financial controls are not taken seriously, which may negatively influence organisational culture.
8. A thorough management action plan has been developed to enhance the control framework for ensuring proper use of P-cards, as well as the introduction of more robust sanctions for persistent non-compliance.

## Appendices

- **Appendix 1** – Internal Audit Insight Report - Improving Compliance and the Proper Use of Corporate P-cards
- **Appendix 2** - Improving Compliance and the Proper Use of Corporate P-cards – Report of the Group Chief Internal Auditor

### **Matt Lock**

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## City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For information Digital Services Committee – For Information	<b>Dated:</b> 16 February 2026 26 March 2026
<b>Subject:</b> Chamberlain's Business Plan Quarter 3 2025/26 update	<b>Public report:</b> For information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• delivers Corporate Plan 2024-29 outcomes</li> <li>• provides statutory duties</li> <li>• provides business enabling functions</li> </ul>	Chamberlain's Department as a support service aims to impact all six outcomes in the Corporate Plan directly or indirectly.
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	The Chamberlain
<b>Report author:</b>	David Mendoza-Wolfson, Head of Chamberlain's Office

### Summary

This report provides an update on the progress of Chamberlain's Department against the Business Plan during quarter three of 2025/26. The Finance Committee are receiving this report to review progress against workstreams that relate to the work it oversees. The Chamberlain's Department has a total of 13 workstreams across the seven divisions. Two workstreams are Digital Information and Technology Service (DITS) focused and are under the oversight of Digital Services Committee. The remaining 11 workstreams updates report to Finance Committee.

Five of the eleven workstreams are currently rated either amber or red due to various factors. Mitigation measures have been identified and will be implemented in Q4, with the aim of returning the workstreams to a green status and aligning them with the outcomes of the 2025/26 Chamberlain's Business Plan.

### Recommendation

Members are asked to note the report.

## Main Report

### Background

1. The Chamberlain's Department provides quarterly updates to Finance Committee on the activities and achievements against the approved business plan. This report provides an update on the department's performance by workstream during quarter three (Q3) of 2025/26.

### Current Position

2. The Chamberlain's Department work programme comprises thirteen workstreams distributed across seven divisions. Two of these workstreams are dedicated to Digital Information and Technology Services (DITS) and fall under the purview of the Digital Services Committee. The remainder are reportable to the Finance Committee.
3. The details of the key updates, challenges and future priorities are detailed in Appendix 1.

### Dashboard Summary

4. Overall, the Chamberlain's Department has continued to make progress on its business plan with key programmes moving forward - including the launch of the new P3 approach. Regarding the ERP (Programme SAPphire), the remaining HR modules went live on 19 January which was a significant achievement, only slipping from the original timetable by seven weeks. Workstreams relating to the ERP and Pensions Dashboard will continue into the 2026/27 year.
5. Three out of thirteen workstreams are currently rated amber for different reasons. Three are currently red rated-
  - a. Income generation where capacity has been an issue and where income generating opportunities are serving to mitigate existing budget pressures rather than contributing to the overall income generation target; and
  - b. Two related to Programme SAPphire (covered in the Transformation section): the substantive programme and associated Chart of Accounts.
6. Mitigation measures have been identified for to move many of these workstreams to green status and align them with the objectives of the 2025/26 Chamberlain's Business Plan.
7. Several interdependencies exist between the workstreams, workstream leads regularly engage to ensure alignment between initiatives both within the Chamberlain's department and colleagues across the wider Corporation.

### Cross-cutting theme updates

8. Overarching in the 2025/26 Chamberlain's Business Plan, there are three cross cutting themes, below is the key activities under each theme.

#### Equity, Equality, Diversity & Inclusion (EEDI)

9. Our EEDI Group continues to meet regularly. To better our EQIA understanding, budget and project managers will be encouraged to complete training while all will be invited to do the course. Under our training and development programme training is offered to all with equal opportunities for everyone. At our next all staff meeting we will be inviting one of the Staff networks to come and introduce themselves and the work that they do.

