Public Document Pack

Finance Committee – Main Agenda

Date: **TUESDAY, 22 SEPTEMBER 2026**

Time: **12.45 pm**

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

Members:

Deputy Henry Colthurst
Deputy Andrien Meyers
Samapti Bagchi
Shahnan Bakth
Alderman Alexander Barr
Deputy Emily Benn
Nicholas Bensted-Smith
Leyla Boulton
Simon Burrows
Deputy Timothy Butcher
Bethany Coombs
Deputy Anne Corbett
Elizabeth Corrin
Susan Farrington
Steve Goodman OBE
Alderwoman Martha Grekos
Stephen Hodgson
Adam Hogg
Deputy Ann Holmes
Sandra Jenner
Alderman Sir Alastair King DL
Deputy Paul Martinelli
Alderman Bronek Masojada
Deputy Benjamin Murphy
Alderwoman Jennette Newman
Fraser Peck
Alderman Sir William Russell
Hugh Selka
Deputy Oliver Sells KC
Sir Michael Snyder
James St John Davis
Deputy James Thomson CBE
James Tumbridge
Deputy Christopher Hayward (Ex-Officio Member)

Enquiries: **John Cater**

Accessing the virtual public meeting

Members of the public can observe all virtual public meetings of the City of London Corporation by following the below link:
https://www.youtube.com/@CityofLondonCorporation/streams

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

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

Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 15th July 2026.

For Decision
(Pages 7 - 14)

4. **RESOLUTION FROM THE POLICY AND RESOURCES COMMITTEE**
Report of the Town Clerk.

For Information
(Pages 15 - 16)

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

For Information
(Pages 17 - 18)

6. **PUBLIC UPDATES FOR THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING OF 8 SEPTEMBER 2026**
To receive public updates for the Projects and Procurement Sub-Committee meeting of 8th September 2026.

For Information

7. **Q1 BUDGET MONITORING AND PROGRESS ON IN-YEAR SAVINGS**
Report of the Chamberlain.

For Information
(Pages 19 - 36)

8. **CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS**
Report of the Chamberlain.

For Decision
(Pages 37 - 42)

9. **CITY RE LIMITED – PERFORMANCE MONITORING**
Report of the Chamberlain.

For Information
(Pages 43 - 46)

10. **ANNUAL ON-STREET PARKING ACCOUNTS 2025/26 AND RELATED FUNDING OF HIGHWAY IMPROVEMENTS AND SCHEMES**
Report of the Chamberlain.

For Information
(Pages 47 - 52)

11. **RISK MANAGEMENT UPDATE REPORT**
Report of the Chamberlain.

For Information
(Pages 53 - 74)

12. **CHAMBERLAIN'S BUSINESS PLAN Q1 REPORT**
Report of the Chamberlain.

For Information
(Pages 75 - 78)

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

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

15. **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

16. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 15th July 2026.

For Decision
(Pages 79 - 86)

17. **NON-PUBLIC UPDATES FOR THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING OF 8 SEPTEMBER 2026**
To receive non-public updates for the Projects and Procurement Sub-Committee meeting of 8th September 2026.

18. **DRUG AND ALCOHOL INPATIENT DETOXIFICATION PROVISION - PROCUREMENT STAGE 2 AWARD**
Report of the Executive Director of Community and Children's Services.

For Decision
(Pages 87 - 94)

19. **HOUSING REVENUE ACCOUNT AND MAJOR WORKS PROGRAMME P4 FORECAST**
Joint Report of the Chamberlain and the Executive Director of Community and Children's Services.

For Information
(Pages 95 - 104)

20. **WRITE OFF REPORT - BUSINESS RATES AND COUNCIL TAX**
Report of the Chamberlain.

For Decision
(Pages 105 - 112)

21. **COURT OF APPEAL DECISION**
Report of the Chamberlain.

For Information
(Pages 113 - 116)

22. **EFFICIENCY AND PERFORMANCE REVIEW GROUP'S FORWARD PLAN**
Report of the Chamberlain.

For Information
(Pages 117 - 118)

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

For Information
(Pages 119 - 130)

24. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk.

For Information
(Pages 131 - 134)

25. **NON-PUBLIC APPENDIX TO ITEM 10**
To be read in conjunction with Item 10.

For Information
(Pages 135 - 136)

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

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

FINANCE COMMITTEE

Wednesday, 15 July 2026

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Wednesday, 15 July 2026 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)
Deputy Andrien Meyers (Deputy Chair)
Samapti Bagchi
Simon Burrows
Deputy Timothy Butcher
Bethany Coombs
Deputy Anne Corbett
Elizabeth Corrin
Susan Farrington
Steve Goodman OBE
Deputy Madush Gupta
Stephen Hodgson
Adam Hogg
Sandra Jenner
Deputy Paul Martinelli
Deputy Benjamin Murphy
Sir Michael Snyder
James St John Davis
Deputy James Thomson CBE
Deputy Christopher Hayward (Ex-Officio Member)

Observer:

Fraser Peck

Officers:

Ian Thomas CBE	-	Town Clerk and Chief Executive
Caroline Al-Beyerty	-	Chamberlain
Paul Wilkinson	-	City Surveyor
Michael Cogher	-	Comptroller and City Solicitor
Dionne Corradine	-	Chief Strategy Officer
Sonia Virdee	-	Financial Services Director
Robert Murphy	-	Investment Property Group Director
Genine Whitehorne	-	Commercial Director
Simon Gray	-	ERP Programme Director
Oliqur Chowdhury	-	Chamberlain's Department
Mark Jarvis	-	Chamberlain's Department
Harinder Thandi	-	Chamberlain's Department
Matt Baker	-	City Surveyor's Department
Peta Caine	-	Community and Children's Services Department
Robert Jack	-	Community and Children's Services Department
Alice Reeves	-	Corporate Strategy & Performance
Katie Scotcher	-	Communications & External Affairs
John Cater	-	Clerk to the Committee

1. **APOLOGIES**

Apologies for absence were received from Shahnan Bakth, Nicholas Bensted-Smith, Alderwoman Martha Grekos, Deputy Ann Holmes, Alderman Sir Alastair King DL, Alderman Bronek Masojada, Fraser Peck, Alderman Sir William Russell, Hugh Selka, and James Tumbridge.

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

As residents of the Barbican Estate, Steve Goodman and Sandra Jenner declared an interest in all matters discussed pertaining to the funding of the Estate.

As a leaseholder on the Golden Lane Estate, Deputy Anne Corbett declared an interest for Item 17, namely, the HRA Update – 10 Year Major Repairs Plan – Revised Forecast.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: - that the public minutes and non-public summary of the meeting held on 2nd June 2026 be approved as an accurate record.

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

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

RESOLVED: - that the Committee noted the Report.

5. **PUBLIC UPDATE OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING OF 1 JULY**

The Committee received a verbal update of the Chairman of the Projects and Procurement Sub-Committee concerning the previous meeting of the Sub-Committee on 1st July**.**

The Chairman updated the Committee on three points:

- Due to the need for some additional scrutiny, the City Corporation's new Procurement Policy will be coming to the September meeting of the Finance Committee for consideration.

- The Projects Dashboard would be launched over the summer recess, with training for Members rolled out thereafter.

- The Responsible Procurement Impact Report for 2025/2026 had just been published. The Chairman encouraged Members to view the Report which provided very welcome and encouraging insights and statistics.

The Chairman of the Finance Committee commended the hard work by officers and Members in this crucial area and encouraged the Chairman of PPSC to promote these endeavours to other Members of the Court.

RESOLVED: – that the public update of the Projects and Procurement Sub-Committee meeting held on 1st July 2026 be noted.

6. **REVENUE OUTTURN 2025/26 - FINANCE COMMITTEE OPERATIONAL SERVICES**

The Committee received a joint Report of the Chamberlain, the Town Clerk, the City Surveyor, the City Remembrancer, and the Executive Director of

Community and Children's Services presenting a comparison between the 2025/26 revenue outturn for the services
managed by the Finance Committee and the Budget for the year.

The Chairman highlighted that, in future, he had requested a five-year trend analysis to be included in these Reports, as putting the figures into historical context would be very helpful to Members when considering this paper in future years. The Chamberlain cautioned that past performance did not guarantee future outcomes, but she recognized that the historic trend was useful for Members to show taxpayers how expenditure had evolved over recent years.

In response to a Member requesting greater clarity around the balance between genuine savings and delayed expenditure, the Chairman and the Chamberlain agreed that future iterations of the Report should be more transparent about the distinction.

Noting the commentary in the Report around carry-forwards, the Chairman informed the Committee that the usual end-of year meeting between the Chamberlain, the Chairman of Finance Committee and the Chairman of Policy and Resources Committee was a key annual session which went through carry-forwards line-by-line. He acknowledged that the overall reporting around the outcome of carry-forwards could be made more transparent and would look at ways in which such disclosure could be improved.

Noting the outturn for the City Remembrancer's Department, a Member asked that, in future, spend revenue and income were shown separately in order to give Members more clarity in order to understand better the impact of one-off "windfall income". The Chairman and the Chamberlain agreed and informed the Committee that work was ongoing to offer a better analysis and reporting of departmental budgets, overspends, income, and savings. The Chamberlain suggested the introduction of a savings tracker which could break the figures down into Service Committee score cards. A Member welcomed this initiative, referencing the complex governance around budget oversight for the Gresham Almshouses as a particular example of the current sub-optimal approach; service Committees in particular lacked appropriate in-depth budget reporting to provide Members with a direction of travel.

In response to a separate query, the Chamberlain confirmed that the Cyclical Works Programme (CWP) is a rolling five-year programme, and, whilst the overall budget envelope was capped it was subject always to being reprofiled across financial years due to scheduling changes and slippages to works.

RESOLVED: - that the Committee noted the Report.

7. **2025/26 OUTTURN REPORT FOR CITY FUND AND CITY'S ESTATE**

The Committee received a Report of the Chamberlain concerning the 2025/26 Outturn Report for City Fund and City's Estate.

Members noted the capital works slippage across a range of programmes and agreed with the Chairman and the Chamberlain that a deep dive should be

undertaken as to the reasons. The Chamberlain pointed out that phasing accuracy was not a new problem and agreed that it was vital, to recalibrate projects on a more regular basis which would improve forecasting and resulting financial control. The Commercial Director added that the P3 Projects Framework, which was currently being embedded, in parallel to the introduction of the Chamberlain's Assurance Board, would provide the organisation with better scrutiny and assurance in this critical area. The Chairman of the Projects and Procurement Sub-Committee also highlighted the establishment of Deep Dive sessions of red rated projects, at PPSC from this September which would also aid progress.

The Chamberlain emphasised that the sympathy expressed by the Chairman and Deputy Chairman for mitigating the Barbican Centre's 2025/26 overspend (page 33) should be seen as a one-off measure and was not flagging ongoing support to cover any potential overspends in future years.

The Chairman agreed with a Member's concern about the need for the Department of Innovation and Growth to improve their ability to display value-for-money; I&G had recently presented at the Efficiency & Performance Review Group. The Chairman was minded to request a Report to come back to the Finance Committee in the autumn outlining both I&G's expenditure and its attempts to show greater value-for-money.

In response to a query, the Chamberlain confirmed that the £3m of I&G related funding in City Fund was a historic legacy, most funding for the Department was sourced from City's Estate and of which the majority supported the Corporation's advocacy for the Financial and Professional Services sector. A Member cautioned that folding all I&G Funds into City's Estate may not be prudent given the Corporation's ongoing negotiations with HMG around the Fair Funding settlement.

A Member expressed frustration that many of the concerns and views of Committees around savings and expenditure were not being sufficiently tracked - it was vital for effective Member involvement to see how impactful these comments were over the medium-term. He specifically raised the case of the Heathrow Animal Reception Centre, which had failed in its aim to turn a profit by the last financial year; this raised the important question about where the responsibility lay between the Service Committee and the Finance Committee to agree strategy and hold officers to account.

Separately, the Chamberlain informed the Committee that the data and trends collected by the recently established Workforce Control Panel would inform the wider piece around headcount at the Corporate Services Committee later in 2026.

RESOLVED: - that the Committee noted the Report.

