



## Finance Committee – Main Agenda

**Date:** TUESDAY, 9 DECEMBER 2025

**Time:** 1.00 pm

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

**Members:**

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

**Enquiries:** John Cater

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

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

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**  
To agree the public minutes and non-public summary of the meeting held on 4<sup>th</sup> November 2025.  
  
*To Follow.*  
  
**For Decision**
4. **FINANCE COMMITTEE'S FORWARD PLAN**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 7 - 8)
5. **PUBLIC UPDATES FROM PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING OF 18 NOVEMBER 2025**  
Public updates of the Projects and Procurement Sub-Committee meeting held on 18 November 2025.  
  
**For Information**
6. **HOUSING REVENUE ACCOUNT POSITION**  
Joint Report of the Chamberlain and the Executive Director of Community and Children's Services.  
  
**For Information**  
(Pages 9 - 14)
7. **IFM FORWARD STRATEGY TO 2033**  
Report of the City Surveyor.  
  
**For Decision**  
(Pages 15 - 20)

8. **BURY STREET PUBLIC INQUIRY CONSULTANCY CONTRACT CONTINGENCY FUNDING**  
Report of the Executive Director, Environment.  
  
**For Decision**  
(Pages 21 - 28)
9. **INTERNATIONAL DISASTER FUND - PROPOSALS FOR ALLOCATION**  
Report of the Town Clerk.  
  
**For Decision**  
(Pages 29 - 34)
10. **ANNUAL ON-STREET PARKING ACCOUNTS 2024/25 AND RELATED FUNDING OF HIGHWAY IMPROVEMENTS AND SCHEMES**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 35 - 44)
11. **OPERATIONAL BUDGET ESTIMATES 2026/27**  
Joint Report of the Chamberlain, the Town Clerk, the City Surveyor, the Remembrancer, and the Executive Director of Community and Children's Services.  
  
**For Decision**  
(Pages 45 - 62)
12. **BUSINESS PLAN - Q2**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 63 - 80)
13. **RISK MANAGEMENT**  
Report of the Chamberlain.  
  
**For Information**  
(Pages 81 - 104)
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
16. **EXCLUSION OF THE PUBLIC**  
**MOTION** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**For Decision**

**Part 2 - Non-Public Agenda**

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

To agree the non-public minutes of the meeting held on 4<sup>th</sup> November 2025.

*To Follow.*

**For Decision**

**18. NON-PUBLIC UPDATES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING HELD ON 18 NOVEMBER 2025.**

To receive non-public updates of the Projects and Procurement Sub-Committee meeting held on 18 November 2025.

**19. OPTIONS FOR SUSTAINABLE HOUSING REVENUE ACCOUNT**

Report of the Chamberlain.

*To Follow.*

**For Decision**

**20. HEAT NETWORK ZONING (PHASE 1) PROCUREMENT STAGE 1**

Report of the City Surveyor.

**For Decision**  
(Pages 105 - 118)

**21. PUDDLE DOCK AREA - POTENTIAL DEVELOPMENT SITE UPDATE**

Report of the City Surveyor.

**For Information**  
(Pages 119 - 126)

**22. DELEGATION REQUEST - INVESTMENT PROPERTY**

Report of the City Surveyor.

**For Decision**  
(Pages 127 - 128)

23. **EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN**  
Report of the Chamberlain.

**For Information**  
(Pages 129 - 130)

24. **MAJOR PROJECT DASHBOARD - 2025/26**  
Report of the Chamberlain.

**For Information**  
(Pages 131 - 142)

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

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

### **Part 3 - Confidential Agenda**

27. **MARKETS SITE REGENERATION PROGRAMME**  
Report of the City Surveyor.

**For Information**

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FINANCE COMMITTEE – WORK PROGRAMME 2025-26

	Nov-25	Dec-25	Jan-26	Feb-26	April - 26	May-26	June - 26	July-26
Budget Setting Process & Medium-Term Financial Planning		Operational Budget Estimates 2026/27		City Fund Budget Report and Medium-Term Financial Strategy  City Estates Budget report and Medium-Term Financial Strategy				Update on Budget setting 26/27
Effective Financial Management Arrangements for The City Corporation	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan  Budget monitoring Q2 & Capital Projects – Forecasting	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan  Annual On-Street Parking Accounts 2024/25 and Related Funding of Highway Improvements and Schemes  Options for sustainable Housing Revenue Account  IFM Forward Strategy 2033  International Disaster Fund – Proposals for Allocation  Heat Network Zoning (Phase 1) Procurement Stage 1	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan  Review of Financial controls (Internal Audit update  P-cards internal audit review  Barbican 10-Year Plan	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan  Update of Finance Regulations - deep dive	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan  Review of Recharges - Barbican leaseholder service charges  Interest Rates for Loan Facilities	MPO Dashboard Reporting (CHB)  Efficiency and Performance forward plan  Revenue Outturn report 24/25  Provisional Outturn report 24/25  Update from Internal Audit – Assurance Financial Control  Write off report or Business Rates and Council tax
Financial Statements	City's cash financial statements  City's Cash trust funds and sundry trust funds annual reports and financial statements							
Finance Committee as a Service Committee	Risk Management Update Report	Risk Management Update Report  Chamberlain's Business plan Q2 report	Risk Management Update Report  ERP Programme Update (Quarterly)  Business Plan 2026/27 (Decision)	Risk Management Update Report  Chamberlain's Business plan Q3 report	Risk Management Update Report  Chamberlains Business Plan End of Year update  ERP Programme Update (Quarterly)	Risk Management Update Report	Risk Management Update Report  Central Contingencies (Quarterly report)	Risk Management Update Report  ERP Programme Update (Quarterly)
Other Departments reports		Puddle Dock Area - Potential Development Site Update  Markets Site Regeneration Programme			Appointments (Town Clerks)			



<b>Committee(s):</b> Finance Committee – for Decision Community & Children's Services Committee – for Information Policy & Resources Committee – for Decision Court of Common Council	<b>Dated:</b> 09/12/2025 28/01/2026  11/12/2025 Urgency
<b>Subject:</b> Housing Revenue Account Position 2025/26	<b>Public</b>
<b>This proposal delivers Corporate Plan 2024-29 outcomes</b> <b>1 - Diverse Engaged Communities:</b> <b>3 - Leading Sustainable Environment:,</b> <b>5 - Providing Excellent Services</b>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> Caroline Al-Beyerty, Chamberlain & Judith Finlay, Executive Director of Community and Children's Services	<b>For Information</b>
<b>Report author:</b> Mark Jarvis, Chamberlains & Peta Caine, Department of Community and Children's Service	

## Summary

The City's ring-fenced Housing Revenue Account (HRA) continues to be under significant pressure as identified for a number of years on the Finance (and now Corporate) Risk Register.

Low levels of revenue reserves mean that any in year budget overspend is likely to lead to a breach of statutory responsibilities to retain a positive balance on overall HRA funds.

Management accounts for Period 06 showed a potential £1.3m in year overspend. This adverse position has been reduced to a £0.05m deficit in the latest forecast with this small deficit being funded from brought forward reserves. Identifying which repairs can be capitalised has helped ease pressure on the revenue account. While this has created a positive situation, further efforts are being made to verify the estimated capitalisation of costs across several projects through detailed analysis. To ensure this method withstands auditor scrutiny, it will also need to be reviewed and validated by our auditors. Additionally, evaluation of temporary staff is underway. Management action and focus in this area continues to ensure that no year-end overspend position occurs.

## **Recommendation(s)**

Members are asked to:

- Note that, as with other local authorities, there are serious issues with the sustainability of the ring-fenced housing revenue account (HRA). The longer term issues around this are dealt with in a separate report. The actions taken and being taken in the short term to eliminate any in year overspend are set out in this report.

## **Main Report**

### **Background**

#### **HRA definition and powers:**

1. The Housing Revenue Account (HRA) is a ring-fenced budget for managing its social housing stock, which includes paying for repairs and maintenance as well as building new homes for social rent. The HRA is mandated by the 1989 Local Government and Housing Act. The account is intended to be financially self-supporting.

The City of London Corporation (COLC) has, alongside every other local authority, statutory duties around its housing stock.

#### **Current HRA Units:**

2. There are c3,000 units in the HRA of which 1,921 are rented homes and the remainder leaseholders. When compared with London boroughs this is c20% of what others hold (average between 15,000 and 16,000 units). The homes are distributed across multiple estates in various boroughs namely Southwark, Tower Hamlets, Islington, Lewisham, Lambeth, Hackney, as well as the City of London itself.
3. The main difference is that the City of London primarily has flats and maisonettes, unlike both inner London and areas outside London, which typically feature houses on streets.

#### **Current Position**

4. The table below sets out the current P7 forecast for the HRA compared to the Budget and the P6 forecast. The latest position shows an in-year deficit of £50k compared to the P6 deficit of £1,301k, a reduction of £1,251k. Much of this improvement relates to identified capitalisations that will need to be agreed with auditors. An increase in the balance brought forward of £274k has also been agreed after the correction of the previously estimated interest charge. This leads to an expected overall net carry forward position on reserves of £324k.

Table 1 - HOUSING REVENUE ACCOUNT	Original Budget 2025-26 £000	Period 06 forecast 2025/26 £000	Latest forecast 2025/26 £000	Movement from P6 to latest 2025-26 £000	
<b>Commentary on variances to movement in 2025-26</b>					
<b>LOCAL RISK</b>					
<b>Expenditure</b>					
Repairs, Maintenance & Improvements	(4,496)	(4,925)	(3,938)	987	Based on the revised estimates Bev has confirmed the reduction for period 7 forecast will be £101k due to voids. Further capitalisation of relevant expenditure including remediation element of electrical works
Supplementary Revenue Budgets	(224)	0	0	0	SRP Expenditure is based on the financing table - Checked the current forecast position on SRP is £198k & Actual Spend is £113k
Technical Services and City Surveyor's Costs	(1,794)	(2,215)	(2,215)	0	Technical Services revised budget based on Actual Cost recharged. Also based on project time allocation.
Employee Cost	(5,183)	(5,719)	(5,300)	419	Adjusted for Nil Contribution £215k and expected DCCS Recharge £200k
Premises & Other Support Cost	(657)	(766)	(766)	0	
Specialised Support Services	(3,642)	(3,642)	(3,787)	(145)	The additional cost in period 7 £145k is for cleaning, equipment, legal costs, etc
<b>TOTAL Expenditure</b>	<b>(15,996)</b>	<b>(17,267)</b>	<b>(16,006)</b>	<b>1,261</b>	
<b>Income</b>					
Rent					
Dwellings	14,257	13,745	13,537	(208)	Estimates for Black Raven Court had been profiled for the full 52-week period of the 2025-26 financial year. However, due to ongoing delays in the building handover process, it remains unoccupied and, and will likely not be occupied until January 2026. The delay in the income has been reduced this to 12 weeks in LAB25/26 for Sydenham Hill. Note York Way Income has been removed and factored now into the original budget for 26/27
Car Parking	430	430	430	0	Based on estimates & Met Police Income
Baggage Stores	128	128	127	(1)	Based on estimates
Commercial	1,614	1,563	1,563	0	Rent Free period and reduction in the Rent payments
Charges for Services & Facilities				0	
Community Facilities	123	142	142	0	Based on estimates
Service Charges	2,029	2,138	2,337	199	Revised estimates based on chgs needing to be added for Middlesex St, Golden Lane & Sydenham Hill.
Other	10	10	10	0	
<b>TOTAL Income</b>	<b>18,591</b>	<b>18,156</b>	<b>18,146</b>	<b>(10)</b>	
<b>NET INCOME FROM SERVICES</b>	<b>2,595</b>	<b>889</b>	<b>2,140</b>	<b>1,251</b>	
Loan Charges – Interest	(218)	0	0	0	
Interest Receivable	0			0	
<b>NET OPERATING INCOME</b>	<b>2,377</b>	<b>889</b>	<b>2,140</b>	<b>1,251</b>	
Loan Charges – Principal	(145)	0	0	0	
Transfer to Major Repairs Reserve	(2,190)	(2,190)	(2,190)	0	Based on the Depreciation Charge, excluding the Equipment Notional Interest
<b>(Surplus) / deficit FOR THE YEAR</b>	<b>42</b>	<b>(1,301)</b>	<b>(50)</b>	<b>1,251</b>	
Surplus brought forward	212	50	324	274	Prior year adjustment to interest charge
<b>SURPLUS CARRIED FORWARD</b>	<b>254</b>	<b>(1,251)</b>	<b>274</b>	<b>1,525</b>	

5. Across the country most local authorities are finding their commitments to quality social housing funded by the Housing Revenue Account under severe pressure due to a number of external factors, which has been detailed in the *Options for sustainable Housing Revenue Account* report presented to this Committee:

- Rental income capped by central government at below inflation for a number of years;
- Construction sector instability causing delays and high build cost inflation;
- New health and safety requirements.

6. COLC however has additional pressures caused by:

- A small, dispersed Estate whose geographic spread complicates centralised service delivery and increases operational costs. This dispersed and relatively small stock size poses unique challenges, including higher per-unit costs and difficulties achieving economies of scale compared to other local authorities.
- A central London premium for construction alongside supplier issues – where we have experienced the contractor going into administration, which

has delayed new homes delivery and caused lost rental income and higher costs.

- Backlog of Works - decades of underinvestment and until recently a lack of a holistic planned maintenance programme have caused persistent overspends on repairs and maintenance.

7. The Recovery Plan, as outlined in the annual housing plan, is an integral part of the Housing Strategy 2029. The current focus is on developing the housing plan for 2026 – 2028. The regulator is aware of the following actions being undertaken to address the current pressures:

- a. A review of the prior year's interest charge was conducted, updating estimated balances with actual figures. This has resulted in a prior period adjustment of £274k, thereby strengthening the reserves position from £50k to £324k.
- b. Reviewing repairs and maintenance expenditure to identify costs that can be capitalised – approximately £1.1m has been identified for capitalisation and is subject to verification with auditors.
- c. Evaluating both temporary and permanent staffing to ensure value for money and compliance with statutory legislation – ensuring standards are met to prevent further decline in our position.
- d. Halting all discretionary spend, however such expenditures are minimal since most costs relate to staffing and repairs/maintenance.
- e. Review recharges – currently forecasting £1.8m, with budget allocated in accordance with policy guidelines, rather than reflecting actual expenditure. This approach was approved by Finance Committee to prevent additional pressures on services areas, particularly in cases where cost increases from enabling functions would otherwise be allocated across these areas. If actual expenditure is lower than budgeted amount, it is advisable to recharge the actual expenses rather than the budgeted figure.
- f. A previous review of depreciation reduced the charge by just over £1.0m, however for completeness a further review will be undertaken.
- g. Officers will continue to focus on the long-term future of our housing estates and efficiency of our housing estates.

Recovery to sustainability

8. Covered under the Medium to Long Term plan – Options for sustainable Housing Revenue Account

## Corporate & Strategic Implications

### Strategic implications;

- **Diverse Engaged Communities:** These works will help residents feel safer, more secure and warmer in their homes and help build a better overall community for our residents.
- **Leading Sustainable Environment** – The works will assist the goal of residents using less fuel. The works to ensure the windows are fully operable and the new lighting also help with energy efficiency and contributes to the broad aims of the Climate Action Strategy.

- **Providing Excellent Services** -These proposed works demonstrate the COLC dedication to ensuring our residents live independently within well maintained housing.

#### **Financial implications:**

- As set out in the body of the report.

#### **Legal implications.**

- None.

#### **Risk implications**

- As set out in the body of the report.

#### **Equalities implications**

- As all works will affect all residents of the Housing stock to the same degree, there are no equality implications, although officers will monitor works to ensure that this situation is maintained.

#### **Climate implications**

- Elements of the works (improved building fabric, new low energy lighting, improved ventilation) all contribute to the wider goals of the City's Climate Action Strategy.

#### **Conclusion**

9. HRA and Chamberlain's team have made significant efforts to reduce the £1.3m deficit, and management is committed to taking all necessary steps to balance the HRA by the end of the financial year, while ensuring standards are being met.

#### **Peta Caine**

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#### **Mark Jarvis**

Chamberlains

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## City of London Corporation Committee Report

<b>Committee(s):</b> Projects & Procurement Sub Committee – For Decision Finance Committee – For Decision Court of Common Council – For Decision	<b>Dated:</b> <b>18/11/2025</b> <b>09/12/2025</b> <b>15/01/2026</b>
<b>Subject:</b> IFM Forward Strategy to 2033	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"> <li>delivers Corporate Plan 2024-29 outcomes</li> </ul>	Providing Excellent Services Leading Sustainable Environment Diverse Engaged Communities Flourishing Public Spaces
<b>Does this proposal require extra revenue and/or capital spending?</b>	
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b>	City Surveyor
<b>Report author:</b>	Matt Baker, Assistant Director – Head of Facilities Management

### Summary

This report outlines the proposed strategy for the integrated facilities management (IFM) approach implemented across the Corporation's property (non-housing) portfolio to 2033. The current model is a 10-year contract across 6 Lot that commenced in 2022. There is a break clause available at the end of year 5. The IFM model is currently in its third year and is proving to be very successful. This paper is therefore proposing to not utilise the break clause but take advantage of the economies of scale and further consolidate disparate FM supply. This however requires an uplift in the financial threshold of the IFM model. Please note no increase in budget is required. The continuation of the contract is already anticipated in the City's budget plans and any consolidation of service will utilise the budgets already approved which will be transferred across.