#### Transformation

10. In Programme Sapphire the go-live date for HR was pushed from December to January due to data load issues. The Finance workstreams remains Red due to issues with the system design build. The overarching change workstream of the programme saw the role out Corporation-wide roadshows, increased communications and the launch of the Ambition 25 and Programme Sapphire Integration board that ensures project alignment.
11. Proposals have been developed for Digital Transformation (Digital by design) which will be reviewed by Members of Policy and Resources Committee at their away day in January. Q3 delivered sustained momentum in the Corporation's digital transformation journey. The focus remained on strengthening foundational digital capabilities through upskilling of colleagues through initiatives such as our AI Week – highlighted by a marked increase in Copilot usage.
12. There was a sustained focus on our wider Enterprise Architecture, baselining the applications, platforms and tools used across the Corporation and discussions around converging both our technologies and the teams that look after them across the wider organisation. An example of this is the utilisation of the Barbican ticketing system for the City of London Christmas Lunches.
13. For the Financial Services Division transformation workstream, the initial focus has remained on training and development for Finance Staff and staff with Financial responsibilities. The Finance Improvement & Transformation (FIT) Strategy objectives have been assigned owners, with scoping and initiation meetings having taken place throughout Q3.

#### Risks and Interdependencies

14. Risks are reviewed on a monthly basis and reported to appropriate committees regularly. Good progress is being made on ensuring records are completed in full. Internal audit are making good progress on the audit plan and this is aligned to corporate risks and top level departmental risks.

## Options

15. None; this report is for information only.

## Proposals

16. This report is for information only.

## Corporate & Strategic Implications

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

Financial implications – The 2025/26 Business Plan has been prepared in line with the 2025/26 budget any capital funding has also been agreed.

Resource implications – The department is currently fully resourced with a handful of vacancies due to normal turnover.

Legal implications – None.

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

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

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

Security implications – None.

## Conclusion

17. The Chamberlain's Department have made good progress on the 2025/26 business plan and will work to build on this success in the next quarter and mitigate any at risk workstreams in Q3.

## Background Papers

Draft Chamberlain's Business Plan for 2025/26 – 18 February 2025

## Appendices

Appendix 1 – Chamberlain's Business Plan progress report

### David Mendoza-Wolfson

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Chamberlain's Department

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## City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> 17 February 2026
<b>Subject:</b> Chamberlain's Departmental Risk Management Update	<b>Public report:</b> For Information
<b>This proposal:</b> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties	Providing Excellent Services
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	£0
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b>	Caroline Al-Beyerty, Chamberlain
<b>Report author:</b>	Leah Woodlock, Chamberlain's Department

### Summary

This report informs the Finance Committee about Financial Corporate and Departmental risks in the Chamberlain's department. There are currently two RED risks on the Corporate Risk Register under Chamberlain's responsibility. In January, the risk rating of all corporate risks remains consistent, there are two RED corporate financial risks (CR35 Unsustainable Medium-Term Finances – City Fund and CR42 Housing Revenue Account (HRA) Finances).

The Chamberlain's Senior Leadership Team and divisional management teams regularly update the risk register to monitor risks and opportunities.

### Recommendation

Members are asked to:

- Note the report

### Main Report

#### Background

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

2. The Digital Information Technology Service (DITS) as a part of the Chamberlain's Department risks are reported to the Digital Services Committee for oversight. 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 Risks; all risks are regularly reviewed, and several mitigation measures have been implemented to prevent these risks or future risks from materialising.
4. The risk score for **CR35 Unsustainable Medium-Term Finances – City Fund (current score RED 16)** remains consistent at RED 16, following the release of the Government's provisional funding settlement for 2026/27 onwards and will be updated upon receiving the final settlement.
5. The Government's Fair Funding settlement for 2026/27 presents potential considerable consequences for the City Corporation, caused by adjustments in funding formulas. The intersection of a reduced assessed need, the absence of a multi-year settlement, potential funding cliff-edges, and the lack of recognition for UK/London-wide responsibilities requires a bespoke funding arrangement and discussions are ongoing with government to clarify the funding position. Greater clarity is expected once the settlement offer is officially released on 9 February.
6. **CR42 Housing Revenue Account (HRA) Finances (current score RED 16)**. The HRA is making major changes to improve its finances and operations. These steps include updating its capital financing strategy to support sustainable borrowing and rebuild reserves over the next three years. External consultants are reviewing the HRA's delivery approach to boost efficiency and flexibility. New procedures now closely monitor housing unit delivery, and budget management has been strengthened with features like real-time expense tracking, early warnings, and escalation protocols.
7. Full details of all Chamberlain's corporate and departmental risks can be found in appendix 1. As per the requirement of the City of London Corporation's Risk Management Policy, the corporate risk appetite assessments are included in appendix 2.