8. **RISK MANAGEMENT UPDATE REPORT**

The Committee received a Report of the Chamberlain concerning the corporate and departmental risks documented by the Chamberlain's Department.

In response to a query about CR33 (Project portfolio strategic impact and/or financial value), the Commercial Director informed the Committee that the Risk had not yet been submitted to the Chief Officer Risk Management Group for down grading consideration from corporate to departmental risk. Whilst the P3 Framework and the Chamberlain's Assurance Board provided greater assurance around mitigating this risk, there were still very important actions to complete on this risk before it can be formally reduced.

Highlighting CHB 003 (Inconsistent application of the internal control environment), the Chamberlain confirmed that whilst the Group Chief Internal Auditor had reported a currently overall satisfactory score, it was apparent that the underlying trends for this Risk were still concerning. This was particularly worrying given the Corporation's historic track record for robust financial controls. This was a Risk which would continue to be focussed on and Members would be updated later in 2026.

RESOLVED: - that the Committee noted the Report.

9. **CENTRAL CONTINGENCIES (QUARTERLY REPORT)**
The Committee considered a Report of the Chamberlain concerning the year-end position for 2025/26 Contingencies and an update on the uncommitted balances for 2026/27 Contingencies.

RESOLVED: - that the Committee agreed to carry forward sufficient resources of £1,269,000 to meet existing allocations and £496,000 uncommitted balances for the Project Reserve Contingencies, thereby providing sufficient contingencies for funding requirements that may arise during 2026/27.

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
A question was raised, namely, whether, given their significant impact on the public realm, there were lessons to be learned from the ways other Local Authorities across Greater London are negotiating arrangements with e-bike providers operating in their areas.

The Chairman responded that, in the first instance, this matter was for the Streets and Walkways Sub-Committee and Planning and Transportation Committee to consider. However, in response to an additional related question the Chamberlain informed the Committee that the City's unaudited accounts were published on 26th June.

A Member stressed that overarching financial arrangements agreed with e-bike providers was relevant to the Committee. The Chairman agreed that, whilst this information was not available today, it should be reported back to the Chairman and Deputy Chairman on behalf of the Committee in due course.

A Member informed the Committee that a Memorandum of Understanding with the e-bike providers was currently being reviewed and that it would be coming

back to the Streets and Walkways Sub-Committee's next meeting for consideration.

11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
The following item of urgent business was raised –

The Chairman informed Members that, since the last meeting of the Committee, he and the Deputy Chairman had agreed to the donation of £25,000 from the City Corporation's International Disaster Fund to the Disaster Emergency Committee's (DEC) Venezuela Earthquake Appeal. Members endorsed the decision.

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**
RESOLVED: - that the non-public minutes of the meeting held on 2nd June 2026 be approved as an accurate record.

14. **NON-PUBLIC UPDATE OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING OF 1 JULY**
The Committee received a verbal update of the Chairman of the Projects and Procurement Sub-Committee concerning the previous meeting of the Sub-Committee on 1st July**.**

15. **IFM CONTRACT AWARD UPLIFT NOTIFICATION**
The Committee considered a Report of the City Surveyor concerning the City Corporation's Integrated Facilities Management (IFM) contracts.

16. **DCCS MECHANICAL, GAS & ELECTRICAL APPLIANCE TESTING CONTRACT – PROCUREMENT UPDATE**
The Committee received a Report of the Executive Director of Community and Children's Services concerning the DCCS Mechanical, Gas & Electrical Appliance testing contract.

17. **HRA UPDATE - 10 YEAR MAJOR REPAIRS PLAN - REVISED FORECAST**
The Committee considered a joint Report of the Chamberlain and the Executive Director of Community and Children's Services concerning the HRA.

18. **UPDATE ON SAVINGS AND BUDGET PRINCIPLES 2026/27 (VERBAL UPDATE)**
The Committee received a verbal update of the Chamberlain concerning the Savings and Budget Principles for 2026/27.

19. **CITY'S ESTATE LONG TERM AFFORDABILITY, ASSET DRAWDOWN AND SAVINGS**
The Committee considered a Report of the Chamberlain concerning the long-term affordability, asset drawdown and savings for City's Estate.

20. **NEW MUSEUM OF LONDON: DELIVERY UPDATE**
The Committee considered a joint Report of the Chamberlain and the City Surveyor concerning an update on the new Museum of London.

21. **LONDON MUSEUM - APPOINTMENT OF TREASURER TO THE BOARD OF GOVERNORS**
The Committee considered a Report of the Chamberlain concerning the appointment of a Treasurer to the Board of Governors of the London Museum.

22. **PROGRAMME SAPPHIRE (VERBAL UPDATE)**
The Committee received a verbal update of the Chamberlain concerning Project SAPphire.

23. **IPG DELEGATION REQUEST**
The Committee considered a Report of the City Surveyor concerning delegation requests for property related approvals over the summer recess period/early September.

24. **MPO DASHBOARDS REPORTING**
The Committee received a Report of the Chamberlain concerning the Major Programmes.

25. **EFFICIENCY AND PERFORMANCE REVIEW GROUP'S FORWARD PLAN**
The Committee received a Report of the Chamberlain concerning the Efficiency and Performance Review Group's Forward Workplan.

26. **NON-PUBLIC APPENDICES TO THE CENTRAL CONTINGENCIES ITEM 9**
This was considered in conjunction with Item 9.

27. **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.

28. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The Committee considered one item of urgent business relating to the composition of the Finance Committee.

The meeting ended at 2.30 pm

Chairman

This page is intentionally left blank

Appendix 6 – Draft Resolution to any/all Grand Committees with Sub-Committees

"That in the interests of demonstrating effective decision-making, the Policy & Resources Committee resolved:-

To instruct that any and all Grand Committees of the Court of Common Council that choose to appoint sub-committees, consider in earnest the benefits of empowering said sub-committees to take decisions without unnecessary recourse to the relevant Grand Committee, with a view to balance due diligence with efficiency."

Committees with sub-committees:

- Audit & Risk Management Committee
- Barbican Centre Board
- Board of Governors of the City of London Freemen's School
- Board of Governors of the City of London School
- Board of Governors of the City of London School for Girls
- City of London Police Authority Board
- Community & Children's Services Committee
- Corporate Services Committee
- Education Board
- Finance Committee
- Planning & Transportation
- Policy & Resources Committee

This page is intentionally left blank

FINANCE COMMITTEE – WORK PROGRAMME 2025-26

	22nd Sep - 26	24th Nov - 26	19th Jan-27	16th Feb-27	5th May-27
Budget Setting Process & Medium-Term Financial Planning	Q1 Budget monitoring plus progress on in year savings and p-cards Update on Savings and Budget Principles	Q2 Budget monitoring plus progress on in year savings and p-cards			
Effective Financial Management Arrangements for The City Corporation	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Write off report - Business Rates and Council tax City Re Limited – Performance Monitoring POLL Court of Appeal case	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Capital review and reprioritisation	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Barbican 10-Year Plan		
Financial Statements	City Fund and Pension Fund statement of accounts Annual On-Street Parking Accounts 2025/26 and Related Funding of Highway Improvements and Schemes	City's Estate financial statements City's Estate trust funds and sundry trust funds annual reports and financial statements			
Finance Committee as a Service Committee	Risk Management Update Report Chamberlain's Business plan Q1 report	Risk Management Update Report Chamberlain's Business plan Q2 report Contingency Report (Quarterly)	Risk Management Update Report Programme SAPphire Review & Benefits Report		
Other Departments reports			GSMD 5-year plan		

Updated as at: 11 September 2026

This page is intentionally left blank

Committee(s): Finance Committee – For Information	**Dated:** 22/09/2026
Subject: Budget Monitoring Quarter 1 2026/27	**Public report:** For Information
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	The budget provides the funding to deliver all of the Corporation's corporate objectives either directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	The Chamberlain
Report author:	Iain Jenkins, Chief Accountant

Summary

The report outlines the key updates on the forecast revenue and capital monitoring position for the 2026/27 financial year as at the end of Quarter 1 (June).

Revenue forecast variance by fund – Q1

Figures in brackets are underspends/over achievement of income

	City Fund **£'000**	**City's Estate** **£'000**	**Guildhall Administration** **£'000**	**Total** **£'000**
Local Risk	(282)	1,240	(136)	822
Central Risk	(5,959)	(2,735)	(45)	(8,740)
Total Q1	**(6,241)**	**(1,496)**	**(181)**	**(7,918)**

Key points – City Fund

- At Quarter 1 City Fund is forecasting an underspend of £4.5m against budget, predominantly due to additional central risk income, through interest earned on cash balances (Chamberlain £3.9m) and rental income (City Surveyors £3.1m), partially offset by local risk (Chief Officer cash limited budget) overspends, significantly by DCCS (£2.2m) and Barbican Centre (£0.9m). The appendix outlines measures being implemented to address the overspends and restore expenditure to within budgetary limits.
- HRA are forecasting a deficit of £3.5m comprising £2.6m of exceptional financial support and an underlying HRA pressure of £0.9m. Work is ongoing to review the HRA and identify options to manage the in year financial position. An updated position at month 4 is provided in a separate paper to this Committee.
- Of the total in-year savings of £3.8m, £0.850m has been confirmed as deliverable to date. The remaining savings are currently assessed as non-deliverable under the existing savings initiatives and therefore Officers are exploring alternative options to address the savings gap, an update on savings will be brought back to this committee in the autumn.
- Capital is forecasting an in-year slippage of £58.1m in relation to major projects, further information is contained within the separate paper to this Committee.

Key points – City's Estate

- The overall forecast for City's Estate at Quarter 1 is an underspend of £1.5m, this predominantly relates to additional rental income (City Surveyor £2.6m) partially offset by an overspend on GSMD £0.9m.
- Of the £3.1m in year savings target, it remains expected that the full amount will be delivered through the initiatives identified. The savings proposals relating to GSMD is being supported by contingency funding, reducing the associated delivery risk and strengthening confidence in achieving the overall target.
- Capital is forecasting an in-year over spend of £2.4m in relation to major projects, further information is contained within the separate paper to this Committee.

Recommendation(s)

Members are asked to:

- Note the report.

Corporate & 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

Appendices

- Appendix 1 – Quarter 1 Budget Monitoring 2026/27 Report pack

Iain Jenkins
Chief Accountant
Iain.Jenkins@cityoflondon.gov.uk

This page is intentionally left blank

Live
Work
Learn
Explore

Budget Monitoring – Quarter 1 26/27 – Finance Committee

22nd September 2026



Summary Quarter 1 Revenue

Figures in brackets are underspends / over achievement of income.

	City Fund (including Police) £'000	City's Estate £'000	Guildhall Administration £'000	Total £'000
Local Risk	(282)	1,240	(136)	822
Central Risk	(5,959)	(2,735)	(45)	(8,740)
Total	(6,241)	(1,496)	(181)	(7,918)

City Fund - Revenue

Overall underspend of £4.5m is largely due to:

- **Chamberlain** £3.9m interest receivable forecast on money market funds 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 2025.
- **City Surveyors** £3.1m based on the June rental income forecasts compared to budget, which includes later disposal of various properties but also reflects lease renewals, regears, delays to major redevelopments and increased rent following completion of refurbishments.

Partially offset by:

- **Director of Community and Children's Services** £2.2m predominantly due to £870k older people social care increased package costs and £670k SEND and early years ongoing pressures, of which the funding arrangements are being discussed with DfE.
- **Barbican Centre Managing Director** £0.9m comprising an unidentified savings target of £0.4m, plus additional in year costs that will help generate more in savings in future years. This forecast assumes the receipt of additional resources of £3.4m through central support for utilities cost inflation, London Living Wage (LLW), apprentices; plus planned drawdown of capital support and education grant.