## Recommendation(s)

Members are asked to:

- Support the continuation of the 6 Integrated Facilities Management (IFM) contracts and **not** utilise the break clause.
- Approve the further consolidation strategy, and associated increase in contract value, of outlying facilities management contracts (BMS and Lifts) into the relevant IFM contract to deliver financial and operational efficiencies. Enable the City Surveyor to identify further efficiencies by taking advantage of additional economies of scale.

## Main Report

### Current Situation

1. In December 2022 members approved the award of 6 individual IFM contracts via the City's IFM Services Framework Agreement for a period of up to 10 years. These are outlined as follows:

Table 1.0

Lot	Supplier	Annual Fixed Costs
1 (Corporate Property)	CBRE	£2,666,227.49
2 (Investment Property)	CBRE	£1,530,026.88
3 (Barbican & GSMD)	OCS	£3,364,026.61
4 (Guildhall/LMA/Walbrook Wharf)	CBRE	£2,220,342.50
5 (Independent Schools)	ISS	£2,803,322.40
6 (Police & Courts)	OCS	£2,212,453.78
	<b>Total</b>	<b>£14,796,399.70</b>

2. Members also agreed annual increases to operational budgets to reflect the impacts of CPI, National Living Wage (NLW), London Living Wage (LLW) or changes in law impacting service delivery.
3. Each IFM contract is for a 10-year term and incorporates a break clause at the end of year 5. This gives the option for the Corporation to terminate giving six months prior notice at any time after the expiry of a minimum term of five years (for each of Lots 1 to 5) or 3 years (for Lot 6 only due to the City of London Police Accommodation Programme).
4. Prior to the end of the minimum term the only cause for termination is due to poor performance.
5. The IFM contracts are currently in their third contract year.
6. Lift & Escalator servicing and Building Management System (**BMS**) servicing remain key services that currently sit outside of the IFM contracts. These were awarded to Amalgamated Lifts Limited (£269,137/annum fixed cost, expires June 2027) and Schneider Electric Limited (£202,396.68/annum fixed cost expires March 2026). It is intended to incorporate the Lifts and BMS provision into the IFM Lot model.
7. Pursuant to rule 30.4 of the City's Procurement Code, approvals are required for uplifted contract values under each IFM contract.

## **Contract(s) Performance**

8. A full summary of IFM supplier performance (by LOT), Lift & Escalator Contract performance and Building Management System (BMS) contractor is provided in Appendix 1 and 3 respectively.
9. The City Surveyor acknowledge the current stable and effective service delivery from all IFM suppliers which is robustly managed both operationally and commercially. Performance is measured objectively via SLAs, KPIs and commercial contract scorecard (see appendix 2 for performance and appendix 4 for an example) against all holistic contract requirements (e.g. Responsible Procurement (Sustainability and Social Value), innovation objectives, risk management etc.)
10. Statutory Compliance performance is consistently strong with full visibility available on the City's Computer Aided Facilities Management (**CAFM**) system. A monthly dashboard is provided to department directors outlining this (See appendix 5).
11. Any poor performance has been robustly managed with service fee deductions enforced in line with the contracts when applicable. However, since year 1 of the contract there have been no deductions due to good performance.
12. A monthly Net Promoter Score (NPS) is obtained subjectively from key stakeholders/service users on perceived IFM performance. The average score since contract start is 8 out of 10 which meets our target.
13. BMS and Lift Contractor performance is variable and their contribution to wider City objectives is significantly less when compared to the IFM suppliers.
14. City Surveyor's believe that the Amalgamated Lifts and Schneider Electric contracts can be managed much more effectively via the IFM contract now that it is performing to a high standard.
15. Value for money was established as part of tender evaluation prior to contract award. The only increases in cost since award have been through CPI increases and LLW increases.

## **Options**

16. The following options have been considered.
  - a. Continue with IFM contracts, do not utilise the break clause and consolidate BMS and Lift contracts into IFM contracts.
  - b. Continue with IFM contracts but do not consolidate BMS and Lift contracts into IFM contracts.
  - c. Utilise the break clause and retender IFM contracts. Retender BMS and Lift Contracts separately at the end of their existing term.

## **Proposal**

17. The City Surveyor's recommendation is for members to approve option a.
18. Do not utilise the break clause available at the end of the minimum term for each IFM contract but note that should performance decline to an unacceptable level, the City has remediation procedures under each contract and the option to utilise the break clause upon giving 6 months prior written notice.
19. Approve the integration of BMS and Lifts & Escalator servicing into the relevant IFM contract on the basis that this delivers financial efficiencies with a target of

10% reduction. As a result, approve the increase in the IFM approved contract values as outlined below in Table 2.0.

**Table 2.0**

Combined Lifts & Escalators/BMS		Contract Year	4	5	6	7	8	9	10	
Supplier	Lot	Year	26/27	27/28	28/29	29/30	30/31	31/32	32/33	Total
CBRE	Lot 1	CPG	£ 43,433.00	£ 99,080.66	£ 101,062.27	£ 103,083.52	£ 105,145.19	£ 107,248.09	£ 109,393.05	£ 668,445.79
CBRE	Lot 2	IPG	£ -	£ 55,833.00	£ 56,949.66	£ 58,088.65	£ 59,250.43	£ 60,435.43	£ 61,644.14	£ 352,201.32
OCS	Lot 3	Barbican/GSMD	£ -	£ 48,430.00	£ 49,398.60	£ 50,386.57	£ 51,394.30	£ 52,422.19	£ 53,470.63	£ 305,502.30
CBRE	Lot 4	Guildhall/WW/TLA	£ 91,113.38	£ 159,732.65	£ 162,927.30	£ 166,185.85	£ 169,509.56	£ 172,899.75	£ 176,357.75	£ 1,098,726.24
ISS	Lot 5	Schools	£ 46,510.50	£ 59,820.71	£ 61,017.12	£ 62,237.47	£ 63,482.22	£ 64,751.86	£ 66,046.90	£ 423,866.77
OCS	Lot 6	Police & Courts	£ 21,341.35	£ 52,686.18	£ 53,739.90	£ 54,814.70	£ 55,910.99	£ 57,029.21	£ 58,169.80	£ 353,692.13
			£ 202,398.23	£ 475,583.19	£ 485,094.86	£ 494,796.76	£ 504,692.69	£ 514,786.54	£ 525,082.28	£ 3,202,434.55

20. BMS integration to commence in April 2026 when the existing contract with Schnieder expires. Lift and escalator integration to commence in June 2027 when the existing Amalgamated Lifts contract expires

## Benefits Of Not Utilising Break Clause

21. The City will continue working with 3 suppliers who are performing well as illustrated in their KPI performance, Net Promoter Scores, Compliance Performance and contributions to wider city objectives.
22. Not utilising the break clause at year 5 also removes the operational and financial risk of any re-procurement exercise and mobilisation of significant operational contracts which are performing well. Procurement and mobilisation costs are estimated at approximately £100,000 per contract (Total £600,000)
23. By entering and retaining long term partnerships with suppliers where performance is stable, we obtain the benefits of not only cost savings (7% at contract award) and certainty on the mechanisms for any future cost increases (CPI) but also supplier investment in wider city objectives, continuous improvements and innovation through a long-term relationship.
24. Market intelligence shared in Appendix 7 is also telling us that the FM market remains volatile due to inflationary pressures and the majority of providers are predicting increased selling costs (outstripping CPI) for the foreseeable future. Therefore, entering the market now is not sensible given that we have the benefit of the locked mechanism in CPI for the remainder of the contract term.
25. There is a risk of significant reputational damage to the City by sending mixed messages to the market on genuine commitment to these long-term partnerships when we have a recognised stable performance.
26. By integrating BMS and lifts into IFM, it enables City Surveyors to build upon the success endorsed by the external Human Engine audit on contract management. It also paves the way to identify further financial efficiencies with a target of 10% saving against existing costs.
27. Further integration supports resource efficiency allowing the City to administer fewer contracts with greater strategic focus, provide further corporate wide benefits, including reducing vendor management and impact on other City departments (e.g. accounts payable) and reduces software administration and user numbers.

## **Risks**

28. IFM supplier performance declines. Mitigation: City Surveyors will continue to manage this through our contract management framework. The Corporation retain the right to terminate from year 6 of the contract giving 6 months' notice.
29. Contract consolidation (Lifts and BMS) does not provide financial efficiencies. Mitigation: City Surveyors will revisit the strategy on further consolidation.
30. The Corporation is unable to increase budgets to fund increases due to CPI and LLW as approved by Members. Mitigation: City Surveyors will either have to reduce service levels or find efficiencies to deliver cost savings.

## **Legal Comment**

31. The Comptroller & City Solicitor's department was consulted in the preparation of this report and noted the following:
  - a. each Lot of the City's IFM Services Framework and subsequent call-off of the IFM contracts was tendered in compliance with the Public Contract Regulations 2015 (**PCR**);
  - b. although the PCR has been superseded by the Procurement Act 2023, modifications to the IFM contracts continue to be governed by regulation 72 of the PCR;
  - c. provided that each of the proposed modifications do not increase the contract value by more than 50%, they will be permissible under regulation 72(1)(b), without the need for a further competitive procedure, on the basis that a change in supplier would cause significant inconvenience or substantial duplication of costs for the City;
  - d. Lifts and BMS both fall within the scope of the City's IFM Services Framework which expressed the intention that a single supplier would be engaged to provide all FM services within each Lot;
  - e. each IFM contract incorporates terms to allow variation of both the services performed and the premises to be maintained.

## **Responsible Procurement Comment**

32. All three IFM suppliers are delivering a positive impact for our communities and environment. Each has been featured in the Responsible Procurement Annual Impact Reports and have continued to deliver in their third year. This year they are taking a collaborative approach to maximise their social value impact and all three are considered 'Top 25' suppliers under the City's Purchased Goods and Services project plan under the Climate Action Strategy. The proposed inclusion of lift maintenance and the BEMS under IFM control presents a promising opportunity for innovation and sustainability gains.
33. Supplier diversity is a key component of responsible procurement delivery across all three IFM suppliers. They would be encouraged to seek quotes from SMEs and diverse suppliers for any additional services not delivered in house. Given the varied nature of the City Corporation's lift portfolio, it is unlikely that large incumbent suppliers alone would be able to meet our requirements, further reinforcing the case for engaging a broader supplier base.

## **Appendices**

- Appendix 1 – IFM Supplier KPI performance data
- Appendix 2 – IFM Supplier Scorecard data
- Appendix 3 – Example Commercial Contract Management Supplier Scorecard
- Appendix 4 – Amalgamated Lifts performance data
- Appendix 5 – FM Contract Strategy Planning Timetable
- Appendix 6 – Example Monthly Dashboard provided at director level
- Appendix 7 – Market Intelligence Report

### **Matt Baker**

Assistant Director – Head of FM, City Surveyors

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# Agenda Item 8

<b>Committee:</b> Finance Committee – For decision	<b>Date:</b> 09/12/2025
<b>Subject: Bury Street Public Inquiry Consultancy Contract Contingency Funding</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>Diverse engaged communities, Dynamic economic development, Leading sustainable environment, Providing excellent services</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>Y – City Fund Finance Committee Contingency</b>
<b>If so, how much?</b>	<b>£750,000</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>Y -City Fund Finance Committee Contingency</b>
<b>Report of: Gwyn Richards</b>  <b>Report author: Anna Tastsoglou</b>	<b>For Decision</b>

## Summary

The City Corporation on the 14<sup>th</sup> of October 2025 received the Start Letter from the Secretary of State regarding the appeal lodged for a development at Bury Street, notifying the Corporation for the forthcoming 4-week Public Inquiry in February 2026. The Environmental Impact Assessment Planning Application (24/00021/FULEIA) and Listed Building Consent Application (24/00011/LBC) were resolved not to be granted at the Planning Applications Sub-Committee, contrary to officers' recommendation. Legal advice from Counsel has confirmed that it is advisable for City officers not to give evidence in this instance and to seek external witnesses instead.

For the above reason the Planning and Development Team urgently requests the cost for the Public Inquiry of £750,000 to be funded from Finance City Fund

Contingency. This amount will cover the fees for four expert witnesses and external legal costs, securing an experienced King's Counsel and Junior Counsel to represent the City Corporation at the appeal, as well as external legal costs to appoint a law firm, as well as the drafting and reviewing of all necessary appeal documents.

## **Recommendation**

Members are asked to:

- Approve a budget of £750,000 from Finance Committee, City Fund Contingency to enable the relevant Consultancy and Legal Contacts to be agreed to secure representation of the Corporation at the forthcoming Public Inquiry.
- Note the City Fund General Contingency Fund has an available balance of £891k, this proposed £750k allocation would leave a remaining balance of £141k.

## **Main Report**

### **Background**

1. An EIA application (24/00024/FULEIA) proposing an office-led development through the demolition of Bury House and erection of a new building comprising of 4 basement levels, ground plus 43 storeys; partial demolition of Holland House and Renown House; restoration of existing and erection of four storey extension at Holland House and three storey extension at Renown House and interconnection of the three buildings, was presented at Planning Applications Sub Committee (PASC) on the 13<sup>th</sup> December 2024 with a recommendation to approve the application.
2. An associated Listed Building Consent (24/00011/LBC) application relating to the restoration works of Holland House, partial demolition to facilitate interconnection with the neighbouring proposed new buildings and the construction of a four storey roof extension, was also presented at the same committee meeting with a recommendation to grant listed building consent.
3. At the committee meeting, Members took a different view to that of officers and resolved not to grant planning permission and listed building consent, with precise Reasons for Refusal to be formulated by officers and returned to Members for endorsement. Accordingly, a report was prepared recommending Reasons for Refusal to reflect the Committee's resolution of 13 December 2024 and presented at PASC on the 11<sup>th</sup> March 2025.
4. Following the debate on the 11<sup>th</sup> March 2025, it was decided by the committee for the EIA application to be refused for the following reasons:

- (1) The development would, by reason its overbearing and overshadowing impact on the courtyard of the Synagogue, result in less than substantial harm to the setting and significance of the Grade I listed Bevis Marks Synagogue. The harm would not be outweighed by the public benefits. The development would be unacceptable and contrary to Local Plan Policies CS 12, DM 12.1, DM 12.3; Emerging City Plan Policies S11 and DE7; London Plan Policy D9 C (1; d) and HC1 and the National Planning Policy Framework.
- (2) The development would, by reason of the loss of daylight and sunlight within the Bevis Marks Synagogue, adversely affect the ability of worshippers to carry out religious traditions and practices and manifest their religion in worship, being as such unacceptable and contrary to Local Plan Policy CS10 (1); Emerging City Plan Policies DE7 and the National Planning Policy Framework.
- (3) The development would, by reason of its position, height and massing, reduce the ability to view the moon in the night sky from the Bevis Marks Synagogue courtyard to the detriment of the ability of the worshippers to carry out important religious traditions and practices and manifest their religion in worship, contrary to Local Plan Policy CS10(1); Emerging City Plan Policy HL1; London Plan Policy GG1 and the National Planning Policy Framework.
- (4) The development would adversely affect the setting of the Tower of London World Heritage Site by reason of less than substantial harm caused via LVMF view 10A.1, from the Tower Bridge North Bastion to the Outstanding Universal Value of the World Heritage Site. The harm would not be outweighed by the public benefits of the development. The development would be contrary to Local Plan Policies CS12 and CS13; Emerging City Plan Policies S11, HE3 and S13; London Plan Policies D9(C)(e); HC2, and HC3 and the National Planning Policy Framework.
- (5) The proposed development, by reason of its height, massing and design would not preserve the character and appearance of the Creechurch Conservation Area. The harm would not be outweighed by the public benefits of the development. The development would be contrary to Local Plan Policies CS12, DM12.2 and CS14; Emerging City Plan Policies S11 and HE1; London Plan Policies D9(C)(d); HC1 and the National Planning Policy Framework.