### **Strategic implications –**

Financial implications – As outlined in the individual risks in appendix 1, the identified mitigations with support the avoidance of the realisation of risks and therefore negative financial implications.

Resource implications - Nonapplicable

Legal implications – failure to mitigate the Chamberlain's Department's risks (particularly those relating to City Fund), would impose legal and statutory implications for the City of London Corporation.

Risk implications – As noted in the report and appendix 1.

Equalities implications – Nonapplicable

Climate implications – Nonapplicable

Security implications – Nonapplicable

## **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 Assessments (non-public)

## **Background Papers**

Chamberlain's Departmental Risk Management Update Reports

## **Leah Woodlock**

Chamberlain's Project Manager

Chamberlain's Department

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<b>Committee(s):</b> Finance Committee – For Information	<b>Dated:</b> 17 February 2026
<b>Subject:</b> Central Contingencies 2025/26	<b>Public report:</b> For Information
<b>This proposal:</b> • provides business enabling functions	
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b>	Chamberlain
<b>Report author:</b>	Laura Yeo, Financial Services Division

## Summary

This report provides Members with a quarterly update on the Central Contingencies 2025/26 uncommitted balances.

## Recommendation(s)

Members are asked to:

- Note the Central Contingencies 2025/26 uncommitted balances.

## Main Report

### Background

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

## Current Position

3. The uncommitted balances that are currently available for 2025/26 are set out in the table below.

2025/26 Central Contingencies – Uncommitted Balances 28 January 2026			
	City's Estate £'000	City Fund £'000	Total £'000
<b>Central Contingencies</b>			
2025/26 Provision	950	800	1,750
2024/25 Brought forward	212	1,473	1,685
<b>Total Provision</b>	<b>1,162</b>	<b>2,273</b>	<b>3,435</b>
Previously agreed allocations	(234)	(1,382)	(1,616)
Pending request on the agenda	(306)	(281)	(587)
<b>Total Commitments</b>	<b>(540)</b>	<b>(1,663)</b>	<b>(2,203)</b>
<b>Uncommitted Balances</b>	<b>622</b>	<b>610</b>	<b>1,232</b>
<b>Specific Contingency - International Disaster Fund</b>			
2025/26 Provision	100	0	100
2024/25 Brought forward	0	0	0
<b>Total Provision</b>	<b>100</b>	<b>0</b>	<b>100</b>
Previously agreed allocations	(100)	0	(100)
<b>Total Commitments</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Uncommitted Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Specific Contingency – Project Reserve</b>			
2025/26 Provision	0	0	0
2024/25 Brought forward	625	200	825
<b>Total Provision</b>	<b>625</b>	<b>200</b>	<b>825</b>
Previously agreed allocations	(485)	0	(485)
Pending request on the agenda	(0)	0	(0)
<b>Total Commitments</b>	<b>(485)</b>	<b>0</b>	<b>(485)</b>
<b>Uncommitted Balance</b>	<b>140</b>	<b>200</b>	<b>340</b>

4. At the time of preparing this report, there are three requests for allocations from contingency funds elsewhere on the agenda.

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

## **Corporate & Strategic Implications**

Strategic Implications – None

Resource Implications – Contained within body of report

Legal Implications - None

Risk Implications - None

Equalities Implications - None

Climate Implications - None

Security Implications - None

## **Conclusion**

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

## **Appendices**

- Appendix 1 - Allocations from 2025/26 Contingencies

### **Laura Yeo**

Group Accountant

Financial Services Division

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