Chief Officer total budget by fund	Full Year Forecast as at 30 June 2026			
Chief Officer	Budget	Forecast	Variance (Better) / Worse	
	£'000	£'000	£'000	%
Barbican Centre Managing Director	25,073	25,995	922	4%
Chamberlain	(22,808)	(26,496)	(3,688)	16%
Comptroller and City Solicitors	812	812	0	0%
Executive Director Corporate Communications & External Affairs	2,918	2,918	0	0%
City Surveyor	(32,105)	(35,226)	(3,121)	10%
Deputy Town Clerk	7,635	7,585	(50)	1%
Director of Community and Children's Services	19,457	21,628	2,171	11%
Executive Director Environment	19,562	18,793	(769)	(4%)
Executive Director Innovation and Growth	13,591	13,591	0	0%
Total City Fund (excluding Police)	**34,135**	**29,601**	**(4,534)**	**(36%)**

City Fund - Capital Programme

- Bridging Loan of up to £35m provided to Museum of London to cover their current fundraising gap – this has not yet been drawn down on.
- Additional grant of £25m to the Museum has been agreed as their construction costs continue to rise. This is not yet reflected in the forecast.
- Salisbury Square due to complete in Q1 2027.
- BAU projects are broadly forecast to spend.

CAPITAL PROGRAMME - CITY FUND	2026/27 Budget	2026/27 Actuals	2026/27 Forecast Q1	Future Years Forecast
CAPITAL & SRP - BAU	**£m**	**£m**	**£m**	**£m**
Barbican Centre	18.4	0.1	18.4	0.0
Chamberlains & Chief Financial Officer	40.9	3.6	40.9	18.8
City Surveyor & Property	41.0	0.2	41.0	14.5
Community & Children's Services (Non HRA)	27.4	0.1	27.4	26.7
City of London Police	5.4	0.3	5.4	15.0
Environment	62.2	1.9	62.2	34.2
Sub-Total	**195.4**	**6.1**	**195.3**	**109.2**
CAPITAL & SRP - MAJOR PROJECTS				
Barbican Renewal	63.2	1.4	17.8	207.1
Bastion House/Ferroners Hse	1.3		0.9	4.5
Community Services - HRA	0.0	2.8	8.0	213.4
Museum of London	50.4		35.0	0.0
Salisbury Square Development	174.9	29.0	174.9	6.0
Future Police Accommodation	30.7	0.8	25.9	65.9
Sub-Total	**320.5**	**34.0**	**262.5**	**496.9**
TOTAL CAPITAL PROGRAMME	**515.9**	**40.1**	**457.8**	**606.1**

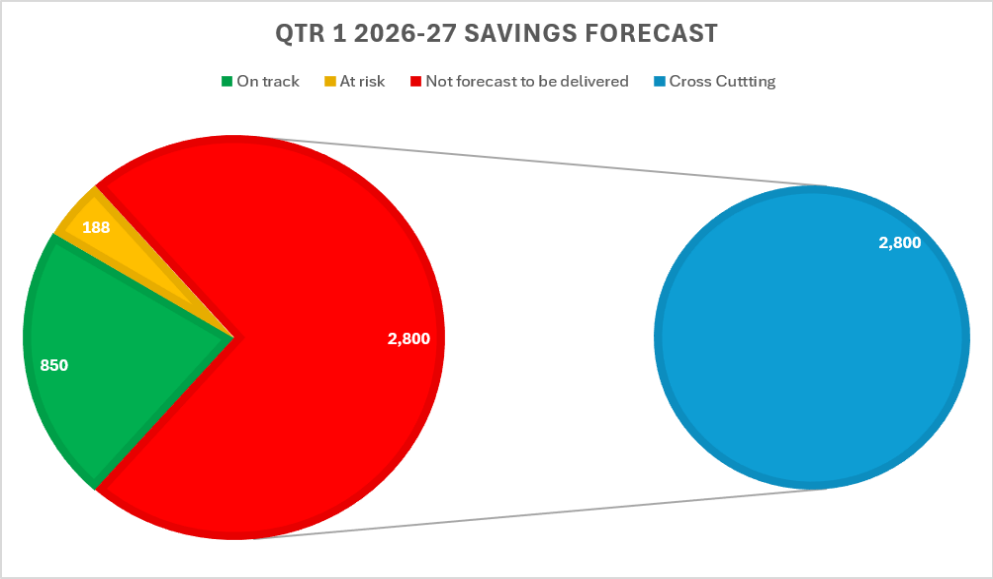
City Fund - Housing Revenue Account

- In the 2026–27 financial year, the government has agreed in principle to provide £2.65m of capitalisation support through an Exceptional Financial Support (EFS) grant. This funding is intended to address pressures considered unmanageable and enable the authority to set a balanced budget. The support is being provided on an exceptional basis (funded from City Fund) and subject to an external assurance review commissioned by the Ministry of Housing, Communities and Local Government (MHCLG) .
- The quarter 1 2027/28 forecast shows an HRA deficit of £0.948m, after taking into account the additional EFS funding. Note that further work on the P4 position has reduced the overspend pressure to £0.287m (as set out in the separate P4 report).
- The Repairs and Maintenance (R&M) budget is currently forecasting a moderate net pressure of £127k by year-end. This comprises an underlying pressure of £57k, primarily driven by increased costs associated with instability among repairs suppliers, together with a £70k legacy claim relating to a previous repair's contractor. It should be noted that total expenditure is forecast to be c£600k above the service's normal baseline budget. This is largely attributable to a high number of void properties arising from recently completed developments, as well as additional properties expected to come into management during the remainder of the financial year. It is anticipated that these additional costs will be met through EFS funding, resulting in no direct pressure on the core service budget.
- The quarter 1 forecast includes a reduction in forecast rental income from Black Raven Court (COLPAI) and Bean Tree (Sydenham) due to significant delays in occupation – where we expected units to be fully occupied by now - restrictions from current policy (i.e. offer existing residents first), nominations rights, and shortage in staff.
- If the above issues arising from new units coming onto stream are not addressed there is a potential risk of a further £450k + pressure from loss of rental income from York Way – which is due to come on stream in October.
- Other potential pressures from increased recharges including higher insurance premiums for new units coming on stream.
- Work is ongoing to review the HRA and identify options to manage the in-year financial position and cease works that are not critical.

City Fund - Savings

The current year budget includes a saving target of £3.8m.

At Quarter 1, **£0.9m (22%)** of the savings programme is rated **Green**, indicating that savings have either been delivered or remain on track for delivery. A further **£0.2m (5%)** is rated **Amber**, reflecting savings that are still expected to be achieved but are currently behind schedule and carry some delivery risk. The remaining **£2.8m (73%)** is rated **Red**, indicating that these savings are not currently achievable through the initiatives identified. A corporate review is therefore underway to determine alternative measures to deliver the required level of savings.



Chief Officer	2026/27 Unidentified Savings Budget (£)
All Chief Officers	2,800,000
Commissioner of Police	587,000
Deputy Town Clerk	13,000
Executive Director Community & Children's Services	250,000
Executive Director Corporate Communications & External Affairs	188,000
Total	3,838,000

City Fund – Contingencies and Carry forwards

- **Central contingencies** (including those held in Finance & P&R Committee) are currently underspent by £8.7m on City Fund however any remaining budget at the end of the year will be transferred to reserves and therefore is showing as nil variance in the monitoring.
- **Carry Forwards from 2025/26 underspends**: Since Q1, the Chamberlain, Chairs and Deputy chairs of Finance and P&R have reviewed the carry forwards that were submitted by Chief Officers. For City Fund, the **Local risk** bids totalled £1.14m of which £1.09m was approved.
- There were 2 Chief Officers with adverse local risk positions in 25/26 totalling £1.1m which have been clawed back from their current year budget.
- In addition to the local risk carry forwards, members agreed to carry forward some unspent **central risk** monies mainly comprising the Transformation fund (top up and projects already in flight), finance & P&R contingency budgets that have been earmarked but not yet spent, inflation contingency to be held centrally and other one off pressures agreed by Court of Common Council in March 2026. This totalled £15.8m for City Fund.

The outcome has been communicated to all Chief Officers and budgets adjusted accordingly. These will be reflected in the period 5 monitoring.

City's Estate – Revenue

Overall underspend of £1.5m is largely due to:

- **City Surveyor** £2.6m based on June rental income forecasts compared to budget, which includes later disposal of headleases at two properties but also a tenant not activating a break clause, the purchase of a headlease, completion of rent certificates and early completion of a redevelopment.

Partially offset by:

- **GSMD** £0.9m primarily relates to £500k impact of the pay award beyond the assumed inflation level, £155k unachieved vacancy provision which is being addressed through long term plan work, £140k unbudgeted sickness and parental leave costs, £57k apprentice funding not yet received. The projected in-year deficit will be managed as much as possible through RUA funding, whilst GSMD progress with the longer-term financial sustainability plan. GSMD are actively continuing to review all remaining areas of pressure and mitigating opportunities and will have a clearer picture of projected outturn following 26/27 enrolment in September at which point the RUA funding will be adjusted for.
- **Chamberlain** £0.7m shortfall in interest receivable on money market funds 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 2025. This links to the later disposal of headleases above.

Chief Officer total budget by fundudhay	Full Year Forecast as at 30 June 2026			
Chief Officer	Budget	Forecast	Variance (Better) / Worse	
	£'000	£'000	£'000	%
Chamberlain	19,661	20,359	698	4%
City Surveyor	(39,142)	(41,701)	(2,559)	7%
Deputy Town Clerk	10,565	9,931	(634)	(6%)
Director of Community and Childrens Services	3,205	3,101	(104)	(3%)
Executive Director Corporate Communications & External Affairs	972	972	0	0%
Executive Director Environment	12,518	12,672	154	1%
Executive Director Innovation and Growth	4,026	4,026	0	0%
Head of the Boys School	605	590	(15)	(2%)
Headmaster of City of London Freemens School	494	544	50	10%
Headmistress of City of London School for Girls	746	725	(21)	(3%)
Head of the Junior School	0	0	0	0%
Principal Guildhall School of Music and Drama	14,678	15,613	935	6%
Remembrancer	3,740	3,740	0	0%
Total City's Estate	**32,068**	**30,572**	**(1,496)**	**(5%)**



City's Estate - Capital Programme

- Increase in Museum Landlord Works forecast due to issues with Poultry Market roof lights and asbestos.
- Contribution towards City Fund to defray the cost of the new courts building has reduced as a result of a corporate financing decision.
- BAU and Major projects are forecast to spend as this is the Q1, however given reoccurring slippages a detailed review will be undertaken.

CAPITAL PROGRAMME - CITY'S ESTATE	2026/27 Budget	2026/27 Actuals	2026/27 Forecast Q1	Future Years Forecast
CAPITAL & SRP - BAU	**£m**	**£m**	**£m**	**£m**
Chamberlains & Chief Financial Officer	39.6	2.4	39.6	31.0
City of London Freeman's School	0.4	0.1	0.4	-
City of London School	9.2	1.0	9.2	2.6
City of London School For Girls	1.0	1.2	1.0	-
City Surveyor & Property	40.4	0.1	40.4	13.9
Community & Children's Services (Non HRA)	0.1	0.4	0.1	-
Environment	5.3	0.2	5.3	-
Principal GSMD	6.4	0.1	6.4	-
Sub-Total	**102.4**	**5.4**	**102.4**	**47.5**
CAPITAL & SRP - MAJOR PROJECTS				
Museum of London	2.1	(0.3)	4.4	0.0
City Fund (Combined Courts)	30.8	0.0	30.8	2.2
Sub-Total	**32.9**	**-0.3**	**35.2**	**2.2**
TOTAL CAPITAL PROGRAMME	**135.2**	**5.1**	**137.6**	**49.7**

Guildhall Administration - Revenue

Guildhall Administration budgets are central costs which are recharged to the relevant funds including City Bridge Foundation.

Overall forecast underspend is £0.2m and comprises minor variances across several Chief Officers.