5. The LBC application was refused for the following reason:

- (1) The proposed development at Holland House, by reason of its inability to be carried out in the absence of an approved planning permission of the associated development as proposed under the terms of application 24/00021/FULEIA, would result in an incomplete and unsatisfactory

appearance of the listed building, which would fail to preserve the special architectural and historic interest of and result in harm to the Grade II\* listed building. The harm would not be outweighed by public benefits. The development would be unacceptable and contrary to Local Plan Policies CS 12, DM 12.1, DM 12.3; Emerging City Plan Policies S11; London Plan Policy HC1 and the National Planning Policy Framework.

### **Current position**

6. An appeal has now been lodged to the Secretary of State and the City Corporation is required to defend the abovementioned decisions on appeal.
7. The Start Letter from the Planning Inspectorate was received on the 14<sup>th</sup> October 2025, setting out the timetable for the submission of the various appeal documents and the timetable for the Public Inquiry, starting on the 3<sup>rd</sup> of February 2026.
8. The first appeal document, namely the Statement of Case, had to be submitted on the 18<sup>th</sup> November 2025, resulting in an extremely urgent need to appoint the expert witnesses and legal representatives. Consequently, the Planning and Development Division had to seek expressions of interest from Planning Consultancy firms. The appointment of Lichfields was approved by the Construction & Property Category Board on 7/11/25.

### **Proposal**

9. The Planning and Development Team are requesting the cost for the Public Inquiry of £750,000 to be funded from Finance City Fund Contingency. Currently, the costs cannot be met from existing Local Risk Budgets for 2025/26 as confirmed by The Executive Director of Environment.
10. As noted above, the appeal timetable necessitates immediate action and requires 100% focus from the appointed consultants up to and including the Inquiry.
11. The estimated cost for this contract is £750,000. This amount will cover the fees for all necessary expert witnesses and external legal costs, including securing an experienced King's Counsel and Junior Counsel to represent the City Corporation at the appeal, as well as external legal costs to appoint a law firm.
12. Officers understand that the future of the Bury Street Scheme is of significant importance to the Members of the Planning Applications Sub-Committee, who voted against approving the applications earlier this year, contrary to officer recommendation. Given the lodged appeal and the receipt of the Start letter from the Secretary of State, it is crucial that this funding for expert witnesses and external legal fees is secured as a matter of urgency.

13. The appeal process is fully controlled by the Planning Inspectorate, and the Start Letter received on the 14<sup>th</sup> October 2025, sets out the timeframe for the submission of all appeal documents, starting with the submission of the Statement of Case on the 18<sup>th</sup> November 2025, the Proofs of Evidence in January and the Public Inquiry starting on the 3<sup>rd</sup> of February 2026. Due to the complexity of the proposal, it has been confirmed by the Planning Inspectorate that the Public Inquiry will last for four weeks, within this financial year. Therefore, immediate access to these funds is essential for the Department to instruct all relevant experts. Without this urgent funding, the Department risks its ability to fulfil its statutory duty to represent its case at a Public Inquiry.
14. Due to the scheme's intricacy and the reasons for refusal, the witnesses representing the City Corporation must possess significant experience and gravitas. We anticipate requiring several expert witnesses, including a planning witness, a heritage expert, an expert in the practices and traditions of the Sephardi community, and potentially an expert in daylight/sunlight and moon transit.
15. The breakdown of the requested £750,000 is as follows:
- £500,000 for a multidisciplinary consultancy covering the planning witness, a heritage expert, an expert in the practices and traditions of the Sephardi community, and potentially an expert in daylight/sunlight and moon transit. This contract will secure the drafting of all necessary documents for a Public Inquiry (e.g., Statement of Case, Statement of Common Ground, Proofs of Evidence) and cover expert witness fees for negotiating the proposed S106 agreement and acting as principal witnesses at the Inquiry.
  - £250,000 for external legal planning fees to secure an experienced King's Counsel and Junior Counsel to represent the City Corporation at the Public Inquiry and external legal costs to appoint a law firm.
16. The total amount must be available to the Department as a matter of urgency, in order to instruct the relevant experts, and it is anticipated to be spent within the 2025-26 financial year.
17. Existing City staff are unable to undertake this work. Their prior recommendation was to approve the applications, and defending a refusal would go against their professional opinion and planning judgment weakening the defence of the appeal and potentially prejudicing their view in future cases within the City Cluster. Legal advice from Counsel confirms it is advisable for City officers not to give evidence in this instance and to seek external witnesses instead. Not mounting a robust defence of the appeal could result in a potential award of costs against the Corporation.
18. Furthermore, assigning current staff to this Public Inquiry would divert an Assistant Director and a Principal Planning Officer from their normal duties for at least four months. This would significantly impact service delivery, especially during a period

of unprecedented workload with numerous major schemes. Development Management is a statutory, front-line service essential to the City's economic growth, and failure to provide adequate service would constitute a dereliction of legislative requirements.

19. The high number of schemes in the pre-application pipeline continues to challenge resources, at a time when economic recovery is a corporate priority. Planning plays a fundamental role in delivering the Corporation's vision as outlined in the Corporate and Departmental Business Plans.

## **Corporate and Strategic Implications**

20. Strategic implications – The development at Bury Street, currently determined at appeal, is a high-profile strategic development that has attracted significant public interest from around the world. Furthermore, the future of the Bury Street Scheme is of significant importance to the Members of the Planning Applications Sub-Committee. The lack of representation of the Corporation at appeal would result in high risk of the Department's ability to fulfil its statutory duty to represent its case at a Public Inquiry.
21. Financial implications – Currently the costs cannot be met from existing Local Risk Budgets for 2025/26 as confirmed by The Executive Director of Environment. Due to the urgency of the submission of the appeal documents, expenses have already started being accrued and the funding needs to be secured as a matter of urgency. The City Fund General Contingency Fund has an available balance of £891k, this proposed £750k allocation would leave a remaining balance of £141k.
22. Resource implications – as noted in paragraphs 17 and 18.
23. Legal implications – The main legal implication, in case of lack of representation of the Corporation at the appeal and Public Inquiry, would be the inability of the Local Planning Authority to fulfil its statutory duties. Where a local authority fail to substantiate the reasons for refusal, there is a risk of a costs award being made against the authority and therefore it is important that the City Corporation put forward a full and comprehensive case supported by expert witnesses and Counsel.
24. Risk implications – The aforementioned legal implication is also considered a risk implication. Furthermore, the lack of representation of the Corporation at the Public Inquiry would prejudice the Members' and consequently the LPA's decision to refuse the applications for multiple reasons, as set out above.
25. Equalities implications – This planning application had considered extensively multiple equality matters. The City Corporation, as the public authority, in exercising its function, had given due regard to the requirements of section 149 of the Equality Act. Some of these matters are under consideration under this appeal

process and therefore, it is fundamental for City Corporation to be represented at appeal and deal with these matters.

26. Climate implications – Sustainability and climate change were some of the main considerations for the assessment of this application. As part of this appeal process, the potential conditions and planning obligations (if the appeal is allowed) would have to be discussed. To ensure that all necessary conditions and planning obligations are secured with respect to sustainability and climate resilience, the City Corporation will have to be represented at appeal.
27. Security implications – Security measures in new developments is a planning policy requirement and a matter that requires to be secured under appropriately worded conditions and planning obligation. As noted above, to ensure the imposition as such obligation, in case the appeal is allowed, the City Corporation will have to be represented at the appeal process.

## **Conclusion**

28. In light of the above, the Planning Department is urgently requesting £750,000 from the Finance City Fund Contingency to fulfil its statutory duty to represent and support the City Corporation's decision regarding this development at a Public Inquiry.

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<b>Committee(s):</b> Finance Committee	<b>Date:</b> 09 December 2025
<b>Subject:</b> International Disaster Fund – Proposals for allocation	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	Diverse Engaged Communities Dynamic Economic Growth
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>IDF Annual Fund (City's Estate)</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	
<b>Report of:</b> Greg Moore, Deputy Town Clerk	<b>For Decision</b>
<b>Report author:</b> Jack Joslin, Head of Central Funding and Charity Management Team	

## Summary

Each year, the Finance Committee sets aside a sum of £100,000 to allocate towards funding appeals made in response to international disasters. Typically, these are crises such as major earthquakes, tsunami, and other humanitarian incidents.

In order to expedite the deployment of funds in response to appeals, your Committee previously agreed to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of this Committee, to consider proposed donations. However, in practical terms, even this delegation resulted in a considerable delay between an emergency occurring and the City Corporation's donation being made, with a further delay accruing prior to any monies reaching the affected region and supporting efforts on the ground.

In the interests of improving the efficacy of the City's contributions and streamlining administration, officers considered whether an alternative approach might be utilised, in order to maximise the impact of the funding available. In the Autumn of 2024 the Finance Committee awarded £75,000 allocation of funds to REACT, a rapid response charity which is specifically set-up to send volunteer Response Teams to humanitarian emergencies within six hours in the UK and 24-48 hours internationally. In addition, the Finance Committee provided funding to the Disaster Emergency Committee (DEC), to support its Middle East Humanitarian Crisis Appeal.

This report provides an update on the impact of this funding and an opportunity to review the arrangements, together with a recommendation to Members concerning how they might wish to allocate funds going forward.

## Recommendation(s)

Members are asked:

- To agree to the proposal for the ongoing designation of the International Disaster Fund.
- To approve funding of £50,000 to REACT for 2025/26 Financial Year to support with the costs of responding to International Humanitarian Disasters.
- To provide £25,000 to the Disaster Emergency Committee, to support its current Appeal.
- To approve an ongoing grant of £75,000 to REACT and designate £25,000 to the DEC for each financial year, with regular review points and annual reporting to the Finance Committee.

## **Main Report**

### **Background**

1. The City of London Corporation, through its Finance Committee, has set aside a sum of £100,000 each year into an International Disasters Fund (IDF).
2. The fund is used to provide donations to support responses to international humanitarian emergencies and, since January 2017 (most recently refreshed in November 2020), the criteria of the Disaster Emergency Committee (DEC) has been utilised for the selection and monitoring of UK aid charities to fund when responding to an international disaster. The Central Funding and Charity Management Team (CFCMT), formerly the Central Grants Unit (CGU), within the Corporation provides advice and recommendations to the Finance Committee in respect of individual appeals, as well as on how donations would be best placed in the instance that a DEC appeal is not launched.
3. The CFCMT maintains relationships with the DEC and its partners to seek to ensure it has advance notice of any appeals. The DEC will typically inform the CFCMT in advance of the launch of an appeal to ensure the City of London Corporation can be an early responder to any appeal launched and use its influence to get our partners to do the same. Delegated authority arrangements are in place to seek to expedite the formal approval of grants; however, the pace of response is still dependent on an appeal being launched, the CFCMT assessing and recommending an appropriate sum, and the requisite approvals being obtained by email.
4. In addition to international appeals, from March 2020, the Coronavirus Pandemic had a significant impact on life in the UK. Initial donations were made through the IDF to respond to this need, with it agreed at the start of the lockdown it was agreed that the IDF explore options to support organisations working in the UK in response to the Coronavirus Pandemic.
5. In March 2022, the war in Ukraine started prompting one of the largest DEC Appeals on record, as millions of Ukrainians were displaced from their homes. At the meeting of the Court of Common Council in March 2022, the Court resolved to move £250,000 from the Finance Committee Contingency Budget into the IDF to support that specific DEC Appeal.
6. It should be noted that a significant amount of CFCMT officer time is put into the assessment of International Appeals and recommendations made to the

Chairman and Deputy Chairman of the Finance Committee in exercising the delegated authority arrangements.

### **Current Position**

7. In the interests of improving the efficacy of the City's contributions and streamlining administration, officers considered whether an alternative approach might be utilised, in order to maximise the impact of the funding available.
8. Consequently, in the Autumn of 2024, the Finance Committee awarded £75,000 (24/25: £50,000, 25/26: £25,000) allocation of funds to REACT, a rapid response charity which is specifically set-up to send volunteer Response Teams to humanitarian emergencies within six hours in the UK and 24-48 hours internationally.
9. Since funding was awarded, REACT has been active in responding to several humanitarian incidents which include Hurricane Beryl in the Caribbean, the Myanmar Earthquake the Earthquake in Afghanistan and most recently Hurricane Melissa. Your funding has allowed for REACT to respond to each these disasters while also supported them in developing key partnerships including joining the UN World Food Partnership.
10. Providing funding up front to REACT has not only ensured the Corporation's funding is being used more quickly to respond to those crises to which it already supports but has also resulted in administrative efficiencies in avoiding discrete assessments being made and approvals obtained in response to individual appeals. The CFCMT has maintained close relationships with REACT, receiving updates on deployments and monitoring information on the impact of the funding. A report on the work of REACT can be found at **Appendix 1**.
11. In addition, at the same Autumn meeting the Finance Committee provided funding of £50,000 to the Disaster Emergency Committee, to support its Middle East Humanitarian Crisis Appeal. This Appeal was launched to support the increasing humanitarian crisis in the middle east which has been getting increasingly more severe since funding was awarded. **Appendix 2** provides an update on the impact of this funding.
12. On the 6<sup>th</sup> May 2025 the DEC held an event in the Guildhall Crypts with support from the CFCMT, bringing together all their international aid partners and attracting a large audience of City Business, Liveries and Members of the Finance Committee. The event fed back on the current DEC campaigns and noted the deep and long-term impact of the City of London's support. Feedback from the event highlighted the power the City has for convening stakeholders around issues, which has led to the DEC making new City connections to support future appeals.

### **Options**

13. In broad terms, there are three options available to the Committee:-

- a) **Option 1** - Continue to support the current arrangement where REACT receive £75,000 each year and £25,000 is retained to support DEC Appeals when they launch.
- b) **Option 2** - Provide funding of £50,000 to REACT and retain £50,000 to support DEC Appeals when the launch.
- c) **Option 3** – Revert to the previous policy where IDF funding is only given to the DEC or its partners.

## **Proposal**

- 14. The pilot period of funding for REACT has been positive. It has responded to a range of humanitarian incidents that fall under the usual threshold of the DEC and have been proactive on providing updates as incidents unfold. Maintaining this relationship will allow for REACT and the DEC will ensure the City of London is being purposeful with its International Disaster Fund and supporting a wide spectrum of humanitarian relief efforts.
- 15. Reflecting on the options and the imperative to make our contributions be as effective as possible, it is proposed that your committee resolves to agree Option 1 on an ongoing basis with regular review points and an annual updated provided to the Committee.
- 16. Given we are currently over two thirds through the financial year with a remaining budget of £75,000, a pragmatic approach might be to commit to provide funding of £50,000 to REACT for 2025/26 FY, taking their total to £75,000. It is the view of officers that the remaining funding of £25,000 be allocated to the DEC Middle East Humanitarian Appeal, taking the total donations to this Appeal to £75,000.

## **Corporate & Strategic Implications**

- Strategic implications – This proposal allows for donations made through the International Disaster Fund to be streamlined. By investing in one organisation the CoLC can develop a clear partnership that delivers on the aims of the IDF and will provide better data about the impact of this work.
- Financial implications – The proposals within this report present no additional financial implications.
- Resource implications – The proposals would continue to result in resource efficiencies for the City of London Corporation through a substantial decrease in administrative time associated with individual appeal responses and donation considerations. The CFCMT Team will continue to manage the relationship with REACT on an ongoing basis, which will be require less resources than dealing with individual appeals.
- Legal implications – None.
- Risk implications – A full due diligence assessment of the proposed grant recipient has been undertaken in order to assess the financial viability and

delivery record of REACT. The assessment indicates that there is no substantial risk associated with the proposed approach.

- Equalities implications – During the assessment of applications the CFCMT take into consideration EDI considerations. Funding to REACT will support CoLC in its EDI ambitions by providing humanitarian support internationally, to where it is needed most.
- Climate implications – None.
- Security implications – None.

## **Conclusion**

17. The IDF has made significant donations to support International Humanitarian Disasters since its inception. By utilising the expertise of International Aid organisations, the donations have always been directed at the areas that need it most. This paper proposes a mechanism by which the IDF might potentially be more impactful in how it donates to support International Disasters, with an appropriate review point to monitor efficacy.

## **Appendices**

- Appendix 1 – REACT Impact Report and Proposal
- Appendix 2 – DEC Middle East Appeal Impact Report

## **Background Papers**

- **“Donations – International Disaster Fund”, Report to Finance Committee, 16 May 2023**

### **Jack Joslin**

Head of Central Funding and Charity Management Team

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## City of London Corporation Committee Report

<b>Committee(s):</b> Planning & Transportation Committee Finance Committee Court of Common Council	<b>Dated:</b> 2 <sup>nd</sup> December 2025 9 <sup>th</sup> December 2025 12 <sup>th</sup> December 2025
<b>Subject:</b> Annual On-Street Parking Accounts 2024/25 and Related Funding of Highway Improvements and Schemes	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>provides statutory duties</b></li> <li>• <b>provides business enabling functions</b></li> </ul>	Leading sustainable environment Flourishing public spaces
<b>Does this proposal require extra revenue and/or capital spending?</b>	n/a
<b>If so, how much?</b>	No
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b>	The Chamberlain
<b>Report author:</b>	Julie Smith, 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 2024/2025 was £9.04m.
- a total of £8,488m was applied in 2024/25 to fund approved projects; and
- the surplus remaining on the On-Street Parking Reserve at 31st March 2025 was £60.563m, 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 service 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 or increased expenditure. This is a change from the previous reporting of the On Street Parking Account. The Financial Regulations use Local Authority compliance as the benchmark for all funds under the City Corporation’s control.

In addition, this prevents the need to make manual adjustments to data extracted from the financial systems both within the current and new SAP system – moving to adopt and not adapt.

## 2024/25 Outturn

4. The overall financial position for the On-Street Parking Reserve in 2024/25 is summarised below:

	£m
Surplus Balance brought forward at 1st April 2024	(58,628)
Surplus arising during 2024/25	(10,423)
Expenditure financed during the year	8,488
<b>Funds remaining at 31<sup>st</sup> March 2025, wholly allocated towards funding future projects</b>	<b>(60,563)</b>

5. Total expenditure of £8.488m in 2024/25 was financed from the On-Street Parking Reserve, covering the following approved projects:

<b>Revenue/SRP Expenditure:</b>	<b>£000</b>
Highway Resurfacing, Maintenance & Enhancements	2,406
Street Cleansing contract (inflation uplift requirement)	707
London Wall Car Park Waterproofing and Repairs	623
City gardens highways & cleansing maintenance	238
Car parks CWP (Cyclical Works Programme)	217
London Wall Car Park Fire Safety Works	161
Special Needs Transport	102
Aldgate Maintenance for City Open Spaces	40
Cleaning Maintenance Lord Mayors Show	36
St Paul's Gyratory	34
Thames Footbridge (implementation)	(9)
Off-Street Car Parking Contribution to Reserves	(121)
<b>Total Revenue/SRP Expenditure</b>	<b>5,089</b>
<b>Capital Expenditure:</b>	
Bank Junction Improvements (All Change at Bank)	1,155
Pedestrian Priority Programme (King William St)	1,069
Climate Action Strategy – Cool Streets & Greening	422
Barbican Podium Waterproofing – Phase 2	245
Climate Action Strategy – Pedestrian Priority	235
Car Parks Fire & Health & Safety actions	191
Enhancing Cheapside	82
<b>Total Capital Expenditure</b>	<b>3,400</b>
<b>Total Expenditure Funded in 2024/25</b>	<b>8,488</b>

6. The surplus on the On-Street Parking Reserve brought forward from 2023/24 was £58.628m. After expenditure of £8.488m funded in 2024/25, a surplus balance of £1.935m was carried forward to future years to give a closing balance at 31st March 2025 of £60.563m.
7. Currently total expenditure of some £112.7m (including Priorities Board allocations approved by Members), is planned over the medium term financial plan from 2025/26 until 2029/30 (as detailed in Table 1 and is subject to the project approval process), by which time it is anticipated that the existing surplus plus those estimated for future years will be fully utilised. A contingency sum £2m in 2027/28 has been included in the projections to cover any unforeseen inflationary pressures on approved projects.
8. The total programme covers numerous major capital schemes including:-
  - Funding towards the Barbican Podium Waterproofing;
  - Bank Junction Improvements;
  - Climate Action Strategy Cool Streets & Greening and Pedestrian Priority;
  - Traffic Enforcement CCTV;
  - West Smithfield Area Public Realm & Transportation Project;
  - St Paul's Gyratory;
  - London Wall Car Park Waterproofing,
  - Joint Replacement & Concrete Repairs;
  - Fire Safety at the Car Parks;
  - Pedestrian Priority Programme @ King William Street;
  - Enhancing Cheapside;
  - Moorgate Corridor;
  - Dauntsey House;
  - Vision Zero Safer Streets;
  - 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, which is little changed from those listed in paragraph 5. The main ones being:-
  - Highway Resurfacing,
  - Enhancements & Road Maintenance Projects;
  - Concessionary Fares & Taxi Cards;
  - Traffic Order Review;
  - 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, including power washing as part of Destination City requirements; and
  - City Gardens highways & cleansing maintenance

10. Following Member requests to allocate On-Street Parking surplus monies, a Priorities Board chaired by the Town Clerk 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 increase in annual operating expenditure forecast from 2025/26 onwards is mainly due to increased enforcement contract costs, back-office support contract costs (printing, postage, and IT software) plus staff salary increases.

<b>Table 1 On-Street Parking Account Reserve Projections 2023/24 to 2029/30</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>Total</b>
	<b>Actual £m</b>	<b>Forecast £m</b>	<b>Forecast £m</b>	<b>Forecast £m</b>	<b>Forecast £m</b>	<b>Forecast £m</b>	<b>£m</b>
Income	(10.6)	(14.6)	(15.0)	(15.5)	(15.9)	(16.3)	(87.9)
Expenditure (Note 1)	0.2	4.1	4.2	4.3	4.4	4.6	21.8
<b>Net Surplus arising in year</b>	<b>(10.4)</b>	<b>(10.5)</b>	<b>(10.8)</b>	<b>(11.2)</b>	<b>(11.5)</b>	<b>(11.7)</b>	<b>(66.1)</b>
Capital, SRP and Revenue Commitments (Note 2)	8.4	42.3	25.0	18.8	9.1	9.1	112.7
<b>Net in year contribution from/ to (surplus)</b>	<b>(2.0)</b>	<b>31.8</b>	<b>14.2</b>	<b>7.6</b>	<b>(2.4)</b>	<b>(2.6)</b>	<b>46.6</b>
<b>Contingency (Note 3)</b>				<b>2.0</b>			<b>2.0</b>
Deficit / (Surplus) cfwd at 1 <sup>st</sup> April	(58.6)	(60.6)	(28.8)	(14.6)	(5.0)	(7.3)	
<b>Deficit / (Surplus) cfwd at 31<sup>st</sup> March</b>	<b>(60.6)</b>	<b>(28.8)</b>	<b>(14.6)</b>	<b>(5.0)</b>	<b>(7.3)</b>	<b>(9.9)</b>	

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 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

13. Strategic implications – n/a
14. Financial implications – Covered in main body of report
15. Resource implications – Covered in main body of report
16. 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.

#### 17. 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 – n/a

Climate implications – n/a

Security implications – n/a

#### **Conclusion**

18. 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 2024/25.

#### **Appendix**

Appendix 1 –Appendix of Proposed OSPR Schemes

#### **Report author**

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## APPENDIX 1 PROPOSED OSPR SCHEMES

### SUMMARY ON-STREET PARKING RESERVE ACCOUNT (as @ 22nd August 2025)

	2024/25 Actual £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 Forecast £'000	2029/30 Forecast £'000	TOTAL £'000	
<b>Expenditure</b> - salaries, enforcement contract, other running expenses	191	4,097	4,220	4,347	4,477	4,611	21,943	
<b>Income</b> - PCN's, parking meters, suspended bays, dispensations	(10,614)	(14,617)	(15,056)	(15,507)	(15,972)	(16,452)	(88,218)	
<b>NET REVENUE SURPLUS GENERATED IN YEAR</b>	<b>(10,423)</b>	<b>(10,520)</b>	<b>(10,836)</b>	<b>(11,161)</b>	<b>(11,495)</b>	<b>(11,840)</b>	<b>(66,275)</b>	
<b>TOTAL OF CAPITAL, SRP &amp; REVENUE COMMITMENTS</b>	<b>5,790</b>	<b>24,097</b>	<b>14,773</b>	<b>11,045</b>	<b>5,324</b>	<b>5,683</b>	<b>66,711</b>	<b>A</b>
<b>TOTAL BIDS (Agreed by Priorities Board)</b>	<b>2,698</b>	<b>18,205</b>	<b>10,207</b>	<b>7,770</b>	<b>3,831</b>	<b>3,576</b>	<b>46,288</b>	<b>B</b>
<b>CONTINGENCY (Agreed by Priorities Board)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	
<b>DEFICIT/(SURPLUS) Brought Forward @ 1st April</b>	<b>(58,628)</b>	<b>(60,563)</b>	<b>(28,781)</b>	<b>(14,637)</b>	<b>(4,982)</b>	<b>(7,323)</b>	<b>(9,904)</b>	
<b>DEFICIT/(SURPLUS) Carried Forward @ 31st March</b>	<b>(60,563)</b>	<b>(28,781)</b>	<b>(14,637)</b>	<b>(4,982)</b>	<b>(7,323)</b>	<b>(9,904)</b>		

( ) = income or in hand balance

**PROJECTION OF PLANNED SCHEME EXPENDITURES TO BE FINANCED 2024/25 to 2029/30**

	2024/25 Actual £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 Forecast £'000	2029/30 Forecast £'000	TOTAL £'000
<b>CAPITAL SCHEMES (inc. some SRP)</b>							
Holborn Viaduct & Snow Hill Pipe Subways over Thameslink Str Reps	0	1,428	2,690				4,118
Bank Junction Improvements (All Change at Bank - Permanent scheme)	1,155.8	544	394				2,094
Barbican Podium (Beech Gardens) Waterproofing - Phase 2	245	6,926					7,171
Climate Action Strategy - Cool Streets and Greening Programme (2021-22)	422	4,182	1,470				6,074
Climate Action Strategy - Pedestrian Priority (2021-22 Bids)	235	2,866	1,352				4,452
London Wall CP Waterproofing, Joint Replacement & Concrete Repairs	623	398	1,579				2,600
Traffic Enforcement CCTV	0	88					88
Lindsey Street Bridge Strengthening (subject to RASC drawdown)	0	1,202	1,123				2,325
West Smithfield Area Public Realm & Transportation Project - previously MoL Public Realm (subject to RASC drawdown)	173	2,727	2,300	5,828			11,028
<b>TOTAL CAPITAL SCHEMES</b>	<b>2,854</b>	<b>20,360</b>	<b>10,908</b>	<b>5,828</b>	<b>0</b>	<b>0</b>	<b>39,949</b>
<b>SRP SCHEMES</b>							
Minorities Car Park - Structural Building Report	0	223					223
Dominant House Footbridge Repairs and Future Options	0	68					68
Thames Court Footbridge (Implementation)	-9						(9)
<b>TOTAL SRP SCHEMES</b>	<b>(9)</b>	<b>291</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>282</b>
<b>REVENUE SCHEMES</b>							
<b>Planning and Transportation Committee</b>							
Highways Resurfacing/Maintenance/Enhancements (was 3C now 1L)	2,406	2,619	2,698	2,778	2,862	2,948	16,311
Contribution (to)/from Reserves for cost of Off Street Car Parks (1L + 3C)	-121	-192	391	1,641	1,641	1,891	5,251
Traffic Review Order	23	265					288
Aldgate	40	40	40	40	40	40	240
Cleansing Maintenance - Lord Mayors Show	36	37	38	39	40	41	230
<b>Sub Total</b>	<b>2,384</b>	<b>2,769</b>	<b>3,166</b>	<b>4,498</b>	<b>4,583</b>	<b>4,920</b>	<b>22,320</b>
<b>Community &amp; Children's Services Committee</b>							
Concessionary Fares and Taxicard	459	568	585	603	621	639	3,474
Special Needs Transport	102	110	113	117	120	124	686
<b>Sub Total</b>	<b>561</b>	<b>678</b>	<b>698</b>	<b>719</b>	<b>741</b>	<b>763</b>	<b>4,160</b>
<b>TOTAL REVENUE SCHEMES</b>	<b>2,945</b>	<b>3,447</b>	<b>3,865</b>	<b>5,218</b>	<b>5,324</b>	<b>5,683</b>	<b>26,480</b>
<b>TOTAL OF CAPITAL, SRP &amp; REVENUE COMMITMENTS</b>	<b>5,790</b>	<b>24,097</b>	<b>14,773</b>	<b>11,045</b>	<b>5,324</b>	<b>5,683</b>	<b>66,711</b>
<b>BIDS AGREED BY PRIORITIES BOARD</b>							
<b>Capital</b>	<b>2024/25 Actual £'000</b>	<b>2025/26 Forecast £'000</b>	<b>2026/27 Forecast £'000</b>	<b>2027/28 Forecast £'000</b>	<b>2028/29 Forecast £'000</b>	<b>2029/30 Forecast £'000</b>	<b>TOTAL £'000</b>
St Paul's Gyratory (previously the MOL Gyratory)	34	5,599	3,036	2,464			11,132
London Wall CP Fire Safety Works	161	2,738					2,899
Pedestrian Priority Programme - King William Street	1,069	932					2,000
Bank Junction Improvement Project - Traffic and Timing Review	0	650					650
Enhancing Cheapside (includes SRP)	82	868	50				1,000
Car Parks Fire and H&S Actions (fire doors, lighting, CCTV)	191	209					400
Vision Zero Safer Streets	0	500	1,000	900			2,400
Outdoor Fitness Equipment - Old Watermans Walk		75	5	5	5		90
Dauntsey House - Ironmonger Lane	0	450					450
Moorgate Corridor		100	825	575			1,500
Bank Junction Improvement Project - Taxi Experiment		535	215				750
<b>Sub Total</b>	<b>1,537</b>	<b>12,654</b>	<b>5,131</b>	<b>3,944</b>	<b>5</b>	<b>0</b>	<b>23,271</b>
<b>Revenue</b>							
Secure City CCTV system (max. contribution to Police running costs)	0	500	500	500	500	500	2,500
Street Cleansing contract (inflation uplift requirement) - 1L	707	750	750	750	750	750	4,457
Street Cleansing power washing (Destination City requirement) - 1L	0	60	60	60	60	60	300
City Gardens highways and cleansing maintenance -1L	238	200	200	200	200	200	1,238
Street Cleansing (resources reintroduction) - 1L	0	1,413	1,413	1,413	1,413	1,413	7,065
Car Parks - CWP	217	2,083	1,500	250	250		4,300
Highway contract inflation funding		300	300	300	300	300	1,500
Street Cleansing contract inflation funding		245	353	353	353	353	1,657
<b>Sub Total</b>	<b>1,162</b>	<b>5,551</b>	<b>5,076</b>	<b>3,826</b>	<b>3,826</b>	<b>3,576</b>	<b>23,017</b>
<b>TOTAL BIDS (AGREED BY PRIORITIES BOARD)</b>	<b>2,698</b>	<b>18,205</b>	<b>10,207</b>	<b>7,770</b>	<b>3,831</b>	<b>3,576</b>	<b>46,288</b>



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## City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For decision	<b>Dated:</b> 09/12/2025
<b>Subject:</b> Finance Committee Operational Budget Estimate 2025/26	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"> <li>provides business enabling functions</li> </ul>	N/A
<b>Does this proposal require extra revenue and/or capital spending?</b>	N/A
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> The Chamberlain, The Town Clerk, The City Surveyor, The Remembrancer, and The Director of Community and Children's Services	
<b>Report author:</b> Dawit Araya, Chamberlain's Department	

### Summary

This report is the annual submission of the revenue budgets in relation to the operational services directly overseen by your committee. It is asking Members to note the budget for 2025/26 and approve the proposed revenue budget for 2026/27.

The 2026/27 proposed budget totals £73.783m, up £5.239m (7.6%) from the 2025/26 budget of £68.544m. The main changes are:

- An increase in City Surveyor Repairs & Maintenance, mainly relating to agreed Cyclical Work Programme backlog of works at Guildhall (£5.539m).
- An increase to Insurance Premium (£1.849m).
- A net increase of 3% has been applied to account for inflation (£1.317 million).
- Partly offset by a net decrease of £3.466m comprising £2.532m, removal of one-off contingency and carry forward funds, £0.564m Central and Capital Recharges and £0.370m net other movements.

The overall budget is summarised by Chief Officer in the following table.

	<b>Budget 2025/26</b>	<b>Estimate 2026/27</b>	<b>Movement 2025/26 Budget to 2026/27 Estimate</b>
<b>Summary Revenue Budgets 2025/26 and 2026/27 - by Chief Officer</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
<b>Local Risk</b>			
The Chamberlain	17.060	16.961	(0.099)
The Deputy Town Clerk	4.094	3.342	(0.752)
The City Surveyor	14.832	21.194	6.362
The Remembrancer	0.204	(0.559)	(0.763)
<b>Total Local Risk</b>	<b>36.190</b>	<b>40.938</b>	<b>4.748</b>
<b>Central Risk</b>			
The Chamberlain	20.265	20.809	0.544
The Deputy Town Clerk	1.557	1.533	(0.024)
The City Surveyor	4.751	5.251	0.500
The Remembrancer	0.192	0.192	0.000
Director of Community & Children's Services	0.252	0.072	(0.180)
<b>Total Central Risk</b>	<b>27.017</b>	<b>27.857</b>	<b>0.840</b>
<b>Capital and Support Services</b>	<b>5.337</b>	<b>4.988</b>	<b>(0.349)</b>
<b>Committee Total</b>	<b>68.544</b>	<b>73.783</b>	<b>5.239</b>

Figures in brackets indicate income, decrease in expenditure or increase in income.

Your committee's approved capital budgets are detailed at Appendix 7 and are shown for information as they will be included in the overall published budget books.

### Recommendations

Members are asked to:

- i) Note the Budget for 2025/26.
- ii) Review and approve the Estimate for 2026/27.
- iii) Note the approved capital and supplementary revenue budgets.
- iv) Agree that minor amendments for the 2026/27 Estimate arising from changes to recharges or for any further implications arising from energy price increases and other reviews and changes to the capital charges during budget setting are delegated to the Chamberlain.

### Main Report

#### Background

1. The number and range of services managed by the Finance Committee results in a complex presentation. Therefore, this report focuses on the bigger picture to aid clarity.
2. An overview of the services provided can be found in Appendix 1.

#### Estimate for 2026/27

3. This report requests approval of the 2026/27 estimate concerning the operational services overseen by your committee. A summary of the overall budget is presented in Appendix 2, while Appendix 5

details the movement between the budget 2025/26 and the proposed 2026/27 budget.

## **Assumptions**

4. The estimate for 2026/27 incorporates a 3% adjustment for inflation to the net local risk budgets for pay, non-pay and income. The pay award for July 2025 has been approved at 3.2% which is 1.2% above the budgetary provision. Members are to note any increase above the 2% pay inflation allocated for 2025/26 will need to be met through savings within Chief Officers local risk budgets. Any pay adjustment for 2026/27 has yet to be decided. This has therefore not been reflected in this budget.
5. Members should note this report does not include forecast energy price increases for the 2026/27 financial year, other than the 3% budgetary inflation allowed.

## **Budget 2025/26 and Estimate 2026/27**

6. The 2026/27 estimate totals £73.783m, an increase of £5.239m (7.6%) compared to the budget for 2025/26. The main reasons for this increase are:
    - i) An increase in City Surveyor Cyclical Works Programme (CWP) £5.539m already approved by Court of Common Council. The budget increase reflects the planned work undergoing at Guildhall.
    - ii) A net increase in insurance premiums of £1.849m This increase reflects the actual increase in premiums since original budget was set plus allowance for a further increase expected when the contract is re-tendered.
    - iii) A net 3% inflation increase of £1.317m in accordance with Resource Allocation Sub-Committee guidelines.
- Partly offset by:
- iv) A net decrease of £3.466m due to the removal of one-off contingency and carry forward funds (£2.532m), an updated allocations for Central (£406k) and Capital Recharges (£158k) and net other movements (£0.370m).
7. An analysis of the movement by service from the budget for 2025/26 to the budget for 2026/27 is included in Appendix 5.
  8. Appendix 4 contains an analysis of the budget movement, detailing the submissions to the committee, the progression toward the agreed budget 2025/26, and the development leading to the final estimate 2026/27.

## **Potential Further Budget Adjustments**

9. The provisional nature of the 2025/26 Estimate recognises that further revisions may be required to realign funds for:
  - i) Changes to central and departmental support services apportionment as a result of the agreement of the estimates for these services (no changes are at present anticipated); and
  - ii) As noted in paragraph 5, the 2026/27 estimate excludes projected energy price increases for that year. A separate provision will be allocated as needed, if the Chamberlain assesses that energy cost inflation cannot be managed within local risk budgets.
  - iii) Civic Affairs Committee have requested an extra £98k to fund committee dinners. This is subject to approval by RASC and will be incorporated into the 2026/27 budget if agreed.

## Staffing Statement

10. A summary staffing statement is set out in the following table.

Finance Committee Operational Services staffing statement by Chief Officer	Budget 2025-26		Estimate 2026-27	
	Staffing Full-time equivalent	Estimated cost £m £m	Staffing Full-time equivalent	Estimated cost £m
Chamberlain	227.5	16.38	217.3	16.547
Deputy Town Clerk	4.0	0.468	7.0	0.554
Surveyor	156.0	7.918	153.0	7.344
Remembrancer	19.0	1.728	18.0	1.916
Community & Children's Services	1.1	0.032	0.7	0.039
<b>TOTAL FINANCE COMMITTEE</b>	<b>407.6</b>	<b>26.526</b>	<b>396.0</b>	<b>26.400</b>

Reduction in staff numbers is attributed to Apprentice which now are funded centrally

## Draft Capital and Supplementary Revenue Project budgets for 2026/27

11. The latest estimated costs of the Committee's approved capital and supplementary revenue projects total £9.809m, with a breakdown presented at Appendix 6.

## Appendices

- Appendix 1 - Operational Service Overview.
- Appendix 2 - Finance Committee Operational Services 2025/26 and 2026/27 Summary Budget
- Appendix 3 – Finance Committee Operational Services 2025/26 and 2026/27 Summary Budget – by Risk, Fund and Chief Officer
- Appendix 4 –Summary of Budget Movements from 2025/26 budget to 2026/27 Estimate (cash limit)
- Appendix 5 – Movement from 2025/26 Budget to 2026/27 Estimate
- Appendix 6 – Capital and Supplementary Revenue Project budgets

## Contact

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## OPERATIONAL SERVICE OVERVIEW

### **Chamberlain**

#### **City Fund**

#### **Cost Of Collection**

The Cost of Collection reflects the expenditure incurred in the administration and collection of the Non-Domestic Rates, the Council Tax and Benefits Administration.

#### **City's Cash**

#### **Chamberlain's Court**

The main duties of Chamberlain's Court include assisting the Chamberlain to admit persons to the Freedom of the City; to help in the formation of new Livery Companies; and to maintain the Mansion House Plate Inventory.

#### **Gresham - City Moiety**

This includes the City's share of the income from the Royal Exchange, 89/91 Gresham Street and Gresham House annuity. It also shows the City's share of the expenses of running the Gresham Estate.

#### **Gresham - Discretionary Expenditure**

This principally consists of the grant to Gresham College, the non-mandatory elements of the Lecturer's fees and administrative costs.

#### **Guildhall Administration**

Within Guildhall Administration the Chamberlain's Department provides a wide range of financial services.

The department is organised into the Financial Services Division, Corporate Treasury, Shared Services, Internal Audit and Business Support.

The work of the department (except for Cost of Collection and the Chamberlain's Court which are summarised in the notes above) are explained below.

#### **Chamberlain's Department – General**

The services provided by the **Financial Services Division**:

- Revenue and capital budget preparation and financing
- Budget monitoring and financial advice
- Accounting and final accounts
- Medium-and longer-term financial planning and technical analysis
- Cash flow reporting
- Strategic financial advice on major projects
- Capital project appraisal
- Business partnering
- Support to corporate governance
- Oracle System Team

The services provided by **Corporate Treasury**:

- Financial Investment and treasury management

- VAT/tax planning
- Banking
- Financial appraisal of organisations
- Insurance

The services provided by **Financial Shared Services Division**:

- Business Rates Billing and Collection
- Business Improvement Districts Billing and Collection
- Council Tax Billing and Collection
- Miscellaneous Income Billing and Collection
- Property Rent and Service Charge Billing and Collection
- Housing Benefit Administration
- Council Tax Reduction Support Administration
- Accounts Payable
- Accounts Receivable

The services provided by **Internal Audit**:

- Independent and objective assurance through the delivery of a programme of Internal Audit reviews and advice and guidance
- Counter Fraud and Investigations

## **Strategic Aims**

As part of Chamberlain's transformation programme a new strategic vision has also been built with all colleague's feedback being taken into consideration/implemented before finalising. This has been built on six pillars as follows:

- 1. Stewardship**  
Enable financial sustainability and manage risk through leadership on financial control, governance and assurance
- 2. Empowering**  
Empowering team members to excel through a focus on wellbeing, professional development and leadership
- 3. Trusted Partner**  
Create value and drive impact through strategic advice, ceremonial duties and professional insight as trusted advisors
- 4. Partnership Working**  
Deliver in partnership with customers and each other as a professional Chamberlain's community
- 5. Commercial**  
Champion value for money, develop opportunities and embed commercial practices in support of the communities we serve
- 6. Digital First**  
Look to the future, embrace technology and continuously improve through innovation and adaptation

## **Commercial Department**

The Commercial Department is a key component in the transformation of how the City procures and pays for the goods and services it needs. The Commercial Service provides professional expertise and leadership to ensure Corporation commercial relationships deliver innovative,

high-quality, value for money services and responsible outcomes. Functions include strategic sourcing, category and contract management, responsible procurement, policy and assurance and key supplier performance monitoring.

### **Deputy Town Clerk**

#### **City's Cash Shrieval**

##### **Support**

This budget contains the salaries and office expenses of the Shrieval Support at the Central Criminal Court.

##### **Mansion House Premises**

This budget includes the maintenance and running expenses of the Mansion House, which is a Grade 1 Listed Building incorporating working offices, function rooms, Mayoral accommodation and staff accommodation. The budget is used for the fabric of the building both internal and external.

**Corporate Services** – This includes:

- the cost of catering in respect of Committee lunches.
- the Sheriff's election allowances.
- the cost of Shrieval mementos; and
- a proportion of ward and election expenses.

### **City Surveyor**

#### **City Fund**

##### **Central Criminal Court**

The City provides the premises of the Central Criminal Court for the Court Service of the His Majesty's Courts and Tribunal Services (HMCTS) and accommodates not only the eighteen courts, but also offices for the Crown Prosecution Service, Treasury Council, the Crown Court Witness Service, HMCTS List Office and Judiciary Clerks and Ushers, Coroner's Court, Coroner's and Coroner's staff offices, Probationary Service Offices, Mental Health Services Office, Press Office, City of London Police and Met Police administration Office and the Sheriff and Recorder's fund administration office.

The eighteen courts are made ready for use on Monday to Friday and may be required to sit on public holidays and weekends.

The City is responsible for the care of the building and the provision of its facilities which includes the maintenance of the fabric of the Central Criminal Court, its furnishing, fittings and all the mechanical and electrical equipment, the daily cleaning of the building and the provision of security services.

A proportion of the employee costs and 95% of other running costs are reimbursed by HMCTS.

##### **Walbrook Wharf**

This budget relates to the operational management of Walbrook Wharf including repairing, maintaining and renewing the building and services.

## **Mayors and City of London Court**

The provision of the present court, which is an amalgamation of the Mayor's Court and the City of London Court, is covered by the Courts Act 1971. The City Surveyor is responsible for repairing and maintaining the building and its services for use as a court. This is achieved through a combination of direct ordering, and supervision and management of contractors. Occupational issues are dealt with in consultation with the Court Service.

## **City's Cash**

### **Central Criminal Court**

This consists of the salaries, pensions and national insurance contributions for the posts of The Recorder of London and Common Serjeant.

### **Guildhall Complex**

The Guildhall Manager has overall responsibility for security, facilities and contracted services at the Guildhall complex and is responsible for operating, repairing, maintaining and renewing buildings and services throughout the Guildhall complex. This is achieved through a combination of direct operations, and supervision and management of contractors. The emphasis is on value for money, quality and safety, with precise arrangements being regularly reviewed and refined to optimise performance. Capital projects are undertaken for significant Guildhall complex improvements.

## **Remembrancer**

## **City's Cash**

### **Corporate Services**

This includes the cost of catering in respect of Committee Hospitality Allowances. The purpose is to enable committees, by means of hospitality, to establish and maintain contact with leading outside organisations that have been or could be of assistance to the City of London Corporation in its work, and to pay tribute to the past Chairman. Also included is the City's Event programme, this is agreed by members and can include faith events, National commemorations/celebrations, receptions and banquets. These estimates also include expenditure relating to fees for parliamentary work.

### **Guildhall Complex**

This contains the expenditure and income relating to the letting of Guildhall function areas for private events such as banquets, receptions or conferences. The areas available for hire currently are the Great Hall, the Old Library, the Livery Hall, the Crypts, the Print Room, the Chief Commoners Parlour, Guildhall Art Gallery, the Basinghall Suite and occasionally, Guildhall Yard.

As the Guildhall, Great Hall is a Grade 1 Listed Building, use is limited and subject to strict terms and conditions. Permission to hire is granted following Officer recommendation and Member approval. Applications are considered directly by the Policy and Resources Committee for the hire of the Great Hall and by the Chair of the Civic Affairs Sub- Committee and Chief Commoner. The Guildhall complex hosts approximately 300 private events per annum and charges are reviewed annually by committee.

## **Director of Community and Children's Services**

### **City's Cash**

#### **Gresham - Mandatory Expenses**

This service is part of Gresham Estates and shows the cost of maintaining the Almshouses and paying the Alms folk allowances, together with the mandatory element of the City of London Corporation's four Lecturers' fees (£400).

### Finance Committee Operational Services Summary Budget

This appendix shows a high-level summary of Finance Committee operational services budgets. Further details are shown in Appendices 3 to 5.

	<b>Budget 2025/26 £m</b>	<b>Estimate 2026/27 £m</b>
<b>Summary Revenue Budgets 2025/26 and 2026/27 - by Chief Officer</b>		
<b>Local Risk</b>		
The Chamberlain	17.060	16.961
The Deputy Town Clerk	4.094	3.342
The City Surveyor	14.832	21.194
The Remembrancer	0.204	(0.559)
<b>Total Local Risk</b>	<b>36.190</b>	<b>40.938</b>
The Chamberlain	20.265	20.809
The Deputy Town Clerk	1.557	1.533
The City Surveyor	4.751	5.251
The Remembrancer	0.192	0.192
Director of Community and Children's Services	0.252	0.072
<b>Total Central Risk</b>	<b>27.017</b>	<b>27.857</b>
<b>Capital and Support Services</b>	<b>5.337</b>	<b>4.988</b>
<b>Committee Total</b>	<b>68.544</b>	<b>73.783</b>

The Operational Services budgets cover expenditure and incomes attributable to the following areas;

- i) **Chamberlain's Department** – the operational services including Cost of Collection (business rates and council tax), Chamberlain's Court, Chamberlain's 'General' (Financial Services, incorporating Insurance and City Revenues), Chamberlain's Business Support, Internal Audit and Commercial Department.
- ii) **The Deputy Town Clerk** – Shrieval Support, the maintenance and running expenses of Mansion House and Corporate Services (including catering for Committee lunches);
- iii) **The City Surveyor** – the Guildhall Complex, the Central Criminal Court, Walbrook Wharf and the Mayor's Court.
- iv) **The Remembrancer** – the letting of Guildhall areas for private functions and events and the cost of catering in respect of committee hospitality.
- v) **Director of Community Services** – operation of the Gresham Almshouses.

### Appendix 3

#### Finance Committee Operational Services - by Risk, Fund and Chief Officer

FINANCE COMMITTEE SUMMARY - BY RISK			
Analysis of Service Expenditure by Risk	Budget 2025-26 £000	Estimated Budget 2026-27 £000	Movement Budget 2025-26 to Estimate 2026-27 £000
<b>LOCAL RISK</b> (budgets largely within direct control of Chief Officer)			
<b>EXPENDITURE</b>			
Employees	26.526	26.400	(0.126)
Premises Related Expenses (note i)	6.944	8.045	1.101
Transport Related Expenses	0.074	0.044	(0.030)
Supplies & Services (note ii)	3.628	3.381	(0.247)
Savings to be applied	0.425	0.169	(0.256)
<b>Total Expenditure</b>	<b>37.597</b>	<b>38.039</b>	<b>0.442</b>
<b>INCOME</b>			
Grants, Reimbursements & Contributions (note iii)	(5.265)	(5.797)	(0.532)
Customer, Client Receipts (note iv)	(4.022)	(4.723)	(0.701)
<b>Total Income</b>	<b>(9.287)</b>	<b>(10.520)</b>	<b>(1.233)</b>
<b>TOTAL LOCAL RISK (excl. R&amp;M City Surveyor)</b>	<b>28.310</b>	<b>27.519</b>	<b>(0.791)</b>
<b>Repairs &amp; Maintenance (City Surveyor)</b>	<b>7.880</b>	<b>13.419</b>	<b>5.539</b>
<b>TOTAL LOCAL RISK</b>	<b>36.190</b>	<b>40.938</b>	<b>4.748</b>
<b>CENTRAL RISK</b> (managed by Chief Officer but outturn can be strongly influenced by factors outside his/her control or are budgets of a corporate nature)			
<b>EXPENDITURE</b>			
Employees	1.195	0.670	(0.525)
Premises Related Expenses (note v)	27.430	29.206	1.776
Transport Related Expenses (note vi)	0.175	0.204	0.029
Supplies & Services (note vii)	4.561	4.062	(0.499)
Council Tax reduction scheme	0.456	0.456	0.000
Contingency	0.019	0.010	(0.009)
Transfer Payments	0.014	0.014	0.000
<b>Total Expenditure</b>	<b>33.850</b>	<b>34.622</b>	<b>0.772</b>
<b>INCOME</b>			
Government Grants - Collection of NNDR	(1.729)	(1.729)	0.000
Other Grants, Reimbursements & Contributions (note viii)	(2.044)	(1.969)	0.075
Customer, Client Receipts (note ix)	(3.060)	(3.067)	(0.007)
<b>Total Income</b>	<b>(6.833)</b>	<b>(6.765)</b>	<b>0.068</b>
<b>TOTAL CENTRAL RISK</b>	<b>27.017</b>	<b>27.857</b>	<b>0.840</b>
<b>TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES</b>	<b>63.207</b>	<b>68.795</b>	<b>5.588</b>
<b>CONTINUED ON NEXT PAGE</b>			

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<b>SUPPORT SERVICES AND CAPITAL CHARGES</b>			
Central Support Services	3.619	3.176	(0.443)
Capital Charges	3.887	3.981	0.094
Recharges Within Fund	(2.109)	(2.109)	0.000
Recharges Across Funds	(0.060)	(0.060)	0.000
<b>Total Support Services and Capital Charges</b>	<b>5.337</b>	<b>4.988</b>	<b>(0.349)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>68.544</b>	<b>73.783</b>	<b>5.239</b>

<b>ANALYSIS BY FUND</b>			
City Fund	8.575	9.351	0.776
City's Cash	7.350	6.463	(0.887)
Guildhall Administration	52.619	57.969	5.350
<b>TOTAL NET EXPENDITURE</b>	<b>68.544</b>	<b>73.783</b>	<b>5.239</b>

<b>ANALYSIS BY CHIEF OFFICER</b>			
The Chamberlain	37.813	38.342	0.529
The Deputy Town Clerk	4.664	3.920	(0.744)
The Town Clerk	0.824	0.800	(0.024)
The City Surveyor	24.617	31.037	6.420
The Remembrancer	0.371	(0.392)	(0.763)
Director of Community & Children's Services	0.255	0.076	(0.179)
<b>TOTAL NET EXPENDITURE</b>	<b>68.544</b>	<b>73.783</b>	<b>5.239</b>

Figures in brackets indicate income, decrease in expenditure or increases in income

#### Notes

- (i) Premises Related Expenses (local risk) – operational costs of Central Criminal Court, Walbrook Wharf, Guildhall Complex, Mansion House and Mayor's Court.
- (ii) Supplies and Services (local risk) – equipment, furniture, materials, printing, professional fees, grants, subscriptions, communications and computing.
- (iii) Grants, Reimbursements and Contributions – primarily funding for the Central Criminal Court and the Mayor's Court from Her Majesty's Courts and Tribunals Service.
- (iv) Customer, Client Receipts (local risk) – letting of Guildhall function areas, recovery of court costs, services to London Councils, Chamberlain's Court merchandising, and other fees and charges.
- (v) Premises Related Expenses (central risk) – primarily premises insurance premiums together with the cost of national nondomestic rates for the Guildhall Complex and Central Criminal Court.
- (vi) Transport Related Expenses (central risk) – vehicle insurance.
- (vii) Supplies and Services (central risk) – primarily insurances other than premises and transport.
- (viii) Other Grants, Reimbursements and Contributions (central risk) – funding for the Central Criminal Court from Her Majesty's Courts and Tribunals Service.
- (ix) Customer, Client Receipts (central risk) – income received from the letting of Guildhall function areas, insurance commission, dividend income from the City's Reinsurance Captive Company and Gresham Estate income.

## Appendix 4

### Finance Committee Operational Services Summary of Budget Movements from 2025/26 Budget to 2026/27 Estimate (cash limit)

<b>Table 1 - Budget Summary Movements 2025/26 to 2026/27</b>	
	<b>£m</b>
<b>Provisional Budget 2025/26</b>	<b>66.240</b>
Contingency Draw Down for Commercial Division reorganisation & Corporate Services and Carry forwards from 2024/25	1.940
National insurance Rate change and 1% July 2024 salary settlement	0.685
Transformation Fund under 3C	0.458
Mansion House budget review increase	0.346
Energy Pressures	0.312
Net other movements	0.007
Apprentice Budget clawback	(0.143)
City Surveyor Repairs & Maintenance	(1.301)
<b>Budget 2025/26</b>	<b>68.544</b>
City Surveyor Repairs & Maintenance – Cyclical Works Programme	5.539
Increase in insurance premiums	1.849
Net 3% inflation	1.317
Net other movements	(0.370)
Central & Capital Recharges	(0.564)
Removal of one-off transformation fund and carry forward 2024/25 funds	(2.532)
<b>Proposed Budget 2026/27</b>	<b>73.783</b>

This demonstrates the progression from last year's committee submissions and agreed budget through to the 2026/27 estimate.

**Appendix 5**

**Finance Committee Operational Services  
Movement from 2025/26 Budget to 2026/27 Estimate**

<b>Analysis by Chief Officer and Division of Service - all risks</b>	<b>Budget 2025-26</b>	<b>Estimate Budget 2026-27</b>	<b>Movement (Budget 2025-26 to Estimate 2026-27)</b>	<b>Notes</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<b>By Chief Officer</b>				
The Chamberlain	37.813	38.342	0.529	
The Deputy Town Clerk	5.488	4.720	(0.768)	
The City Surveyor	24.617	31.037	6.420	
The Remembrancer	0.371	(0.392)	(0.763)	
Director of Community & Children's Services	0.255	0.076	(0.179)	
<b>Chief Officer Totals</b>	<b>68.544</b>	<b>73.783</b>	<b>5.239</b>	
<b>By Division of Service</b>				
<b><u>The Chamberlain</u></b>				
Chamberlain's - General	29.254	30.986	1.732	i
Chamberlain's - Internal Audit	0.991	0.999	0.008	
Chamberlain's - Business Support	1.169	0.798	(0.371)	ii
Chamberlain's Court	0.244	0.314	0.070	
Chamberlain's Cost of Collection	0.799	0.888	0.089	
Chamberlain's - Commercial	4.811	3.822	(0.989)	iii
Chamberlain's Gresham	0.545	0.535	(0.010)	
<b><u>The Deputy Town Clerk</u></b>				
Shrieval Support	0.557	0.644	0.087	
Mansion House Premises	4.107	3.276	(0.831)	iv
Corporate Services - Town Clerk	0.824	0.800	(0.024)	
<b><u>The City Surveyor</u></b>				
Central Criminal Court	6.950	7.005	0.055	
Mayor's Court	0.069	0.607	0.538	v
Walbrook Wharf	1.242	1.336	0.094	
Guildhall Complex - City Surveyor	16.356	22.089	5.733	vi
<b><u>The Remembrancer</u></b>				
Guildhall Complex - Remembrancer	0.038	(0.725)	(0.763)	vii
Corporate Services - Remembrancer	0.333	0.333	0.000	
<b><u>Director of Community &amp; Children's Services</u></b>				
Gresham	0.255	0.076	(0.179)	
<b>Division of Service Totals</b>	<b>68.544</b>	<b>73.783</b>	<b>5.239</b>	

Figures in brackets indicate income, decrease in expenditure or increases in income.

Overall, the proposed 2026/27 net revenue budget totals £73.783m, an increase of £5.239m (7.6%) compared with the budget of £68.544m for 2025/26. The main variations excluding the 3% inflation are:

- i. **Chamberlain's General £1.732m increase in net expenditure** – largely due to an increase in premises and liability insurance premiums of £1.893m, inflation allowance of £513k, offset by £458k savings offset against part of Fundamental Review savings target and reduction in central and capital charges by £216k.
- ii. **Chamberlain's Business Support £0.371m decrease in net expenditure** – due to reduction of £389k comprising £186k savings applied against unidentified savings target, less insurance premium by £50k and virement to other divisions (£153K) offset by inflation allowance of £18k.
- iii. **Chamberlain's Commercial Department £0.989m decrease in net expenditure** – mainly due to removal of £1.106m transformation funding offset by an inflation of £111k and increase in Central recharge by £6k. As the transformation is still underway further funding will be requested to support the Town Clerks Fantastic Four Years.
- iv. **The Deputy Town Clerk Mansion House Premises £0.831m decrease in net expenditure.** Mainly the decrease is due to increase in inflation by £11k and insurance premium by £6k. This was offset by changes to the rephasing of Cyclical works programme of £848k.
- v. **Mayor's Court £0.538m increase in net expenditure.** is mainly in relation to phasing of the Cyclical Works Programme of backlog repairs.
- vi. **Guildhall Complex City Surveyor £5.733m increase in net expenditure** – due to an increase of £6.074m in the Cyclical Works Programme, an inflation of £29k plus an increase of £333k due to rates and heating costs offset by a reduction of central recharges by £684k following the new method of allocation.
- vii. **Guildhall Complex Remembrancer £0.763k decrease in net expenditure** – this is mainly due to increase of income from using facilities by £554k, removal of one-off contingency funds of £542k offset by an inflation increase of £333k.

**Draft Capital and Supplementary Revenue Budgets**

The latest estimated costs of the committee's current approved capital and supplementary revenue projects for City Fund and City's Cash are summarised in the tables below which exclude the City Bridge Foundation (CBF).

	Project	Exp. Pre Prior Year £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Later Years £'000	Total £'000
<b>CITY'S ESTATE</b>							
Guildhall Complex	<b><u>Recharges Between Funds</u></b>						
	Corporate Capital Projects CE	-	(2,301)	(358)	-	-	(2,659)
	<b><u>Pre-implementation</u></b>						
	Guildhall Great Hall Internal	49	110		-	-	159
	Climate Action Operational buildings	166	255	219			640
	Guildhall Complex (Walbrook & Masterplan)	414	9				423
	Guildhall Alarm		380	527	-	-	907
	Cyclical Works Programme Schemes	263	2,926				3,189
	<b><u>Authority to start work granted</u></b>						
	Guildhall Cooling Plant Replacement	3,433	1,113			-	4,546
	<b>TOTAL CITY'S ESTATE</b>	<b>4,325</b>	<b>2,492</b>	<b>388</b>	<b>0</b>	<b>0</b>	<b>7,205</b>

	Project	Exp. Pre 01/04/2024 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Later Years £'000	Total £'000
<b>CITY FUND</b>							
Guildhall Complex scheme	<b><u>Recharges Between Funds</u></b>						
	Corporate Capital Projects CF	-	2,253	351	-	-	2,604
	<b><u>Authority to start work granted:</u></b>						
	<b>TOTAL CITY FUND</b>	<b>0</b>	<b>2,253</b>	<b>351</b>	<b>0</b>	<b>0</b>	<b>2,604</b>

	<b>TOTAL FINANCE</b>	<b>4,325</b>	<b>4,745</b>	<b>739</b>	<b>0</b>	<b>0</b>	<b>9,809</b>
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## **Notes**

1. Pre-implementation costs comprise feasibility and option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work. These figures exclude the implementation costs of those schemes which have yet to receive authority to start work.
2. Recharges between funds reflect contributions from City Fund and City Bridge Foundation towards the cost of corporate Guildhall Complex and IT schemes which are initially borne by City's Esate.
3. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2025

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## City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> 09 December 2025
<b>Subject:</b> Chamberlain's Business Plan Quarter 2 2025/26 update	<b>Public report:</b> For information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>provides statutory duties</b></li> <li>• <b>provides business enabling functions</b></li> </ul>	Chamberlain's Department as a support service aims to impact all six outcomes in the Corporate Plan directly or indirectly.
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	The Chamberlain
<b>Report author:</b>	Leah Woodlock, Chamberlain's Project Manager

### Summary

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

Five of the eleven workstreams are currently rated amber due to various factors. Mitigation measures have been identified and will be implemented in Q3, with the aim of returning the workstreams to a green status and aligning them with the outcomes of the 2025/26 Chamberlain's Business Plan.

### Recommendation

Members are asked to note the report.

### Main Report

## **Background**

1. The Chamberlain's Department provides quarterly updates to Finance Committee on the activities and achievements against the approved business plan. This report provides an update on the department's performance by workstream during quarter two (Q2) of 2025/26.

## **Current Position**

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

## **Executive Summary**

4. The Chamberlain's Department continues to make progress on all workstreams within the 2025/26 Business Plan. With the successful completion in Q2 of the Implementation of the Jaggaer Contract Management System and the appointment of an Integrated Service Provider (ISP) for the incoming Pensions Dashboards.
5. Five out of thirteen workstreams are currently rated amber for different reasons. Mitigation measures have been identified for implementation in Q3 in order to move the workstreams to green status and align them with the objectives of the 2025/26 Chamberlain's Business Plan.
6. Several interdependencies exist between the workstreams, workstream leads are regularly engaged to ensure alignment between initiatives both within the Chamberlain's department and colleagues across the wider Corporation.

## **Cross-cutting theme updates**

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

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

8. Our EEDI Group continues to meet regularly. To better our EQIA understanding, key individuals (such as project managers and budget managers) will be encouraged to complete Equality Impact Assessment (EQIA) training while all Chamberlain's Staff will be invited to do the course. Under our training and development programme all training is offered to all with equal opportunities for everyone.
9. The CLEAR Network addressed Chamberlain's Staff at the Quarterly Chamberlain's All Staff Call in celebration of Black History Month and the

Women's Inclusive Network presented to spread awareness of Menopause Awareness Month.

10. In quarter two, initial discussions were had about incorporating the EEDI into DDaT strategy and work will be progressed in Q3.
11. The Corporate EEDI Team engaged with the Programme Sapphire team to review the accessibility functionality in the new SAP system, with support from the Disability and Wellbeing Network (DAWN). The requirements for the fields in the Personal Information were also discussed, to help collect information to better understand the demographics of our organisation.

## **Transformation**

12. Programme Sapphire continues to progress, with Q2 delivering the beginning of user acceptance testing for Wave 2 (HR) modules and initial build phases for Wave 3. There was also considerable work on aligning Programme Sapphire and Ambition 25 and identifying interdependencies.
13. Commercial Transformation has been paused in Q2 due to capacity issues. A revised plan was taken to Projects and Procurement Sub Committee in October to reset the programme, complimented by recruitment into new transformation roles.
14. For the Financial Services Division transformation workstream, the initial focus has remained on training and development for Finance Staff and staff with Financial responsibilities. The Finance Improvement & Transformation (FIT) Strategy objectives have been assigned owners, with scoping and initiation meetings booked to take place throughout Q3.

## **Risks and Interdependencies**

15. Risks are reviewed on a monthly basis by Risk Owners and Management Teams. Positive progress is being made on ensuring records are completed in full. Risks are reported to appropriate committees regularly.
16. Risk appetite levels have been recommended for each of the corporate risks and will go to the relevant committees for approval in Q3. Risks above appetite are being actively mitigated. Corporate Risks were reviewed by the Chief Officer Risk Management Group in October.
17. Full updates for each workstream can be found in appendix 1.

## **Conclusion**

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

## **Corporate & Strategic Implications**

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

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

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

Legal implications – None.

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

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

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

Security implications – None.

## **Background Papers**

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

Chamberlain's Business Plan Quarter 1 2025/26 update - 16 September 2025

## **Appendices**

Appendix 1 – Chamberlain's Business Plan progress report

## **Leah Woodlock**

Chamberlain's Project Manager

Chamberlain's Department

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# KPI Report – Q1 & Q2

Workstream	SAPphire (ERP) Programme	Lead Division	FSD	Due Date	April 2026	Status	At Risk
------------	--------------------------	---------------	-----	----------	------------	--------	---------

01. ERP Programme	Lead	SV
KPI	Q1 Status	Q2 Status
Implementation of learning, performance and recruitment module	Complete	-
Implementation of HR and payroll module	On Track	At Risk
Implementation of Finance and Procurement module	At Risk	At Risk

Workstream Update

As at October 2025, the Programme Sapphire implementation is progressing through Wave 2 and preparation for Wave 3. Overall, the programme remains at risk to deliver the full ERP solution within the planned timeline, but with schedule pressures on both wave 2 and 3.

Two focus areas – getting Wave 2 over the line, and de-risking Wave 3 – are the key takeaways at the moment. In practice, this means intense activity on data migration, final testing, user training, and cutover rehearsals for HR (Wave 2), alongside parallel progress on configuration, data conversion, and defect fixing for Finance (Wave 3).

# KPI Report – Q1 & Q2

**Workstream**

Training and Development

**Lead Division**

CHB OFFICE

**Due Date**

March 2026

**Status**

On Track

## 02. Training and Development

**Lead**

PB

**KPI**

**Q1 Status**

**Q2 Status**

Increase % of staff qualified or working towards a professional qualification

Q4 KPI

Q4 KPI

Competency Framework Completed for all teams

Q4 KPI

Q4 KPI

Relevant staff completed green book training

Q4 KPI

Q4 KPI

## Workstream Update

Progress is being made on this workstream, with the group actively delivering a range of actions, including lunchtime learning sessions. Training plans are in development; however, these require review to ensure alignment and synergies across departments.

# KPI Report – Q1 & Q2

<b>Workstream</b>	Commercial Transformation	<b>Lead Division</b>	CCPD	<b>Due Date</b>	May 2026	<b>Status</b>	At Risk
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03. Commercial Transformation	Lead	GW
KPI	Q1 Status	Q2 Status
100% of business processes mapped	On Track	At Risk
Jagger implementation complete	Complete	-
Pipeline published with 90% accuracy	On Track	At Risk
New contract management operating model agreed, and funding source identified	On Track	On Track

Workstream Update
Programme reset is being presented to PPSC in Oct 25. Request for investment into resourcing the workstream from the Finance Committee Contingency fund. Key focus for Q3 is the new Procurement Policy which will unlock the opportunity to map new processes.
New resource to be brought in to lead the workstream and a workstream reset in Q3, pending PPSC approval.

# KPI Report – Q1 & Q2

Workstream	Income Generation	Lead Division	CCPD	Due Date	March 2026	Status	At Risk
------------	-------------------	---------------	------	----------	------------	--------	---------

04. Income Generation	Lead	GW
KPI	Q1 Status	Q2 Status
£3-6m income generated	At Risk	At Risk
Consolidate COL capability at level 1 of maturity across all criteria	At Risk	At Risk

Workstream Update
Progress has been slow due to a lack of capacity and skills across the organisation that are needed to develop income generation opportunities. Focus areas were recommended through Efficiency and Performance Working Party (EPWP) in March 2025, which include Heathrow Animal Reception Centre, Guildhall School of Music and Drama ( GSMD) , Natural Environment Charities Review, Advertising and Lord Mayors Show are all underway showing good progress. The Income Generation Working Party (IGWP) has been set up which was approved through Policy and Resources Committee in June 2025.

# KPI Report – Q1 & Q2

<b>Workstream</b>	DDaT Strategy	<b>Lead Division</b>	DITS	<b>Due Date</b>	March 2026	<b>Status</b>	On Track
-------------------	---------------	----------------------	------	-----------------	------------	---------------	----------

05. DDaT Strategy	Lead	ZG
KPI	Q1 Status	Q2 Status
10% increase in customer satisfaction	Q4 KPI	Q4 KPI
50% increase in Major Incident actions closed within 3 months of identification	Q4 KPI	Q4 KPI
10% increase in decisions made utilising our Data Platform	Q4 KPI	Q4 KPI
25% increase in use of automation tools	Q4 KPI	Q4 KPI
50% increase in time saved through automation	Q4 KPI	Q4 KPI
1000 hours of digital skills completed across the organisation	Q4 KPI	Q4 KPI

Workstream Update
Work continues on the implementation and adoption of the DDaT Strategy. 1000 hours of digital skills completed across the organisation has been completed by Q2. Focus remains on the data platforms and the power of automation.
The KPI – ‘10% increase in decisions made utilising our Data Platform’, is to be revised to the number of data sources, as currently data is unavailable on how this is supporting decision making.



# KPI Report – Q1 & Q2

Workstream	Replacement Freedom System	Lead Division	CHB OFFICE	Due Date	March 2026	Status	At Risk
------------	----------------------------	---------------	------------	----------	------------	--------	---------

06. Replacement Freedom System	Lead	HP
KPI	Q1 Status	Q2 Status
Delivery of a new Freedom Application System and Database	At Risk	At Risk

Workstream Update
<p>The previous solution did not proceed, due to the supplier inability to deliver on requirements. Resulting in contract cancellation.</p> <p>We are now seeking an alternative solution. In the meantime, we are working with the internal IT team to see what can be done in house either to replace or as an interim solution.</p> <p>Next steps: soft market testing to identify available solutions</p>

# KPI Report – Q1 & Q2

<b>Workstream</b>	FSD Transformation	<b>Lead Division</b>	FSD	<b>Due Date</b>	March 2026	<b>Status</b>	At Risk
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<b>07. FSD Transformation</b>	<b>Lead</b>	SV
<b>KPI</b>	<b>Q1 Status</b>	<b>Q2 Status</b>
Implementation of the FIT Strategy	At Risk	At Risk

<b>Workstream Update</b>
FSD Transformation remains closely linked with a number of workstreams in year and over the next year. The Q2 focus has remained on training and development for Finance Staff and staff with Financial responsibilities. The Finance Improvement & Transformation (FIT) Strategy objectives have been assigned owners.

# KPI Report – Q1 & Q2

Workstream	Programme Governance	Lead Division	CCPD	Due Date	December 2025	Status	On Track
------------	----------------------	---------------	------	----------	---------------	--------	----------

08. Programme Governance	Lead	GW
KPI	Q1 Status	Q2 Status
Launch of new project gateway process	On Track	On Track
25% reduction in Red rated projects on the corporate portfolio	On Track	On Track

Workstream Update
The workstream remains on track, with a continue focus on the utilisation the Portfolio management system Cora. Data cleansing of project information within the system.
Following the approval of the new P3 Framework at Court of Common Council, plans are progressing for launch of the framework in November 2025.

# KPI Report – Q1 & Q2

Workstream	Review the Chart of Accounts	Lead Division	FSD	Due Date	December 2025	Status	On Track
------------	------------------------------	---------------	-----	----------	---------------	--------	----------

09. Review the Chart of Accounts	Lead	SV
KPI	Q1 Status	Q2 Status
Sign off the new Chart of Accounts Design	At Risk	On Track

Workstream Update
Q2 focused on the finalising of the design of the Chart of Accounts as part of the Programme Sapphire wave 3 build. The programme invited a SAP expert to review and provide feedback on the draft. This is being reviewed and the final output is expected to be presented to Finance Leadership Group and Finance Executives in Q3.

# KPI Report – Q1 & Q2

<b>Workstream</b>	PSTN Switch Off Programme	<b>Lead Division</b>	DITS	<b>Due Date</b>	January 2027	<b>Status</b>	On Track
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10. PSTN Switch Off Programme				Lead	ZG
KPI				Q1 Status	Q2 Status
Page 76	Engage and inform 100% stakeholders throughout the project lifecycle to maintain transparency and alignment with objectives			Complete	-
	100% of existing systems and future technologies, validated through testing and stakeholder sign-off			Complete	-
	Adhere to 100% of regulatory requirements and industry standards throughout the transition process, with compliance audits conducted at key project milestones			Complete	-
	Audit 100% of CoL analogue connections are ceased or replaced with a suitable IP-based solution by January 2027			2027	2027
	Ensure 100% analogue connections are ceased or replaced with a suitable IP-based solution by January 2027			2027	2027
	Replace 100% of equipment, assets, or components not compatible with IP by January 2027			2027	2027
	Complete PSTN replacement with less than 1% disruption for users			2027	2027

Workstream Update	
Workstream has completed the procurement process and audit of analogue connections. The project continues to be on track to delivered inline with the BT deadline of January 2027.	

# KPI Report – Q1 & Q2

Workstream	Internal Audit Quality Assurance and Improvement Programme	Lead Division	Internal Audit	Due Date	March 2026	Status	On Track
------------	--	---------------	----------------	----------	------------	--------	----------

11. Internal Audit Quality Assurance and Improvement Programme	Lead	ML
KPI	Q1 Status	Q2 Status
Increase the number of Internal Audit Days	On Track	On Track
Alignment to the Global Internal Audit Standards - 90% alignment by 2027	On Track	On Track

Workstream Update
<p>This workstream remains with a Green status and on track to deliver the 1000 internal audit days in 2025/26.</p> <p>Q3 is projected to experience some resourcing pressures due to role vacancies and long-term sickness. Mitigations are being identified to deter any negative impacts on targets.</p>

# KPI Report – Q1 & Q2

**Workstream**

Pensions Dashboards

**Lead Division**

CT&P

**Due Date**

October 2025

**Status**

On Track

## 12. Pensions Dashboards

### KPI

Appointment of Integrated Service Provider (ISP) required to 'onboard' with the national digital framework

Overall connection deadline set by legislation 31/10/2026

Recommended connection date for public sector pension schemes 31/10/2025

**Lead**

KL

### Q1 Status

Complete

On Track

On Track

### Q2 Status

-

On Track

On Track

## Workstream Update

Project is on track for completion statutory deadline. Contract is in place and on implementation process has begun.

All requirements have been met in early Q3, awaiting switch on requirements from Government. Noting there is a required minimum 6-month notice period. Further updates will be provided in Q3 reporting.

# KPI Report – Q1 & Q2

**Workstream**

Corporate Insurance  
Programme Tender

**Lead Division**

CT&P

**Due Date**

March 2026

**Status**

On Track

**13. Corporate Insurance Programme Tender**

**Lead**

KL

**KPI**

**Q1 Status**

**Q2 Status**

Appointment of broker able to support risk and insurance requirements of the City Corporation

On Track

On Track

Placement of insurance contracts to meet legal requirements, provide financial protection for unforeseen losses, and provide claims handling services

On Track

On Track

**Workstream Update**

The procurement process has commenced for the Insurance Programme. Insurance colleagues are engaging with the commercial service to progress the workstream.

# KPI Report – Q1 & Q2

<b>Workstream</b>	Corporate Insurance Programme Tender	<b>Lead Division</b>	CT&P	<b>Due Date</b>	March 2026	<b>Status</b>	On Track
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<b>11. Internal Audit Quality Assurance and Improvement Programme</b>				<b>Lead</b>	ML		
<b>KPI</b>				<b>Q1 Status</b>	<b>Q2 Status</b>		
Appointment of broker able to support risk and insurance requirements of the City Corporation				On Track	On Track		
Placement of insurance contracts to meet legal requirements, provide financial protection for unforeseen losses, and provide claims handling services				On Track	On Track		

## Workstreams without KPIs

<b>Workstream</b>	FSD Transformation	<b>Lead Division</b>	FSD	<b>Due Date</b>	TBC	<b>Status</b>	On Track
<b>Workstream</b>	Review the Chart of Accounts	<b>Lead Division</b>	FSD	<b>Due Date</b>	Dec 2025	<b>Status</b>	On Track

## City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> 09 December 2025
<b>Subject:</b> Chamberlain’s Departmental Risk Management Update	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>provides statutory duties</b></li> </ul>	Providing Excellent Services Flourishing Public Spaces
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	£0
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b>	Caroline Al-Beyerty, Chamberlain
<b>Report author:</b>	Leah Woodlock, Chamberlain’s Department

### Summary

This report informs the Finance Committee of Financial Corporate and Departmental risks for the Chamberlain’s department. There are currently three financial corporate risks on the Corporate Risk Register under the Chamberlain's responsibility, of which **two** are RED rated risks. Risks are regularly reviewed, and active mitigations are in place to reduce the likelihood and the impact of the realisation of these risks. The Senior Leadership Team and divisional managers regularly review and update the risk register to identify risks and opportunities.

### Recommendation

Members are asked to:

- Note the report

### Main Report

#### Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to the Committee the key risks faced in their department. The Finance Committee has determined that it will receive the Chamberlain’s Risk Register at each meeting.
2. The Digital Information Technology Service (DITS) as a part of the Chamberlain’s Department risks are reported to the Digital Services Committee for oversight. The Commercial, Change and Portfolio Delivery (CCPD) as a part of the Chamberlain’s

Department risks are reported to the Projects and Procurement Sub-Committee for oversight.

### **Current Position**

3. The Chamberlain's department currently faces three financial RED Corporate Risks, all of which undergo regular review, with multiple mitigation strategies implemented to prevent these or future risks from materialising. The two currently RED rated risks are:
4. The risk score for CR35 **Unsustainable Medium-Term Finances – City Fund (current score RED 16)** is unchanged. The 2026/27 Budget Setting process is underway, enabling the drafting of the next iteration of the City Fund Medium-term financial plan, which will be presented to this committee in February 2026.
5. **CR42 Housing Revenue Account (HRA) Financials (current score RED 16)**, which is unchanged, but improving. The Housing Revenue Account is making changes to improve its finances and operations. New capital financing plans will lower borrowing, freeing up funds to rebuild reserves over three years. The HRA delivery model is also under review for greater efficiency and adaptability.
6. Although the HRA is part of the City Fund and included under corporate risk CR35, it has also become an independent corporate risk due to legislative requirements mandating that the HRA remain self-contained. As a result, it cannot share or rely on revenue resources from the broader City Fund. Two separate reports on the Housing Revenue Account are on this Committee's agenda for consideration.
7. Full details of all Chamberlain's corporate and departmental risks can be found in appendix 1.

### **Conclusion**

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

### **Appendices**

- Appendix 1 – Departmental Risk Register

### **Background Papers**

Chamberlain's Departmental Risk Management Update Reports

### **Leah Woodlock**

Chamberlain's Project Manager

Chamberlain's Department

E: [Leah.Woodlock@cityoflondon.gov.uk](mailto:Leah.Woodlock@cityoflondon.gov.uk)

# Finance Committee - Detailed Report



## Quick links

[CR35 - Unsustainable Medium Term Finances - City Fund](#)

[CR38 - Unsustainable Medium Term Finances - City's Estate](#)

[CR42 – Housing Revenue Account Financials](#)

[CHB003 - Inconsistent application of the internal control environment](#)

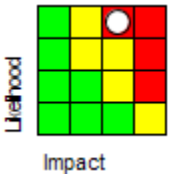
[CHB005 - Resistance to Transformation and Change \(Change Fatigue\)](#)

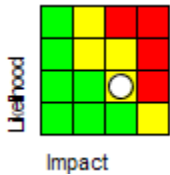
## Risk Level Description Corporate

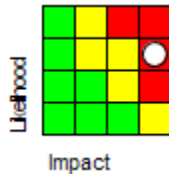
Risk Code	CR35	Risk Title	<i>Unsustainable Medium Term Finances - City Fund</i>
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Description	<p><b>Causes:</b></p> <p>Persistent high inflation, as reported and forecast by the Office for Budget Responsibility.</p> <p>Aging estate crystallising high 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.</p> <p>Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth.</p> <p>The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p><b>Event:</b> The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit.</p> <p><b>Effect:</b> 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.</p>
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	Challenges in executing the capital program and major projects within affordable limits.
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>24</b>	Possible	Extreme
Red	<b>Creation Date</b>	19-Jun-2020

Page 84	<p>The Government have now released the policy statement that will accompany the Fair Funding 2.0 and Business Rate reset in April 2026. This confirms the intention to provide a three-year funding settlement from 26/27 to 28/29 with allocations driven primarily by deprivation data. This combined with the reduction in weighting for daily commuters has meant that the assessment of need for the City Corporation has significantly reduced from the proposals consulted on over the summer. This is expected to be mitigated over the three year settlement period through a funding floor of 95% of current levels and also through the transition to new allocations being gradually implemented over the three years. Detailed allocations are yet to be provided, with the provisional settlement in December likely to be the first sight of these. However, the information released to date suggests there will be a significant cliff edge for City Fund in 29/30. Business Rate growth will continue to be retained so that income stream will be key to supporting the City Fund MTFP moving forward.</p>	
	<p>Inflation rates have stabilised, but are still above the government target of 2%, these continue to be monitored quarterly and consideration of an inflation contingency is to be maintained in 2026/27 depending on the availability of carry forwards from 25/26 underspends. Ongoing pressures on adult social care, children services, security and policing continue and are addressed through increase in taxes and business rates premium. The 26/27 MTFP also includes funding to address faps within the Housing Revenue Account (HRA) capital programme. Much of this spend is after the MTFP period but ensuring suitable resources are available when needed is being factored into the latest position.</p> <p>The medium-term financial plan includes:</p> <ul style="list-style-type: none"><li>• Reprofiting of remainder of the £133m cyclical works programme</li><li>• Additional funding for the HRA capital programme</li><li>• Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</li><li>• Quarterly monitoring of capital programme against budgets, monthly monitoring on the major projects</li></ul>	21-Nov-2025

	<ul style="list-style-type: none"> <li>Securing income generation opportunities.</li> </ul> <p>The pressures outlined reinforce the need in developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services. This is needed to ensure operational budgets remain in-line with available funding for both City Fund and City's Estate.</p>	
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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR35a Impact of inflation	<p>Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme</p> <ul style="list-style-type: none"> <li>Use of inflation contingency</li> </ul>	<p>Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.8% in the 12 months to September 2025, unchanged from August (source Office for National Statistics).</p> <p>Identify areas that are forecasting to exceed budget envelope due to inflation increases.</p>	17-Nov-2025	Iain Jenkins	31-Mar-2026
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	<p>Monthly update on major projects forecasts and issues arising.</p> <p>Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Portfolio Board chaired by the Town Clerk/Chief Executive. Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.</p> <p>All projects are currently forecast to be completed within budget, though there remain risks to funding and costs, particularly relating to SSD/FPEP, which will continue to be reviewed.</p>	24-Nov-2025	David Abbott	31-Mar-2029

CR35f Achievement of current Savings Programme	<p>Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)</p> <ul style="list-style-type: none"> <li>• Develop income generation opportunities</li> </ul>	<p>Court of Common Council, in March 2025 reaffirmed the profiling of remaining fundamental review savings.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges. An Income Generation Working Party has been established to recommend direction, momentum and prioritisation on income generation opportunities. This coupled with 2025 Star Chamber outputs will provide a cross-corporation programme to deliver.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting. One of the outcomes was to review how we inform Committee Chairs on City Funds' overall position. This was addressed in an informal Member briefing session on 16<sup>th</sup> July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>Savings programmes/initiatives will continue to be considered during the 2025/26 financial year in line with the Town Clerk's Fantastic Five Years with the aim to deliver the plan by April 2026.</p> <p>Officer Star Chambers led by the Town Clerk have been held for key areas under pressure. These have helped to identify plans and proposals to bring those areas currently overspending back within their budget envelopes over the MTFP period. Moving forward</p>	25-Nov-2025	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Mar-2026
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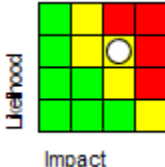
		there now also needs to be an identification of opportunities across the Corporation to generate savings that will reduce the bottom line position to further support the financial sustainability and this will be targeted for the 27/28 budget.			
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	<p>The Government has set the Business Rate reset for April 2026. They are consulting on the fair funding review, with outcomes to be confirmed in the Autumn Local Government Settlement. Transitional funding is likely, but its impact will be clarified in the Settlement. In the absence of transitional funding, additional cost savings, increased income generation, or an increase in Council Tax and Business Rate Premium, the City Fund is projected to enter into deficit from 2026/27 onwards.</p> <p>A statutory requirement exists to maintain balance both annually and throughout the medium-term financial plan.</p> <p>Future deficits should not be ignored, previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible.</p> <p>The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026


		programme savings within the medium-term-financial plan.			
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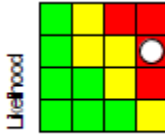
Risk Code	CR38
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Risk Title	<i>Unsustainable Medium Term Finances - City's Estate</i>
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Description	<p><b>Causes:</b> The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p><b>Event:</b> Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p><b>Effects:</b> The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>
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Page 89	Current Risk		
	Risk Score	Likelihood	Impact
	12	Possible	Major
	Amber	Trend	Constant

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

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

Latest Note	<p>City's Estate maintains a balance budget with its regular revenue activities. However, when factoring in major project financing, cyclical works programmes, capital programmes, and exceptional items, additional drawdowns are still necessary to support annual budgets throughout the five-year financial year plan and beyond.</p> <p>Inflation rates will be reviewed on a quarterly basis, and an inflation contingency will be maintained for 2025/26 through carrying forward underspends from 2024/25</p> <p>The five-year financial plan includes:</p>	21-Nov-2025
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	<ul style="list-style-type: none"> <li>• Reprofiting of cyclical works programmes to cover bow-wave of outstanding works and provision of works going forward.</li> <li>• Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</li> <li>• Quarterly monitoring of capital programmes against budget</li> <li>• Securing income generation opportunities.</li> <li>• Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy</li> </ul> <p>Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.</p> <p>Budget setting is currently underway for 2026/27.</p>	
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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme • Monitor the use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts. The Consumer Prices Index (CPI) rose by 3.8% in the 12 months to September 2025, unchanged from August (source Office for National Statistics).	17-Nov-2025	Iain Jenkins	31-Mar-2026
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams	This is being monitored monthly, with action being taken within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored,	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

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

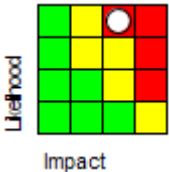
		<p>The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round held during September-October to finalise and confirm the value of proposals identified by Chief Officers. A report regarding the proposals will be submitted to Efficiency and Performance Working Party summarising the proposals. The main area remaining is c£2m of FR income generation savings.</p>			
<p>CR38g Major Projects Financial Envelope</p>	<p>Remain within the financial envelopes approved for major projects.</p>	<p>Monthly updates and budget monitoring on major projects forecasts and issues arising; projects are routinely reviewed by the Chamberlain's Assurance Board.</p> <p>The only major project remaining within City Estate is the MoL Landlord Works, which is nearing completion, as well as the funding contribution towards SSD.</p> <p>The achievement of property disposals on time as well as drawdown from financial investments, will be needed to fund cashflows, which is being monitored as part of the cashflow reporting to Investment Committee.</p>	24/11/2025	David Abbott	31-Mar-2029
<p>CR38i Charities Review (Natural Environment)</p>	<p>Undertake the Charities Review (Natural Environment)</p>	<p>Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the Corporation. This includes creating opportunities to generate more income in support of their operational ambitions and operational property requirements.</p> <p>Finance Committee on 14 January, agreed to proceed with the implementation phase and move to a grant funding model for 2025/26. This was confirmed by</p>	31-Aug-2025	Emily Brennan; Sonia Virdee	31-Mar-2026

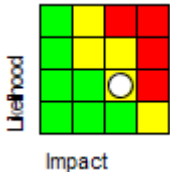
		RASC and P&R in February 2025. The two-year implementation phase commenced in April 2025 and will report progress to NE Committees in 2025 and interim outcomes to the Efficiency & Performance Working Party in November 2025 and Finance Committee in January 2026..			
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	<p>Despite the Court of Common Council decision on the markets, City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the revised cumulative deficit is forecast to be £395m in additional to the financial gain already modelled. Balance sheet modelling indicates this is manageable in the medium term, but not sustainable over the longer term. Stopping the markets co-location programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which according to longer term modelling, suggests recovery and a transition into surplus in 15 years. Implementing these decisions shifts the risk dial from red to amber.</p> <p>However, Members should note failure to implement the investment strategy will compromise the recovery of City's Estate's I&amp;E position. Therefore, it is not recommended to add any additional pressure on City's Estate investment assets to allow time for the strategy to be embedded.</p> <p>Additionally, continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

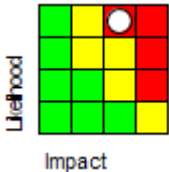
		<p>Star Chambers led by the Town Clerk are underway and will continue into October 2025. Phase one of the Star Chambers meeting helped to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. Phase two scheduled during September-October will finalise and confirm the value of proposals identified by Chief Officers.</p> <p>A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>			
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<b>Risk Code</b>	CR42 (Formerly CHB 002)	<b>Risk Title</b>	<i>Housing Revenue Account Financials</i>
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<b>Description</b>	<p><b>Cause:</b> The Housing Revenue Account must be self-financing, cost pressures include:</p> <ul style="list-style-type: none"> <li>Ongoing delays in building statutory new homes causing delays to income streams and increased costs</li> <li>Resourcing for health and safety to ensure meeting of compliance requirements</li> <li>Substantial improvement works required on existing stock</li> <li>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.</li> </ul> <p><b>Event:</b> Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties.</p> <p><b>Effect:</b> Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Target Date</b>	30-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Creation Date</b>	16-Oct-2023

<b>Latest Note</b>	<p>This risk has been upgraded from a departmental risk to a corporate risk following review by the Chief Officer Risk Management Group.</p> <p>The Housing Revenue Account is at a pivotal point, needing decisive changes to ensure its sustainability and effective delivery.</p> <p>The Housing Revenue Account is undergoing significant changes aimed at strengthening its financial position and operational effectiveness. Revised capital financing plans have reduced borrowing requirements, providing additional annual headroom that will be used to rebuild reserve balances over the next three years. Simultaneously, the HRA delivery model is being reviewed to ensure it remains both efficient and adaptable to changing needs.</p> <p>To support these improvements, stronger monitoring procedures are being implemented for housing unit delivery, featuring enhanced reporting and accountability so that targets can be met and any issues addressed promptly. Recognising previous weaknesses, new</p>	<b>17-Nov-2025</b>
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	budget oversight measures are also being put in place, including real-time tracking of expenditure, early warning systems, clear escalation protocols, and empowering managers to halt or adjust spending where necessary. Collectively, these steps are designed to boost the HRA's financial resilience, improve the delivery of housing services, and ensure robust oversight into the future.	
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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Mark Jarvis; Sonia Virdee

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB002a Capital Schemes Monitoring	Close monitoring of delivery of new housing units and improvement works is required during 2025/26. Continue to assess the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.  Impact of inflation - capital schemes forecast to exceed budget	The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial funding gap of approximately £152m (including a 50% Optimism Bias) if corporate ambitions around housing are to be met. A report to Finance, P&R & CoCo in November/December will address the capital funding gap through a mixture of City Fund and 3 <sup>rd</sup> party sources.	18-Nov-2025	Mark Jarvis	31-Dec-2025
CHB002b Repairs & maintenance & slippage in new units – short term revenue pressures	Impact of inflation - much increased repairs and maintenance and energy costs. Delays to new units reducing rental income at the same time.	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 will be presented in December to Finance and P&R.	18-Nov-2025	Mark Jarvis	31-Dec-2025
CHB002c 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.	18-Nov-2025	Mark Jarvis	31-Mar-2026


CHB002d Grant Funding for 2025/26	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs for 2025/26	Modelling full staff costs in the 5 year HRA plan.	18-Nov-2025	Mark Jarvis	31-Dec-2025
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## Risk Level Description Departmental

Risk Code	CHB 005	Risk Title	<i>Resistance to Transformation and Change (Change Fatigue)</i>
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<div> <div>Page 98</div> <div>Description</div> </div>	<div> <div> <div>Cause:</div> <ul style="list-style-type: none"> <li>Ineffective change management and business transformation activities</li> <li>Culture of resisting change within the organisation</li> <li>Resource capacity – staff are consumed by BAU tasks they have no further capacity to support change</li> <li>Ineffective prioritisation of programmes</li> </ul> </div> <div> <div>Event:</div> <ul style="list-style-type: none"> <li>Low user acceptance rates and failure to integrate the necessary cultural changes.</li> <li>Low change readiness</li> <li>Un-utilised technologies or enhancements</li> </ul> <p>Additionally, the broader transformation programme (such as users not fully adopting the new ERP system), may face resistance. This can result in resistance to the business transformation that the transformation programme and other initiatives aim to achieve.</p> </div> <div> <div>Effect:</div> <p>Decreased productivity, increased operational costs, and failure to achieve the desired outcomes of the Transformation programme and the broader transformation initiatives. The lack of business transformation may hinder the corporation's ability to modernise operations and align with the current corporate plan and strategies. Furthermore, the failure to achieve the transformation goals, such as improved efficiency, increased capacity, and better information management, may negatively impact the corporation's ability to deliver on its strategic objectives and maintain a competitive edge.</p> </div> </div>
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Current Risk		
	Risk Score	
12	Possible	Major
Amber	Trend	Constant

Target Risk		
	Risk Score	
	2	
	Green	
	Likelihood	Impact
	Unlikely	Minor
	Target Date	30-Jun-2026

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

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

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Genine Whitehorne

#### Associated Actions


Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB 005a Stakeholder Engagement  Page 99	Identifying and engaging with key stakeholders to enable success of the transformation	Introducing change leadership role to Future Ambition 18, utilising the bi-monthly meetings to present the change and transformation programmes.  The Integration and Change Director supporting Ambition 25 and ERP is now in post. The role will focus on aligning interdependencies between these two major transformation programmes to facilitate their successful implementation.	17 Nov 2025	Genine Whitehorne	30-Apr-2026
CHB 005b Change Management Strategy	Develop a change management strategy	The change management strategy is currently being developed and tested through application in City of London Corporation's key priority programmes and projects, with a focus on A25, SAP and People Strategy	13-Nov-2025	Julie Simmons	30-Nov-2025 <i>Suggest this end date is reviewed and amended to 01-Jun-2026 aligned to A25 delivery date.</i>
CHB 005d Strategic Transformation Partner	Procure a transformation partner to deliver the transformation agenda.	The Transformation vision and approach is currently being refined following officer and Member engagement.	17-Nov-2025		30 April 2026

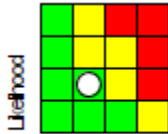
		<p>The specification for a Partner will focus on developing a digital by design service delivery model enabled by AI.</p> <p>Soft market testing is planned for early 2026 before issuing the full tender. The intention is to have a contract in place for the start of the new Financial Year.</p>			
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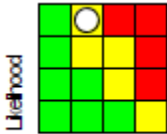
Risk Code	CHB 003
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Risk Title	<i>Inconsistent application of the internal control environment</i>
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Description Page 101	<b>Cause:</b> Inconsistent application of internal controls across the City of London Corporation, including but not limited to: <ul style="list-style-type: none"> <li>• Failure of staff management to adhere to financial and procurement regulations, leading to: • Poor Purchase Order Compliance</li> <li>• Inefficient budget management</li> <li>• Delays in setting up Project Codes due to governance</li> <li>• Ineffective contract and supplier management</li> <li>• Lack of management oversight of purchasing activities</li> <li>• Misinterpretation and inconsistent understanding of financial and procurement regulations</li> <li>• Inconsistent guidance from subject matter experts</li> <li>• Complex procedures driving officers towards using workarounds</li> </ul>
	<b>Event:</b> <ul style="list-style-type: none"> <li>• Increase in transactional errors</li> <li>• Decrease in payment performance</li> <li>• Impact on cashflow management and accuracy of forecasting</li> <li>• Heightened demand for customised approvals and urgent decisions</li> <li>• Diminished strategic challenge capacity</li> <li>• Disrupted delivery of Business as Usual (BAU) operations</li> </ul>
	<b>Effect:</b> <ul style="list-style-type: none"> <li>• Failure to achieve value for money</li> <li>• Negative internal and external audit opinions</li> <li>• Detrimental effects on supplier partnerships and commercial appeal to the market</li> </ul>

Current Risk	
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Target Risk	
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Original Risk	
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Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	<b>Trend</b>	Constant

Risk Score	Likelihood	Impact
4	Unlikely	Serious
Green	<b>Target Date</b>	31-Dec-2025

Risk Score	Likelihood	Impact
8	Likely	Serious
Amber	<b>Creation Date</b>	28-Feb-2024

<b>Latest Note</b> Page 102	Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation.	<b>31-Aug-2025</b>
	The financial leadership group, consisting of finance representatives from across the corporation and its institutions, has been appointed to mitigate the risk of inconsistent application of the internal control environment by working with business customers.	
	A number of mitigations have been identified to improve compliance and overall benefits of controls. FLG have been instructed to provide a list and evidence of further in-place actions to be added to the action list below.	
	A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls.	
	Poor performance sanctions have been agreed by the Finance Leadership Group which includes reporting repeat offenders to Chief Officers, removal of purchase cards as a result of non-compliance and performance management.	
	This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.	

<b>Risk Level</b>	Departmental
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

#### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB003e Review of	Review of Commercial Transformation Programme and specifically the Procurement Code	PPSC agreed the rest of the Transformation Programme in November 2025 and work is now underway led by and Interim Head of Commercial	17-Nov-2025	Kashi Akhtar; Genine Whitehorne	30-May-2026

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Procurement Code		Transformation. The initial focus will be on the Procurement Code and will include flexibilities for Institutions, governance and thresholds. Priorities to be delivered for the start of the new Municipal Year.			
CHB003h Escalation and enforcement of non-compliance activities	Escalation and enforcement of non-compliance activities	<p>Performance issues to be reported and dealt with by line manager, Financial Services Director and Commercial Director.</p> <p>Further non-compliance to be escalated to the Chamberlain.</p> <p>Monthly reviews are taking place at Financial Leadership Group to highlight any areas of concern. A deep dive session focusing on issues is being planned for its June meeting.</p>	31-Aug-2025	Sonia Virdee; Genine Whitehorne	31-Dec-2025
CHB003i Finance Leadership Group Interventions	The Finance Leadership Group are responsible for partnering with departments and services to improve overall compliance. An action plan for each department/institution will be details and reviewed monthly at the FLG meetings. This will encourage sharing of strategies and best practice.	<p>Current actions and mitigations are reviewed and discussed at the monthly Finance Leadership Group. The performance of departments and institutions are reviewed monthly, with finance reps sharing their best practice on reducing non-compliance.</p> <p>A special session of the FLG was held in August to refocus members of their role and responsibility in the application of the internal controls. The Group Head of Internal Audit introduced the Three Line Model.</p>	20-Aug-2025	Sonia Virdee	31-Dec-2025

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