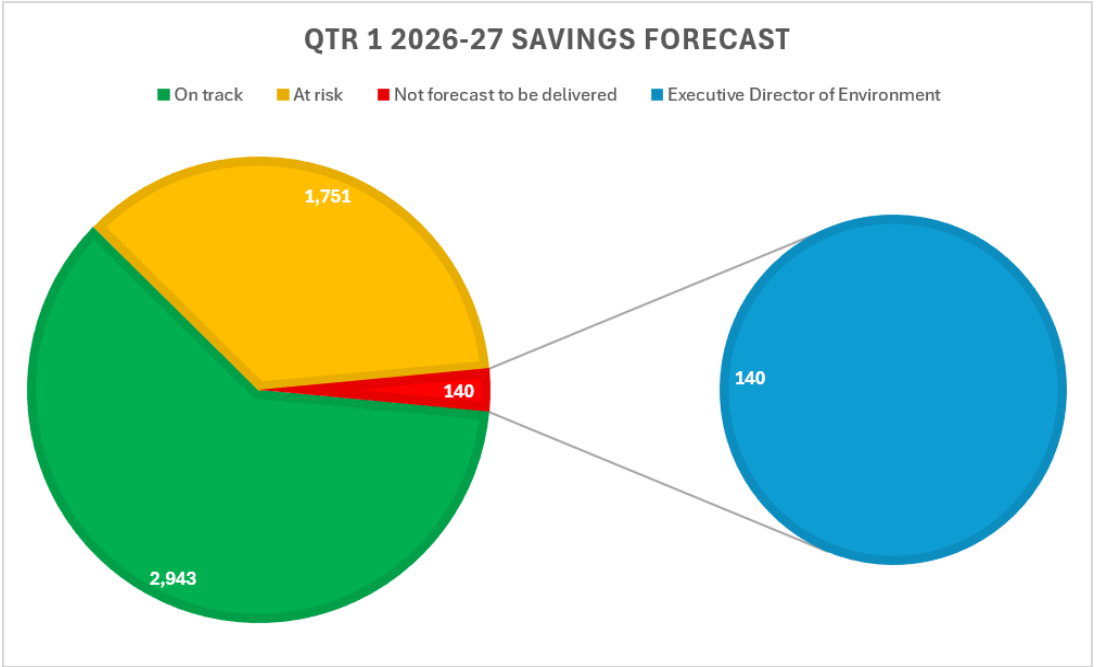
Current recharge arrangements assume that only budgeted costs are recharged to services, institutions and funds with any resulting underspends or overspends being absorbed centrally by the Finance Committee.

Chief Officer total budget by fund	Full Year Forecast as at 30 June 2026			
Chief Officer	Budget	Forecast	Variance (Better) / Worse	
	£'000	£'000	£'000	%
Chamberlain	45,360	45,188	(172)	(0%)
Executive Director of HR & Chief People Officer	8,216	8,241	25	0%
Chief Strategy Officer	1,970	1,985	15	1%
City Surveyor	12,982	13,138	156	1%
Comptroller and City Solicitors	1,414	1,414	0	0%
Deputy Town Clerk	4,846	4,641	(205)	(4%)
Remembrancer	(801)	(801)	0	0%
Total Guildhall Administration	**73,987**	**73,806**	**(181)**	**(0%)**

City's Estate and Guildhall Admin - Savings

The current year budget includes a saving target of £3.1m for City's Estate's and £1.8m for Guildhall Administration.

At Quarter 1, £2.9m (61%) of the savings programme is rated Green, indicating that savings have either been delivered or remain on track for delivery. A further £1.8m (36%) is rated Amber, reflecting savings that are still expected to be achieved but are currently behind schedule and carry some delivery risk. The remaining £0.1m (3%) is rated Red, indicating that these savings are not currently achievable through the initiatives identified. A corporate review is therefore underway to determine alternative measures to deliver the required level of savings.



Chief Officer	2026/27 Unidentified Savings Budget (£) City Estate	Guildhall Admin	Total
Executive Director of Environment	140,000		140,000
Executive Director of HR and CPO		1,751,000	1,751,000
Head of Boys School	223,000		223,000
Principal, GSMD	2,720,000		2,720,000
Total	3,083,000	1,751,000	4,834,000

City’s Estate – Contingencies and Carry forwards

- **Central contingencies** (including those held in Finance & P&R Committee) are currently underspent by £8.7m on City's Estate however any remaining budget at the end of the year will be transferred to reserves and therefore is showing as nil variance in the monitoring.
- **Carry Forwards from 2025/26 underspends**: Since Q1, the Chamberlain, Chairs and Deputy chairs of Finance and P&R have reviewed the carry forwards that were submitted by Chief Officers. For City’s Estate the local risk bids totalled £822k of which £742k was approved.
- In addition to the local risk carry forwards, members agreed to carry forward some unspent **central risk** monies mainly comprising the Transformation fund (top up and projects already in flight), finance & P&R contingency budgets that have been earmarked but not yet spent, inflation contingency to be held centrally and other one off pressures agreed by Court of Common Council in March 2026. This totalled £15.6m for City’s Estate.

The outcome has been communicated to all Chief Officers and budgets adjusted accordingly. These will be reflected in the period 5 monitoring.

Update AP, AR and Purchase Cards

Accounts Payable

- Payment Performance is slightly down on the previous quarter from 94.10% to 93.56% (of undisputed invoices paid within 30 days of receipt). The target is 97% but we are not far off the Gold Award standard of 95% under the Government's Fair Payment Code.
- At the end of Q1 invoices were being input within 1 working day of arrival, inside the target of 2 working days.
- At the end of Q1 there were 222 invoices that had been on hold for more than 3 months, compared to 254 at the end of Q4 (a 12.60% improvement).
- At the end of Q1 there were 13 credit notes that had been on hold for more than 3 months, compared to 42 at the end of Q4 (a 69.05% improvement).

At the end of Q1 there were 7,008 open purchase order (PO) lines, up from 6,627 at the end of Q4 (worse by 5.75%).

The percentage of retrospective POs worsened, increasing to 23.17% in Q1 from 22.13% the previous quarter and moving even further from the target of 3% or less.

Accounts Receivable

- At the end of Q1 total sundry debt over 30 days' old was £5.3 million, compared to £7.1m at the end of the previous quarter (a 25.60% improvement).
- The above total includes:
  - unallocated payments of £124k, compared to £156k at the end of the previous quarter (a 20.73% increase)
  - outstanding section 106, section 278 and Community Infrastructure Levy (CIL) debt totalling £644k, which is not funded by the City Corporation.
- As at 15th July, total property debt over 30 days' old was £9.7 million, compared to £10.7m as at 21st April (a 9.18% improvement).

Purchase Cards

- In Q1 there were 16,513 P-card transactions totalling £1.7 million, compared to 16,234 transactions worth £1.4 million in the previous quarter (an increase in spend of 19.70%).
- A "Three Strikes Rule" (TSR) was introduced at the start of Q1 to help improve compliance. At the completion of the first quarter, there were already 108 cardholders with at least one strike and of these, 4 cardholders have received 3 strikes and their cards have been suspended. However, despite these suspensions, we have witnessed an improvement in compliance since the TSR was implemented.

AP Payment Performance and P-card Strikes

Department / Institution	Invoices Paid on Time	Invoices Paid Late	Paid within 30 Days
Community & Children's Services (Barbican Estate)	230	128	64%
Community & Children's Services (Housing)	949	241	80%
City Surveyor's Department	1,334	138	91%
City of London Police	1,382	119	92%
City of London School	375	32	92%
Chief People Officer	83	7	92%
City of London School for Girls	404	30	93%
Community & Children's Services (Children Social Care & Early Help)	366	26	93%
Chamberlain's Department	707	48	94%
Town Clerk's Department (Destination City)	95	6	94%
Environment (Natural Environment)	754	47	94%
Environment Department	780	47	94%
City of London Junior School	76	4	95%
The Aldgate School	136	7	95%
Innovation & Growth	150	7	96%
Environment (Port Health & Public Protection)	360	16	96%
City Surveyor's Department (Billingsgate Market)	52	2	96%
Barbican Centre	2,138	81	96%
City Bridge Foundation (Charities)	68	2	97%
Community & Children's Services (Adult Social Care)	713	17	98%
City of London Freemen's School	558	13	98%
Remembrancer's Department	87	2	98%
Community & Children's Services (Libraries)	218	4	98%
Mansion House	188	3	98%
Guildhall School	2,260	31	99%
Comptroller & City Solicitor's Department	186	2	99%
Town Clerk's Department (TLA, SBREC & Guildhall Library)	101	1	99%
Town Clerk's Department	165	1	99%
City Bridge Foundation (Tower Bridge)	348	1	100%
Central Criminal Court	30	0	100%
City Surveyor's Department (Smithfield Market)	61	0	100%
City Surveyor's Department (Spitalfields Market)	102	0	100%

Department/Institution	No. of Cardholders on First Strike	No. of Cardholders on Second Strike	No. of Cardholders on Third Strike	Grand Total
Guildhall School	16	2	3	21
Barbican Centre	16	2	1	19
City of London Police	11	0	0	11
Environment Department	10	0	0	10
City of London School for Girls	5	2	0	7
City of London School	7	0	0	7
City Bridge Foundation	2	2	0	4
Community & Children's Services	1	1	0	2
Town Clerk's Department	1	1	0	2
Innovation & Growth	2	0	0	2
Chamberlain's Department	1	0	0	1
City of London Junior School	0	1	0	1
Chief People Officer	1	0	0	1
The Aldgate School	1	0	0	1
Grand Total	74	11	4	89

Committee(s): Audit and Risk Management Committee – For decision Finance Committee – For decision Pensions Committee – For decision	**Dated:** 14/09/2026 22/09/2026 23/09/2026
Subject: City Fund and Pension Fund – Statement of Accounts, and Audit Findings Report 2025-26	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	**N/A**
Does this proposal require extra revenue and/or capital spending?	**No**
If so, how much?	**N/A**
What is the source of Funding?	**N/A**
Has this Funding Source been agreed with the Chamberlain's Department?	**N/A**
Report of: The Chamberlain	**For Decision (Audit and Risk, Pensions and Finance)**
Report author: Iain Jenkins - Chief Accountant	

Summary

The draft Statement of Accounts for the City Fund and Pension Fund were presented to Audit and Risk Management Committee on 6 July 2026. This report provides an update on the audit of the Accounts, any changes and the Auditor's findings.

The audited 2025-26 City Fund Statement of Accounts are presented in Appendix 1 for approval. This set of accounts reflects the changes agreed with the auditors as part of their work.

The Audit Findings Reports from Grant Thornton are presented at Appendix 2 (in respect of the City Fund audit) and Appendix 4 (in respect of the Pension Fund audit). These documents summarise the results of the audit and include the auditor's recommendation and details of any audit adjustments which have been made to the accounts. A copy of the draft Management Representation letters for the City Fund and Pension Fund are presented at Appendix 3 and 5 respectively.

The external auditor's Annual Audit Report summarises all of the work that Grant Thornton have undertaken in relation to the City Fund during 2025-26. This is presented at Appendix 6. The Annual Audit Report includes their commentary on the City Fund's Value for Money (VfM) arrangements.

Recommendation(s)

The **Audit and Risk Management** Committee is asked to:

- **Recommend** approval of the 2025-26 City Fund Statement of Accounts to Finance Committee.
- **Delegate** authority for the approval of the 2025-26 Pension Fund Statement of Accounts to the Chamberlain.

- **Delegate** authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30th September 2026.
- **Consider** the Audit Findings Report for the City Fund and Pension Fund 2025-26 as set out in Appendix 2 and Appendix 4.
- **Approve** the management representation letter for the City Fund as set out in Appendix 3, and the management representation letter for the Pension Fund as set out in Appendix 5.
- **Consider** the Auditor's Annual Audit Report 2025-26 as set out in Appendix 6.

The **Pensions Committee** is asked to:

- **Consider** the Audit Findings Report for the Pension Fund 2025-26 as set out in Appendix 4, and the Pension Fund management representation letter 2025-26 as at Appendix 5.

The **Finance Committee** is asked to:

- **Approve** the 2025-26 City Fund Statement of Accounts
- **Delegate** authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30th September 2026.
- **Consider** the Audit Findings Report for the City Fund 2025-26 as set out in Appendix 2.

Main Report

Background and current position

1. The update provided to the Audit and Risk Management Committee on 6th July 2026 presented the draft 2025-26 City Fund Statement of Accounts to the Committee. That report set out the key elements within the City Fund accounts. The key points to note since that date are set out in paragraphs 2 to 12 below.

   Public Inspection period

2. The draft, unaudited 2025-26 Statement of Accounts for the City Fund, which includes the accounts for the Pension Fund, were published on the City of London Corporation's website on 26 June 2026. Publishing these accounts before 30 June 2026 met the statutory requirements set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022.

3. Following the publication of the City Fund Statement of Accounts a period of public inspection was undertaken, as required by the Local Audit and Accountability Act

2014. The inspection period commenced on Monday 29th June and ran for 30 working days, concluding on 7th August 2026. During the inspection period, members of the public had the opportunity to inspect the accounts, and also to question the auditor or raise objections. One objection was received during the public inspection period, Grant Thornton's decision was to not accept the objection for consideration.

Audit of the 2025-26 Accounts

4. The audit of the 2025-26 Statement of Accounts commenced in June 2026 and has been undertaken by Grant Thornton.

5. The updated version of the 2025-26 Statement of Accounts for the City Fund and Pension Fund is provided in Appendix 1.

6. This revised version incorporates the following changes and adjustments to the City Fund accounts which have been identified during the audit and results in a total increase in Total Comprehensive (Income) and Expenditure of £20.6m due to:

Description	**Effect on Comprehensive Income & Expenditure Statement**	**Effect on Balance Sheet**
Reclassification of long-term investments	Nil	Dr Short term investments £45.7m Cr Long term investments (£45.7m)
Gain on disposal disclosure - error	Dr Gain on the disposal of assets £50.9m Cr Grant income (£24.5m) Cr Fees and charges (£2.4m)	Cr Rent received in advance (£24m)
Non- specific grant income - misclassification	Dr Taxation & non-specific grant income £6.2m Cr Finance service – net cost of services (£6.2m)	Nil
Specific grant income - misclassification	Dr Grant income £1.6m Cr Fees and charges (£1.6m)	Nil
Collection Fund Bad Debt Provision – overstatement	Cr Operating expenses (£3.4m)	Dr Short term debtors – bad debt provision £3.4m
Total	Dr £20.6m	Cr (£20.6m)

7. Further details on these audit adjustments can be seen from page 28 of the audit findings report at Appendix 2. These adjustments have nil effect on the General Fund balance.

8. Grant Thornton's Audit Findings Report is presented at Appendix 2 in respect of the City Fund audit and at Appendix 4 in respect of the Pension Fund audit.

9. The Audit Findings Report recommendations and actions in place for 2026-27 to address open recommendations are set out from page 38 of Appendix 2.

10. Additional measures to prevent such adjustments in the future are being implemented through a training programme, with assistance from Grant Thornton.

Auditor's Annual Report and Value for Money (VfM) opinion

11. The auditors are required to report their commentary on the City Fund's arrangements under specified criteria in relation to VfM –

    a. Financial sustainability
    b. Governance
    c. Improving economy, efficiency and effectiveness (the 3 Es)

12. The full report is included as Appendix 6, with managements actions to address recommendations set out from page 39.

Corporate & Strategic Implications

13. The Corporate and Strategic implications are set out below:

- Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders
- Financial implications – Recommendations to improve Value for Money scrutiny are responded to within Appendix 6. Additionally, progress is being shared with the Efficiency and Performance Working Party, which is a member officer working group reporting into the Finance Committee.
- Resource implications – None
- Legal implications – None
- Risk implications – Recommendations relating to risk management are responded to within Appendix 6.
- Equalities implications – None
- Climate implications – None
- Security implications – None

Conclusion

14. At present, there are no material queries remaining unadjusted regarding the 2025-26 accounts. Having provided their Audit Findings Report the external auditor is conducting final reviews of the Statement of Accounts, and an unqualified audit opinion is expected to be issued by GT by the end of September 2026.

15. Whilst none are expected, should any material adjustments to the statement of accounts be required before that position is reached, it is recommended that authority to approve such amendments should be delegated to the Chamberlain in consultation with the Chairmen and Deputy Chairmen of the Audit and Risk Management and Finance Committees in order to ensure compliance with the statutory requirement to sign and publish accounts by the 30th September.

Appendices

- Appendix 1 – Revised City Fund Accounts 2025-26 (Audit & Risk and Finance Committees only)
- Appendix 2 – City Fund Audit Findings Report 2025-26 (Audit & Risk and Finance Committees only)
- Appendix 3 – City Fund Letter of Representation 2025-26 (Audit & Risk and Finance Committees only)
- Appendix 4 – Pension Fund Audit Findings Report 2025-26 (Audit & Risk and Pensions Committees only)
- Appendix 5 – Pension Fund Letter of Representation 2025-26 (Audit & Risk and Pensions Committees only)
- Appendix 6 – City Fund Auditor's Annual Report 2025-26 (Audit & Risk Committee and Finance only)

Background Papers

Audit and Risk Management Committee – 6 July 2026 – City Fund and Pension Fund Statement of Accounts update

Iain Jenkins
Chief Accountant
E: iain.jenkins@cityoflondon.gov.uk

This page is intentionally left blank

Committee: Finance Committee	**Dated:** 22 September 2026
Subject: City Re Limited – Performance Monitoring	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	**N/A**
If so, how much?	**£N/A**
What is the source of Funding?	**N/A**
Has this Funding Source been agreed with the Chamberlain's Department?	**N/A**
Report of: The Chamberlain	**For Information**
Report author: Caroline Al-Beyerty	

Summary

The City Corporation established a Captive Reinsurance Company (the Captive), City Re Limited, on 24 December 2010, as a separate legal structure to allow the City to share in the risks and benefits of insuring its property portfolio, whilst controlling the financial exposure.

This report provides information on the underwriting experience for the accounting period from 1 April 2025 to 31 March 2026 which produced a retained profit for the year of £838,319 (2024/25: £339,459), after declaring a dividend of £500,000.

At its meeting on 3 July 2026, the Board of City Re Limited agreed not to declare any further dividend but review the position again in December given the strength of the company's solvency ratios.

Included in this report is information on the governance arrangements for the Captive and of various matters discussed at the Board meeting on 3 July, including the adoption of the accounts, and the receipt of the auditors' Management and Governance Letter, which states there were no material issues arising during the course of their audit.

The auditors' Management and Governance Letter and the signed, audited Directors' Report and Financial Statements are attached to this report.

Recommendation

Members are asked to note this report.

Main Report

Background

1. The Finance Committee, at its meeting on 26 October 2010, approved the principle of establishing a Captive Reinsurance Company (the City Captive). On 24 December 2010, such an entity, City Re Limited, was created, based in Guernsey, where the optimum managerial and administrative expertise is located to operate such a company. The City provided initial share capital of £500,000.

2. The Captive provides a separate legal structure which allows the City to share in the risks and benefits of insuring its property portfolio, whilst controlling the financial exposure. Effectively, the City is able to participate in its own insurance placement, benefit from underwriting profits but cap downside financial risk.

3. The Captive has received an annual reinsurance premium increasing from £1.664 million in 2010 up to £2.804 million in 2025. That retained figure currently represents 30.18% of total premium paid.

Main Characteristics of the Captive

4. The main elements of the Captive are set out below:

   - The Captive covers the first £250,000 of each and every property claim, effectively ceding liability for greater exposures to the main insurers, Intact (formerly RSA) and Aviva.
   - For 2025/26 the City Captive received an initial reinsurance premium of approximately £2.804m (2024/25: £2.63m), against which payments are drawn down.
   - The maximum aggregate retention of the Captive is limited to £250,000 per annum above the reinsurance premium received from Intact and Aviva. That currently totals £3.054m (£2.804m plus £0.25m) for the 2025/26 insurance period.
   - No terrorism exposure is accepted; instead, terrorism risk is insured directly by Intact and Aviva and re-insured with Pool Re.

Financial Performance for period 1 April 2025 to 31 March 2026

5. The audited Financial Statements for the 2025/26 trading period of the City Captive were submitted for approval and signing to a meeting of the Board of Directors held in Guernsey on 3 July 2026. They are attached to this report. The City of London Corporation's Directors on the City Re Board, (the Chairman of the Finance Committee and the Chamberlain) attended the meeting in person.

6. The accounts also include an estimate for the cost of claims incurred but not reported (IBNR) within the IBNR reserve. The current IBNR totals £407,547 (2024/25: £503,962) and is determined by the Directors of the Board using both historical data and any data available up to the approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims. In March 2025 Directors discussed in detail the level of the IBNR and decided to allocate it across more recent years to allow better for the likely pattern of deterioration rather than at the level of a single maximum loss. It was agreed to set the IBNR in diminishing percentages of 30%, 20% and 10% of outstanding claims for the three most recent periods. Historic performance of the Captive has shown

that at the fourth year of anyone accounting period the reserve for outstanding losses has largely proved more than sufficient to cover further run off.

7. For the accounting period, City Re Limited made a profit of £838,319 (2024/25: £339,459). Under the Companies (Guernsey) Law 2008 and the Guernsey Insurance Business (Solvency) Rules 2015, and in order for any Captive to be able to carry out its business there are two solvency ratios that must be met - the Prescribed Capital Requirement (PCR) and the Minimum Capital Requirement (MCR). Both ratios were met comfortably.

8. After due consideration of the finances and solvency position of City Re, the Board agreed not to declare a dividend but review the position at the next meeting, depending on subsequent underwriting performance provided that retained capital always exceeded an agreed minimum multiple of MCR.

9. When the Captive was set up the City Corporation provided share capital of £500,000. In 2018/19 a further £250,000 was injected, increasing total share capital to £750,000. To date, the City Corporation has received dividends totalling some £6.53m which demonstrates the benefit of the structure. Without a captive the net premium costs may have been higher, and the City would not have received any dividend. The table below sets out the dividends received in each financial year since inception.

Year	**Dividend**
2025/26	£500,000
2024/25	£100,000
2023/24	£500,000
2022/23	£500,000
2021/22	£500,000
2020/21	£1,000,000
2019/20	£500,000
2018/19	£0
2017/18	£0
2016/17	£161,341
2015/16	£140,984
2014/15	£830,013
2013/14	£92,569
2012/13	£810,883
15 months to 31/03/12	£1,097,747
	£6,733,537

Auditor's Management and Governance Letter and Company Compliance

10. Moore Stephens are the auditors for City Re Limited. Their Management and Governance Letter states that no material issues arose during the course of their audit that required being brought to the attention of the Board.

11. As in previous years, the audited Directors' Report and Financial Statements will be made available as a distinct item on the City of London Corporation's website following this Finance Committee Meeting.

Conclusion

12. At their Board meeting on 3 July 2026, the Directors of City Re Limited

- noted that City Re continued to meet the solvency test; and
- agreed to review any further dividend distribution in December 2026.

Appendices

- Appendix – Auditors' Management and Governance Letter and Financial Statements to 31 March 2026

Caroline Al-Beyerty

Chamberlain and CFO
T: 020 7332 1300
E: caroline.al-beyerty@cityoflondon.gov.uk

City of London Corporation Committee Report

Committee(s):	**Dated:**
Planning & Transportation Committee	8th September 2026
Finance Committee	22nd September 2026
Court of Common Council	8th October 2026
Subject: Annual On-Street Parking Accounts 2025/26 and Related Funding of Highway Improvements and Schemes	**Public report:** For Information
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	Leading Sustainable Environment Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	Chamberlain
Report author:	Simon Owen, Chamberlain's Department

Summary

The City of London in common with other London authorities is required to report to the Mayor for London on action taken in respect of any deficit or surplus in its On-Street Parking Account for a particular financial year.

The purpose of this report is to inform Members that:

- the surplus arising from on-street parking activities in 2025/26 was (£12.670m).
- a total of £12.178m was applied in 2025/26 to fund approved projects; and
- the surplus remaining on the On-Street Parking Reserve at 31st March 2026 was (£61.056m), which will be wholly allocated towards the funding of various highway improvements and other projects over the medium term.

Recommendation

Members are asked to:

- Note the contents of this report for their information before submission to the Mayor for London.

Main Report

Background

1. Section 55(3A) of the Road Traffic Regulation Act 1984 (as amended), requires the City of London in common with other London authorities (i.e. other London Borough Councils and Transport for London), to report to the Mayor for London on action taken in respect of any deficit or surplus in their On-Street Parking Account for a particular financial year.

2. Legislation provides that any surplus not applied in the financial year may be carried forward. If it is not to be carried forward, it may be applied by the City for one or more of the following purposes:

   a) making good to the City Fund any parking related deficit charged to that Fund in the 4 years immediately preceding the financial year in question;

   b) meeting all or any part of the cost of the provision and maintenance by the City of off-street parking accommodation whether in the open or under cover;

   c) the making to other local authorities, or to other persons, of contributions towards the cost of the provision and maintenance by them, in the local authority or elsewhere, of off-street parking accommodation whether in the open or under cover;

   d) if it appears to the City that the provision in the City of further off-street parking accommodation is for the time being unnecessary or undesirable, for the following purposes, namely:

      - meeting costs incurred, whether by the City or by some other person, in the provision or operation of, or of facilities for, public passenger transport services;

      - the purposes of a highway or road improvement project in the City;

      - meeting the costs incurred by the City in respect of the maintenance of roads at the public expense; and

      - for an “environmental improvement” in the City.

   e) meeting all or any part of the cost of the doing by the City in its area of anything which facilitates the implementation of the Mayor’s Transport Strategy, being specified in that strategy as a purpose for which a surplus can be applied; and

   f) making contributions to other authorities, i.e. the other London Borough Councils and Transport for London, towards the cost of their doing things upon which the City in its area could incur expenditure upon under (a)-(e) above.

3. In the various tables of this report, figures in brackets indicate income, increases in income or reduced expenditure.

2025/26 Outturn

3. The overall financial position for the On-Street Parking Reserve in 2025/26 is summarised below:

	£m
Surplus Balance brought forward at 1st April 2025	(60.563)
Surplus arising during 2025/26	(12.670)
Expenditure financed during the year	12.178
Funds remaining at 31st March 2026, wholly allocated towards funding future projects	**(61.056)**

5. Total expenditure of £12.178m in 2025/26 was financed from the On-Street Parking Reserve, covering the following approved projects:

Revenue/SRP Expenditure:	**£000**
Highway Resurfacing, Maintenance & Enhancements	2,822
Car Parks Cyclical Works Programme (CWP)	2,574
Street Cleansing Contract Resource & Inflation Uplift	2,124
Concessionary Fares & Taxi Card Scheme	557
City Gardens Highways & Cleansing Maintenance	208
Special Needs Transport	127
Aldgate Maintenance for City Open Spaces	40
Cleaning Maintenance Lord Mayors Show	37
Traffic Review Order	9
Off-Street Car Parking Contribution to Reserves (exc CWP)	(254)
Total Revenue/SRP Expenditure	**8,244**
Capital Expenditure:	
London Wall Car Park Fire Safety Works	1,125
Climate Action Strategy – Cool Streets & Greening	843
Climate Action Strategy – Pedestrian Priority	735
Bank Junction Improvements - All Change at Bank	328
Barbican Podium Waterproofing – Phase 2	258
West Smithfield Area Public Realm & Transportation	223
London Wall Car Park Waterproofing & Repairs	184
Enhancing Cheapside	177
Traffic Enforcement CCTV	58
Outdoor Fitness Equipment - Old Watermans Walk	3
Total Capital Expenditure	**3,934**
Total Expenditure Funded in 2025/26	**12,178**

6. The surplus on the On-Street Parking Reserve brought forward from 2024/25 was (£60.563m). After expenditure of £12.178m funded in 2025/26, a surplus balance of (£0.493m) was carried forward to future years to give a closing balance at 31st March 2026 of (£61.056m).

7. Currently total expenditure of some £115.6m (including Priorities Board allocations subject to Member approval), is planned over the medium term from 2026/27 until 2030/31 (as detailed in Table 1 below), by which time it is anticipated that the existing surplus plus those estimated for future years will be fully utilised. A further contingency sum of £5m has been included in the projections to cover any unforeseen urgent Member priority bids and inflationary pressures on approved projects.

8. The total programme covers numerous major capital schemes including funding towards the Barbican Podium Waterproofing; West Smithfield Area Public Realm & Transportation Project; Climate Action Strategy Cool Streets & Greening and Pedestrian Priority; Holborn Viaduct & Snow Hill Pipe Subways; Lindsey Street Bridge Strengthening; London Wall Car Park Waterproofing, Joint Replacement & Concrete Repairs; Bank Junction Improvements and Taxi Experiment; Traffic Enforcement CCTV; Minories Car Park Structural Report; St Paul's Gyratory; Fire Safety at the Car Parks; Vision Zero Safer Streets; Moorgate Corridor; Pedestrian Priority Programme @ King William Street; Enhancing Cheapside; Dauntsey House; and Outdoor Fitness Equipment @ Old Watermans Walk. Progression of individual schemes is subject to the City's normal evaluation criteria and Standing Orders.

9. The programme also covers ongoing funding of future revenue projects, the main ones being Highway Resurfacing, Enhancements & Road Maintenance Projects; Concessionary Fares & Taxi Cards; Traffic Review Order; Contributions to the Costs of Off-Street Car Parks (including CWP works); Special Needs Transport; Cleansing Maintenance for the Lord Mayors Show; Annual Maintenance of Aldgate; Secure City CCTV System; Street Cleansing Contract Resource & Inflation Uplift; City Gardens Highways & Cleansing Maintenance and Apprenticeship Staffing; and Controlled Parking Zone Review.

10. Following Member requests to allocate On-Street Parking surplus monies, a Priorities Board chaired by the Chamberlain considers all new eligible bids for surplus funds before recommending successful bids to Members of RASC and P&R Committees for decision. This mechanism has been designed to ensure surplus monies are allocated to eligible projects in an efficient and speedy process to meet spending priorities, a number of which schemes are now included in paragraphs 8 and 9 above to be spent in the medium term.

11. A forecast summary of income and expenditure arising on the On-Street Parking Account and corresponding contribution from/(to) the On-Street Parking surplus, over the medium-term financial planning period, is shown below in Table 1.

12. The reduction in annual operating income forecast for 2026/27 from the previous year actual 2025/26 of circa £1.1m, is mainly due to higher levels of PCN's issued, plus additional parking bay suspension income due to filming activity in 2025/26.

Table 1 – On-Street Parking Account Projections 2025/26 to 2030/31

	2025/26 Actual £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m	2030/31 Forecast £m	Total £m
Expenditure (*Note 1*)	4.3	4.5	4.6	4.7	4.8	4.8	27.7
Income	(17.0)	(15.9)	(16.3)	(16.6)	(16.9)	(17.2)	(99.9)
Net Surplus arising in year	**(12.7)**	**(11.4)**	**(11.7)**	**(11.9)**	**(12.1)**	**(12.4)**	**(72.2)**
Capital & Rev Commitments *(Note 2)*	12.2	54.7	22.9	12.9	12.7	12.4	127.8
Contingency **(***Note 3***)**					2.5	2.5	5.0
Net in year contribution from/ (to) surplus	**(0.5)**	**43.3**	**11.2**	**1.0**	**3.1**	**2.5**	**60.6**
Deficit / (Surplus) cfwd at 1st April	(60.6)	(61.1)	(17.8)	(6.6)	(5.6)	(2.5)	
Deficit / (Surplus) cfwd at 31st March	**(61.1)**	**(17.8)**	**(6.6)**	**(5.6)**	**(2.5)**	**0.0**	

Note 1: On-Street operating expenditure relates to direct staffing costs, current enforcement contractor costs, fees & services (covering bank charges, postage, printing & legal), IT software costs for enforcement systems, provision for bad debts for on-street income and central support recharges.

Note 2: *Including bids agreed by Priorities Board, subject to Member approval through RASC and P&R Committee, and the Gateway procedures.*

Note 3: Given the increasing costs of materials and labour, Priorities Board have considered it prudent to set aside a contingency sum.

Corporate & Strategic Implications

Strategic implications – none.

Financial implications – covered in main body of report.

Resource implications – covered in main body of report.

Legal implications - all OSPR spend and proposed allocations have been considered against the criteria for its use and are in accordance with the Road Traffic Regulation Act 1984 and the London Local Authorities and Transport for London Act 2003.

Risk implications - OSPR funding relies on accurate forecasts of income and expenditure. Forecast projections are regularly reviewed and updated to mitigate this risk.

Equalities implications – none.

Climate implications – none.

Security implications – none.

Conclusion

13. So that we can meet our requirements under the Road Traffic Regulation Act 1984 (as amended), we ask that the Court of Common Council notes the contents of this report, which would then be submitted to the Mayor of London.

Background Papers

- Road Traffic Regulations Act 1984; Road Traffic Act 1991; GLA Act 1999 sect 282.
- Final Accounts 2025/26.

Appendix

- Appendix 1 – Non-Public Appendix of Proposed OSPR Schemes

Report author
Simon Owen
Chamberlain's Department

E: *simon.owen@cityoflondon.gov.uk*

City of London Corporation Committee Report

Committee(s): Finance Committee – For information	**Dated:** 22 September 2026
Subject: Chamberlain's Departmental Risk Management Update	**Public report:** For Information
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties**	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	Caroline Al-Beyerty, Chamberlain
Report author:	Leah Woodlock, Chamberlain's Department

Summary

The Finance Committee is updated regularly on the corporate and departmental risks documented by the Chamberlain's department. There continues to be **two** RED-rated financial risks listed on the Corporate Risk Register. Mitigation efforts are ongoing to prevent the realisation of these risks. The risk score for all corporate risks have remained unchanged since the previous update, although CR42 Housing Revenue Account Financials, briefly trended down, until Q1 results reversed that trajectory.

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. There are currently two red-rated corporate risks reported for Chamberlain's: CR35 – Unsustainable Medium-Term Finances: City Fund and CR42 – Housing Revenue Account Financials. CR35 remains scored at RED with constant trend, reflecting continued financial sustainability pressures and reliance on delivery of planned mitigations. CR42 trended downwards briefly following confirmation of exceptional financial support, but has trended up in the last month for reasons outlined in the section below, effectively remaining constant since the last reporting period.

4. For **CR35 – Unsustainable Medium-Term Finances**, the City Fund Medium Term Financial Plan continues to reflect a structural funding gap driven by inflationary pressures, demand, limited growth in core funding streams and the ongoing challenge of delivering sustainable savings. A bespoke Local Government Settlement has provided transitional funding through to 2028/29, enabling a balanced position across the medium term; however, significant fiscal uncertainty remains beyond that period. Delivery of the savings programme remains a key area of focus, with Chief Officers reviewing in-year and future savings options. A reviewed list of savings initiatives is expected to be shared with Finance Committee in the autumn.

5. For **CR42 Housing Revenue Account Financials**, the Housing Revenue Account remains under significant financial pressure and is not yet self-financing. Key pressures include delays to new housing delivery, reduced rental income, substantial improvement works required on existing stock, health and safety compliance requirements, and constrained funding streams. The Court of Common Council has approved a £152m uplift to the major improvement works programme, and Exceptional Financial Support has been secured for 2026/27; however, further annual applications will be required. The recent Regulator of Social Housing C3 grading highlights serious consumer standard failings, reinforcing the need to prioritise the future programme of works and maintain close monitoring of delivery, funding and compliance risks. There is a separate item on this committee's agenda outlining the latest position to be reported to MHCLG.

6. The detailed updates on the Chamberlain's Corporate and Departmental risks and the mitigating actions are included in appendix 1 of this report.

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 – Not applicable

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 – Not applicable

Climate implications – Not applicable

Security implications – Not applicable

Conclusion

7. 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 – Chamberlain's Departmental Risk Register

Background Papers

Chamberlain's Departmental Risk Management Update Reports

Leah Woodlock
Chamberlain's Project Manager
Chamberlain's Department
E: Leah.Woodlock@cityoflondon.gov.uk

This page is intentionally left blank

CHB corporate and departmental risks - detailed report

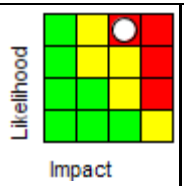
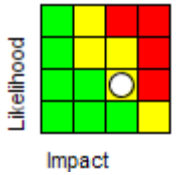
Generated on: 19 August 2026 08:12

Rows are sorted by Risk Score

Risk Level Description Corporate

Code	CR35	Title	Unsustainable Medium Term Finances - City Fund

Description	**Causes:** • Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. • Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. • The Provisional Local Government Funding Settlement released in December is materially different to what was expected for 27/28. The settlement for 26/27 was in line with expectations and contains transitional funding. The Government's Fair Funding settlement from 26/27 has significant impacts for the City Corporation. The updated formula has a foundation on residents and does not consider daily commuter populations and the costs affiliated with this. Following discussions, the Government released a bespoke settlement in recognition of the unique circumstances of the City Corporation. This includes transitional funding for 2026/27 and indicative transitional allocations for 2027/28 and 2028/29, enabling a balanced position across the medium term.. However, there remains tremendous fiscal uncertainty beyond 2028/29. **Event:** The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit. **Effect:** Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community. Challenges in executing the capital program and major projects within affordable limits.

Current Risk Assessment, Score & Trend Comparison		16		Constant	**Target Risk Assessment & Score**		**8**	
Likelihood	Likely	**Impact**		Major	**Likelihood**	Unlikely	**Impact**	Major
Risk Score	16	**Review Date**		02-Jun-2026	**Risk Score**	8	**Target Date**	31-Mar-2027

Latest Note	The City Fund MTFP continues to reflect a structural funding gap driven by what the City does for pan-London, National and daytime population impacted by demand, inflationary pressures, and limited growth in core funding streams. Delivery of the savings programme remains critical but carries ongoing risk in terms of achievability and timing of benefits. The position remains sensitive to external funding reform, including business rates reset and Fair Funding, with continued reliance on reserves providing only short-term mitigation rather than a sustainable solution. Following an SLT P&R Away Day Action Meeting in July 2026, Chief Officers produced a draft list of savings initiatives 1. In-year identified savings, where available 2. In-year proposed savings, where available 3. Future savings options which will progress through the committee governance process

Risk Level	Corporate	**Department**	Chamberlain's
Creation Date	19-Jun-2020	**Risk Owner**	Caroline Al-Beyerty
Approach	Reduce	**Risk Administrator**	~~Paul Dudley~~; Hayley Hajduczek; Olivia Plunkett; Jess Roberts; Tabitha Swann; Thomas Wrench
Head of Profession 1	Financial Services	**Risk assigned to**	Sonia Virdee
Head of Profession 2		**Committee**	Finance Committee
Head of Profession 3		**Parent Risk**	CR Corporate Risk Register

Actions related to this risk:

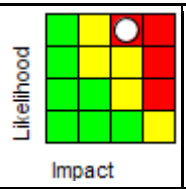
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR35a Impact of inflation	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme • Use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.3% in the 12 months to March 2026, up from 3.0% in the 12 months to February (source Office for National Statistics). Identifying areas that are forecasting to exceed budget envelope due to inflation increases. These pressures and mitigations are now tracked in greater detail for better reporting. A small inflation contingency is held centrally by City Fund and City's Estate to manage significant pressures, however departments are required to manage these in the first instance from their existing budgets.	24-Aug-2026	Sonia Virdee	31-Mar-2027
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	Major projects are reported monthly to the Chamberlain's Assurance Board, with updates to the Portfolio Board led by the Town Clerk/Chief Executive. Regular reports also go to the Capital Buildings Board, Finance Committee, and Policy and Resources Committee. All projects are currently forecast to be completed within budget, though there remain several risks (i.e. cost increases within SSD/FPEP; fundraising for the Barbican; cashflow and fundraising for the MoL), which will continue to be reviewed monthly. A review of operational property refurbishment costs is being carried out to assess cashflow implications for the City Fund and City Estate	24-Aug-2026	Sonia Virdee	31-Mar-2029
CR35f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)	Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress.	24-Aug-2026	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Jan-2027

		Following an SLT P&R Away Day Action Meeting in July 2026, Chief Officers are producing savings initiatives 4. In-year identified savings, where available 5. In-year proposed savings, where available 6. Future savings options which will progress through the committee governance process			
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	An Officer Financial Planning Forum has been stood up to codesign the financial and business planning approach, standards and framework. A Chief Officer Savings Assurance Board has been established to monitor and enable the identified savings, it currently meets monthly.]	25-Aug-2026	Sonia Virdee; Genine Whitehorne	31-Mar-2027
CR35q Income Generation	Develop income generation opportunities	Income Generation schemes are being explored, these include but not limited to events, advertising and sponsorship, filming, retail opportunities and fees and charges. The Member led Income Generation Working Party will continue into 2026/27 and the role is to continue to recommend direction, keep momentum and prioritisation on income generation opportunities.	25-Aug-2026	Ellie Robles	31-Mar-2027
CR35r Mitigate the impact Local Government Settlement	Engage with MHCLG on bespoke settlement for CSR	The Fair Funding Review programme has continued to progress following confirmation of the City Corporation's bespoke transitional funding arrangement through to 2028/29. Activity is focused on developing a robust evidence base to support future discussions with Government on the long-term funding of services which are not adequately recognised within the current funding formula, including national, pan-London and daytime population services.	25-Aug-2026	David Mendoza-Wolfson	30-Sep-2026

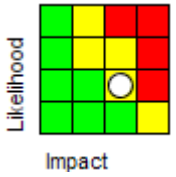
		. The Fair Funding programme, established earlier in the year is doing work across three workstreams: value and service sustainability, communications and engagement, and statutory and scenario planning. Through this programme of work, the City Corporation will continue to emphasise the significant demands generated by the City's daytime population and wider economic role, alongside the need for a sustainable funding settlement beyond 2028/29. Transitional funding provides short-term certainty, but significant financial risk remains beyond the current settlement period.			
CR35s Mitigate the impact of the Police Reform	Develop a working party and a response to the announcement of the Police Reform	Terms of reference have been agreed for the forces review. Funding will be reviewed separately (following the outcome of the forces review).	21-Jun-2026	Steven Lee	30-Sep-2026
CR35t Barbican Centre – 10 year business plan	Delivering the 10-year business plan	The 10-year plan is in development and will be presented to the Barbican Centre Board in the spring for approval. The Efficiency and Performance Review Group will be presented the draft 10-year plan in September for review and scrutiny.	07-Sep-2026	Phillipa Simpson	31-Mar-2029

Code	CR42	Title	Housing Revenue Account Financials (formerly CHB 002)

Description	**Cause:** The Housing Revenue Account is not self-financing and is unable to deliver its statutory duties. Current known cost pressures include: • Ongoing delays in building statutory new homes are causing delays to income streams and increased costs. • Resourcing for health and safety to ensure meeting of compliance requirements. • Substantial improvement works required on existing stock. • Existing funding streams are constrained, with reliance on temporary or uncertain sources such as National Insurance grant allocations, external grants, and re-prioritisation decisions regarding City Fund Capital Reserves • Delays to new units reducing rental income at the same time **Event:** Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties. **Effect:** Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.

Current Risk Assessment, Score & Trend Comparison		16	Constant

Likelihood	Likely	Impact	Major
Risk Score	16	Review Date	-SeptJun-2026

Target Risk Assessment & Score		8	
Likelihood	Unlikely	Impact	Major
Risk Score	8	Target Date	31-Mar-2027

Latest Note	Court of Common Council has approved an uplift of £152m (including optimism bias) to the major improvement works programme, ensuring that corporate ambitions around housing can be met. Officers from Chamberlain's, Surveyors and housing meet regularly to ensure that schemes for new unit delivery are on track for delivery and ensure that units are tenanted as soon as possible. **However, delays have been flagged for Black Raven Court and York Way. Current P4 monitoring indicates a £0.3m in year overspend mainly caused by these delays – a revised in-year EFS submission in November is expected.**

	Exceptional Financial Support (EFS) secured – Capital direction 2026/27 (need support for the next 4 years). This needs to be applied for each year. Latest period 4 monitoring flags a risk of potential breach of financial duties for the HRA. The officer HRA Board chaired by the Town Clerk has been stood up and meets on 14 September. Regulator of Social Housing report – C3 grading (C3 Consumer Standard grading, identifying serious failings in meeting required consumer outcomes). Need to prioritise future programme of works in 2026/27, apply for a revised EFS for 2026/27 and certainty over multi-year requirements.

Risk Level	Corporate	**Department**	Chamberlain's
Creation Date	16-Oct-2023	**Risk Owner**	Mark Jarvis; Sonia Virdee
Approach	Reduce	**Risk Administrator**	Leah Woodlock
Head of Profession 1	Financial Services	**Risk assigned to**	Chamberlain
Head of Profession 2	Estates & Facilities	**Committee**	Finance Committee
Head of Profession 3	n.a	**Parent Risk**	CR Corporate Risk Register

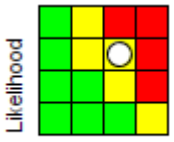
Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR42a Capital Schemes Monitoring	Close monitoring of capital schemes is required during 2026/27, update to be provided in regular reporting of capital forecasts.	T Latest (P4) capital monitoring indicates a total programme cost over 10 years (if no change to programme or value engineering) of £232m an increase of £21m from the original programme figure of £211m. The City Fund element of this cost increase would be a call on the Optimism Bias of £79m. CoCo has approved the required capital funding through a mixture of City Fund and 3rd party sources.	4 -Sept -2026	Mark Jarvis	31-Mar-2027

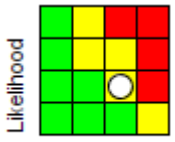
CR42b Repairs & maintenance	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	The Savills report and Pennington review identified high repairs and maintenance costs, management costs and depreciation charges. A report on the current years financial position including management action to reduce costs and offset lost income was presented in December to Finance and P&R. An external review of efficiency by CIPFA is scheduled for the September 2026.	02-Sept-2026	Mark Jarvis	31-Mar-2027
CR42c MHCLG Engagement	Engagement with government departments (e.g., MHCLG) and other stakeholders to discuss challenges and options.	Many other London Boroughs also have very fragile HRAs and we are working with local government colleagues as well as MHCLG and Treasury on wider solutions to current challenges. An agreement has been reached for EFS support for 2026/27 but the level of the support will be reviewed for a new submission in November.	02-Sept-2026	Mark Jarvis	31-Mar-2027
CR42d Grant Funding & Capitalisations	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs. Ensuring appropriate expenditure is fully capitalised.	Regular (monthly) meetings with R&M team to ensure proper capitalisations of appropriate expenditure are carried out	02-Sept-2026	Mark Jarvis	31-Mar-2027
CR42e Ensuring a long term sustainable social housing provision	Review options to improve long term sustainability, including partnering with third parties	. Part of work with external consultants CIPFA once initial MHCLG review has been completed.	02-Sept-2026	Mark Jarvis	30-Jun-2027

Code	CR38	Title	Unsustainable Medium Term Finances - City's Estate

Description	**Causes:** The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation. **Event:** Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks. **Effects: T**he City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.

Current Risk Assessment, Score & Trend Comparison		12		Constant

Likelihood	Possible	Impact	Major
Risk Score	12	Review Date	21-Jun-2026

Target Risk Assessment & Score		8	

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

Latest Note	The City's Estate MTFP remains exposed to income volatility, particularly in relation to investment and property returns, alongside ongoing inflationary cost pressures. A medium-term funding gap persists, requiring continued prioritisation and cost management to maintain balance. Sustainability is dependent on investment performance, with any underperformance likely to necessitate compensating savings or reductions in discretionary expenditure.

Risk Level	Corporate	Department	Chamberlain's
Creation Date	31-Oct-2022	Risk Owner	Caroline Al-Beyerty

Approach	Reduce	**Risk Administrator**	Hayley Hajduczek
Head of Profession 1	Financial Services	**Risk assigned to**	Caroline Al-Beyerty
Head of Profession 2		**Committee**	Finance Committee
Head of Profession 3		**Parent Risk**	CR Corporate Risk Register

Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme • Monitor the use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.3% in the 12 months to March 2026, up from 3.0% in the 12 months to February (source Office for National Statistics).	25-Aug-2026	Sonia Virdee	31-Mar-2027
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams • i.e. rental income from the property investment portfolio.	This is being monitored monthly, with action being taken within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored. Benchmarking exercises are currently being undertaken to provide a market comparison. The Member led Income Generation working party continues into 2026/27.	25-Aug-2026	Sonia Virdee; Genine Whitehorne	31-Mar-2027
CR38f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year. A savings timetable and approach have been reset for 2026/27 to ensure in-year savings are delivered. With also a proactive approach to identifying and	25-Aug-2026	Sonia Virdee	31-Jan-2027

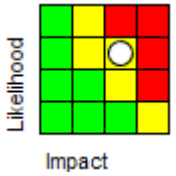
		delivering savings in 202728 and 2028/29. The new approach to savings will be required and will be presented to Efficiency & Performance Review Group for endorsement.			
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	The only major project remaining within City Estate is the MoL Landlord Works, which is nearing completion, as well as the funding contribution towards SSD. As per City Fund, projects are routinely reviewed by the Chamberlain's Assurance Board, and reported to Finance Committee, Capital Buildings Board, and Policy & Resources Committee.	25-Aug-2026	Sonia Virdee	31-Mar-2029
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the City of London Corporation. Approval has been given to shift all NE Charities to a Grant Funding Model by April 2026, following a two-year implementation phase that began in April 2025. Key committees have endorsed the plan, with oversight and contingency funding arrangements in place to support the transition. A comprehensive framework document outlines the procedures, guidelines, and monitoring requirements for the funding model, ensuring clarity and consistency throughout the implementation process.	25-Aug-2026	Emily Brennan; Sonia Virdee	31-Mar-2027
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	The requirements for the revised approach to savings was discussed at Efficiency & Performance Review Group. An Officer Financial Planning Forum has been stood up to codesign the financial and business planning approach, standards and framework.	25-Aug-2026	Sonia Virdee; Genine Whitehorne	31-Jan-2027

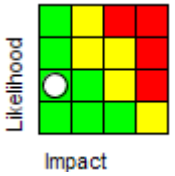
		For City's Estate, a proposed framework in relation to the annual drawdown (deficit) v the net asset position is to be used as a guide to determine the level of reductions required.			
CR38k Income Generation	Development of income generation opportunities.	Income Generation schemes are being explored, these include but not limited to events, advertising and sponsorship, filming, retail opportunities and fees and charges. A Member led Income Generation Working Party has been established to recommend direction, momentum and prioritisation on income generation opportunities.	25-Aug-2026	Ellie Robles	31-Mar-2029
CR38l GSMD – 5-year sustainable model	Delivery of the Guildhall School of Music & Drama (GSMD) 5 year plan	Delivery of the GSMD 5-year plan is progressing as intended, demonstrating strengthened financial grip, improved planning discipline and sustained focus on long-term sustainability.	25-Aug-2026	Udhay Bhakoo	31-Oct-2027

Risk Level Description Departmental

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

Description	**Cause**: • Ineffective change management and business transformation activities • Culture of resisting change within the organisation • Resource capacity – staff are consumed by BAU tasks they have no further capacity to support change • Ineffective prioritisation of programmes **Event**: • Low user acceptance rates and failure to integrate the necessary cultural changes. • Low change readiness • Un-utilised technologies or enhancements • Additionally, the broader transformation programme (such as users not fully adopting the new ERP system), may face resistance. This can result in resistance to the business transformation that the transformation programme and other initiatives aim to achieve. **Effect**: Decreased productivity, increased operational costs, and failure to achieve the desired outcomes of the Transformation programme and the broader transformation initiatives. The lack of business transformation may hinder the corporation's ability to modernise operations and align with the current corporate plan and strategies. Furthermore, the failure to achieve the transformation goals, such as improved efficiency, increased capacity, and better information management, may negatively impact the corporation's ability to deliver on its strategic objectives and maintain a competitive edge.

Current Risk Assessment, Score & Trend Comparison		12	–	Constant
Likelihood	Possible	**Impact**	Major	

Target Risk Assessment & Score		2	
Likelihood	Unlikely	**Impact**	Minor

Risk Score	12	Review Date	30-Mar-2026

Risk Score	2	Target Date	30-Jun-2029

Latest Note	The scale and pace of transformation activity across the Chamberlain's Department and wider City of London Corporation remains significant, with capacity constraints and competing BAU pressures continuing to present a risk to successful adoption and delivery. Recent committee risk reporting confirms that SLT has agreed a phased approach to transformation, with the first horizon focused on change readiness during 2026, including stakeholder communications, engagement planning and support for the Executive Leadership Board to act as effective transformation leaders. Mitigation continues through dedicated transformation and change leadership, including the appointment of Transformation and Change Portfolio Leads, the continued development of the corporate Change Management Strategy, and use of the Change Champion network to support engagement at employee level. A transformation vision and statement of intent have been developed to strengthen the case for change, inform success measures and support development of a corporate change framework. The autumn staff survey is expected to provide a baseline for change readiness. The Workforce Control Panel provides a mechanism for reviewing vacancies and recruitment proposals, helping to ensure recruitment is prioritised where additional capacity is needed to support transformation delivery, service resilience and organisational priorities.

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

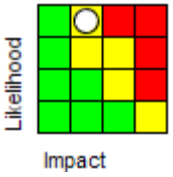
Actions related to this risk:

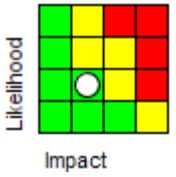
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CHB 005a Stakeholder Engagement	Identifying and engaging with key stakeholders to enable success of the transformation	Stakeholder engagement is being strengthened through structured communications, senior leadership forums and the Change Champion network, helping to identify key	19-Aug-2026	Various	30-Jun-2029

		stakeholders, gather feedback and support successful adoption of transformation activity.			
CHB 005b Change Management Strategy	Develop a change management strategy	The corporate change management approach is being developed through the wider Transformation Framework and tested through priority programmes including Ambition 25, Programme Sapphire and the People Strategy. Recent transformation planning confirms a focus on change readiness, including stakeholder engagement, communications planning, training and capability development, the Change Champion network and targeted interventions for high-risk areas. Programme Sapphire continues to use a live change management planning pack to coordinate change, communications, training, deliverables and readiness activity, with Change Champions supporting local engagement and feedback. This work is strengthening organisational change capability and supporting consistent adoption of new ways of working.	19-Aug-2026	Steve Strain / Corinne Eid	01-Jun-2027
CHB 005d Strategic Transformation Partner	Procure a transformation partner to deliver the transformation agenda.	Procurement is underway for a transformation partner with a preferred supplier expected to be determined in the autumn.	19-Aug-2026	Ronnie Adams	30-Nov-2026

Code	CHB 003	Title	Inconsistent application of the internal control environment

Description	
	Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to: • Failure of staff management to adhere to financial and procurement regulations, leading to: • Poor Purchase Order Compliance • Inefficient budget management • Delays in setting up Project Codes due to governance • Ineffective contract and supplier management • Lack of management oversight of purchasing activities • Misinterpretation and inconsistent understanding of financial and procurement regulations • Inconsistent guidance from subject matter experts • Complex procedures driving officers towards using workarounds **Event**: • Increase in transactional errors • Decrease in payment performance • Impact on cashflow management and accuracy of forecasting • Heightened demand for customised approvals and urgent decisions • Diminished strategic challenge capacity • Disrupted delivery of Business as Usual (BAU) operations **Effect**: • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market

Current Risk Assessment, Score & Trend Comparison		8		Constant
Likelihood	Likely	**Impact**	Serious	
Risk Score	8	**Review Date**	30-Mar-2026	

Target Risk Assessment & Score		4	
Likelihood	Unlikely	**Impact**	Serious
Risk Score	4	**Target Date**	31-Dec-2026

Latest Note	There remain areas where the application of internal controls could be strengthened across the Corporation. This continues to be monitored as part of wider work to support sound governance, financial discipline and delivery of the Medium-Term Financial Plan. The Finance Leadership Group is reviewing departmental and institutional actions monthly, with finance representatives working alongside services to improve compliance, share good practice and provide targeted support where required. A continued focus is being placed on training, communication and awareness to ensure staff understand and apply internal spending, purchasing and budget management requirements consistently. Additional compliance measures are being progressed, including the continued use of monitoring arrangements for purchasing activity and escalation routes where further management attention is required. The approved Financial Regulations and the revised Procurement Policy will further support a clearer and more consistent control environment, alongside work to document the wider financial framework and clarify ownership, review and assurance arrangements.

Risk Level	Departmental	Department	Chamberlain's
Creation Date	28-Feb-2024	Risk Owner	Caroline Al-Beyerty
Approach	Reduce	Risk Administrator	Hayley Hajduczek; Leah Woodlock
Head of Profession 1	Commercial	Risk assigned to	Caroline Al-Beyerty
Head of Profession 2	Financial Services	Committee	Finance Committee
Head of Profession 3	Internal Audit	Parent Risk	CHB CHB Departmental Cross Cutting Risks

Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date

CHB003e Review of procurement regulation	Review of procurement regulations and are explicit around requirements	The revised Procurement Policy has completed engagement and is being finalised for approval through the relevant governance route following the summer recess. Once approved, it will provide clearer procurement requirements, support consistent application and strengthen compliance with the wider internal control environment. .	19-Aug-2026	Kashi Aktar	30-Sep-2026
CHB003h Escalation and enforcement of non-compliance activities	Escalation and enforcement of non-compliance activities	Non-compliance is being addressed through established management and escalation routes, with issues reviewed by line managers and escalated to senior leadership where required. A three-strike process is also being implemented for PCard users to support improved compliance and consistent application of purchasing controls.	19-Aug-2026	Sonia Virdee; Genine Whitehorne	31-Dec-2026
CHB003i Finance Leadership Group Interventions	The Finance Leadership Group are responsible for partnering with departments and services to improve overall compliance. An action plan for each department/institution will be details and reviewed monthly at the FLG meetings. This will encourage sharing of strategies and best practice.	The Finance Leadership Group meets monthly to review actions and mitigations, assess departmental and institutional performance, and share effective approaches to reducing non-compliance.	19-Aug-2026	Sonia Virdee	31-Dec-2026

Committee(s): Finance Committee – For information Digital Services Committee – For Information	**Dated:** 22 September 2026
Subject: Chamberlain's Business Plan Quarter 1 2026/27-29/30 update	**Public report:** For information
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	Chamberlain's Department as a support service aims to impact all six outcomes in the Corporate Plan directly or indirectly.
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	The Chamberlain
Report author:	David Mendoza-Wolfson, Head of Chamberlain's Office

Summary

This report provides an update on the progress of the Chamberlain's Department against the first quarter of the first year of its multi-year (2026/27-2029/30) Business Plan.

The Chamberlain's departmental Business Plan 2026-29 is structured around three strategic themes: Operational Excellence, Future Ready and Entrepreneurial Spirit. As this is a multi-year plan, not every theme has performance measures for each quarter. This report provides an update on progress made during Quarter 1 against the measured outcomes of the Operational Excellence and Future Ready workstreams.

One workstream is currently rated red: Digital by Design. Progress on this workstream has been delayed due to the transition to the SAP system meaning that no further development work is being undertaken on the current system.

Highlights from quarter one include:

- **Process improvement:** The department met its Quarter 1 targets for mapping financial services and procurement processes, completing 25% in each area.
- **Internal Audit:** Internal Audit delivered 250 audit days during the quarter, meeting its target. Overall satisfaction was rated 4 out of 5, with additional positive feedback also received directly in response to reports issued.

The full list of updates are detailed in Appendix 1.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Chamberlain's Department provides quarterly updates to the Finance and Digital Services Committees on the activities and achievements against the approved business plan. This report provides an update on the department's performance during quarter one of year one of the 26/27 business plan.

Current Position

2. Good progress has generally been made across measures, with five of the seven target measures achieved, and one substantially achieved.

3. The exception to this was *Increase interfaced input of invoices quarterly* measure. This has not been possible as due to the transition to SAPphire, no further development work is being undertaken on the current Oracle system.

4. Updates for each workstream can be found in appendix 1.

Conclusion

5. The Chamberlain's Department have made good progress on those elements of the Y1:Q1 2026/27 business plan and will work to build on this success in the next quarter, when many more measures are due to be reported on.

Corporate & Strategic Implications

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

Financial implications – The 26/27-29/30 Business Plan was prepared in line with relevant budgets and requires proper oversight of controls such as internal audit.

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.

Background Papers
Chamberlain's Business Plan for 26/27-29/30

Appendices
Appendix 1 – Chamberlain's Business Plan progress report

David Mendoza-Wolfson
Head of Chamberlain's Office
E: david.mendoza-wolfson@cityoflondon.gov.uk

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank