Public Document Pack

Finance Committee – Main Agenda

Date: **TUESDAY, 2 JUNE 2026**

Time: **1.00 pm**

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

Members:

Deputy Henry Colthurst (Chairman)
Deputy Andrien Meyers (Deputy Chair)
Samapti Bagchi
Shahnan Bakth
Alderman Alexander Barr
Deputy Emily Benn
Nicholas Bensted-Smith
Simon Burrows
Deputy Timothy Butcher
Deputy Bethany Coombs
Deputy Anne Corbett
Elizabeth Corrin
Susan Farrington
Steve Goodman OBE
Alderwoman Martha Grekos
Deputy Madush Gupta
Stephen Hodgson
Adam Hogg
Deputy Ann Holmes
Sandra Jenner
Alderman Alastair King DL
Deputy Paul Martinelli
Alderman Bronek Masojada
Deputy Benjamin Murphy
Alderwoman Jennette Newman
Fraser Peck
Alderman Sir William Russell
Hugh Selka
Deputy Oliver Sells KC
Deputy Sir Michael Snyder
James St John Davis
Deputy James Thomson CBE
James Tumbridge
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 28th April 2026.

   To follow.

   For Decision

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

   Report of the Chamberlain.

   For Information
   (Pages 7 - 8)

5. **PUBLIC UPDATES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING - 19 MAY 2026**

   Public updates of the Projects and Procurement Sub-Committee meeting - 19 May 2026

   For Information

6. **HIGHWAY CONSTRUCTION & MAINTENANCE TERM CONTRACT – PROPOSED CONTRACT EXTENSION**

   Report of the Executive Director, Environment.

   For Decision
   (Pages 9 - 20)

7. **STAGE 1 - CITY OF LONDON STREET HOMELESSNESS OUTREACH AND SUPPORT SERVICE**

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

For Decision
(Pages 21 - 30)

8. **STAGE 1 - PAN LONDON SUBSTANCE MISUSE PROGRAMME - INPATIENT DETOXIFICATION AND STABILISATION BEDS**

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

For Decision
(Pages 31 - 42)

9. **CLIMATE ACTION STRATEGY FINANCE UPDATE TO END OF YEAR 5 (FY2025/2026)**

Report of the Executive Director, Innovation and Growth.

For Information
(Pages 43 - 54)

10. **UPDATE OF FINANCE REGULATIONS**

Report of the Chamberlain.

For Decision
(Pages 55 - 122)

11. **RISK MANAGEMENT UPDATE REPORT**

Report of the Chamberlain.

For Information
(Pages 123 - 142)

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

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

14. **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

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

To agree the non-public minutes of the meeting held on 28th April 2026.

To follow.

For Decision

16. **NON-PUBLIC UPDATES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE MEETING - 19 MAY 2026**

Non-Public updates of the Projects and Procurement Sub-Committee meeting - 19 May 2026

17. **INSURANCE - PROPERTY PROCUREMENT STAGE 1 STRATEGY**

Report of the Chamberlain.

For Decision
(Pages 143 - 154)

18. **INTEREST RATES FOR LOAN FACILITIES**

Report of the Chamberlain.

For Decision
(Pages 155 - 162)

19. **PROJECT SAPPHIRE UPDATE**

Report of the Chamberlain.

For Decision
(Pages 163 - 174)

20. **FORMER BARKING POWER STATION - UPDATE ON PHASE 1 AND APPROVAL TO PROCEED ON PHASE 2**

Report of the City Surveyor.

For Decision
(Pages 175 - 190)

21. **CITY FUND DISPOSAL - PROJECT SHIELD 1**

Report of the City Surveyor.

For Decision
(Pages 191 - 204)

22. **CITY FUND DISPOSAL - PROJECT SHIELD 2**

Report of the City Surveyor.

For Decision
(Pages 205 - 218)

23. **DELEGATED AUTHORITY REQUEST (IPG)**

Report of the City Surveyor.

For Decision
(Pages 219 - 220)

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

Report of the Chamberlain.

For Information
(Pages 221 - 222)

25. **MPO DASHBOARD REPORTING**

Report of the Chamberlain.

For Information
(Pages 223 - 234)

26. **NON-PUBLIC APPENDIX - (ITEM 6 - HIGHWAY CONSTRUCTION & MAINTENANCE TERM CONTRACT - PROPOSED CONTRACT EXTENSION)**

To be read in conjunction with Item 6.

For Decision
(Pages 235 - 236)

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

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

Part 3 - Confidential Agenda

29. **THE PAN LONDON SEXUAL HEALTH ESERVICE**

Joint Report of the Director of Community & Children's Services and the Chamberlain.

For Decision

FINANCE COMMITTEE – WORK PROGRAMME 2025-26

	2nd June - 26	15th July - 26	22nd Sep - 26	24th Nov - 26	19th Jan-27
Budget Setting Process & Medium-Term Financial Planning		Update on Savings and Budget principles 26/27 City's Estate – recommended approach to sustainability	Q1 Budget monitoring plus progress on in year savings and p-cards	Q2 Budget monitoring plus progress on in year savings and p-cards	
Effective Financial Management Arrangements for The City Corporation	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Update of Finance Regulations Interest Rates for Loan Facilities Insurance - Property Procurement Stage 1 Strategy Report	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Revenue Outturn report 25/26 Provisional Outturn report 25/26 Update from Internal Audit – Assurance Financial Control Write off report - Business Rates and Council tax HRA update	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Capital review and reprioritisation	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan	MPO Dashboard Reporting (CHB) Efficiency and Performance forward plan Barbican 10-Year Plan
Financial Statements			City Fund and Pension Fund statement of accounts	City's Estate financial statements City's Estate trust funds and sundry trust funds annual reports and financial statements	
Finance Committee as a Service Committee	Risk Management Update Report Programme Sapphire	Risk Management Update Report Programme SAPphire verbal Update (Quarterly) Chamberlain's Business plan Q1 report Central Contingencies (Quarterly report)	Risk Management Update Report	Risk Management Update Report Chamberlain's Business plan Q2 report Contingency Report (Quarterly)	Risk Management Update Report Programme SAPphire Review & Benefits Report
Other Departments reports		New Museum of London: Delivery Update(Surveyors)			GSMD 5-year plan

Updated as at: 21 May 2026

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Committee(s): Streets & Walkways Sub-Committee – For Information Project & Procurement Sub Committee – For Decision Finance Committee – For Decision Court of Common Council – For Decision	**Dated:** 13 May 2026 19 May 2026 2 June 2026 25 June 2026
Subject: **Highway Construction & Maintenance Term Contract – Proposed Contract Extension**	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	Flourishing public spaces Leading sustainable environment
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: **Executive Director of Environment**	Katie Stewart
Report author: **Assistant Director (Highways), City Operations**	John Grimes

Summary

The City's highway term maintenance contractor, FM Conway, delivers highway maintenance, carriageway resurfacing, road marking, drainage, street lighting, public realm enhancements and highway changes for the Environment Department, as well as similar services for other departments, under an initial five-year contract awarded in June 2022.

FM Conway will enter year five of the contract in June 2026, with an option to extend by a further five-year period (to June 2032). Throughout the contract period to date, FM Conway has consistently achieved very high performance in delivering those highway-related works across all contractual Key Performance Indicators (KPI's), including timely delivery of works, adherence to specifications, and responsiveness to operational requirements. The workmanship has remained exemplary, with full compliance with safety and environmental standards. FM Conway has demonstrated effective cost management, with benchmarking indicating that their rates remain below typical industry standards.

FM Conway has fully adopted the collaborative ethos of the contract, frequently adjusting programmes, designs and resources to meet the City's evolving needs without submitting any formal compensation claims, demonstrating their flexibility and commitment.

The wider highway construction industry continues to experience volatility and cost pressures, including rising material prices, labour shortages, fuel costs and global geopolitical uncertainties. The contract's annual rate adjustment mechanism, linked to Retail Price Index, help ensure pricing remains competitive and aligned with market conditions.

Considering FM Conway's sustained high performance, strong partnership working and favourable benchmarking outcomes, this report recommends activating the five-year extension to the Highway Construction & Maintenance Term Contract to mitigate the cost increases likely to arise from a full retender.

Recommendation

Members are recommended to agree the extension of the Highway Maintenance term contract with FM Conway for a further five years from June 2027, ensuring continuity of service delivery, sustained performance, and effective forward planning for major programmes. The proposed extension is in accordance with the original procurement provisions and represents a continuation of an existing compliant contractual arrangement.

That the Comptroller and City Solicitor is instructed to prepare, and arrange for due execution of, a Deed of Variation recording the extension and other agreed changes to the contract in accordance with its terms.

Main Report

Background

1. The City Corporation is the Highway Authority for all the public highway and City walkway areas in the Square Mile, except for those streets that fall within the Transport for London Road Network (or 'Red Routes').

2. Accordingly, the City of London's Environment Department (ENV) holds a statutory duty for maintaining these streets, footways and walkways. This includes inspecting them for defects, repairs management, road resurfacing, maintenance of signs, road markings, bollards, street nameplates and drainage, as well as the upkeep of all illuminated and powered street furniture. The Department is also responsible for the highway construction works associated with road safety improvements, transport interventions, public realm enhancements and reparation or alteration works linked to new building developments.

3. The Highway Construction & Maintenance Term Contract was procured through a compliant EU procurement process in 2021, which included a clearly defined option

to extend the contract for a further five-year period. The total potential contract duration and value, including the extension period, were disclosed within the original contract notice and procurement documentation. The proposed extension is being exercised in accordance with these provisions and does not constitute a material modification to the contract.

4. The contract is currently held by FM Conway,Over the three years since award, FM Conway has delivered an average annual workload of approximately £13.5 million. This figure reflects the scale of both internally and externally funded programmes commissioned through the City Operations Group in ENV, in addition to smaller volumes of similar work delivered on behalf of Natural Environment and the District Surveyors.

Current Position

FM Conway's Performance

5. FM Conway is currently in year four of a five-year contract that includes an option to extend for a further five years. To date, FM Conway has consistently demonstrated high levels of performance in highway construction and maintenance across both delivery and quality metrics, as shown through contract Key Performance Indicators. Projects have been delivered to a high standard, within agreed timescales and budgets and with minimal disruption to the public.

6. In addition, FM Conway have fully adopted the partnership approach envisaged by the contract, continually adjusting programmes, designs and resources to meet the City's needs. Examples include Phase 1 of King Willaim Street Pedestrian Permeability Scheme, St Andrew Undershaft Church, 1 Leadenhall and 1-2 Broadgate where the management of pedestrian and vehicular traffic during the delivery stages were challenging. However, the improvements made are leading to an increase in pedestrian / wheeling and cycle activity.

7. FM Conway's excellent performance can be seen in a number of ways, including:

    a. They are relied upon to underpin the delivery of numerous major projects, such as the alterations at St Pauls Gyratory, Trinity Lane public realm improvements where a raingarden was introduced alongside wider re-landscaping, and enhancements at London Wall / Moorgate oval where green space and seating has been increased. Their consistent delivery record provides the City with confidence to require major developers to use the term contract for associated public realm works;
    b. The City also benefits from a very low number of accident claims, supported by FM Conway's robust inspection processes and record keeping.
    c. FM Conway performance against contractual Key Performance Indicators has been exceptional;
    d. FM Conway have not made a formal claim in their four years under contract;

e. In 2024/25 FM Conway successfully delivered 28 schemes under the City's Pedestrian Priority, Cool Streets and Greening and Healthier Streets programmes, alongside 19 planned carriageway resurfacing schemes.
f. Conway actively manages its supply chain to maintain high standards of quality in delivery and products, while keeping costs under control. By working closely with approved suppliers and retaining responsibility for materials through delivery, Conway reduces variability in quality and ensures consistency across projects. This approach also allows the company to absorb and manage the risk of damage during transit, rather than passing it on to clients or subcontractors, supporting more reliable delivery, fewer delays, and improved overall value for money.
g. FM Conway have an extremely low accident rate with their workforce and the public, despite the inherent difficulties of working with so many utilities just below the surface of the City's streets. In 2024/5 year, there were zero injuries or lost days.
h. In terms of consents to dig up the public highway in their last contract year, only 0.1% of FM Conway's permit applications were rejected (compared to 21.9% combined across the utility sector), with over 9,000 permit applications being made in the same period.
i. The City Procurement team have acknowledged that FM Conway's delivery under the term contract should be seen as the benchmark for City Corporation contractors in terms of sustainability and responsible sourcing of materials;
j. FM Conway have undertaken an analysis of their vehicle emission performance to understand their air quality impact and through a switch to bio fuels and electric plant over 60,000 kgCO_2e has been saved.
k. Carbon savings of over 41,000 kgCO_2e have been achieved through the incorporation of CEM- II as an alternative cement in ready mix concrete.

8. FM Conway's gangs are a key part of this successful delivery process. Many have worked in the City for over 20 years and have TUPE'd across between past term contractors. Their extensive experience is vital in managing the City's uniquely challenging working environment, and in ensuring that City life continues around them with minimal disruption.

9. This effective continuity is enabled by the structure of the term contract, which combines highway maintenance responsibilities with the delivery of major schemes under a single contractual arrangement. This allows FM Conway and the City to keep the most skilled gangs fully employed, switching them between maintenance and project work as required, without losing them to other contracts

10. The Highway Construction & Maintenance Term Contract is a corporate contract and is available for use by sections and departments beyond City Operations in the Environment Directorate. The relatively limited number of projects delivered through this route has produced mixed outcomes, reflecting the fact that such works have often fallen outside the contractor's core highway construction and maintenance activities. This has been the case in some of their work on highway structures, but there have also been notable examples of good performance

including the successful delivery of the Parliament Hill running track project and the assumption of the role of Principal Contractor for the quarterly maintenance works at Tower Bridge.

11. It should be noted that the contract is non-exclusive and separate procurement routes remain appropriate and permissible where the use of the term contract is assessed as offering limited additional value.

Commitment & Partnership

12. From the start of the contract, FM Conway have delivered their contractual requirements with a significant level of commitment to meeting the City's exacting standards and partnership approach. That commitment has come from the Chief Executive Officer of FM Conway through to the Contract Director, Contract Manager, and Works Supervisors, down to the gangs themselves.
13. The direction and culture of the contract delivery have been aligned to meet the City's requirements, they have delivered on their contractual commitment to maintain an embedded resource dedicated to working with the City to improve and maintain communications with those affected by works, and their early contractual involvement on schemes has had numerous design, safety and cost benefits.
14. FM Conway's approach has been one of flexibility without sacrificing quality, as illustrated by the following items that have been implemented in partnership with FM Conway at no additional cost to the City:
    a. The use of mobile tablets to capture highway defects and facilitate an improved works ordering process;
    b. The development of a new approach to asset management, including the valuation of identified highway defects and the tracking of repairs;
    c. Long term forward profiling of contract spend and gang deployment;
    d. Value engineering on proposed schemes through early contractor involvement;
    e. The development & use of electric plant to reduce road carbon emissions without reducing workforce outputs, currently being utilised at the St Pauls Gyratory project;
    f. The use of electric small tools to reduce carbon and noise emissions.
    g. The introduction of an e-cargo XL bike to deliver tools and equipment replacing a small van on the City's network.

15. FM Conway have also delivered over £390,000 in social value for the City of London over the first three years of the contract, focusing on employment, training, community support, and strengthening local supply chains. The company employs over 30 local residents, has delivered 793 hours of workforce training, and engages actively with young people through events such as the Livery Schools Link Showcase.
16. FM Conway has spent over £5m with local SMEs, co-hosted sustainability events, sponsored the LUCI Cities & Lighting Summit held at Guildhall and organised technical visits for City stakeholders. They have also supported the Lord Mayors Show both financially and operationally to ensure it's a successful event.

17. In January 2025, FM Conway was acquired by Vinci Construction (part of the Vinci Group), however they continue to operate as a standalone business, managing contracts and client relationships in the same manner but with Vinci as their parent company. The acquisition has had no adverse impact on contract delivery, and no pressure has been applied to vary the commercial terms of the City's contract.

Financial comparison

18. FM Conway's contract rates were assessed as part of the 2021 tender process and were judged to be highly competitive at that time. Recent benchmarking has indicated that the contract remains competitive when compared with equivalent contracts (detailed in non-public Appendix 3 due to its commercial confidentiality).

19. A retendering exercise at this stage is unlikely to deliver improved value for money when considering current market conditions, mobilisation costs, and the potential loss of embedded knowledge and resource continuity. Any increase in scheduled rates from a retendering exercise would likely increase the overall cost of delivering highway works across the City, requiring additional funding from CIL, the On-Street Parking Reserve or from developers under s278 agreements. It would also simultaneously reduce the effective amount of funding available for highway maintenance work that could be delivered within the existing City Fund budget.

20. Otherwise, in delivering numerous highway schemes over the past four years, supported by early contractor involvement, careful planning, accurate estimation and effective budget management, FM Conway has consistently delivered its elements of these projects within the budgets allocated for each scheme.

Contract Enhancements

21. In terms of further enhancements to the service that would be taken forward should the contract be extended, the following elements have been highlighted:

    a. The contract's Key Performance Indicators will be revised and refreshed, including new ones introduced to cover the monthly provision of carbon savings related scheme delivery.
    b. The sustainability requirements of the contract will be further enhanced to meet more stringent City standards.
    c. We will consider how the City's Climate Action agenda can be delivered successfully, even within a sector traditionally associated with high carbon emissions.
    d. To seek further improvements in service delivery beyond the core highway construction and maintenance activities, enabling other departments to benefit from a high quality alternative delivery option that offers greater flexibility, integration, and value.

Procurement Options

22. There would appear to be three options at this point.

Option 1: Approve the full five-year contract extension contained within the contract

23. This option would maintain the strong and well established partnership with FM Conway in delivering:

a. high quality works in a flexible and safe manner;
b. effective early contractor involvement and a commitment to meet the City's exacting standards;
c. minimal disruption to City stakeholders;
d. at competitive pricing with few (if any) claims;
e. where necessary, negotiated amendments to the existing service standards with the incumbent contractor under the current term contract would be preferable in the prevailing economic climate as retendering at this time could result in increased costs to the City, as prospective contractors are likely to price in additional commercial and market risk.
f. whilst seeking more ways to innovate, including better use of data on inspection defects & trends;
g. over the long term, certainty for the delivery of numerous projects including the urban realm changes at St Pauls Gyratory and Fleet Street.
h. longer term investment in plant, vehicles and electrification innovation would be supported over a 5 year period.

This option represents the continuation of a compliant contractual arrangement, with the extension mechanism forming part of the original procurement and evaluated at the point of contract award.

Option 2: Approve the contract extension for a shorter period than five years

24. This option would deliver many of the above outcomes, but it would introduce constraints around programme certainty, long term planning and contractor investment in innovation. Investment in contractor's plant and fleet could become constrained and would not be amortised due to the shorter contract period.

25. In this context, it is worth noting that although the term contract is intended to provide a corporate contract to join up the delivery of all such work, it is not explicitly exclusive, which means that the City has some flexibility to move work to other contractors, such as London's Highways Maintenance and Project Framework (HMF) should we wish to do so. That means a shorter extension offers limited strategic advantage.

Option 3: Allow the contract to expire and undertake a full retender

26. A full retender is unlikely to deliver additional value proportionate to the cost, time and delivery risk associated with undertaking a new procurement at this stage.

a. FM Conway's current contract rates remain competitive compared with other London authorities with similar networks, and a new tender would likely result in higher costs;
b. there would be no guarantee that any improvement in rates or the quality of contract delivery could be found via tendering (in fact rates are more likely to increase);
c. a full Find a Tender Service (FTS) procurement exercise would require the immediate diversion of considerable staff resources;
d. it would create significant uncertainty for longer term project planning beyond the end of the contract, particularly given the current state of global financial volatility

27. As a result, a full retender is unlikely to realise significant improvements in value for money, for the opportunity cost of procurement and the potential loss of reputation by failing to exercise an option to extend a very successful supplier relationship.

Proposals

28. From these options, Option 1 is recommended as FM Conway remain competitive and favourable to the City in a number of respects, namely:

    a. continuing the provision of these services in partnership with a high performing contractor who continues to demonstrate their commitment to working with the City to deliver high quality work;
    b. at a cost that has been benchmarked to deliver value for money;
    c. and at the same time providing continuity of project management, early contractor involvement and dedicated experienced resource in planning ahead for the next five years' worth of major projects on the Highway.

29. It should be noted that the original FTS notice in 2021 indicated an estimated contract value of £50 million over the initial five-year contract period, with a similar estimated value implied for the proposed extension, acknowledging that FTS contract value estimates typically allow a degree of flexibility.

Corporate & Strategic Implications

<u>The Principle of a Term Contract</u>

30. In this context, it is worth noting why a term contract is preferred in the first place. In terms of the delivery of these services through FM Conway, the justification for using a term contract includes:

    a. It allows the provision of flexible, joined-up services, having one contractor to build, inspect and maintain all aspects of the highway;
    b. It allows resources to be swapped seamlessly between highway maintenance and major schemes, minimising the risk of claims for downtime whilst ensuring maximum flexibility of resource
    c. It delivers economies of scale in terms of management resource, material procurement and manpower;
    d. It facilitates a corporate resource available to other departments to deliver work of a similar nature;
    e. It removes the delay and cost to individual projects of tendering these services each and every time, creating a 'fast track' to facilitate early contractor involvement, both in terms of time and expertise;
    f. It minimises the impact of these works on the public by ensuring that gangs, supervisors and managers all understand the requirements necessary to work in the Square Mile.

Implications

31. If Option 1 (a full five year extension) is agreed, then there will be continuity of contract delivery, securing the further contract enhancements in addition to the existing high quality service. However, the ability to benchmark with HMF will still

be available throughout the remaining life of the contract, and there is a mechanism to allow works to be delivered under the HMF umbrella should the City wish to do so.

Conclusion

32. It is recommended that:

a. the term contract with FM Conway be extended for a further five years to ensure continued delivery of high-quality highway maintenance services, major project support and associated works for other departments. Extending the contract will maintain service continuity, retain experienced resources, and preserve the strong performance and collaborative working practices that have been demonstrated throughout the current contract period. The proposed extension is considered to represent a compliant and proportionate approach, maintaining value for money while ensuring continuity of service delivery within the scope of the original procurement and

b. the Comptroller and City Solicitor is instructed to prepare, and arrange for due execution of, a Deed of Variation recording the extension and other agreed changes to the contract in accordance with its terms.

Appendices

- Appendix 1 - FM Conway Key Performance Indicator Summary (Contract Year 3)
- Appendix 2 – The Role of the Procurement Category Boards
- Appendix 3 – FM Conway Rates Benchmarking (Non-public)

Author:

John Grimes

Assistant Director (Highways), City Operations, Environment Department

Appendix 1 - FM Conway Key Performance Indicator Summary (Contract Year 3)

KPI	Goal	Description	Target (July 2024)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Year Average
A	Ensure all sites suitable and sufficient in relation to Health & Safety.	Health and safety within the Construction industry is very important and must be treated as a priority on all sites. A minimum of 3 sites will be chosen at random during the month stated.	80%	80.1 %	80.3 %	80.0 %	80.3 %	80.3 %	80.3 %	80.3 %	80.3 %	80.1 %	80.3 %	80.5 %	80.5 %	80.3%
B	The provision of key Contractual Data for monthly review meeting.	Critical data for the management of the contract will be collated and provided to the Highways monthly contract meeting and other meetings for use and analysis in managing the contract.	100%	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
C	To ensure compliance with TMA and to comply with CCSS best practice	All works should be to the standards set by the TMA (and in line with our CCSS) therefore the Contractor should not incur FPN and promote best practice.	97%	96%	98%	98%	98%	98%	100 %	98%	99%	99%	99%	98%	98%	98.2%
D	To ensure all preconstruction information and process is provided and adhered to in line with CDM 2015.	To ensure all ECI meetings and design meetings have taken place, ensure PCI has been provided and accepted, whilst ensuring that a CPP and RAMS have been submitted and approved by CoI, before works take place.	100%	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100.0%
E	Ensure that works are completed with agreed programme milestones	Works that are completed within the agreed programme and timetable for each area of applicable work.	100%	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100.0%
F	The provision of accurate 'As-builts and H&S files' in a timely manner.	'As-builts' and H&S file for projects must be completed within four months of the project completion.	100%	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100.0%
G	Ensure all Water Fountains, Irrigation systems and water refill points are maintained to a safe and suitable standard.	Cyclical maintenance for M&E works (Fountains, irrigation, water refill points) within agreed programme and timetables. This includes Legionella testing. The importance of this process is paramount for the life of greenery and the safety of the water used within the fountains and the water refill points.	100%	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass
H	Effectively managing fault reporting for lighting within the Square Mile.	As and when the CMS notifies the M&E team of a fault and/or damaged illuminated street furniture, the defect should be visited in line with contract specification on receipt of instruction from electrical team.	97%	100 %	100 %	100 %	100 %	100 %	100 %	100 %	98%	Pass	Pass	100 %	100 %	99.8%
I	Ensure that works are accurately measured	Percentage of checked measurements that come within the measurement criteria	94%	96%	96%	97%	98%	98%	98%	98%	97%	98%	Pass	100 %	99%	97.7%
J	Ensure that invoices are accurately presented	Percentage of jobs whose invoices are free from mathematical error.	97%	97%	97%	98%	99%	98%	97%	100 %	100 %	99%	Pass	100 %	100 %	98.6%
K	'First time' repair ethos	All first-time repairs upon the footway are visited within the timeframes set in the contract and existing materials/street furniture are reused (no tarmac), where possible. Any variance to footway repairs must be brought to the attention of the maintenance team, and the reason for not making safe first time and/or use of tarmac.	97%	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100.0%
L	Effective Management of the Report It process.	The Report It provides digital tool that captures defects provided by the call centre, the public and some internal officers from other departments. It is paramount these defects are picked up and repaired in line with our contract specification, whilst also ensuring the progress of the repair is clearly shown on the web portal (linked to the system)	97%	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass

Appendix 2 – The Role of the Procurement Category Board

Procurement Category Boards have been established as part of the new City Procurement Governance structure. The Boards are chaired by a Chief Officer or Director and facilitated by a Category Manager from City Procurement and has representation from Comptrollers to ensure legal compliance in all board decisions. Each Board has relevant membership from across the City's departments for areas of spend that could benefit from strategic decision making, due to synergies of spend, a large number of current suppliers or potential for increased efficiency in the supply or management of goods, works or services.

The Construction & Property Services Category Board is chaired by the City Surveyor's Investment Property Director and has permanent members from the departments of City Surveyors, The Barbican, Built Environment, Chamberlain's, Comptrollers, City of London Police and Barbican Estates. Other departments are represented by working groups focused on specific goods, works or services that report to the Category Board.

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City of London Corporation Committee Report

Committee(s): Projects and Procurement Sub-Committee – For decision Finance Committee – For decision Community & Children's Services Committee – For information Homelessness and Rough Sleeping Sub-Committee – For information	**Dated:** 19th May 2026 2nd June 2026 30th June 2026 26th May 2026
Subject: City of London Street Homelessness Outreach and Support Service – Stage 1 Procurement Strategy Report	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties**	Providing Excellent Services Actions 5 and 6 Provides Statutory Duties under the Homelessness Reduction Act 2017 and Housing Act 1996 Part VII
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	
What is the source of Funding?	City Fund Central Government Grant for Rough Sleeping Prevention and Relief
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of:	Judith Finlay – Executive Director, Department of Community and Children's Services Caroline Al-Beyerty - Chamberlain
Report author:	John Barker – Commissioning Manager, Homelessness & Rough Sleeping Mohammad Mostafa – Procurement and Contracts Manager

Summary

This report seeks member approval for the recommended procurement strategy and evaluation criteria to be used in the selection of a preferred supplier for a Street Homelessness Outreach and Support service contract, supporting the work of the Department of Community and Children's Services. This is required under Section 16.3 of the Corporation's Procurement Code Part One as the estimated contract value exceeds £2m.

In accordance with the Procurement Code Section 16.2 the contract value has been determined as up to £8.3 million dependent on funding opportunities over the life of the contract, which is proposed for a core term of 3 years and an optional extension of two further years.

The recommendation is to undertake a procurement under the Open Procedure as outlined by the Procurement Act 2023 to procure the contract with the evaluation criteria ratio on a 55 / 15 / 30% Quality / Responsible Procurement / Price ratio, reviewed and approved by the DCCS Category board on 26th Match 2026.

Recommendation(s)

Approve the procurement strategy under the Open Procedure (Procurement Act 2023) and the evaluation criteria on a 55 / 15 / 30% Quality / Responsible Procurement / Price ratio.

Main Report

Background

1. The City of London Corporation has historically contracted a Street Outreach service to identify and support rough sleepers within the Square Mile.
2. This provision has been complimented by two additional rough sleeper support services working with clients temporarily accommodated as a route from the streets and those clients with long term history of street homelessness and more complex needs.
3. Since 2018, Central Government has made specific funding available to address street homelessness across the United Kingdom and the current Outreach Service, alongside the related services, has benefitted from the addition of these resources to boost its reach and effectiveness.

Current Position

4. The Corporation has co-designed a new multi-functional Street Homelessness Outreach & Support Service taking on board the learning from previous initiatives and challenges alongside input from people with lived experience of street homelessness and service access; that will comprise three of the currently separately contracted services under one contract with a single provider.

5. This service will meet the potential challenges of the next five years with flexibility, agility and the ability to take on new initiatives over its lifespan. This is reflected in the potential value and scope of the tender. This modular approach will also allow the Corporation to react to changing need, demand and priorities over the lifetime of the contract

Flexible Service

6. The contract will be based on a primary service, consisting of Street Outreach, Peripatetic Support for clients placed in temporary accommodation settings and Long Term Casework for individuals with more entrenched or complex and multiple needs.
7. The contract will also outline a number of potential additions to the service over the lifetime of the contract enabling the service to react to change on a local, sub regional or national level.
8. Optional extras may include but are not limited to:
    - 8.1 Specific premises from which to provide the service
    - 8.2 Weather / Seasonal related responses such as providing enhanced support during cold or hot weather in addition to the normal service function during severe weather
    - 8.3 Providing support to specific demographics of clients such as those identifying as women and those with complex immigration issues
    - 8.4 Health improvement interventions
    - 8.5 Providing a bespoke response to the emergence or existence of “hot spots” or rough sleeping encampments in the City of London
    - 8.6 Providing an enhanced day service for street homeless individuals
    - 8.7 Responding to potential legislative changes or strategic developments nationally in reducing rough sleeping
    - 8.8 Providing an enhanced reconnection service
    - 8.9 Research and investigation into wider national initiatives and market best practice
    - 8.10 Specific Pilot projects to aid learning and development of practice
    - 8.11 Prevention initiatives, especially those targeted at preventing a return to the streets
9. Each optional or potential service addition will be subject to a series of activation triggers including the availability of funding, ensuring the Corporation is able to react quickly to potential future funding opportunities; using the learning from the 5 years since the Covid Pandemic where funding opportunities have arisen for specific interventions.
10. The flexibility built into this this procurement is made transparent and explicit within the tender documentation.

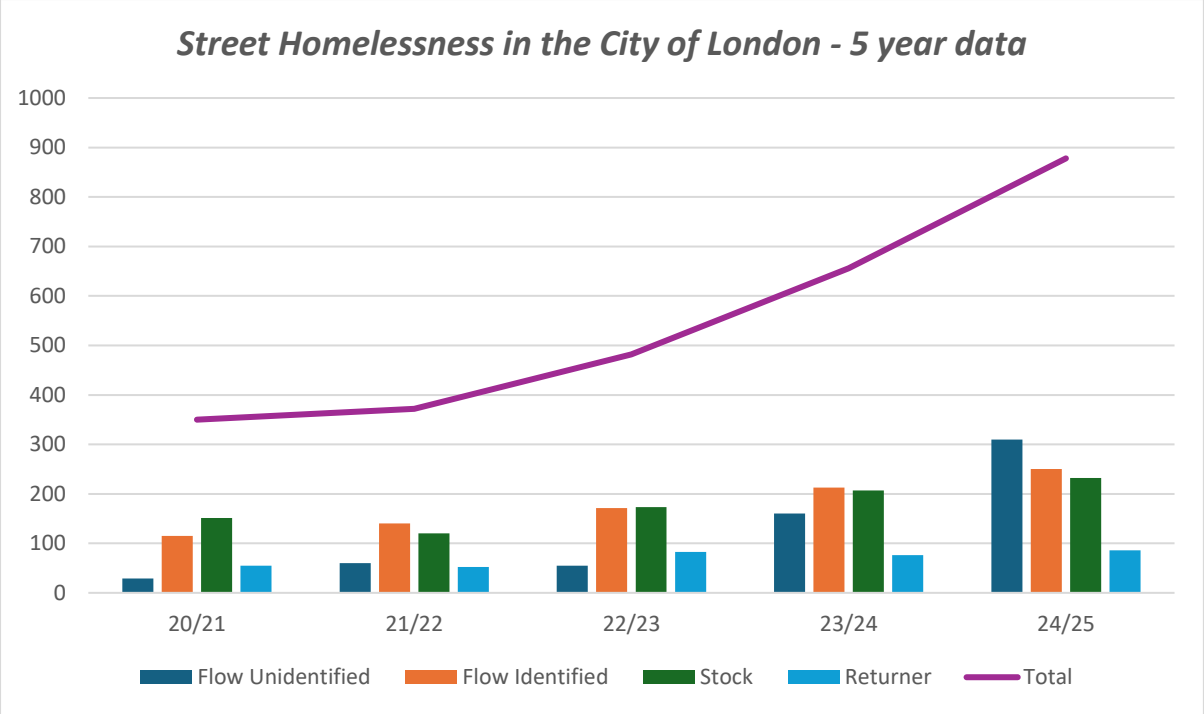
Funding

11. The table in Appendix 1 sets out the funding and budget structure for this procurement. It is based on opportunities that have arisen in the past and that might reasonably be expected to arise over the lifetime of this contract.
12. The total contract value is structured around the potential to flex the service delivery alongside the funding opportunities that may become available over the lifetime of the contract.
13. The Corporation may also look to renegotiate the service delivery based should continued availability of funding become uncertain and both of these factors are made explicit within the Service Specification
14. The primary service will not exceed a cost that can be met within the Homelessness Prevention and Rough Sleeper Service budget including the current awarded grant funding.
15. In accordance with the Procurement Code Rule 14 the contract value has been determined at a potential £8.3 million (total amount payable)

Key Data

16. High level data over the last 5 years demonstrates that street homelessness in the City of London has continued to rise: *(source: "Rough sleeping in London (CHAIN reports)" - https://data.london.gov.uk/dataset/chain-reports/)*

	20/21	21/22	22/23	23/24	24/25
Flow Unidentified	29	60	55	160	310
Flow Identified	115	140	171	213	250
Stock	151	120	173	207	232
Returner	55	52	83	76	86
Total	**350**	**372**	**482**	**656**	**878**
Increase		**6.25%**	**29.5%**	**36.1%**	**33.8%**



Category	Description
Flow	People who had never been seen rough sleeping prior to 2024/25 (i.e. new rough sleepers). Those within this category are further subdivided as follows: • Unidentified - those new rough sleepers recorded without a name, and with only one contact. • Identified - those new rough sleepers recorded with a name, and/or with more than one contact.
Stock	People who were also seen rough sleeping in 2023/24 (i.e. those seen across a minimum of two consecutive years).
Returner	People who were first seen rough sleeping prior to 2023/24 but were not seen during 2023/24 (i.e. those who have had a gap in their rough sleeping histories).

17. This continued rise in numbers supports the change of approach to a flexible service that can be enhanced and adjusted to meet changing need and demand.

Procurement Strategy Options

18. The following Route to Market Options have been considered:

18.1 **Option 1** – Open procurement process under Procurement Act 2023

Advantages	Disadvantages	Risks
Relevant to contract value	Potential for high response rate and associated time pressure	Small risk of a high number of tenders needing to be evaluated
Allows full market access	No shortlisting stage can be undertaken	
Allows for appropriate level of competition given the limited size of the provider market	Does not allow for a provider interview stage	

Consistent with the commissioning timeframe		
Evaluation can be based on both submitted responses and a prepared presentation		
Possible to completed within the desired procurement timeframe		

18.2 **Option 2** – Competitive Flexible Procedure under Procurement Act 2023

Advantages	Disadvantages	Risks
Greater flexibility for the Corporation	More complex process needing input to refine it	Additional time and resource needed to input into the service would result in the planned timeline for the procurement being missed
Scope for provider interviews	Designed for a higher level of competition then expected in this market	
	Time consuming to a level outweighing its advantages in this procurement	
	Providers could be granted a second stage of tender submission that would delay the procurement unnecessarily	

Proposals

19. The Recommended Procurement Strategy is Option 1, which is to undertake a procurement under the Open Procedure outlined by the Procurement Act 2023

Procurement Timetable

20. Key dates in the procurement are:

20.1 Tender opens – June 2026

20.2 Tender closes – July 2026

20.3 Identification of Successful Provider – August 2026

20.4 Contract Notification – November 2026

20.5 Mobilisation of service – January / February 2027

20.6 Service Commencement – 1st March 2027

Corporate & Strategic Implications

Strategic implications

21. This procurement allows the Corporation to continue to meet its statutory obligations under the Homelessness Reduction Act 2017 and also under the Housing Act 1996 Part VII

22. Additionally the procurement will contribute to the Corporate Plan to Provide Excellent Services and contribute to the Homelessness Strategy Priorities 1,2, 3 & 4.

Financial implications

23. The proposed procurement has an estimated maximum contract value of up to £8.3m over a potential five-year period, inclusive of optional service elements. The core outreach service will be funded from existing Homelessness Prevention and Rough Sleeping budgets and confirmed Central Government grant funding. Any additional or optional elements of the service will be subject to the availability of external funding and agreed activation triggers and will not be committed unless funding is secured. The procurement therefore does not create an unfunded pressure and can be delivered within the existing financial framework and budgetary approvals.

Resource implications

24. In activating any additional elements of this service over its lifetime, there will be a resource implication for the Commissioning Team, Comptrollers and officers from the Homelessness Prevention and Rough Sleeping service, however this will be less than resources needed to commission such schemes separately.

Legal Implications

25. The Comptroller and City Solicitor has been consulted in the preparation of this Report, and comments as follows :-

    25.1 The recommended Procurement Strategy is supported.

    25.2 The legal framework for the procurement will not only be governed by the Procurement Act 2023 (PA2023) but also by the following key secondary legislation :-

    - The Procurement Regulations 2024.
    - The Procurement Act 2023 (Consequential and Other Amendments) Regulations 2025.

    25.3 Given the anticipated contract value will be in excess of £5m , it is a mandatory requirement under the PA 2023 for a contracting authority to set at least three Key Performance Indicators (KPIs) which would have to be set out in the Contract Details Notice.

    25.4 Whilst a mandatory 8 day standstill period will not apply to a light touch contract, it is advisable given the value to apply a voluntary standstill period to mitigate the risk of a successful challenge.

    25.5 Break clauses will need to be considered for the contract terms in the event there are funding implications. Furthermore, given the proposed

wider scope for the procurement of the contract, the potential risks will have to be carefully considered in consultation with the Chamberlain's Risk Management & Insurance Team to determine whether the insurance indemnity limits agreed for the current Outreach contract should be reviewed.

25.6 If the intention is for the successful bidder to occupy or partly occupy accommodation in Guildhall as in the case of the current Outreach contract, then consultation will have to take place with the City Surveyor as to the terms for a Licence. Should this be the intention, then the contract award will also be conditional on the successful bidder entering into the Licence. All bidders will need to be aware from the outset.

25.7 In order to mitigate any data protection risk, a Data Protection Impact Assessment must be undertaken in accordance with Article 35 of the UK GDPR. Any UK GDPR implications, and information sharing implications will have to be considered. CHAIN namely the Combined Homelessness & Information Network multi agency database will apply to an Outreach service. The City Corporation has previously entered into a Data Processing Agreement for CHAIN.

25.8 Exit implications such as TUPE etc for any current contracts will have to be considered.

Risk implications

26. The inherent risks in commissioning and procuring this service range between market interest / availability, provider failure, reputational risk by association and the risk of challenge from the market on the flexible nature of the proposal. These common risks are mitigated through the City of London Corporation's contract management arrangements, Commercial Services and Legal input.

27. Risks associated with the potential to bring in optional elements of the service will be mitigated by adherence to the procurement change control process and utilising the DCCS Category Board for approval.

Equalities implications

28. An Equalities Impact Assessment has been carried out in tandem with the service design for this scheme

Climate implications

29. The City of London Corporation has a Climate Action Strategy which sets out how we will achieve net zero carbon, build climate resilience and champion sustainable growth, both in the UK and globally. The commitment of the Supplier in supporting the City's Climate Action targets is fundamental. The Supplier will consider the lowest possible whole life carbon option and deliver year-on-year improvements relating to sustainability when providing goods, works and services on this contract. Improvements could be through obtaining data, minimising energy use, adopting circular economy principles, utilising sustainable procurement practices, trialling innovation or any other relevant means as discussed with the City Corporation. For every contract year, at least one recommendation should be made as to how to either improve data quality or reduce carbon emissions.

30. Annual footprint reporting will be required for this contract. The Supplier must share all annual reports that reference sustainability, the environment and/ or carbon emissions with the City's Climate Action team (climateaction.pgs@cityoflondon.gov.uk) and work with the City Corporation to devise and deliver a strategy that measures, monitors and reduces your carbon footprint year on year in a clear and transparent way. The City Corporation calculates the footprint of the goods and services it buys annually and may request the Supplier to provide data relating to its organisational carbon footprint (including Purchased Goods & Services) or the footprint of goods and services provided through this contract.

Security implications

31. None

Conclusion

32. Following due consideration, the proposed procurement strategy and process outlined in Paragraph 12.1 above provides a compliant, efficient and competitive route to market appropriate to the scale and nature of this contract.

Appendices

Appendix 1 – Contract Value and Funding Calculation

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Appendix 1 – Contract Value and Funding Calculation

Outreach Contract Potential Finances

Spreadsheet designed to calculate potential contract value of 5 year Outreach contract providing flexibility to adapt the service to need and opportunity

	Element	Source	Yr1	Yr2	Yr3	Yr4	Yr5	Totals	
1	City Funding for Outreach Provision	CoL	£480,000	£494,400	£509,232	£524,509	£540,244	**£2,548,385**	Primary Outreach
2	Grant Funding awarded to the City of London *17th December 2025*	MHCLG	£500,000	£500,000	£500,000	£500,000	£500,000	**£2,500,000**	
3	Sub Regional Funding Supplement	MHCLG	£300,000	£300,000	£300,000	£300,000	£300,000	**£1,500,000**	Optional
4	Potential for Ad Hoc Award	Any	£350,000	£350,000	£350,000	£350,000	£350,000	**£1,750,000**	
	Totals	Combined	**£1,630,000**	**£1,644,400**	**£1,659,232**	**£1,674,509**	**£1,690,244**	**£8,298,385**	

The potential additional funding opportunities in Rows 3 & 4 are based on opportunities that have arisen during the life of the current service; and are not guaranteed. The service specification notifies providers that the corporation may wish to renegotiate the value of the contract should there be a material change in funding.

City of London Corporation Committee Report

Committee(s): Projects & Procurement Sub-Committee – For decision Finance Committee – For decision	**Dated:** 19/05/2026 02/06/2026
Subject: Drug and Alcohol Inpatient Detoxification provision	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes**	Outcomes: 1, 2, 3, 4, 8
Does this proposal require extra revenue and/or capital spending?	Not applicable
If so, how much?	Not applicable
What is the source of Funding?	Protected Drug and Alcohol funding in the local authority's Public Health Grant and Pan London Substance Use Programme - Local Authority banked reserve.
Has this Funding Source been agreed with the Chamberlain's Department?	Not applicable
Report of:	Judith Finlay Executive Director of Community and Children's Services.
Report author:	Bridget O'Dwyer, Lead Commissioner, Pan London Substance Misuse Programme Community and Children's Services. Mohammad Mostafa Commercial Services

Summary

This report seeks approval to undertake an Invitation to Tender exercise and, following completion of that process, award a contract for drug and alcohol inpatient detoxification provision for London under Regulation 11 (Competitive Process) of the Health Care Services (Provider Selection Regime) Regulations 2023 (the PSR) at an estimated

total value of £7.9m over three years. It is intended that the new contract to be procured would commence in January 2027.

The City of London Corporation hosts the Pan-London Substance Use Programme on behalf of London local authority partners. The programme is funded through a combination of protected drug and alcohol funding within the local authority Public Health Grant (which includes London Consortia grant funding, which is a separate allocation within City and Hackney's Public Health Grant) and Pan-London Substance Use Programme local authority banked reserves. The City Corporation has acted as lead commissioner for these services since 2021.

The current contract delivered by Guys and St Thomas NHS Foundation Trust (GSTT) ended on 31 March 2026, and an Exit Plan was agreed with GSTT to formally close down the service. Directors of Public Health in London, the London Office for Health Improvement and Disparities (OHID), London boroughs and key partners have collectively agreed that a new model of provision should be procured for the next three years.

Recommendation(s)

This report seeks approval to undertake a competitive procurement exercise and, following completion of that process, award a contract for drug and alcohol inpatient detoxification provision for London under Regulation 11 (Competitive Process) of the PSR at an estimated total value of £7.9m over three years and the evaluation criteria on a 55 / 15 / 30% Quality / Responsible Procurement / Price ratio.

Technical response has been weighted at 55% to reflect evidence in response to ensure there is a strong clinical quality of care for clients with multiple clinical complexities and disadvantages.

Members are asked to:

- Note the report.
- Approve the use of Regulation 11 (Competitive Process) of the PSR to undertake a procurement exercise for drug and alcohol inpatient detoxification provision for London, as set out in this report.
- Endorse this committee paper for onward approval by the Finance Committee.

Main Report

Background

1. In 2020, following a sustained reduction in the availability of drug and alcohol inpatient detoxification provision across London, London partners developed a Pan-London approach to commissioning this specialist service using government grant funding.

2. In 2021, a competitive procurement exercise was undertaken for the provision of inpatient detoxification beds for London residents with complex needs. This resulted in the award of a contract to GSTT, which has delivered the service since 2021. Contracts have also been awarded to GSTT via the Direct Award process C of the PSR.

3. The City of London Corporation acts as lead commissioner for the Pan-London Substance Use Programme on behalf of participating London local authorities and partners. Members should note that a previous waiver report relating to the existing contractual arrangements was considered by the Projects and Procurement Sub-Committee in February 2025.

4. The existing contractual arrangements procured via Direct Award Process C of the PSR have now reached their end date, and London partners have agreed that a new procurement exercise is required to secure provision for the next three years.

5. Due to the London Inpatient Detoxification (IPD) Steering Group's timeline in deciding when to instruct the City of London Corporation to undertake a new ITT, there will be a gap in service delivery during the ITT exercise. To mitigate the gap in service delivery, the Association of Directors of Public Health London have released £200,000. of Local Authority reserve to fund interim beds via the new London IPD Portal, which has recently been commissioned by the City of London on behalf of the Programme.

Current Position

6. Protected drug and alcohol funding within the local authority Public Health Grant has been confirmed for a three-year period at a total value of £6.9m. When combined with local authority banked reserves held within the Pan-London Substance Use Programme, the estimated total budget available for a new three-year contract is £7.9m.

7. Due to the increasing financial gap between government grants and the current cost of alcohol inpatient detoxification provision, the Directors of Public Health in London, the London Office for Health Improvement and Disparities (OHID), London boroughs and key partners took a collective decision to go to market for drug and alcohol inpatient detoxification provision in London from April 2026, following the end of the current contract delivered by GSTT on 31 March 2026.

8. The City Corporation intends to undertake a competitive procurement exercise and award a contract for drug and alcohol inpatient detoxification provision for London

under Regulation 11 (Competitive Process) of the PSR at an estimated cost of £7.9m.

9. The market for drug and alcohol inpatient detoxification provision is limited. The City Corporation has therefore undertaken pre-market engagement to test market interest and inform the development of the service specification and delivery model. The pre-market engagement exercise received a strong provider attendance, however subsequent feedback was limited, and London has a history of reduced IPD availability. There are a number of IPD Providers who deliver outside London that have expressed interest in the ITT, and the new service specification will include consideration that IPD provision can be delivered close to London.

10. Assessing value for money is challenging because this is a specialist and relatively unique Pan-London service. Benchmarking has been undertaken against inpatient detoxification services elsewhere in the country; however, direct comparison is limited due to differences in scale, case complexity and the London-wide model designed for highly vulnerable cohorts.

Options

11. **Option 1 –** Undertake a competitive procurement exercise under Regulation 11 (Competitive Process) of the PSR and award a new three-year contract for drug and alcohol inpatient detoxification provision for London, with an estimated total contract value of £7.9m. This option provides an open and transparent route to market, enables testing of the market, supports value for money, and reflects the collective decision of London partners to procure a new model of service.
    Affordability within the £7.9m funding envelope will be ensured by a fair and transparent procurement process and evaluation of bids. Award criteria will include the life-cycle cost

    We have engaged the market earlier to ensure providers understand requirements and receive market feedback on realistic of scope of service and the realistic funding envelope.

Advantages	Disadvantages	Risks

Compliant route to market	More time is needed to carry out procurement exercise, which will breach continuity of care for people who sleep rough/at risk of sleeping rough post-inpatient detoxification/stabilisation.	Due to the late confirmation of the grant award and the subsequent City of London Corporation's procurement and in the compliance process, there will not be sufficient time to complete a competitive process. To mitigate a gap in service delivery, the London IPD steering group is currently considering options for an interim IPD bed supply by utilising Local Authority reserves, separate from the DHSC grant.
Allows competition		
Encourages differing methods of service delivery		

12. **Option 2 –** Seek to continue provision through a direct award under the PSR to the incumbent provider, GSTT, for a further three-year period, subject to the conditions for Direct Award Process C being satisfied.

    This option is not recommended because the London IPD Steering Group has instructed the City to undertake an Invitation to Tender for a new model of care. GSTT have also notified the City Corporation of the closure of its current provision as of 31.3.2026.

Advantages	Disadvantages	Risks
Assurance and continuity of service delivery in London until the end of 2028/29.	Not aligned to the London IPD Steering Group instruction: Incumbent IPD Provider contract ends 31.3.2026 London IPD Steering Group have directed the City of London Corporation to go out to tender with a new model of delivery.	The option is not aligned to the London IPD Steering Group instruction.
Limits the amount of resources needed to contract the service.		City of London Corporation would be operating outside Pan-London Substance Misuse Programme governance structure.

Recommended Option

13. The recommended option is **Option 1.** This will enable the City Corporation, as lead commissioner for the Pan-London Substance Use Programme, to fulfil its commissioning responsibilities and implement the collective decision of the Directors of Public Health in London, OHID, London boroughs and key partners to procure a new service model for the next three years. In addition, following confirmation of the contract end date, the incumbent provider, Guys and St Thomas NHS Foundation Trust (GSTT), has notified the City Corporation of the closure of its drug and alcohol inpatient detoxification provision. A competitive procurement exercise is therefore the most appropriate route to secure replacement provision.

Proposals

14. Approval is sought to commence a procurement exercise under Regulation 11 (Competitive Process) of the PSR for a new contract for drug and alcohol inpatient detoxification provision for London. This reflects the agreed direction of London partners and will enable the City Corporation, as lead commissioner, to secure a new model of service from the available market.

Procurement Timetable

Key dates in the procurement are:

1. Tender opens – June 2026
2. Tender closes – July 2026
3. Identification of Successful Provider – August 2026
4. Contract Notification – September 2026
5. Mobilisation of service – October / December 2026
6. Service Commencement – 1st January 2027

Key Data

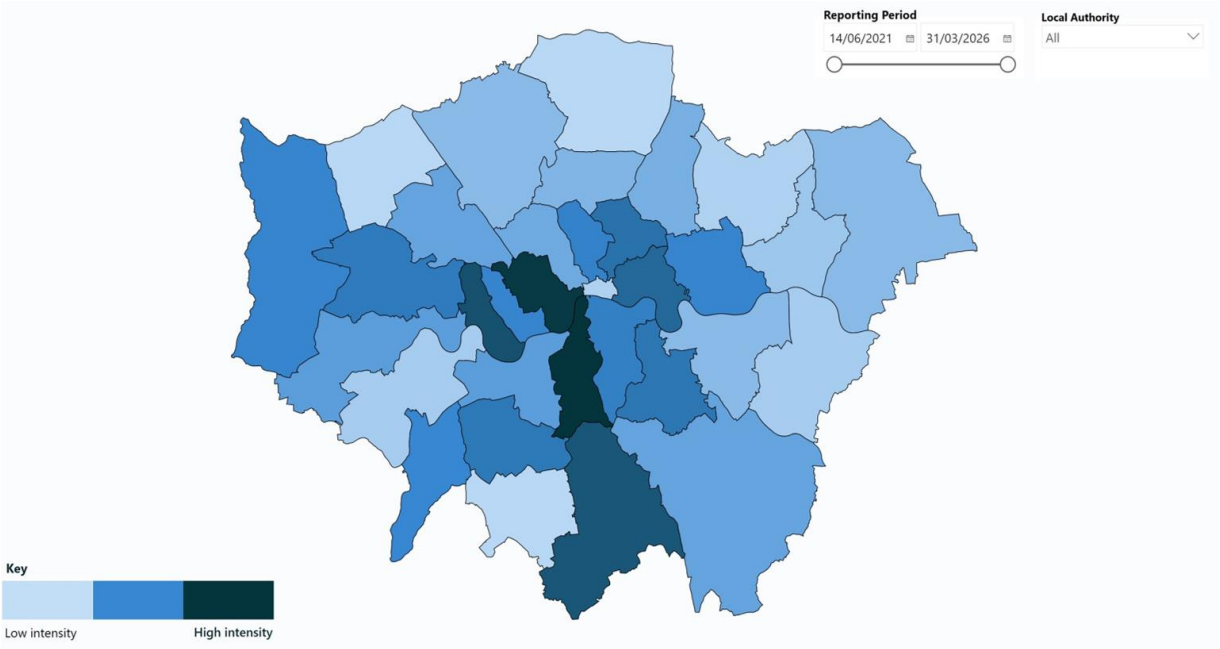
15. Since the commencement of the Pan-London Substance Use Programme on 14.6.2021 up to 31st March 2026, the inpatient detoxification unit delivered by GSTT recorded 1,319 admissions with an average length of stay of 10 days:

London Inpatient Detoxification beds: 14.6.2021 – 31.3.2026

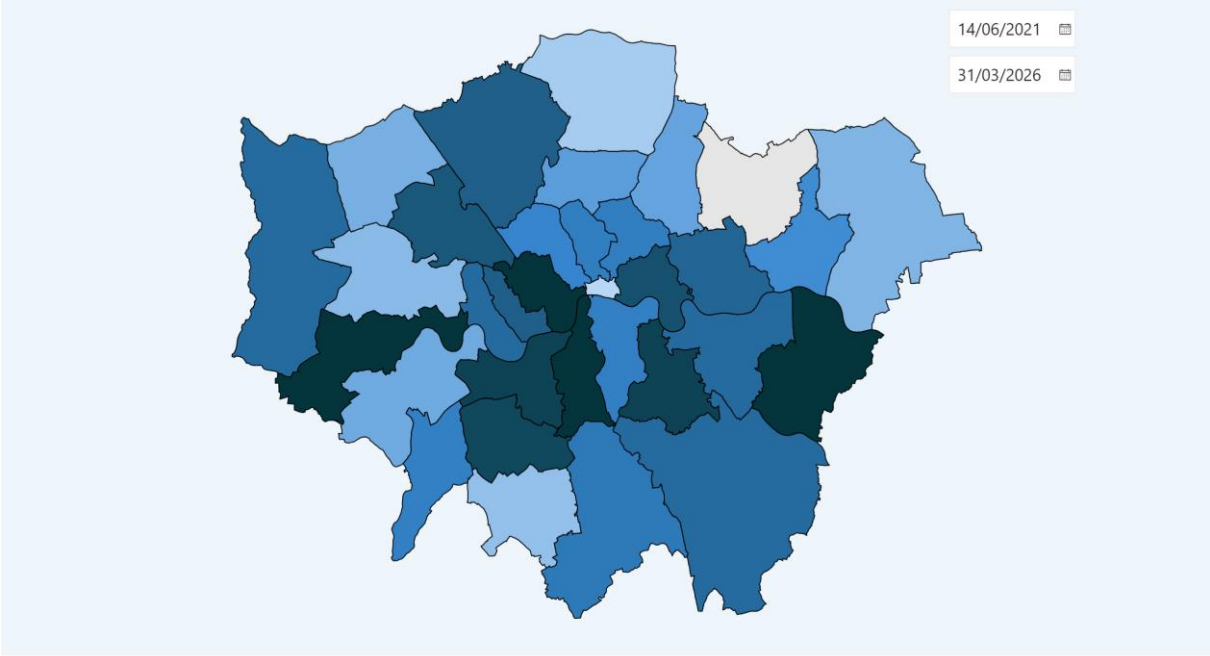
Client cohort	Admissions	Treatment Success
People who sleep rough/at risk of Sleeping Rough/multiple disadvantages.	497	84%

London residents with complex care needs/multiple disadvantages.	832	91%

Local Authority usage of London IPD (People who Sleep rough/at risk of sleeping Rough) beds - 14.6.2021 – 31.3.2026



Local Authority usage of London IPD (London residents with complex care needs) - 14.6.2021 – 31.3.2026



Overall Local Authority usage of London IPD beds: 14.6.2021 – 31.3.2026



16. The new service will be monitored through the National Drug Treatment Monitoring System NDTMS - Home, including data on substance categories, socio-demographic profile, mental health treatment needs and routes into treatment. Local monitoring arrangements will also cover clinical governance, safeguarding, service interdependencies, responsible procurement requirements, and workforce skills and competency.

Corporate & Strategic Implications

Strategic implications

17. This is a unique Pan-London service for a highly vulnerable cohort. Failure to secure approval to procure a replacement provision would present reputational risk to the City Corporation in its role as lead commissioner and could undermine delivery of the wider Pan-London Substance Use Programme.

Financial implications

18. The service is funded through a combination of protected drug and alcohol grant funding within the Public Health Grant and local authority reserves held for the Pan-London Substance Use Programme. The estimated total contract value over three years is £7.9m. Spend will be contained within the approved funding envelope. There is no additional call on City Corporation local resources beyond its role as lead commissioner, although there remains a financial management and governance responsibility to ensure expenditure is compliant with funding conditions and approved budgets. Award criteria will include the life-cycle cost of the service, and financial monitoring will be a standing agenda item at quarterly contract performance. Provider expenditure will be monitored alongside the Provider's pricing schedule submitted at the time of bid, and variation of spend or forecast will require Provider rationale and mitigation of impact on service.

Resource implications

19. The commissioning, procurement and contract management resource associated with this service is funded through the programme's grant arrangements.

Legal implications

20. The Comptroller and City Solicitor have been consulted in the preparation of this Report and have commented as follows: -.

    Section 2B of the National Health Service Act 2006 (as inserted by section 1) of the Health and Social Care Act 2012 requires that each local authority must take steps as it considers appropriate for improving the health of the people in it's area. This includes, but it is not limited to, the provision of services or facilities for the prevention, diagnosis, or treatment of illness.

21. The legal framework for the procurement will not only be governed by the PSR, but also secondary legislation, including: -
    - The Procurement Act 2023 (Consequential and Other Amendments) Regulations 2025, which amended the PSR..
    - National Health Services Procurement, Slavery and Human Trafficking) Regulations 2025 are due to be implemented into UK law on the 17th May 2026.

The recommended option 1 is supported subject to the following caveats: -

(i) A Modern Slavery Risk Assessment is being undertaken and agreed in consultation with the Responsible Procurement Manager. Guidance by NHS England will need to be taken into consideration. Commercial Services must, within their timeline for the procurement, allow time for this Assessment to be completed before publishing any Notice inviting bids under the PSR

(ii) The position is being clarified as to whether the City Corporation, or the London Borough of Hackney, will act as the Accountable Body regarding the financial aspects of the grant. Furthermore, whether any separate Memorandum of Understanding will be required to be entered into with any of the London Boroughs in respect of this contract.

(iii) The Insurance indemnity limits for the contract being agreed in consultation with the Chamberlain's Risk Management and Insurance Team. This is a contract where the blanket indemnity approval previously obtained in accordance with Regulation 13.6 of the City Corporation's Financial Regulations will apply. The contract is to be tendered upon NHS England's Public Health Services Contract 2026/27, which came into force on the 1st April 2026.

(iv) NHS England's PSR Toolkit is being adopted, and NHS England's PSR Statutory Guidance is being taken into consideration.

(v) All Notices for the procurement under the PSR being agreed in consultation with the C&CS before being published by Commercial Services.

(vi) A Data Protection Impact Assessment is being undertaken in accordance with Article 35 of the UK GDPR to mitigate any data protection risk.

(vii) In the event the successful bidder is an NHS body, NHS Trust, or equivalent, the Chamberlain will be requested to undertake a financial assessment upon the successful bidder.

(viii) The C&CS is being kept updated by Commercial Services on all stages of the procurement. A mandatory standstill period of 8 working days will apply for all contracts tendered under the Competitive Process of the PSR.

Risk implications

22. Failure to secure replacement provision for the next three years would risk interruption to a critical service for a vulnerable cohort, may place delivery of grant-funded programme objectives at risk, and would present reputational risk to the City Corporation as lead commissioner. These risks will be mitigated through a compliant procurement process, clear service specification, financial assessment of the provider and robust contract management on a quarterly basis, including performance and expenditure, which will be a standing agenda item.

Equalities implications

23. No adverse equalities impacts have been identified at this stage. An updated Equality Impact Assessment will be undertaken as part of the development of the new service model and procurement process.

Climate implications

24. The Responsible Procurement Team has been consulted, and relevant sustainability and responsible procurement considerations will be reflected in the service specification and contract documentation where appropriate.

Security implications

25. Not applicable.

Conclusion

26. This report seeks approval to undertake a procurement exercise and, following that process, award a contract for drug and alcohol inpatient detoxification provision for London under Regulation 11 (Competitive Process) of the PSR at an estimated value of £7.9m over three years. Approval will enable the City Corporation to continue commissioning a vital service for a highly vulnerable cohort across London.

Appendices

None

Background Papers

None

Bridget O'Dwyer,
Lead Commissioner
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Committee(s): Finance Committee	**Date(s):** 02 June 2026
Subject: Climate Action Strategy Finance update to end of FY25/26	**Public Report**: For Information
This proposal: • Delivers Corporate Plan 2024-29 outcomes	Leading Sustainable Environment, Flourishing Public Spaces, Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much? **What is the source of Funding?**	Original CAS budget envelope approved by Court upon adoption – comprised from City Fund, City Estate and CBF.
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of:	Damian Nussbaum, Executive Director of Innovation and Growth
Report author:	Kate Neale, Climate Action Director

Summary

In October 2020, the Court of Common Council approved an ambitious Climate Action Strategy (CAS): a transformative programme for the organisation to reach net zero carbon emissions, build resilience and champion sustainable growth. Successful delivery of the Climate Action Strategy is integral to maintaining the City Corporation's credibility as a world-leading financial centre, where effective climate risk management and demonstrable progress is expected by global investors, businesses and regulators.

This paper provides an update of the Strategy finance through to close of FY25/26. The total CAS portfolio budget is £68m from April 2021 through to March 2027. As of 31 March 2026, **55% has been spent (£38m)**. An additional £3.8m is committed (approved but not yet delivered) and £11m leveraged in grant funding – bringing the spend profile tracking to 77%. This reflects both strategic resource deployment and success in attracting external investment.

The CAS is delivering material long-term value to the City Corporation, maintaining asset value, income, reputation, and service resilience. Investment in the City Corporation's building and open spaces estate has **generated £53m in savings** (avoided and realised) - meaning the climate delivery has already more than covered its costs.

The latest available performance data (FY2024/25) indicates we are broadly on track to meet our climate goals, achieved whilst portfolio delivery remains under budget. Underspend to date places us in a **strong financial position** to recover from exogenous factors and deliver prioritised additional works within the same budget envelope.

Recommendations

- Note the CAS financial position to the end of FY2025/26 and value created.

Main Report

Background

1. In October 2020, the Court of Common Council approved a transformative Climate Action Strategy to create a responsible, sustainable and competitive City - integral to maintaining the City's credibility as a world-leading financial centre, where effective climate risk management and demonstrable progress is expected by global investors, businesses and regulators. The Strategy became operational in April 2021.

2. The Climate Action Strategy (CAS) sets three interlinked objectives for the City Corporation and the Square Mile: to support the achievement of net zero emissions, to build resilience, and to champion sustainable growth. These are reflected in four targets:
    - Achieve net zero in the City Corporation's operations (scopes 1 & 2) by 2027
    - Achieve net zero across the City Corporation's full value chain (scopes 1, 2 & 3) by 2040
    - Support net zero in the Square Mile by 2040
    - Build climate resilience in our buildings, public spaces and infrastructure

3. The Court approved an original funding envelope of £68m to deliver the Strategy through to March 2027, with each year's budget subject to confirmation. Policy and Resources Committee approves the annual budget drawdown for City Fund and City's Estate. City Bridge Foundation (CBF) budget is approved by CBF Board; however, CBF funds are shown here for illustrative purposes, and for demonstrating combined commitment between CBF and the City Corporation.

4. The upfront investment required during the initial years for City Fund and City's Estate were funded from central reserves. In later years towards 2027, annual budgets are partly funded by savings to the Corporation's energy bill. A revolving mechanism is in place, capturing savings from the capital interventions from CAS projects.

Financial Update

5. The total portfolio budget envelope for FY2021/22 to 2026/27 is £68m. As at 31 March 2026, **55% of the total budget has been spent (£38m).** This has **generated £53m in savings** (avoided and realised) - meaning the portfolio is more than covering its costs – further details are in paragraph 12. The spend profile would be 71% had we not secured over £11m of external grant funding to deliver early emissions reduction projects. This evidences our strategic deployment of resources coupled with success in securing external investment due to early preparatory and enabling works.

6. By 31 March 2026, **80% of the revenue budget has been spent (£15.1m)**. This aligns with the portfolio being 83% of the way through its planned timeline, indicating an appropriate spend profile. Revenue funding has been prioritised to deliver impact and bolster future risk mitigation and cost savings. Early planning and delivery strengthens long-term success and positions us to leverage external funding where possible.

7. By 31 March 2026, **46% of the capital budget has been spent (£22.8m)**, rising to 54% when including committed spend (raised purchase orders not yet invoiced against). Including grant-funded delivery, the profile increases to 76% - reflecting early use of external funding to deliver

priority emissions reduction projects. This is an expected acceleration: the Strategy front-loaded surveys and design work, with capital investment accelerating in later years, supported by strengthened resourcing.

8. Figures 1 and 2 illustrate the financial position detailed in paragraphs 5-7; providing complementary views of the total portfolio spend to date by capital and revenue, showing spend against the total portfolio budget per Fund, as well as annual spend to date and forecast to March 2027. Further details are in Appendix 1.

Figure 1: Total portfolio budget, and spend from April 2021 to 31 March 2026, split by capital and revenue, and by Fund

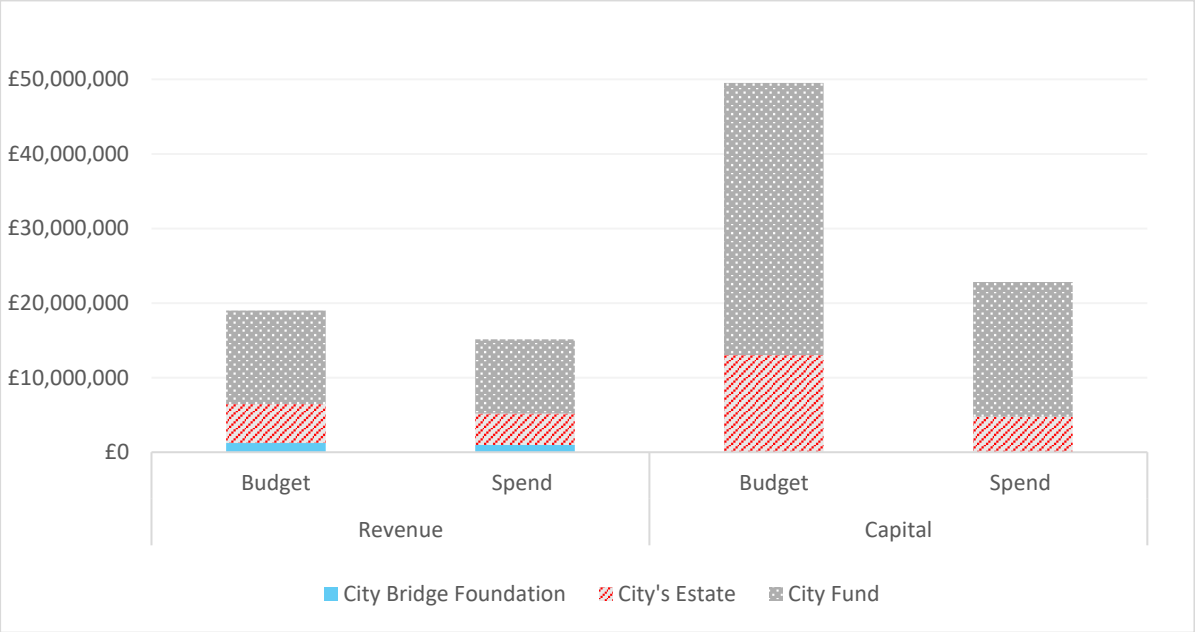
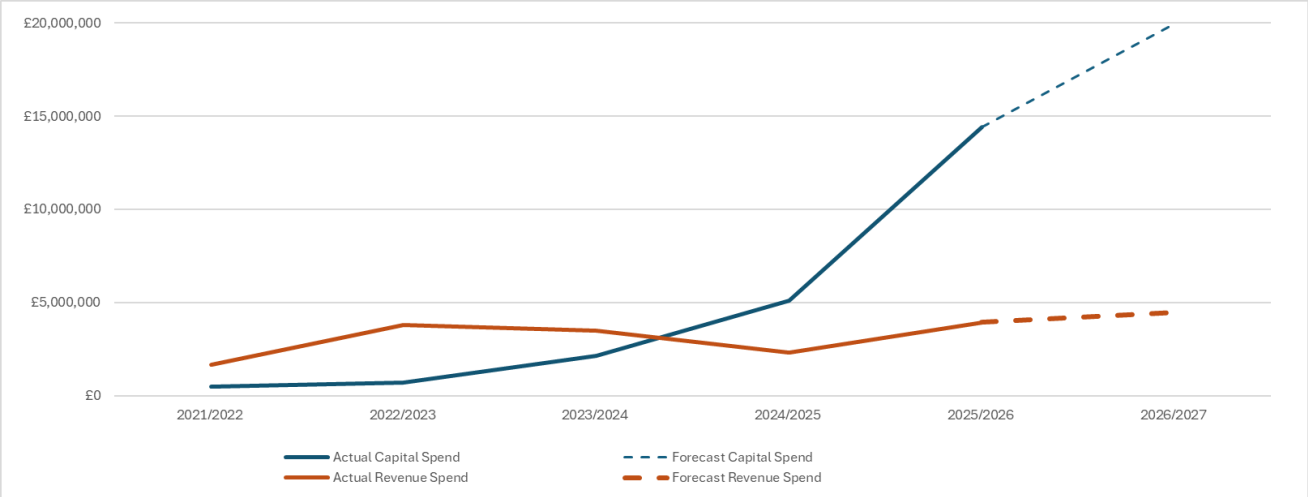


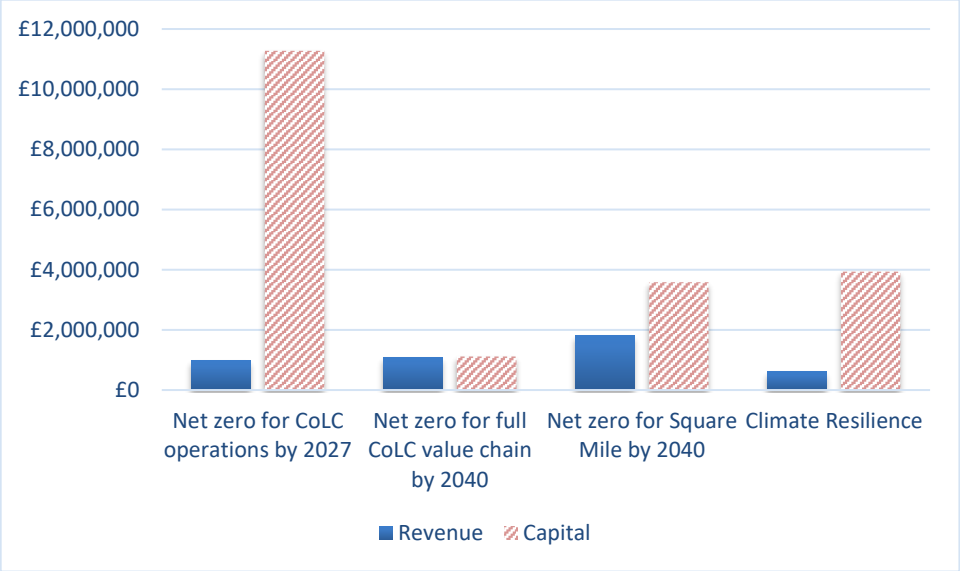
Figure 2: Total portfolio capital and revenue budget and spend to 31 March 2026, with forecasted spend forecast to March 2027



9. The FY2026/27 budget is £24.4m, representing 36% of the total programme envelope – in

addition to committed spend. A significant portion of the remaining budget is expected on capital works, prioritising delivery for the City Corporation's 2027 net zero target and laying the foundations for sustained progress towards the 2040 net zero and resilience ambitions. More detail on planned expenditure in FY2026/27 can be found in Figure 3 and Appendix 1.

Figure 3: FY2026/27 budget by target, split by capital and revenue



10. Spend will continue to be prioritised to maximise impact and compound benefits over time. Based on current profiling and forecasts, it is anticipated that there will be a remaining envelope balance of ~£4m, which is recommended to be rolled on to fund CAS Phase 2. This will be taken to Policy & Resources Committee for decision in early 2027 when we have a clearer understanding of final expenditure for Phase 1.

11. In addition to the CAS portfolio budget and spend, there is wider organisational spend on projects that contribute to climate action and provide benefits to the City Corporation. While this wider investment is not captured within the CAS portfolio budget reporting, it plays an important role in supporting our overall climate objectives and is embedded into business-as-usual practices. The CAS allocation itself is directed towards changing business practice and accelerating delivery.

Strategic Progress and Long-Term Value

12. As capital delivery has increased, CAS has continued to deliver clear long-term value to the City Corporation, both financially and reputationally. To date the investment has resulted in over **£53m savings (avoided and realised) to the City Corporation and tenants,** by both reducing consumption and protecting from high energy costs. Figure 4 details financial savings to date. The most tangible financial benefits include:
    a) **£36m in avoided cost**, representing the additional energy expenditure the City Corporation would otherwise have incurred in the absence of CAS interventions – due greater consumption of energy at higher costs;
    b) **£1.6m in realised savings** to the energy bill (pending final reconciliation);
    c) circa **£70k from energy generated income** (via the Power Purchase Agreement); and
    d) Over **£15m of tenant energy savings** are directly attributable to tenants across the investment property portfolio.

13. Work is ongoing to quantify savings in other areas. Climate resilience is particularly challenging to financially quantify, with no standardised value-calculations approach, due to its long-term risk mitigation and diffuse impacts.

Figure 4: Portfolio spend from April 2021 to 31 March 2026 and savings generated, split by target

Target	Spend to 31 March 2026	Saving / avoided cost generated to date
Net zero for CoLC operations by 2027	£14,525,214	£37,658,811 (to CoLC)
Net zero for full CoLC value chain by 2040	£8,219,650	£15,697,579 (to tenants)
Net zero for Square Mile by 2040	£6,997,563	-
Climate Resilience	£8,219,043	-
CAS Portfolio Total	**£37,961,470**	**£53,356,390**

14. Beyond quantified savings, CAS investment is strengthening the financial resilience of both the City Corporation and the Square Mile to future climate and market risks. Since its inception, CAS has delivered tangible impact by helping to mitigate key climate risks, including reducing exposure to volatile energy prices, protecting assets and public spaces from increasing heat, drought and flood risk, and supporting the long-term economic resilience and reputation of the UK's sustainable finance centre. Achievements to date include a 243 $ktCO_2e$ reduction in Square Mile emissions since 2017, equivalent to powering around 81,000 homes for a year, and the delivery of 17,200 m^2 of enhanced, climate-resilient greening. Further detail is set out in Appendix 2.

15. Actions and progress saw the City Corporation recognised both nationally and internally for climate leadership. The City Corporation ranked among the top three UK Local Authorities in Climate Scorecards. Internationally, the City of London achieved a prestigious 'A List' rating, placing in the top 15% of cities globally. We have been shortlisted for 21 awards, winning 4 so far – most recently shortlisted for *Net Zero Award* at the Local Government Chronicle (LGC) awards, *Delivering Resilient and Sustainable Growth* at the Municipal Journal (MJ) awards, and *Living Green for Climate Change at the* AIPH World Green City Awards.

16. Every year we assess progress against our targets. The latest available data shows performance to the end of Year 4 (FY2024/25), presented to Members in October 2025, and indicates we are broadly on track to meet our goals. Importantly, this has been achieved whilst portfolio delivery remains under budget. The Year 5 (2025/26) emissions accounting exercise will commence shortly and will be presented, alongside full CAS progress, to Members in autumn 2026.

Corporate and Strategic Implications

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

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

19. Risk Implications - The Corporate Risk Register recognises the risks posed to the Corporation and City from climate change, including both physical risk from more extreme weather events, and the risks associated with a transition to a low-carbon economy (CR30). Mitigating actions are primarily addressed by the Climate Action Strategy, and supported by other areas of work in sustainable finance. The current risk rating is Amber 12 (4 major x 3 possible), with a target risk score of Amber 6 (2 serious x 3 possible) reflecting the fact that climate change is inevitable and impacts cannot be entirely mitigated.

20. A portfolio level risk log is updated regularly. The most pressing delivery risks include:
    i. Slower than forecasted decarbonisation of the National Grid or Citigen, requiring additional efficiency works and accelerated delivery spend to meet net zero in 2027 or risk missing the target.
    ii. Operational limitations delaying delivery of energy efficiency works (including regulation, planning and technical constraints). This would mean not hitting the 2027 net zero target and delay energy cost savings.
    iii. Upcoming changes to Local Government pension management in the UK might mean this element of our emissions is excluded from our net zero target – to be confirmed at a future juncture when the impact of new regulations is clear.
    iv. Deployment of heat networks in the City is crucial to reaching net zero. There is currently insufficient heat supply to meet all demand, requiring significant financial investment and collaboration across London to secure greater supply.

21. Financial Implications – Delivering the CAS in a challenging financial environment requires balancing immediate cost pressure and long-term value. Target interventions have already delivered substantial savings (£53m), whilst continued investment within the existing budget envelope strengthens the City Corporation's resilience.

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

23. Climate Implications - The CAS focuses on reducing climate risk through reduction of emissions and preparing for the impacts of climate change.

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

Conclusion

25. The CAS portfolio continues to demonstrate strong financial performance and value for money, with spend to date aligned to the portfolio timeline and delivery objectives. As at 31

March 2026, investment has more than covered its costs, generating £53m in avoided and realised savings, while remaining within the approved budget envelope. The spend profile reflects strategic prioritisation, early enabling activity and successful leverage of external grant funding to accelerate impact. Looking ahead, the remaining budget is focused on capital delivery critical to achieving the City Corporation's 2027 net zero target and laying the foundations for longer-term delivery to 2040. In addition to direct savings, CAS investment is strengthening financial resilience to future climate and market risks, supporting energy security, protecting long-term returns and reducing exposure to future cost pressures.

Appendices

Appendix 1: Financial Analysis
Appendix 2: Climate Action Strategy impacts

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Appendix 1: Financial Analysis

Note: Capital budget from CBF is outside of the original £68m budget envelope and is managed separately, therefore not included within Figures 5-7.

CAS Portfolio Spend, from inception to date (FY2021/22 to FY2025/26)

Figure 5: Total portfolio budget and spend FY21/22 to 25/26, split by capital and revenue and by Fund

		City Bridge Foundation	City's Estate	City Fund	Total
Revenue	**Portfolio Budget**	£1,234,717	£5,221,174	£12,552,991	£19,008,882
	Spend to 31/03/26	£963,249	£4,224,756	£9,945,835	£15,138,899
Capital	**Portfolio Budget**	N/A	£13,042,906	£36,459,002	£49,501,908
	Spend to 31/03/26	N/A	£4,764,372	£18,065,719	£22,830,091

Note: FY2021/22 to 2025/26 spend is for the period 1 April 2021 to 31 March 2026

CAS Portfolio Spend in most recent year (FY2025/26)

Figure 6: FY25/26 budget and spend, split by capital and revenue, and by Fund

FY25/26	**Budget**				**Spend**			
Fund	**CBF**	**CE**	**CF**	**Total**	**CBF**	**CE**	**CF**	**Total**
Capital	N/A	£7,310,584	£14,799,539	£22,110,123	N/A	£2,835,036	£11,584,111	£14,419,147
Revenue	£228,564	£1,112,419	£3,000,267	£4,341,250	£190,490	£1,030,447	£2,705,960	£3,926,923
Grand Total	£228,564	£8,423,003	£17,799,806	£26,451,373	£190,490	£3,865,483	£14,209,071	£18,346,071

Note: FY2025/26 spend is for the period 1 April 2025 to 31 March 2026

CAS Portfolio budget FY2026/27

Figure 7: FY26/27 budget, split by revenue and capital (all Funds)

Programme Name	Revenue	Capital	Total
Strategic Implementation Support	£967,375	£0	£967,375
Net zero for CoLC operations by 2027			
Operational Properties and Housing (Landlord areas)	£705,000	£10,557,000	£11,262,000
Carbon Removals and Land Management	£28,300	£722,263	£750,563
Net zero for full CoLC value chain by 2040			
Investment Properties	£270,500	£1,053,300	£1,323,800
Capital Projects (Design Standards)	£178,000	£59,000	£237,000
Financial Investments	£97,834	£0	£97,834
Purchased goods and Services	£301,500	£0	£301,500
Net zero for Square Mile by 2040			
Square Mile	£1,560,000	£588,904	£2,148,904
Transport	£0	£3,000,000	£3,000,000
Climate Resilience			
Cool Streets and Greening	£140,000	£2,422,201	£2,562,201
Mainstreaming Resilience	£2,500	£0	£2,500
Resilient Buildings	£227,472	£1,516,754	£1,744,226
CAS Portfolio Total	**£4,478,481**	**£19,919,422**	**£24,397,903**

Note: FY2026/27 spend is for the period 1 April 2026 to 31 March 2027

Appendix 2: Climate Action Strategy impacts

Climate change has material implications for London's people, infrastructure and economy. By 2050, London is expected to experience double the number of drought days, increasing fire risk; more frequent extreme heat events; rising heat-related mortality; subsidence impacting up to 40% of London's property; water shortages; and growing flood risk necessitating major investment in Thames riverside infrastructure.

In this context, credible, demonstrable climate action is essential to protect both the Square Mile and the City Corporation's assets and services – and demonstrate leadership as a centre for transition finance. In 2024, UK firms raised $15 billion of green labelled bonds, up from $11 billion in 2023.

The Climate Action Strategy delivers measurable results, minimises risk, and demonstrates leadership:

Square Mile

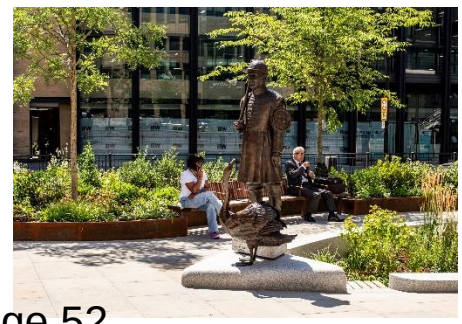
- **243 ktCO_2e reduction** in emissions between 2017-2023, equivalent to **powering 81,000 homes for a year**
- **17,200 m²** of improved and climate resilient greening
- **186 trees** planted from **64 species**, **cooling the City's streets by** up to **6°C** in summer peaks
- Tested over **70** climate resilience measures to determine scalable solutions
- **99%** of major commercial applications with a resolution to grant are targeting BREEAM Excellent or above
- **47%** of approved major applications are retrofit schemes, compared to only 8% at the start of 2021
- **85%** of peak on-street travel activity is from walking, wheeling and cycling
- **214m** of new cycle lanes built



Sustainable Drainage System, King William Street



King Street on-street active travel improvements



Climate resilient landscaping, Little Trinity Lane

City of London Corporation

- **151 ktCO_2e reduction** in City Corporation emissions between 2018/19-2024/25, equivalent to **powering 50,000 homes for a year**
- **73 ha** of new wildflower meadow created across our open spaces – the equivalent size of 100 football pitches
- **25%** reduction absolute emissions of our financial investments since 2018/19
- **77%** of spend is with suppliers who have a net zero target - supporting the green economy
- **30 million kWh** reduction in energy use across corporate buildings – **saving the Corporation £38m** (realised and avoided from rising energy costs)
- **700** staff volunteering hours dedicated to climate action



London Archives solar panel installation



Supplier engagement event for sustainable solutions

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City of London Corporation Committee Report

Committee: Finance Committee	**Dated:** 2nd June 2026
Subject: Review of Financial Regulations	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties**	Providing Excellent Services, Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	The Chamberlain
Report author:	Harinder Thandi, Chamberlain's Department

Summary

The City's Financial Regulations set out procedures for officers to follow when managing the City's financial affairs. The regulations are maintained by Finance Committee and were last reviewed in April 2025. This report is the subject of a recent annual review undertaken by the Chamberlain's department, together with staff from other relevant departments, which makes recommendations for a number of changes to update the regulations and deal with gaps and inconsistencies. Notable changes are identified in Appendix A of this report.

Most of the reporting and approval thresholds are dealt with in other documents, rather than the Financial Regulations, which deals more with process. These documents include the Standing Orders, the Scheme of Delegations, the Portfolio, Programme and Project (P3) Policy Framework and the Procurement Code. An increase in the level of such thresholds is considered as these documents are reviewed.

At the present time some final work is being undertaken on the review of the Procurement Code which is expected to complete in the Summer of this year. A delegation is therefore requested to reflect any changes in process that may need to be made in the Financial Regulations as a result.
The updated draft regulations for consideration are attached at Appendix B. For clarity proposed changes have been tracked. This tracking will be removed, and the document reformatted before publication.

Recommendations

Members are asked to:

1. Critically examine and **approve** the revised Financial Regulations set out in Appendix B;
2. **Approve** a delegation to the Chamberlain to amend the regulations in respect of any further changes that may need to be made as a result of the review of the Procurement Code and to tidy up numbering and formatting of the Financial Regulations document; and
3. **Note** that the next review of the regulations will be undertaken early in 2027, to pick up any further changes required, with the outcome reported to your committee in the Spring of that year.

Main Report

Background

1. The City's Financial Regulations are governed by Standing Order 48 of Court of Common Council which states that:

    i. The Financial Regulations form part of the City Corporation's overall system of financial management, accountability and control and shall be complied with by all City of London Corporation staff.
    ii. The Financial Regulations are maintained by the Finance Committee.

2. These regulations were last reviewed in April 2025 and a working party established by the Chamberlain's Department has recently undertaken a review. The working party consisted of Chamberlain's staff, covering a number of financial disciplines together with staff from the City's Commercial Team, City Bridge Foundation charity and the Corporate Strategy team.

3. Financial regulations lay down the procedures that officers should apply when managing the City's financial affairs. It is therefore, important that the financial regulations are clear and kept up to date.

4. The review had two key aims:

    i. To identify gaps and inconsistencies in the current regulations, to streamline the regulations where appropriate, especially in relation to our charities, and to improve consistency, efficiency and clarity.

    ii. To check the interrelationship with City regulations and procedures such as Standing Orders; Procurement Code; and the P3 Policy Framework, to ensure there is consistency.

5. It should be noted that the Financial Regulations deal mainly with process rather than reporting and approval thresholds. These are dealt with in other documents such as Standing Orders, the Scheme of Delegations, the P3 Policy Framework and the Procurement Code. The need to raise the level of these thresholds is considered as these documents are reviewed.

6. When undertaking this review, in addition to the members of the working party, advice was sought from a number of teams including Internal Audit, City Revenues, Payroll, VAT, Accounts Payable, Insurance, Comptroller & City Solicitor and Digital Services. Their comments have been incorporated into the revised regulations.

Current Position

7. The draft regulations are set out at Appendix B. For ease of understanding proposed changes have been tracked. As the regulations were last reviewed in April 2025, there are not too many proposed changes and many of the changes are presentational. Changes of substance, which are worthy of note, are also set out in Appendix A.

Delegation to Chamberlain

8. At the time of preparation of this report, a review of the procurement regulations is being undertaken, but these have yet to be completed. It is therefore requested that the Chamberlain is given delegated authority, once this review is finalised, to reflect any consequent required changes in the updated regulations.

Annual Review

9. In order to keep changes to a reasonable number, and to ensure the document remains up to date, it was previously agreed that the review would be undertaken on an annual basis. It is therefore intended that the regulations will be reviewed again in 2027 with any proposed changes brought to your committee in the Spring of that year.

Appendices

- Appendix A – Significant Proposed Changes to the Regulations
- Appendix B – Draft Financial Regulations (with proposed changes tracked)

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Significant Proposed Changes to the Regulations

Changes of substance worthy of note include:

- *Section II: Recent Version History*
  Table showing version history deleted as the Financial Regulations are now reviewed periodically with proposed changes brought to your committee on an annual basis.
- *Section I: General*
  Change to para 1.4 to replace Corporate Project Procedures with the Portfolio, Programme and Project (P3) Policy Framework, following the completion of the project procedure review and implementation of the new project governance.
- *Section 2: Resource Allocation, Revenue Estimates and Capital Budgets*
  New paragraph 2.4 added to reflect the agreed grant funding mechanism for the Natural Environment charities; para 2.12 included to ensure budget holders in respect of the Horizon Property system report periodically on property income and arrears; para 2.18 (iv) amended to reflect the agreed position for the treatment of year end balances for Natural Environment and para 2.21 adds requirement for the drawdown of designated funds for the Natural Environment Charities to be approved by the responsible Natural Environment Charity Committee, in consultation with the Financial Services Director/Chamberlain as part of the year end process.

  Paragraphs 2.23-2.33 relating to managing capital project budgets have been updated to bring this in line with changes made as part of the project governance review and reinforce the approval process of capital budgets. Para 2.24 removes reference to Supplementary Revenue Projects and these will instead be allocated directly to capital or revenue codes.
- *Section 7: Investments, Borrowing and Trust Funds*
  Paragraph 7.5 relating to charitable funds has been amended to provide further guidance on investment of charitable funds as well as reinforcing the need for Officers to ensure that activities and decisions taken are in the charity's best interests.
- *Section 8: Procurement*
  New paragraph 8.10 included to emphasise that the Procurement Code and any associated policies, procedures and guidance takes precedence in relation to the conduct of the City's commercial activities.
- *Section 9: Payment of Accounts*
  New paragraphs 9.12-9.15 include guidance on the requirement to obtain a valid VAT invoice or receipt for P-Card transactions in order to ensure compliance with the P-card policy and enable VAT recovery where applicable.
- *Section 15: Income and Banking Arrangements*
  Para 15.17 reworded to ensure City Bridge Foundation Finance Director is consulted on any irrecoverable debt write-offs relating to City Bridge Foundation; paras 15.22-15.24 have been amended to set out the position for our charities on accepting voluntary income or property in accordance with Charity Commission guidance.

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City of London Corporation

FINANCIAL REGULATIONS

Approved by the

Finance Committee

April 2025



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SECTION I. INTRODUCTION

Standing Order 48 of Court of Common Council of the City of London Corporation (the City) states that:

1. The Financial Regulations form part of the City's overall system of financial management, accountability and control and shall be complied with by all City of London Corporation staff.
2. The Financial Regulations are maintained by the Finance Committee.

This version of the Financial Regulations was approved by the Finance Committee on 29th April 2025.

These Financial Regulations have been adopted for the City Corporation in the discharge of all of its functions and Funds[1], including as Trustee of City Bridge Foundation[2]. Where appropriate the City Bridge Foundation Board may be consulted on any future changes to ensure that new arrangements adopted by the City as a Trustee of the City Bridge Foundation are in the best interests of the charity.

All staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the management and use of these resources is legal, is properly authorised, provides value for money and achieves best value. Failure to follow Financial Regulations may result in action under disciplinary procedures.

SECTION II. RECENT VERSION HISTORY

These Regulations are intended to be a high-level document that provides a framework to support the City Corporation's statutory and other legal responsibilities for managing its finances, encompassing all Funds for which it is responsible.

It also allows the City Corporation to further strengthen and improve its approach to finance management enhancing its ability to deliver its corporate aims and objectives successfully.

These regulations should be regularly updated to reflect changes within other policy areas and reference to these Financial Regulations should be made when reporting or updating other policy covered by these regulations.

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[1] Unless the context provides otherwise, "Funds" in these Regulations refers collectively to City Fund (including the Police Fund, the Housing Revenue Fund, Pension Fund), City's Estate, City Bridge Foundation, any other charitable trusts for which the City Corporation is charity Trustee and is required to account for separately, or otherwise any charitable trust or legal entity where the City Corporation has been given authority to manage that entity's funds within the City Corporation's financial systems and management controls to the extent that authority provides; and "Fund" shall refer to any one of those Funds.

[2] City Bridge Foundation is the working name of Bridge House Estates (which also previously used the working name of 'City Bridge Trust' for grant making activities) Bridge House Estates is the legal name of the charity.

~~Date~~	~~Comments~~
~~October 2005~~	~~Updated Financial Regulations.~~
~~September 2009~~	~~Updated Financial Regulations and split Regulations into Part 1 & Part 2.~~
~~January 2018~~	~~Updated Financial Regulations and Financial Regulations Part 2 developed into the Finance Manual.~~
~~April 2021~~	~~Updated Financial Regulations with Part 1 and part 2 Regulations consolidated into one document.~~
~~June 2023~~	~~Updated Financial Regulations to incorporate amendments to reflect the establishment of the City Bridge Foundation Board, and otherwise for the good administration of charitable funds.~~

SECTION 1. GENERAL

1.1 Any report to the Court of Common Council, its committees or its partners which has financial implications should be prepared in consultation with the Chamberlain who shall incorporate in the report such comments as considered necessary. Reports relating to financial matters shall be provided to the Chamberlain in sufficient time for consultation no less than 28 days before the date of the first meeting due to consider the report. The Chamberlain reserves the right to delay the submission of any report with financial implications which has not been submitted in time for adequate consideration. For substantial or complex reports, departments are expected to engage with the Chamberlain at an early stage of report preparation to ensure there is time to consider complex financial issues. For the avoidance of doubt this regulation shall also apply to Officer boards with decision making powers, such as category boards, which must consult the Chamberlain's nominated representative on all reports with financial implications prior to submission to the board for agreement.

1.2 These Financial Regulations use Local Authority compliance as the benchmark for all funds under the City Corporation's control, except where otherwise expressly provided for in these Regulations and always subject to specific regulatory requirements relating to charitable Funds.

1.3 For all charities for which the City Corporation is Trustee, including as charity Trustee of City Bridge Foundation (Reg. Charity No. 1035628), regard must be had to each charity's governing document and relevant ~~guidance issued by the~~ Charity Commission guidance, in complying with reporting and regulatory requirements and in the financial management of each charity. Regard must also be had to relevant City Corporation cross-cutting charity governance and policies, and officers must ensure that financial management and decision-making support the Trustee in delivering its charity law duties.

1.4 These Financial Regulations should be read in conjunction with any other instructions relating to financial management, accountability and control, particularly:

- Standing Orders of the Court of Common Council
- ~~The Officer~~ Scheme of Delegations to Officers
- Portfolio, Programme and Project (P3) Policy Framework~~Corporate Project Procedures~~

- Procurement Code and Rules
- Employee Handbook
- Data Protection Policies and Procedures

1.5 The Financial Services Director as Head of Profession for Finance in the City shall ensure these Regulations are kept up to date, and report to the Finance Committee recommending any changes considered necessary. The Finance Director for City Bridge Foundation and charities will recommend any changes needed to comply with the latest charity reporting and governance standards.

1.6 The Financial Services Director shall be consulted in any cases involving the interpretation of the Financial Regulations and their decision, as to their meaning and application shall be final, providing such decision does not have the effect of altering the meaning of a Standing Order or other regulation or contract approved by a Committee or the Court of Common Council.

1.7 Notwithstanding the relaxation of certain Financial Regulations relating to the Barbican Centre Managing Director's local risk budget and the execution of the Police Authority's Policing Plan, the Chamberlain reserves the right to demand from the Managing Director and the Commissioner of Police such additional information as is required to fulfil their statutory obligations and their overall financial monitoring responsibilities.

1.8 All sums referred to in these Regulations are exclusive of Value Added Tax (VAT) unless specifically stated.

1.9 All Information Technology (IT) expenditure and development work must conform to the Digital, Data and Technology ~~IT~~ Strategy and to standards and other guidance issued by the City's Group Director of Digital Information and Technology as Head of Profession for IT in the City Corporation.

1.10 The City Corporation's Group Director of Digital Information and Technology as Head of Profession for IT shall define the corporate IT standards to be followed by Chief Officers and is to be consulted on related matters such as IT staffing and their remuneration. The corporate IT strategy is to encompass these standards and any other E-business or E-government strategy agreed by the City Corporation's Director of Digital Information and Technology. Each Chief Officer shall ensure that a written departmental IT strategy is produced which conforms to the corporate IT strategy, (and to the corporate E-business and E-government strategies) and that this is submitted annually for the approval of the City Corporation's Director of Digital Information and Technology in the form requested. Expenditure on IT equipment, software and services which does not conform to the approved departmental strategy shall be the subject of a prior written proposal for the approval of the City Corporation's Director of Digital Information and Technology. For the avoidance of doubt, decisions which affect IT resourcing of City Bridge Foundation, shall be required to be taken in the best interests of the charity, including to consider the benefits to the charity of using the City's IT systems and resources, and operating within its overarching IT strategies and policies.

1.11 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and that they comply with them.

1.12 All City Corporation staff have a responsibility to maintain the integrity and security of information which is under their control by virtue of their employment (including confidential and personal information, held in any format). All staff shall comply with the requirements of the Data Protection Act, UK GDPR and the City Corporation's policies and procedures in relation to data protection which can be found on the Information Management Strategy.

SECTION 2. RESOURCE ALLOCATION, REVENUE ESTIMATES AND CAPITAL BUDGETS

2.1 Standing Order 48 sets out the City's corporate governance arrangements for budget setting including resource allocation, revenue estimates and capital budgets. The Chamberlain is responsible for notifying Chief Officers on the timetable and processes for the preparation of the forthcoming year's resource allocation, revenue estimates, and capital budgets. Chief Officers shall supply such information to the Chamberlain as may be required so as to comply with the timetable and processes stipulated and prepare detailed revenue and capital estimates of income and expenditure in accordance with the budget policy authorised under Standing Order 48 and in consultation with the Chamberlain who shall critically scrutinise the estimates before submission, for City Fund and City's Estate to the relevant Service Committees, and for City Bridge Foundation to the City Bridge Foundation Board, for decision.

2.2 City Fund and City's Estate, overall budgets are set by the Court of Common Council upon the recommendation of the Finance Committee in March for the successive financial year. City Fund and City's Estate Service Committee budgets are prepared within the resources allocated by the Policy and Resources (P&R) Committee and, with the exception of the Policy and Resources and Finance Committee, such budgets do not include any contingencies. However, the budgets directly overseen by the Finance Committee also include central contingencies, with delegations to the Chamberlain, to meet unforeseen and/or exceptional items that may be identified across the City Corporation's range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions. For central contingencies, approval is required by the Financial Services Director in consultation with the Chamberlain and Town Clerk/Chief Executive.

2.3 For City Bridge Foundation, the charity's overall annual budget is set annually by the Court of Common Council for the City as charity Trustee, upon the recommendation of the City Bridge Foundation Board. As noted at Regulation 2.1 above, detailed revenue budgets and capital budgets for the charity are in accordance with Standing Order 48 set by the City Bridge Foundation Board, led by the Managing Director of City Bridge Foundation in consultation with Chief Officers whose departmental resources are made available to the charity, with those costs and expenses of the Trustee being re-charged to the charity. Within the budget set by the Court, the City Bridge Foundation Board is responsible for allocating resources as required in the charity's best interests (including contingencies) and monitoring income and expenditure (both revenue and capital) against the charity's budget and reserves policy (also set by the Court). As with City Fund and City's Estate, request for allocations from the City Bridge Foundation central continency allocation should demonstrate to that Board why the costs cannot, or should not, be met from existing provisions.

~~2.3~~2.4 The Natural Environment Charities are each funded by the City through a grant funding mechanism, the principles and arrangements of which are summarised in a Natural Environment Charities Framework Document (Grant Funding) effective from April 2026. This is an internal governance document, subject to the appropriate corporate governance approval process, in place between the City acting in its general corporate capacity as grant

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funder, and the City acting in its capacity as sole trustee of each of the Natural Environment Charities. It summarises core responsibilities and how the day-to-day relationship works in practice, in particular regarding the payment of grant funding (set as an annual grant for a three-year period) and associated financial matters. The Framework Document should be reviewed and, if necessary, updated at least every three years unless there are exceptional reasons that have been agreed with the Chamberlain.

Revenue Budget Management – Objectives

~~2.4~~2.5 Budget management ensures that resources allocated by members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continuous process enabling the City Corporation to review and adjust its budget targets, if required throughout the financial year. Committee budgets are set for both local and central risk within the City Corporations overall budget for each Fund. Local risk expenditure and income is deemed to be directly controllable by Chief Officers. Examples of local risk items includes most employee costs, regularly scheduled maintenance checks, utility costs, cleaning and stationery. Central risk are items of spend or income that can be affected by external factors such that Chief Officers are not held directly accountable for budgetary performance. However for both central and local risk they are expected to try to manage activities within budget and where there are expenditure pressures to maximise income, where possible, to try and fund these. Recharge risk budgets relate in the main to support services and functions that are recharged on an appropriate apportionment basis to front line services to enable the total cost of service to be calculated. Central and recharge risk items include levies and precepts, investment income (including property), capital charges, central support costs, insurance, rating revaluation changes, grants/support earmarked for specific organisations/themes and centrally controlled and recharged IT expenditure. Recharges to charities and other ring-fenced funds may only reflect the reasonable costs and expenses incurred by the City in administering that function in accordance with relevant applicable accounting framework. Budgets set for City Bridge Foundation are not separated between central and local risk.

~~2.5~~2.6 By identifying and explaining variances against budgetary targets, the City Corporation can identify changes in trends and resource requirements at the earliest opportunity. It is the responsibility of each budget manager, Chief Officer and Committee to manage the budgets under their responsibility and report any expected variances as early as possible, along with potential mitigations.

Revenue Budget Management – Key Controls

~~2.6~~2.7 Budget holders will be responsible for income and expenditure on cost centre budgets for which they have been assigned responsibility on Oracle and that this responsibility should be aligned as closely as possible to the decision making that commits the expenditure.

~~2.7~~2.8 Budget holders are responsible for all income and expenditure on their cost centres including the recording and approval via appropriate workflows on Oracle.

~~2.8~~2.9 Where journals are prepared by finance business partners, or others, either to make coding corrections or for year end adjustments, staff should ensure that they are adequately

narrated so the purpose of the adjustment is clear or where appropriate they are supported by a detailed working paper.

~~2.9~~2.10 Business Plan objectives and key results are monitored in conjunction with the budget and necessary action taken to align service outputs with the budget.

Revenue Budget Management

~~2.10~~2.11 The Chamberlain is responsible for establishing an appropriate framework of budgetary management and control through business partnering that enables the following:

i. Budget management by Committee being exercised within the annual resource envelopes allocated to it unless the Court determines otherwise. For City Bridge Foundation, the City Bridge Foundation Board has the freedom to operate in accordance with the overall budget and policy framework for the charity set by the Court, including any reserves policy or allocation of funds for application against the charity's ancillary object.

ii. Each Chief Officer having available timely and accurate information on income and expenditure for each cost centre to enable managers to fulfil their responsibilities.

iii. All officers responsible for committing expenditure and generating income complying with corporate financial guidance.

iv. Significant variances from approved budgets being reviewed promptly and if necessary action taken by Chief Officers. Where a significant variance cannot be contained within a Chief Officer's existing overall local or central risk budget they shall report the issue to the Chamberlian/Financial Services Director at the earliest opportunity together with proposed mitigations.

v. Regular forecasts on income and expenditure compared to the approved budget for City Fund and City's Estate being prepared and reported to Executive Leadership Board (ELB) and Finance Committee on a quarterly basis, for City Bridge Foundation to the City Bridge Foundation Board, and for any charitable Fund to the Committee having delegated responsibility for that charity's administration and management. Significant budget pressures, including emerging financial risks, should be reported to ELB between quarterly reports on an exception basis.

vi. Ensuring spending remains within agreed resource envelopes by regular monitoring of the budget. Working alongside the Chamberlain's business partners to provide regular monitoring information to committee with appropriate explanations and corrective actions required as necessary.

vii. To ensure that the business plan is regularly monitored in conjunction with the budget to ensure the delivery of service objectives and any corrective action taken.

Horizon Budget Management

2.12 In respect of the Horizon Property system, budget holders shall:

i. Report on a quarterly or half-yearly basis to the relevant service Committee on property income and property arrears on properties they are responsible for.

ii. Ensure budget holder details are current on Horizon so as to provide an accurate database on properties they are responsible for.

~~2.11~~2.13 Chief Officers for services are responsible for:

i. Ensuring prior approval of any new initiative not included in the business plan or budget that could have one-off or ongoing financial consequences.

ii. Ensuring compliance with the scheme of virement (see paragraph 2.22~~20~~).

iii. Consulting with relevant Director or Chief Officer where it appears a budget proposal will impact on another Directors/Chief Officers service or level of activity. This includes situations where costs are recharged between Chief Officers local risk budgets.

~~2.12~~2.14 For all Funds, other than the City Bridge Foundation, where a Chief Officer is unable to contain expenditure within their existing local risk resources due to essential growth (for example to meet a new legislative requirement) or a one-off additional cost, a business case for a budget increase should initially be discussed with the Chamberlain to agree the potential funding strategy in line with para 2.2 above. The business case will only go forward once the Chamberlain has agreed the funding strategy.

~~2.13~~2.15 For City Bridge Foundation where a relevant designated fund is held, potential overspendings will be reported to the City Bridge Foundation Board and managed against that designated fund. Any other budget changes would follow the process in paragraph 2.3 with the report going to the City Bridge Foundation Board.

~~2.14~~2.16 No officer should commit the Corporation to expenditure more than any approved estimate without either first seeking the appropriate approval or making an appropriate virement as described in paragraph 2.22~~20~~ below, in accordance with SO 48(10).

~~2.15~~2.17 Where savings are made corporately on goods or services, whose costs are recharged to Chief Officers budgets, the Chamberlain, where appropriate will make an adjustment to local risk budgets so that the saving can be taken centrally and used to offset other budgetary pressures.

Treatment of Year End Balances

~~2.16~~2.18 Any deficit on the total of a Chief Officer's local risk budgets is required to be carried forward and recovered from within the department's budget allocation for the following year unless specifically waived directly by the Finance Committee, other than matters relating to City Bridge Foundation which will be determined by the City Bridge Foundation Board in accordance with any overall budget set by the Court in each year. Subject to the prior approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub ~~(Policy and Resources)~~ Committee (RASC) or the City Bridge Foundation Board for City Bridge Foundation and the requirements at sub-paragraphs i-viii~~ix~~ below, surpluses on a department's local risk budgets may also be carried forward provided

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that these do not include any fortuitous savings outside the control of the Chief Officer, and, any cumulative underspending which is to be carried forward is limited to 10% of the Chief Officer's local risk budget, up to a general maximum of £500,000 or £1,000,000 in the case of the City Surveyor. Applications for carry-forwards will be assessed by the following criteria:

i. Carry forward requests can be up to 10% or £500k (whichever is the lesser) of the final agreed local risk budget excluding budgets brought forward from the previous year. However, the City Surveyor may carry forward up to £1m and the Chamberlain and Director of Digital Information and Technology may each carry forward a maximum of £500k.

ii. In respect of the above the City Schools, Police, the Barbican Centre (local risk budget), Natural Environment Charities ~~(fundraising budgets)~~, City Bridge Foundation, the Guildhall School of Music & Drama, the Cemetery, and the Housing Revenue Account, are excluded as separate carry forward arrangements apply. In the case of the Barbican Centre Managing Director's financial target, surpluses of up to 15% of the local risk budget may be carried forward and the Managing Director of the Barbican Centre may incur a deficit of up to £500,000 at any one time, to be repayable in the following financial year. This deficit should be by exception and should not be on a continual basis from one financial year to the next. The reasonableness of this arrangement will be reviewed annually.

iii. In respect of the Police Authority's Policing Plan budget, unspent balances, excluding variations in capital financing costs, shall be carried forward, subject to periodic review as to the level of balances.

~~iv. In respect of Natural Environment charities that are deficit funded by the City Corporation, fundraising income earned from donations and legacies to the charities shall be ring-fenced and where necessary, carried forward as part of the charity's unrestricted free reserves, or restricted income funds if legally required under the terms of the donation. However, where the charity is in deficit at the end of the financial year, any unrestricted funds would need to be applied to offset the deficit first and foremost, (subject to any legal restrictions attaching to those funds, or decisions taken by the Trustee in accordance with charity law requirements to remove them), after which point the remaining surplus from the income received can be carried forward as part of the charity's unrestricted free reserves, or restricted income funds (as above).~~

~~v.~~iv. In respect of the Natural Environment charities which are grant funded by ~~where a charity has moved to grant funding from~~ the City Corporation, any unrestricted operational surplus ~~local risk surplus~~ may be retained in the individual Charity's funds for future use. ~~However, where the charity is in deficit on the grant at the end of the financial year the advice of the Chamberlain sought on the most appropriate accounting treatment.~~

~~vi.~~v. Fortuitous savings clearly outside the control of Chief Officers should not be eligible for carry forward; instead it should be demonstrated that underspends are the result of planned/managed strategies and support the City's overall Corporate priorities.

~~vii.~~vi. Carry forward requests should be approved to fund a specific purpose and must comply with the carry forward rules, i.e. relating to planned spend during the financial year the carry forward is being requested from, however delayed due to unforeseen circumstances not within the control of the department.

~~viii.~~vii. Each individual agreed carry forward is ring-fenced to the purpose specified.

~~ix.~~viii. Unspent balances should generally only be carried forward and applied in the Fund in which they were generated.

~~2.17~~2.19 Other than for City Bridge Foundation any requests for carry-forward from Central Risk budgets are required to be requested at first point from the Financial Services Director. If approved, all such requests would then be provided to the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub ~~(Policy and Resources)~~ Committee ~~(RASC)~~ for their consideration and potential approval. For City Bridge Foundation approval of carry-forward requests from departmental central risk budgets funded from City Bridge Foundation shall be sought from the City Bridge Foundation Board following consultation with the Chamberlain or his/her authorised delegate.

Reserves

~~2.18~~2.20 Other than for City Bridge Foundation, which will seek approval from the City Bridge Foundation Board, no earmarked reserve, designated fund or other balance sheet provision shall be created without first consulting with the Assistant Director of Strategic Finance who will advise on whether the proposal can be supported and the further approvals that are required.

~~2.19~~2.21 Other than for City Bridge Foundation, any drawdown of earmarked reserves at the end of the financial year will also be subject to the approval of the Financial Services Director/Chamberlain as part of the year end process. For City Bridge Foundation and other charities, fund accounting does not allow for 'earmarked reserves' but any designated funds which are established should be subject to agreement of the Chamberlain or, for City Bridge Foundation, their authorised delegate and the CBF Board. For the Natural Environment Charities, a drawdown of designated funds may be approved during the financial year by the responsible Natural Environment Charity Committee, further to consultation with the Financial Services Director/Chamberlain as part of the year end process.

Scheme of Virement

~~2.20~~2.22 The scheme of virement is as follows:

i. Virement is the transfer of budget from one budget line, as a result of savings or additional income, to another budget line to facilitate spending on that budget line. No virement will be permitted between funds in the year, nor is virement normally allowed in respect of Central Risk budget lines.

ii. Subject to paragraph (iii) below, Chief Officers, or nominated officers previously notified to the Chamberlain, are authorised to approve virements within funds for Local Risk budget estimates. These virements are generally only allowed up to a total of £500,000 in one financial year, but in the case of the City Surveyor this financial limit is

£1,000,000 in one financial year. This being subject to the savings utilised not arising from any specific amount approved from the Finance Committee contingencies, or any sums specifically approved by the Policy and Resources Committee for Policy initiatives. Chief Officers shall also advise if the proposed virement is for a single financial year or is ongoing. Chief Officers shall advise the appropriate Committee and Finance Committee of any significant virements and gain prior approval if they raise significant policy issues or will result in total virements of any Chief Officer exceeding £500,000 (or £1,000,000 in the case of the City Surveyor).

iii. The Barbican Centre and City Bridge Foundation Managing Directors may, as relevant to the budgets for which they are responsible, authorise all virements between those costs and incomes which comprise the annual local risk budget, and the Commissioner of Police may authorise virements between all heads within the Policing Plan Budget, with the exception of financing and support costs, which fall under the 5R recharge risk, and subject to prior consultation with the Financial Services Director or the CBF Finance Director where a virement is proposed from a non-staffing to a staffing budget.

~~iii.~~iv. The Natural Environment Charities may, as relevant to the budgets for which they are responsible, with the approval of the responsible Natural Environment Charity Committee, authorise all virements between those costs and incomes which comprise the core operational budget (local risk), subject to prior consultation with the Financial Services Director where a virement is proposed from a non-staffing to a staffing budget or vice versa.

Managing Capital ~~and Supplementary Revenue~~ Project Budgets

~~2.21~~2.23 Capital ~~and Supplementary Revenue~~ Project budgets ("project budgets") are generally approved and managed in accordance with the Portfolio, Programme and Project (P3) Policy Framework via the gateway process and associated guidance. City Bridge Foundation projects are managed in accordance with the P3 Policy Framework~~Corporate Project Procedure~~ subject to the City Bridge Foundation Board being the responsible Committee for all decisions except where reserved to the Court of Common Council. Further, the City Corporation's Major Projects (under City Fund and City's Estate) are not required to follow the gateways and are under the direct control and management of the Capital Buildings or Policy and Resources Committees.

2.24 Capital projects are major one-off expenditures (>£50k capitalisation threshold) relating to the acquisition, creation or enhancement of an asset that yields benefits to the authority and the service it provides for a period of more than one year. For example, cyclical replacements of major components (e.g. windows, roofs, M&E infrastructure) are capital but cyclical repairs are not. ~~The "Supplementary Revenue Projects" (SRP) classification was created to cover project expenditure controlled in the same way as capital projects that does not meet the accounting definition of capital expenditure, e.g. preliminary project costs at feasibility and option appraisal stages and one-off major repairs (>£50k). Classification of expenditures between capital and SRP is an accounting decision which lies with the Chamberlain.~~

~~2.22~~2.25 All capital budgets should be approved as part of the annual bid process with approval sought from the Resource Allocation Sub, Policy and Resources and Finance Committees and subject to final approval of the Court of Common Council, which informs

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the Capital Strategy which feeds into the Medium-Term Financial Plan (MTFP). For City Bridge Foundation, all approvals shall be sought from the City Bridge Foundation Board including approval for capital projects which are cross cutting across all three funds (City Fund, City's Estate and City Bridge Foundation) within the framework set by, and subject to any reservations, the Court.

2.26 If an urgent capital project is required and will incur expenditure in the financial year, then the following action should be taken depending on the funding source.

i. CIL/OSPR

Reports will be taken on a quarterly basis to the Priorities Board, with proposals then taken to Resource Allocation Sub Committee and Policy and Resources Committee for approval and inclusion to the Capital (or Revenue) budgets.

~~i.~~ii. Central Funds (City Fund/City's Estate)

Any drawdown from the central contingency for the Capital programme within the financial year requires Finance Committee approval. Any drawdown from the optimism bias requires approval from the service Committee concerned as well as Finance Committee.

2.27 The level of business case required for new bids is set out in the P3 Policy Framework. Full business cases following Treasury Green Book guidance are required for capital projects over £20m (Tier 1 and Tier 0).

2.28 Capital projects under £20m should still consider the business justification and strategic alignment, along with the revenue benefits of undertaking the work.

2.29 Property investment projects will continue to be assessed in accordance with the guidelines laid down in the "All Estates – Review of Metrics Used in Making Major Property Decisions" report agreed by Investment Committee.

2.30 Inclusion of a budget within the Capital programme does not automatically approve all spend associated with it. Spend approvals must still follow the limits set out in the Procurement Code and Scheme of Delegation when entering into commitments.

2.31 Capital budgets are not generally specific to a financial year unless the source of funding is restricted by time (e.g. external grant funding). Maintaining an annual profile is however an essential requirement of each Project Manager and all projects will be approved annually through the MTFP process.

2.32 The projects module will record expenditure for capital projects and reporting will follow the relevant accounting standards.

2.33 All other project expenditure that does not meet the criteria above should be recorded in revenue and approved in line with revenue guidelines set out in section 2.5. Classification of expenditures between capital and revenue should be made in consultation with the Chamberlain.

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~~2.23 Project budgets approved via the gateways must be supported by a confirmed source of funding before they can progress. For City Fund and City's Estate central funding of projects is allocated via the annual capital bid process, with the approval sought from the Resource Allocation Sub and Policy and Resources Committees and subject to any reservations of the Court. For City Bridge Foundation, all approvals shall be sought from the City Bridge Foundation Board including approval for capital projects which are cross cutting across all three funds (City Fund, City's Estate, City Bridge Foundation) within the framework set by, and subject to any reservations to, the Court.~~

~~2.24 Project budgets are not generally specific to a financial year unless the source of funding is restricted by time (e.g. external grant funding). Maintaining an annual profile is however an essential requirement of each Project Manager.~~

~~2.25 Project expenditure is recorded within the City's Project Accounting module in a timely manner (as a minimum on a quarterly basis or in line with the Chamberlain's forecast timetable) and must not be charged to local or central risk codes, with the exception of staff time which is recharged from revenue to project budgets on a regular basis as above.~~

~~2.26 Capital expenditure and capital income is subject to approval in accordance with the Corporate Project Procedure and must be accounted separately. Particular legal and accounting rules may apply to charitable funds. Expenditure in excess of £50k which meets the definition of Capital/ Supplementary Revenue projects as set out in the Corporate Project Procedure must be accounted separately from local or central risk revenue expenditure.~~

Virement of Capital ~~and Supplementary Revenue~~ Project Budgets

~~2.27~~2.34 Virements within approved project budgets are permitted, provided the overall approved project sum is not exceeded and the scope remains unaffected. Movement between budget heads (e.g. from fees to works) requires approval of Chief Officer and Head of Finance other than for City Bridge Foundation. For City Bridge Foundation the approval shall be sought from the Finance Director of City Bridge Foundation and the Managing Director of City Bridge Foundation.

2.35 Increases to an approved project sum must be agreed in accordance with the P3 Policy Framework~~Project Procedure~~. Project Budgets cannot be vired between projects. unless approval is sought from Resource Allocation Sub and Policy and Resources Committees.

~~2.28~~2.36 Capital financing is based on the capital funding envelope agreed by the Court of Common Council with the overall financing strategy and allocations at year end approved by the Financial Services Director/Chamberlain prior to postings made at year end.

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SECTION 3. ACCOUNTING

3.1 All accounting procedures and financial records shall be determined by the Chamberlain, and any changes require the prior approval of the Chamberlain.

Separation of Duties

3.2 So far as possible, in the allocation of accounting duties, the following principles shall be observed:

i. The duties of providing information regarding sums due to or from the City and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
ii. Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
iii. Each of the Funds, with legal obligations requiring their separate administration, shall have a separate balance sheet, and all charitable funds shall be accounted for separately and processes followed which demonstrate that the charity's funds are being administered correctly and, in that charity's best interests.

Assets

3.3 The City Corporation owns and is otherwise responsible (whether or not as charity trustee) for a wide range of assets. For assets to appear on the balance sheet as qualifying items (or groups of items such as Cars) must be valued at £50,000 or more. Low monetary value assets may hold other important value and security must also be ensured on these items such as laptops and mobile phones. Section 12 of these regulations gives further details.

Financial Statements

3.4 Each Chief Officer shall make returns of outstanding expenditure and income in the form and by the date specified by the Chamberlain in the programme for the closure of the annual accounts as are referred to in 3.7.

3.5 Each Chief Officer shall provide details of any new leases (including nil consideration or peppercorn leases) entered into during the course of each financial year, in good time for the Chamberlain to prepare for the closure of the annual accounts. To comply with the newly adopted IFRS 16 standards this must include: details of leased assets, lease start and end dates, total lease value and annual fixed costs, payment frequency and terms, lease rate (%) where applicable. Where the total value of the lease or asset exceeds £10,000 the full signed lease document must also be provided.

3.6 Chief Officers are reminded that before entering to leases, particularly for plant vehicles and equipment, consideration should be given to whether outright purchase rather than leasing the item would offer better value for money. In this respect the relevant Head of Finance should be consulted before proceeding.

3.7 Procedures for the audit and publication of Financial Statements to the Court shall be as follows:

i. The financial year shall run from 1st April to 31st March.
ii. The Auditors of:
    a) City's Estate, City Bridge Foundation and Sundry Trust (charitable) Funds Financial Statements are elected by Common Hall on Midsummer Day.
    b) City Fund and Pension Fund Financial Statements shall be appointed by the Court of Common Council.
iii. The Auditors shall report to the Court of Common Council or Common Hall as appropriate, in writing upon completion of their audits.
iv. The Chamberlain shall submit the Financial Statements, duly certified, for City Bridge Foundation to the City Bridge Foundation Board and for all other Funds to the Finance Committee in accordance with statutory requirements, but within reasonable timescales as soon as business permits.
v. The audited and published City Fund and Pension Fund Financial Statements should be presented to Finance Committee in accordance with the statutory deadline. All other Charitable Trusts of which the City Corporation is Trustee should present their Financial Statements to the Court of Common Council or Finance Committee when available, where the Charity Commission requires these to be produced. City Bridge Foundation and City's Estate present their Financial Statements to the Finance Committee for City's Estate and City Bridge Foundation Board and Court of Common Council for City Bridge Foundation. This is in accordance with the deadlines set by City Bridge Foundation Board for City Bridge Foundation and by Audit and Risk Management Committee for City's Estate or subject always to statutory and other requirements which may apply. All three Financial Statements for City Fund, City's Estate and City Bridge Foundation are published on the City Corporation's website. The City Bridge Foundation Annual Report and Financial Statements are further published on the City Bridge Foundation website. Charities where appropriate also need to file a copy of their audited accounts with the Charity Commission by the Commission's required date.

I.T Systems

3.8 The Chief Officer concerned shall ensure that all financial information held on IT systems is properly maintained and capable of easy reconciliation to the central financial accounting system. IT systems should be brought together into combined systems where possible in accordance with the common systems principles outlined in the Digital, Data and Technology Strategy and supporting policies and guidance.

3.9 Any IT system that is used to hold and/or organise personal data must be notified to the City's Director of Digital Information Technology and the Information Compliance Team.

3.10 Details of the City Corporation's Finance Information System can be found on the Oracle pages of the intranet.

SECTION 4. INTERNAL AUDIT

4.1 In accordance with The Accounts and Audit Regulations 2015, the City Corporation must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, in accordance with the Public Sector Internal Audit Standards (PSIAS). Responsibility for ensuring this is delegated by the Court of Common Council to the Audit and Risk Management Committee. The Chamberlain as Section 151 Officer is responsible under statute for the proper administration of the financial affairs of the City Corporation including compliance with the statutory requirements for Internal Audit.

4.2 The Audit and Risk Management Committee shall receive regular reports on completed work of Internal Audit, assurances provided and progress on the implementation of recommendations. The Audit and Risk Management Committee will also review the effectiveness of the Internal Audit service and the Head of Audit and Risk Management will ensure that a good working relationship with Members is established and maintained.

4.3 While the Head of Internal Audit reports operationally to the Chamberlain, to maintain organisational independence, an unrestricted reporting line exists to the Town Clerk and Chief Executive and the Chairman of the Audit and Risk Management Committee.

4.4 Internal Audit's remit extends to all operations of the City of London Corporation and, as required by the PSIAS, the Internal Audit function has unrestricted access to all City records and information, both manual and computerised, cash, stores and other City property or assets it considers necessary to fulfil its responsibilities. Audit may enter property of the organisation and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the City should be set out in the conditions of funding. Internal Audit will require and receive such information and explanations as are necessary concerning any matters under examination. within a timely manner/as set out by the internal audit team.

4.5 Officers are required to provide all information requested by Internal Audit and Chief Officers shall consider and respond promptly to recommendations made by Internal Audit and ensure that any agreed actions are implemented in a timely and efficient manner.

4.6 Further details on the Internal Audit function are provided in the Internal Audit Charter. This can be viewed on the Internal Audit page under Business Support on the Intranet.

Preventing Fraud and Corruption

4.7 The Chamberlain is responsible for developing and maintaining the Corporate Anti-Fraud & Corruption Strategy, and ensuring that effective internal controls are in place to minimise the risk of fraud, corruption or other financial irregularity.

4.8 All Members and officers must ensure that they comply with the City's Corporate Anti-Fraud Corruption Strategy, and Anti-Money Laundering guidelines, as well as the Corporation's Code of Conduct generally in these matters.

4.9 Any Member, Officer or contractor of the City, who suspects fraud, corruption or other financial irregularity, must ensure that this is reported promptly to the Head of Internal Audit in order to ensure that evidence is secured and the matter is considered for further investigation.

4.10 Where any individual feels unable to report concerns of fraud, corruption or other financial irregularity directly to the Head of Internal Audit or their line manager, they should report those concerns via the City Corporation's anonymous whistleblowing channels. Those reporting genuine concerns either directly or via the anonymous channel will not be at risk of suffering any form of retribution as a result of the disclosure.

4.11 Management should not attempt to interview staff suspected of perpetrating a fraud, corruption or other financial irregularity, unless expressly asked to do so by the Head of Internal Audit, as this may prejudice any disciplinary or police investigation and/or subsequent legal proceedings.

4.12 The Head of Internal Audit will maintain a register of all reported incidents of fraud, corruption or other financial irregularity. These will be reported periodically to the Audit & Risk Management Committee.

4.13 Any employee who suspects money laundering activity must report this promptly to the Head of Internal Audit, who is designated as the City Corporation's Money Laundering Reporting Officer (MLRO).

SECTION 5. RISK MANAGEMENT

5.1 The Accounts and Audit Regulations 2015 (as amended) require that the City ensures that its financial management is adequate and effective and that there is a sound system of financial control that facilitates the effective exercise of the City Corporation's relevant functions and that includes risk management arrangements.

5.2 Under the Local Government Act 1999, the City Corporation (as a local authority and police authority) is under a general Duty of Best Value "to secure continuous improvement in the way in which its functions are exercised, make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The application of risk management supports this statutory duty.

5.3 The CIPFA "Delivering good governance in Local Government Framework 2016 Edition" identifies risk management as one of seven core principles in the overall effective governance of a local authority.

5.4 The Charity Commission sets out the expectations for charities and risk management, within its guidance. Those charities for which the City Corporation is Trustee are required to have regard to this guidance.

5.5 The City Corporation must consider this guidance in the development of its approach to risk management for each of the charities for which it is Trustee. In addition, unless in conflict with charity law and regulatory requirements or considered not to be in a charity's best interests, the City Corporation's Corporate Risk Management Strategy and governance processes must be followed.

5.6 The City Corporation is committed to establishing an effective risk management framework and culture to enable management at all levels to deliver their objectives in the light of those risks. This commitment is set out in the City Corporation's Risk Management Strategy 2024-2029, and the refreshed Risk Management Policy that underpins this. The Risk Management Policy outlines the risk management framework and expectations across all City Corporation departments and Institutions and was endorsed by the Audit and Risk Management Committee and the City Bridge Foundation and Police Authority Boards in Autumn 2024.

5.7 Chief Strategy Officer:

a) The Chief Strategy Officer is the lead Chief Officer for Risk Management within the City Corporation and responsible for developing, maintaining and promoting the Risk Management strategy, policy and supporting documents, securing approval of the Audit and Risk Management Committee and maintaining the corporate risk register.

b) The Chief Strategy Officer chairs the Chief Officer Risk Management Group, a sub-committee of the Executive Leadership Board (ELB) which supports ELB in its overall responsibility for risk management and outlines requirements and/or provides guidance to Chief Officers to maintain or improve the City Corporation's risk management framework. Risk management is also discussed at meetings of the City Corporation's

Senior Leadership Team (Corporate Tier 1 Officers). The Chief Strategy Officer will regularly report the City Corporation's corporate and top red departmental risks to the Audit and Risk Management Committee.

5.8 Chief Officers must have regard to the requirements and/or guidance issued by the Chief Strategy Officer and adhere to the City Corporation's risk management policy and strategy. Specifically, Chief Officers are responsible for:

a) Ensuring that risk management is integrated into business planning, programme and project management and finance planning.

b) Ensuring that there are appropriate management arrangements for the continuous identification, assessment, mitigation, monitoring and reporting of risk within the department. This includes considering the risk appetite and risk culture within their areas.

c) As part of this, putting in place and appropriate structure to oversee effective risk management within the department, liaise with the corporate risk advisor and ensures it complies with the City Corporations risk management policy and strategy.

d) Maintaining corporate and departmental, service, team risks on the corporate risk system and use system generated reports for management and Committee reporting purposes.

e) Reporting their corporate and departmental level risks to their relevant Committee(s) in accordance with the Guidance on reporting risk information to Service/Grand Committees.

f) Identifying and flagging cross-cutting and/or thematic risks impacting the City of London Corporation more widely, e.g. through Head of Profession roles.

SECTION 6. TREASURY MANAGEMENT

6.1 The Court of Common Council adopts the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. This regulation shall include management of monies in connection with cash and funding resources of the City as Police Authority. For City Bridge Foundation, treasury management standards are adopted.

6.2 A Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) setting out the City's strategies and procedures is adopted annually by the Court of Common Council and includes the following scheme of delegation for the operation of treasury policy:

The Court of Common Council

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of the Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management).
- For City Bridge Foundation approval of the overarching Treasury Management Strategy statement and Annual Investment Strategy (related to Treasury Management) as applied to the charity.

The Investment Committee and Finance Committee (for City Fund & City's Estate) and ~~for~~ the Investment Committee of the City Bridge Foundation Board (CBF) ~~the CBF Board and the CBF Investment Committee~~

- Approval of/amendments to the adopted clauses, treasury management policy statement and treasury management practices for the City Corporation.*
- Budget consideration and approval.
- Approval of the division of responsibilities.
- Receiving and reviewing regular monitoring reports and acting on recommendations.
- Approving the selection of external service providers and agreeing terms of appointment.

*Note that the Finance Committee and the Investment Committee of the CBF Board usually only receive the first item.

Audit and Risk Management Committee & the Investment Committee of CBF Board

- Reviewing the treasury management policy and procedures and making recommendations to the responsible committee and/or the Court.

The Chamberlain

- Application of approved strategy.
- Treasury dealing with counterparties.
- Authorisation of cash transfers.
- Borrowing and lending documentation.

6.3 All money in the management of the City Corporation shall be aggregated for the purposes of Treasury Management and shall be under the control of the Chamberlain.

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6.4 All executive decisions on borrowing, investment or financing shall be delegated to the Chamberlain or through their staff, who shall be required to act in accordance with the City Corporation's Treasury Management ~~Code.~~ Strategy Statement and Annual Investment Strategy (relating to Treasury Management) prepared in accordance with the CIPFA Code of Practice on Treasury Management.

6.5 The Chamberlain shall report to the Investment Committee not less than twice in each financial year on the activities of the Treasury Management operation and on the exercise of the Treasury Management powers delegated to him/her. One such report shall comprise an Annual Report on Treasury Management of the succeeding financial year.

6.6 Trustee Reports provided for Charitable Funds administered by the City Corporation must be compliant with charity law requirements (refer to sections 162,132 and 133 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008 (SI 2008/629)) and make a risk management statement in their Trustee's report.

SECTION 7. INVESTMENTS, BORROWING AND TRUST FUNDS

7.1 All borrowing or investments of money shall be made in accordance with the orders of the Court of Common Council or as delegated to the Finance Committee and Investment Committee and the Chamberlain for City Fund and City's Estate and, for City Bridge Foundation the City Bridge Foundation Board and its Investment Committee and the Chamberlain.

7.2 All securities for money shall be held by the Chamberlain or their nominees, except where legal requirements necessitate their being held elsewhere.

7.3 The Chamberlain shall maintain records of all borrowing of money and make provisions for repayment where appropriate.

7.4 All Members and Officers acting as trustees by virtue of their official positions shall deposit all securities relating to the trust with the Chamberlain, or their nominees, unless the deed (or other legal governing document) otherwise provides.

7.5 In addition to the matters set out at 7.1 - 7.4 above, all investments of charitable funds must comply with the relevant charity's governing documents, the Trustee Act 2000, the Charities Act 2011 (as amended) and other regulatory requirements. Regard must be given to Charity Commission guidance on investment and to relevant City Corporation policies, insofar as they are consistent with charity law. Officers must ensure that activities and decisions support the Trustee in fulfilling its duties and are taken in the charity's best interests. Guidance on voluntary income is set out in Section 15.

SECTION 8. PROCUREMENT

8.1 In accordance with Standing Order 51 all procurement and contracts activity must be undertaken by officers in accordance with the agreed Procurement Code.

8.2 Chief Officers shall be accountable~~responsible~~ for all procurement originating from their service for the execution of any works, supply of goods, materials and services and shall ensure that this ~~the selection of firms to be invited to tender~~ shall be in accordance with the procedures detailed in the Procurement Code and ~~Corporate Project Procedures~~P3 Policy Framework.

8.3 No City contract shall be issued unless its terms have been previously approved by the Comptroller and City Solicitor and be consistent with the requirements as laid down in Standing Orders, Procurement Code and these Financial Regulations.

8.4 The use of corporate purchase cards (P-card) is restricted to authorised staff that must follow the rules of the Purchase Card Policy. Where appropriate, a P-card should be used for all expenditure up to £1,000 per transaction. Card users are responsible for entering information onto the P-card system which is clear and accurate, avoiding the use of terms which may be open to misinterpretation. The Purchase Card Policy lays out further detail on P-Card use.

8.5 Purchase orders must be raised through City Finance System and in compliance with the Procurement Code. The City operates a 'No Purchase Order No Pay policy' and a purchase order should be issued before a commitment to supplier is made not afterwards. It is therefore against the policy to issue a PO to a supplier who has already supplied goods or completed works.

8.6 Where contractors are engaged for works that fall within the scope of the Construction Industry Scheme (CIS), the Transactional Finance Data Team shall confirm whether the contractor holds a valid Unique Tax Reference (UTR) number and verify whether the contractor is registered with HM Revenue & Customs (HMRC) for CIS, ensuring that tax is deducted from payments at the appropriate rate.

8.7 Prompt notification shall be given to the Chamberlain's Insurance and Risk Management Team where the goods or services procured or sold or the contract terms being entered into materially affect the Corporation's insurance programme prior to agreement.

8.8 All ex-gratia and non-contractual claims from contractors shall be referred for comments to the Finance Director of City Bridge Foundation for City Bridge Foundation contracts or otherwise to the to the Financial Services Director and also to the Comptroller and City Solicitor before settlement is reached. They will further advise on whether approval of the City Bridge Foundation Board for City Bridge Foundation or otherwise of Finance Committee needs to be sought prior to settlement.

8.9 The Finance Director City Bridge Foundation for City Bridge Foundation and otherwise the Financial Services Director shall, to the extent he/she considers necessary, examine the final accounts or interim valuations for contracts and shall be entitled to make all such

enquiries and receive such information and explanations as may be required to satisfy the accuracy of the accounts (see section 24 of the Financial Regulations for further details).

~~8.9~~8.10 The Procurement Code along with any associated policies, procedures and guidance shall take precedence in the conduct of our commercial activities.

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SECTION 9. PAYMENT OF ACCOUNTS

9.1 Payments shall be made, wherever possible, through City Corporation's Finance System and by the Bank Automated Clearance System (BACS). Where payment by BACS is not possible or practical then payment shall normally be made by cheque drawn through the City Corporation's Finance System or, in the case of payments of £1m or more, by the Clearing House Automated Payment Systems (CHAPS). Any payment of £1m or more paid via BACS or cheque must be authorised by the Corporate Treasurer in addition to the standard approvals.

9.2 Any payments where timing is crucial (e.g. certain property transactions) or where use of BACS would not be appropriate, payments may be processed by CHAPS or Faster Payment. This process should not be used for regular creditor payments. Payment by CHAPS or Faster Payment is available from the Chamberlain's Corporate Treasury Team.

9.3 Payments in foreign currency, or sterling payments to a non-UK bank account, shall be made as international payments via internet banking using the beneficiary's International Bank Account Number (IBAN) where possible together with their Bank Identifier Code (BIC, also known as a SWIFT code).

9.4 Payment requests in foreign currency or a sterling payment to a non-UK bank account should be made using the standard form which is available from the Chamberlain's Corporate Treasury Team and must be approved by an appropriate authorised signatory and submitted to the Corporate Treasury Team.

9.5 No officer shall be able to approve a requisition or purchase order that he/she has raised in the City Corporation's Finance System. The appropriate separation of duties shall be ensured by the maintenance of relevant responsibilities and purchase order approval hierarchies within the City Corporation's Finance System with the exception of system administrators.

9.6 The Data and Reporting Team together with the Oracle Team, under the Chamberlain, shall be responsible for maintaining and updating the requisition approval hierarchy in the City's Financial System. The Data and Reporting Team shall be responsible for maintaining and updating the Authorised Signatories List (ASL) for PO exempt payments together with approval limits. Departments and service areas shall be responsible for informing the Data and Reporting Team of required changes to the hierarchy/ASL. Any additions to the ASL, or variations in an individual's approval limit, shall first be agreed by the relevant Chief Officer, or his nominee and the relevant Head of Finance. In addition the agreement of one of either, the Chamberlain, the Financial Services Director or the Corporate Treasurer is required if the proposed limit is £2m or above. In agreeing any proposed changes, regard shall be had to the size of the proposed approval limit, the grade of the member of staff concerned and any existing budgetary responsibilities that they may have.

9.7 The person named as the Requestor on the relevant purchase order is responsible for Goods Receipting in the City Corporation's Finance System to confirm that the goods/services/works have been delivered.

9.8 Payments for goods, services or works will follow the receipt of a valid/undisputed invoice and where the goods, services, or works have been delivered in full. Where officers consider it to be in the best interests of the City Corporation to make a payment in advance, such payments shall only be made if the appropriate authorisation ~~below~~ has been provided in writing in accordance with the table below. If at any time an advance payment, notwithstanding the limits set out below, presents a significant risk or other concern, officers may refer the decision to Finance Committee (for City Fund and City's Estate), or to the City Bridge Foundation Board (for City Bridge Foundation).~~If at any time a significant risk or other concern is identified connected with an advance payment, notwithstanding the limits set out below, officers may remit the decision for guidance to Finance Committee for City Fund and City's Estate or for City Bridge Foundation to the City Bridge Foundation Board.~~

Cost of works, goods or services (excluding VAT) paid in advance	**Authorisation Required**
Up to £499,999	Head of Finance and Corporate Treasurer
£499,999 up to £999,999	Financial Services Director
£1,000,000 up to £1,999,999	Chamberlain
£2,000,000 or above	Finance Committee

For City Bridge Foundation in the above table the Financial Service Director should be replaced with the CBF Finance Director, the Chamberlain by the CBF Managing Director and Finance Committee by the CBF Board.

9.9 Before requesting advance payment, a short business case including the risks should the company not deliver is to be included with request for the advanced payment. It is noted that payments for rent, software licences, artists fees (50% in advance), or power connection by UK Power Networks, are paid in advance as a standard term for that industry. Unless officers have identified an additional concern or risk, the presumption should be that these can be paid in advance without application of the additional approval set out in para 9.8 above.

9.10 Payments in advance may be made by Purchase Cards (P-cards) without further authorisation provided P-cards are used in accordance with the P- card Policy.

9.11 Compliance with the P-card Policy is mandatory and non-compliance in certain circumstances may result in disciplinary action and instant removal of access to the P-card.

9.12 When using P-cards, it is essential to obtain valid VAT invoices or receipts for all purchases to ensure compliance and enable VAT recovery where applicable. A valid VAT invoice must include:

- Supplier's name, address and VAT registration number
- Invoice date and unique invoice number
- Description of goods or services supplied
- Total amount, VAT rate and VAT amount

9.13 For purchases under £250 (including VAT), a simplified VAT invoice is acceptable. This should include:

- Supplier's name and VAT registration number

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- Date of supply
- Description of goods or services
- Total amount including VAT and the VAT rate

9.14 If you are unsure whether an invoice or receipt meets HMRC requirements, or have any questions about VAT treatment, you must contact the VAT Accountant before processing the transaction.

9.15 Ideally, valid VAT invoices or receipts should be obtained before coding the transaction. However, if they can only be obtained at a later date, VAT can still be reclaimed up to four years after the transaction.

~~9.11~~9.16 The Accounts Payable Team is responsible for the payment of all invoices for goods and services. Invoices should be sent directly to the Accounts Payable team. Any invoices received by departmental officers must be forwarded to the Accounts Payable Team without delay.

~~9.12~~9.17 All undisputed invoices must be paid within 30 days of receipt, but contractual terms may oblige the City Corporation to pay certain invoices sooner. The City Corporation aims to pay all sole traders and SMEs within 10 working days of receipt of a valid invoice.

~~9.13~~9.18 Where contracts, valued more than £250,000 for payments to be made by instalments, all payments to contractors shall made on receipt of a valid VAT invoice and be accompanied by a certificate issued and signed by the City Corporation's designated officer, authorised agent or consultant which confirms the value of work completed. Those contracts not subject to the issue of certificates, may be paid on invoices.

~~9.14~~9.19 Receipting a purchase order (PO) or authorising payment of accounts (by way of approval workflow) in the City Corporation's Finance System will release invoices matched to that PO for payment on the due date. Before receipting a PO, officers must determine that:

- The goods, services or works to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards. Failure to comply may result in additional costs incurred by the department, where additional support is required by the Chamberlain to ensure corrective action(s) is taken.
- The receipt amount reflects the ordered value of goods received/services provided/works completed.
- Appropriate entries have been made in inventories or store records.
- Proper internal check procedures have operated in the examination of the account.
- The account has not been previously paid and is a proper liability of the City.

~~9.15~~9.20 Before authorising payment of accounts by way of the City Corporation's Finance Systems approval workflow or email/signature (Authorised Signatories List) for services that are purchase order exempt, authorisers or other appropriate officers shall determine that:

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- The goods, services or works to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards.
- The amount reflects the ordered value of goods received/services provided/works completed.
- Prices, extensions, calculations, discounts, other allowances and credits are correct, as expected or are otherwise reasonable.
- The expenditure has been properly incurred and is within the relevant estimated provision.
- The account has not been previously paid and is a proper liability of the City Corporation.

SECTION 10. IMPREST ACCOUNTS (PETTY CASH)

10.1 The Corporate Treasurer shall provide imprest accounts and may arrange for bank accounts to be opened for use by holders of imprest accounts but are not generally encouraged. Such bank accounts shall not be overdrawn.

10.2 No sums received on behalf of the City Corporation may be paid into an imprest account but shall be banked separately or paid to the City Corporation promptly as may be directed. Income and change floats shall be kept separately from the imprest cash at all times and shall not be used to fund cash expenditure.

10.3 Payments from imprest accounts shall be limited to minor items, the maximum value of which shall be £100; larger figures require the prior approval of the appropriate Head of Finance.

10.4 Expense claims for staff should be made through SAP Concur~~City People~~. Only if staff do not have access to SAP Concur~~City People~~ should they use the petty cash claim form that can be found on the intranet.

10.5 All imprest/petty cash claims should be approved by a second officer (either the Head of Finance or their nominated officer) prior to reimbursing the claimant. This ensures a separation of duties is maintained between the person claiming the money and the person approving that payment can be made for appropriate spend.

10.6 All payments shall be supported by vouchers and all receipts, including a VAT receipt wherever appropriate. Payments made on behalf of the Commissioner of Police in pursuit of their operational responsibilities may exceed the maximum figure where specifically authorised by the Commissioner of Police.

10.7 A reconciliation of imprest accounts should be completed on a monthly basis by each department. At the end of the financial year imprest holders shall provide electronically the Chamberlain with certificates which must be sent to their Head of Finance promptly after the end of the appropriate financial year and include their approval in the covering email. The relevant Head of Finance shall review these certificates and ensure they reconcile to the general ledger. Once satisfied they should provide a copy to Corporate Accountancy electronically which will include their sign-off in the covering email.

10.8 Reimbursements of imprest accounts shall be made through the City Corporation's Finance System ordinarily at monthly intervals, following a full reconciliation of the imprest account and, in any event, frequently enough to maintain a sufficient amount of cash in the float to cover claims for the relevant bank account to remain in credit.

10.9 If an imprest account holder leaves the City Corporation's service, the relevant Chief Officer shall advise the Corporate Treasurer of the name of the officer for whom responsibility has been passed, who in turn shall confirm that they are now taking responsibility for the imprest account. The Chief Officer shall also ensure that the account is reconciled before the existing account holder leaves to ensure an agreed starting position is passed to the new officer taking responsibility for the imprest.

10.10 Disbursements shall be limited to minor items of expenditure and specifically should not include expenditure which should form part of the payroll system, (e.g. clothing and car allowances), nor shall they include the encashment of personal cheques and the advancing of loans.

10.11 The only bank charges which should be incurred, in respect of imprest accounts operated via a bank account, are those in the normal course of operation of the account.

10.12 All Departments holding petty cash should ensure that, at all times, cash is adequately secured. As a minimum this should be in a cash box within a lockable drawer. Amounts in excess of £100 should be kept in a safe overnight.

10.13 Whenever any matter arises which involves or may suggest irregularities affecting a petty cash/imprest account, the relevant Chief Officer shall notify the Financial Services Director (or the CBF Finance Director if it relates to the charity), the Corporate Treasurer and Head of internal Audit forthwith. This also applies in the event of any loss from the imprest account identified during reconciliation.

SECTION 11. TRAVELLING AND SUBSISTENCE CLAIMS

11.1 All claims for reimbursement of travelling, subsistence and minor personal expenses shall be made via the payroll system (self-service through the HR/Payroll System). Each claim shall be promptly submitted for payment through the HR system detailing the expenditure incurred, supported by receipts, dated, coded, and approved electronically by the appropriate authorising officer. Items or services purchased on behalf of the City must not be reimbursed through the HR System and instead where possible a Purchase Card (P-card) should be used to avoid the need for a claim. If it is not possible to make a payment using a P-card then the only alternative would be for a payment request claim to be processed via Accounts Payable within the City Corporation's Finance System. Officers making purchases on behalf of the City Corporation using their own funds should ensure they have prior approval otherwise this is at their own risk and it does not guarantee the claim will be paid out. Claims for reimbursement of travelling, subsistence and minor personal expenses should be submitted on a regular monthly basis and within three months of the date the expenditure was incurred. The reimbursement of claims falling outside of this timeframe will require the permission of the Chamberlain. Such permission will only be given following Chief Officer justification for the late submission of the claim. Claims for expenses, where more than six months has lapsed since the expenditure was incurred, will not be allowed.

11.2 Travel should be booked in accordance with the City Corporation's Travel Policy. The preferred method of payment for any business travel expenditure outside of a Corporate Contract or to be re-imbursed through Payroll up to £1,000 is a (P-card) in line with Section 8.4 of these regulations and the P-card Policy.

11.3 Claims with a total value of less than £100 (inclusive of VAT) may be reimbursed from petty cash where use of a P-card would be unsuitable or a P-card is unavailable i.e. outside of office hours or for one-off expenditure.

11.4 Copies of claims and VAT receipts must be kept by the claimant for audit and accounting purposes.

11.5 Every officer who receives a car loan or car allowance, whether casual or essential, must produce to their Chief Officer the registration document of the car, a valid certificate of insurance and an assurance to take all reasonable steps to maintain the car in an efficient and roadworthy condition. The Chief Officer shall be promptly informed of any subsequent changes to the above details.

11.6 All car allowances are to be paid through the payroll system.

11.7 The certification by or on behalf of the Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and all the requirements of the appropriate City scheme have been observed.

11.8 All travelling allowances paid shall be in accordance with the current provisions laid down by the City Corporation in the Business and Travel Expenses Scheme. All subsistence

allowances paid shall be in accordance with the current provisions laid down by the City Corporation in the Employee Handbook.

11.9 The payment of fees for individual membership of professional bodies shall be the responsibility of the member of staff to whom the individual membership relates. Consistent with the Subscriptions to Professional Bodies, Societies and Business Interest Groups employee policy, staff can, through the HR System, reclaim membership fees for approved professional bodies, a list of which can be found on SharePoint. Fees for corporate membership of professional bodies shall be paid by the Chamberlain's Accounts Payable Team.

SECTION 12. CUSTODY AND SECURITY OF ASSETS

12.1 Chief Officers are responsible for maintaining proper security and stewardship over all assets under their control in accordance with Standing Orders.

12.2 Chief Officers are responsible for the maintenance of registers for City Fund, City's Estate and City Bridge Foundation assets as follows:

- Property (Buildings and Land) – City Surveyor
- Police Vehicles – Commissioner of Police
- Other Vehicles – Executive Director of Environment
- Exhibits – Assistant Town Clerk and Cultural and Visitor Development Director
- Barbican Centre – Managing Director, Barbican Centre
- IT Infrastructure – Chamberlain
- Infrastructure – Director of Built Environment
- Other Furniture and Equipment – relevant Chief Officers

12.3 All Chief Officers shall ensure that any information requested from them by the above registrars, for the purposes of maintaining the above asset registers, is provided rapidly and freely. Any acquisitions or disposals of assets (other than furniture and equipment) should be notified to the relevant registrar at the appropriate time.

12.4 Asset registers are required to itemise all City Fund assets which cost in excess of £1,000 and for those assets acquired since 1st April 1990, the date and cost of acquisition. In respect of all assets other than land and buildings, the information should be capable of being extracted from inventories. Although the Chamberlain is the statutory registrar for items of furniture and equipment, it is the responsibility of each Chief Officer to maintain inventories for all furniture and equipment within their control (there is no longer a requirement to provide separate registers of furniture and equipment items costing in excess of £1,000). Chief Officers shall provide a statement of items held at year end, to the Corporate Finance team on request.

12.5 The authority to acquire new or add to/enhance existing assets with a value in excess of £50,000 is subject to the P3 Policy Framework~~Corporate Project Procedure~~ or as otherwise required in accordance with standing orders.

12.6 A terrier (a record system for the City's land and property holdings) shall be maintained by the City Surveyor for all City properties, whether owned or leased. This should supplement the information required to maintain property asset registers for all Funds.

12.7 The Comptroller and City Solicitor is responsible for the safe custody of all deeds and lease agreements in respect of all properties owned or leased by each of the City's Funds.

12.8 For acquisition of property a completed acquisition statement shall be provided by the Comptroller to the Chamberlain (and also to the CBF Finance Director for City Bridge Foundation properties) prior to the transaction being completed.

Disposal of Assets

12.9 Assets with a value in excess of £50,000 require approval of the relevant service committee or board before disposal. In addition, there is specific governance relating to the disposal of property within standing orders. Where acquisition of a number of assets has been aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc) then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centrally held reserves – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific Member approval. Any exception to this, for example if the asset was purchased from a ring-fenced fund, shall be agreed with the Chamberlain whose decision on this matter will be final.

12.10 Assets should be disposed of at Fair Value (or for any charity land on terms which are the best which can reasonably be obtained) – any proposal to dispose of an asset at below fair (market) value must be in consultation with the Chamberlain and Comptroller and City Solicitor and requires specific member approval. For assets under the control of City Bridge Foundation, consultation must also be sought with the Managing Director of City Bridge Foundation.

12.11 The Chamberlain must be advised of the disposal of capital assets before the year-end to ensure the accuracy of the City Corporation's published accounts for each Fund.

SECTION 13. INSURANCE

13.1 The City Corporation maintains insurance cover to limit the financial impact of the consequences of unforeseen events leading to the loss or damage of the City's assets or claims for injury loss or damage being made against the City.

13.2 The Chamberlain shall procure and maintain all appropriate insurance policies and will manage all claims within the policies, in consultation with other officers as necessary.

13.3 Chief Officers shall notify the Chamberlain's Insurance and Risk Management Team promptly of all new risks, assets or material changes relevant to the City's insurance programme. This may include, but not be limited to:

- Significant organizational changes, responsibilities and practices e.g. major in/outsourcing.
- Additions, loans and disposals of assets, including properties, contents, stock and equipment, plant, vehicles, works of art and heritage assets etc.
- Contract works, changes of use and occupancy of properties.
- Travel outside of the UK or involving an overnight stay on the business of the City Corporation.
- Major events, collaborations.

13.4 Chief officers shall maintain and provide up to date insurance values for the assets insured.

13.5 Chief Officers shall immediately notify the Chamberlain's Insurance and Risk Management Team of any loss, potential liability or damage to third parties or to City property that may lead to a claim and take appropriate action to prevent further losses occurring. All officers and staff must comply with the relevant terms and conditions of the insurance policies and provide assistance in the investigation of any claim within the specified timescales, as required. No admission of liability or offers of payment should be made that may prejudice the assessment of liability in respect of any insurance claim.

13.6 No Chief Officer shall enter into any indemnity which the City is required to give unless the terms thereof have been approved by the Finance Director of City Bridge Foundation for City Bridge Foundation, or otherwise by the Financial Services Director and also by the Comptroller and City Solicitor or their named delegated officer.

13.7 The Chamberlain's Insurance and Risk Management Team shall be notified immediately that any valuables belonging to a private individual are taken into the Corporation's possession so that directions may be given as to their recording and safe keeping. The term "valuables" shall include watches, jewellery, cash, documents, goods, chattels or any other items of intrinsic value. It does not apply to "lost property" of a low value.

SECTION 14. SECURITY AND DATA PROTECTION

14.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, information etc. under their control (see also Financial Regulations concerning Inventories Section 19). In this respect, he or she shall inform the Financial Services Director or Head of Internal Audit and the Security Board, where appropriate, immediately where security is thought to be defective or where it is considered that special security arrangements may be needed.

14.2 Maximum limits for cash holdings shall be agreed with the Chamberlain's Head of Internal Audit and shall not be exceeded without their express permission.

14.3 Cash carrying limits shall be in line with insurance policy conditions. Reference should be made to the Insurance and Risk Management Team for current policy conditions.

14.4 Keys to safes and similar receptacles are to be the responsibility of designated officers and are to be kept secure at all times. Loss of any such keys must be reported to the Corporate Treasurer or Head of Internal Audit. Duplicate keys to all safes are to be held in a place approved by the Chamberlain's Head of Internal Audit and locked away for use in the case of emergency only.

14.5 Chief Officers should ensure that all staff are aware of the arrangements which the City has in place for the proper control and management (including retention) of all information owned by, or otherwise under the control and management of, the City and held in any format (e.g. paper, electronic, microfiche, etc.). Chief Officers should ensure that all members of their Department are aware that information concerning secret and confidential matters or personal data must not be disclosed in any way except to persons entitled to receive such information and in such cases with appropriate safeguards. All staff are expected to be familiar with the Employee Handbook, have completed relevant mandatory training (including IT security and data protection training), and be familiar with their own department's policies and procedures.

14.6 All staff, including temporary, contract or agency staff, are required to comply fully with the requirements of the Data Protection Act 2018 (DPA) and the United Kingdom General Data Protection Regulations (UK GDPR). Chief Officers, (who are each "Responsible Officers" for the purposes of the DPA and UK GDPR) each have particular responsibility for implementing appropriate measures and maintaining proper safeguards to ensure the security and the appropriate degree of privacy of all personal data held within their departments, whether electronically or in other formats. The City's Director of Digital Information and Technology and the City's IT Information and Security Director (who are each "Responsible Officers" for the purposes of the DPA and UK GDPR) each have similar obligations relevant to their role.

14.7 In particular, Responsible Officers are required to implement "privacy by design and default", to comply with the six data protection principles under the UK GDPR, and to maintain appropriate records, including Records of Processing Activities (ROPA) and, where appropriate, undertake Privacy Impact Assessments (PIA). Where processing is contracted out to third parties then the requirements for data processors must also be complied with.

14.8 The City Corporation's Group Director of Digital Information and Technology shall agree with Chief Officers, consulting as appropriate with the Chamberlain's IT Audit Manager, the degree of privacy and security to be applied to IT Systems. The ~~IT Information and~~ Security Manager ~~Director~~ shall then be responsible for maintaining proper security and the agreed control of access the systems to maintain the privacy or confidentiality the information held on those systems where he is responsible for development, support or operation of those systems. Chief Officers are responsible for maintaining such standards within their own departments.

14.9 Chief Officers should ensure that all staff within their department who use IT and communication storage devices (e.g. desktop PCs, laptops, PDAs, smart phones, mobile phones, etc.) are aware of, and adhere to, the current IT security requirements and Internal Audit Guidelines. All new employees should be briefed as to the security policies and procedures that are applicable to them, including the implications of relevant legislation.

14.10 Prior to the employment of temporary contract, or agency staff, each Chief Officer should ensure that they receive written confirmation from such staff that they understand and agree to conform to the Rules for the Use of City Information Technology Systems (IT) Facilities. System access will be provided by the IT Service Desk. Line of Business Application (LOB) access may require authority to access the specific information from the relevant business system administration team.

SECTION 15. INCOME & BANKING ARRANGEMENTS

15.1 The systems effecting the collection of all money due to the City Corporation shall be approved by the Chamberlain.

15.2 All banking arrangements shall be made by or subject to the prior approval of the Chamberlain.

15.3 The Chamberlain shall be notified promptly of any event where income potential will arise to the City Corporation. In such instances the Chamberlain shall be consulted prior to any contracts, leases and other agreements and arrangements being entered into which involve the receipt of money by the City Corporation, and the Chamberlain has the right to inspect any document or other evidence in this connection as he or she may decide. For the City Bridge Foundation, the CBF Finance Director shall also be notified and consulted and shall be responsible for liaising with responsible Chamberlain's colleagues.

15.4 Each Chief Officer shall ensure the use of City Corporation's Finance System for the raising of debtor invoices and the recording of data in respect of miscellaneous invoiced income, unless otherwise directed by the Chamberlain.

15.5 Departments shall ensure that arrangements are in place for the regular and frequent reconciliation of amounts collected to the general ledger.

15.6 All income must be accounted for separately and never credited to an expenditure code. In particular, proceeds from the disposal of assets are not to be off set against expenditures.

15.7 All income, whether cheques, notes or coins received by an officer on behalf of the City shall, without delay, be recorded including a reference to the related debt, such as the receipt number, the name of the debtor, details of any cheques or other indication of the origins of the income, and (unless otherwise directed by the Comptroller and City Solicitor) paid intact into a designated bank account. This shall be done at regular intervals and in a manner as directed by the Chamberlain.

15.8 Every officer who banks money shall enter on the paying-in slip their name, their contact telephone number and/or email address, and the number of cheques being paid in (if any). Every officer paying in money should also ensure that the standard electronic form is completed and submitted to the Chamberlain's Income Allocation Team (in Corporate Treasury) on the day of banking to facilitate the correct coding of the banked monies.

15.9 Cash payments are not encouraged, except where necessary and officers must ensure that cash payments are not accepted for individual transactions which exceed the threshold of 10,000 euros (set by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/292)) which came into force on 26 June 2017.

15.10 Departmental procedures for accepting cash, cheques or credit cards tendered in respect of the sale of goods, materials or services by the City shall be agreed by the Chamberlain.

15.11 All cheques and similar documents (but excluding cheques drawn on authorised imprest accounts) shall be ordered only on the authority of the Chamberlain, who shall make proper arrangements for their safe custody.

15.12 Cash holdings on premises shall be kept to a minimum, in safes or locked receptacles appropriate for the value being held with regard to the insurance limits. The average and maximum values held in safes must be notified to the Insurance and Risk Management team.

15.13 Money held on behalf of the City Corporation shall be kept separately from personal funds and shall not be used in any way for personal purposes.

15.14 Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving officer.

VAT

15.15 Chief Officers shall ensure that the form of any sundry debtor invoice, or other equivalent document used in the collection of VAT, is approved by the Chamberlain prior to use.

15.16 For all new income streams advice should be sought from the City's VAT Accountant to determine the appropriate VAT liability. A guide for VAT can be found on the intranet.

Irrecoverable Debts

15.17 No debt shall be written off, with the exception of small balance write-offs, without first obtaining the approval from either the Assistant Director Financial Shared Services or the Chamberlain. Any such amounts relating to City Bridge Foundation should also be discussed in advance with ~~reported to~~ the CBF Finance Director. The current levels of authority are set out in the Scheme of Delegations to Officers under the Chamberlain. Under Standing Order 52 write offs may be approved for a variety of reasons, among the more usual are:

a) Insufficient legal proof of the debt or liability for the charge.
b) Probable expense of legal action in excess of amount to be recovered.
c) Debtor cannot be traced.
d) Debtor with insufficient means or assets.
e) The debt represents the balance outstanding after a final dividend has been paid in bankruptcy or insolvency cases.

15.18 Chief Officers shall maintain relevant documentation to support the validity of the write-off, confirming that action has been taken to mitigate the loss. Where a series of debts are proposed to be written off at the same time, their aggregate value shall be used when considering authority required for the write-off under Standing Order 52.

Fees and Charges

15.19 When determining fees and charges to persons or external organisations, all departments should recover full costs or submit reasons to the appropriate Service Committee when that objective is not met. The Duty to recover costs must be subject to any other overriding

statutory provision e.g. Freedom of Information Act 2000 or in the case of any charities for which the City Corporation is Trustee subject to any decision taken by the Trustee where it is determined after proper consideration to be in the best interests of the charity in furthering the charity's objects for the public benefit not to seek full cost recovery.

15.20 Charges and the charging rationale should be reviewed regularly (e.g. annually). The review of charges should be reported to Committee unless discretion is specifically delegated to Chief Officers.

15.21 Should consideration be given to offering goods or services in the form of a benefit-in-kind to a third party, the relevant policy on benefits-in-kind should be followed both prior to making the decision to provide goods or services at a reduced or nil charge, and in subsequent monitoring of this decision.

Voluntary Income or Property (including charitable grants, gifts and bequests)

15.22 For all charities for which the City Corporation is Trustee regard must be had to the current version of the Charities Statement of Recommended Practice (SORP) in relation to the acceptance and recognition of grants and~~or~~ other forms of voluntary income or property (whether by way of grant, gift, bequest or otherwise, and~~etc or~~ whether free of, or subject to, restrictions), and to ~~regard must also be had to the~~ Charities Commission guidance on refusing or returning donations[1]. ~~It is generally the case that donations should be accepted and kept, but in some circumstances and in the best interests of the charity the Trustee/s may be obliged to refuse or return a donation (e.g. where the donation is from an illegal source or has illegal conditions attached, is from a donor with lack of mental capacity or where the donor does not own the donated property); there are some other circumstances which should also mean the benefits and risks of accepting the donation should be weighed to establish whether it is in the best interests of the charity to accept, with the decision making process recorded. Appropriate records must be kept and all decisions should be made in the best interests of the charity.~~

~~15.22~~15.23 Officers involved in generating or receiving voluntary income or undertaking fundraising for charitable Funds must comply with the charity's governing document, the Charities SORP, Charity Commission guidance and Fundraising Regulator guidance, and must have regard to relevant City Corporation policies, ensuring compliance with charity law. Donations will generally be accepted and retained; however, in some circumstances - such as where a donation is from an illegal source, carries unlawful conditions, comes from a donor lacking capacity, or where the donor does not own the property - refusal or return may be required in the best interests of the charity. The benefits and risks of acceptance should be assessed and the decision-making process recorded, with appropriate records kept, and all decisions taken in the best interests of the charity.

~~15.23~~15.24 The recognition of grant and ~~/~~voluntary income, including donated property ~~and property~~, shall be in accordance with the requirements of the current SORP, applying the appropriate criteria for non-exchange transactions in determining when such income is to be recognised. ~~within the accounts of each charity must follow the general rules of recognition, considering the criteria of entitlement, probability and measurement (SORP 5.8).~~

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~~15.24~~15.25 Recipients of such voluntary income or property must be mindful as to whether it can be used for any purpose of the charity or is restricted to a specific purpose, or any unusual conditions that may need to be considered as part of the acceptance process detailed in para 15.22 above. Advice should be obtained from the City Bridge Foundation, Charities Finance Team and the Comptrollers and City Solicitors department where either restrictions are being considered or any other form of agreement is to be entered into with a donor/(s).

~~15.25~~15.26 Acceptance or refusal (disclaimer), of funds or property will require a decision of the City Corporation which must be taken in accordance with the approved corporate governance framework which may require committee approval where the decision is not within the delegated authority of a Chief Officer.

[1] Accepting, refusing and returning donations to your charity - GOV.UK

SECTION 16. PARTNERSHIPS

16.1 When entering into collaborative arrangements, be they partnering, partnership agreements, joint venture arrangements or other forms of sponsorship, each Chief Officer shall undertake an initial due diligence exercise to ascertain which form of collaboration is being proposed. Based on this initial scoping exercise, the relevant collaboration proposal will need a risk management appraisal to ensure that the City Corporation's interests are protected and appropriate financial (including fiscal) and legal advice needs to be sought from both the Chamberlain and the Comptroller and City Solicitor. Chief Officers shall ensure that:

a) Involve Commercial Services where appropriate and necessary select routes to choose an appropriate partner, this is especially important if the partnership could result in a contract.
b) Consult with the Chamberlain to ensure expenditure and income transactions are correctly accounted.
c) An appropriate exit strategy is in place.
d) Where necessary, proposed contractual and other relevant agreements are approved by the appropriate Service Committee, and where the Town Clerk considers necessary, approval is also received by the Finance and/or Policy and Resources Committees, prior to the conclusion of any negotiations with external bodies; and
e) Details of each collaborative arrangement must be forwarded to the Town Clerk for inclusion within a corporate database.

16.2 Within three years of the start of a collaborative arrangement (partnering or partnership agreement or sponsorship agreement as the case may be), each Chief Officer shall ensure that the ongoing costs, benefits and risk management issues are reported to the appropriate Service Committee with reference to applicable corporate objectives and agreed project outputs. Further reporting is to be carried out at intervals of three years for as long as the relevant arrangements remain active.

16.3 Information on the Concession Contracts can be found in the Procurement Code – please see both Part 1 (Rules) and Part 2 (Guidance).

SECTION 17. GRANT-MAKING

17.1 Grants made by the City Corporation are frequently voluntary payments made to further the purposes of a grant-making charity. The City Corporation also makes grants from its private funds (City's Estate). Grants can be made to either fund the general purposes of the recipient or for a specific activity or service. A grant may be unconditional, or subject to conditions which must be met before the recipient is entitled to the payment.

17.2 All grants awarded from charitable funds managed by the City Corporation shall be made in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. This requires the full value of a grant award/commitment to be recorded as expenditure when a constructive obligation exists. Such an obligation exists when the grant-making charity creates a valid expectation on the part of the recipient that the full grant will be paid. Although grants are non-contractual, a liability still arises if the charity has no realistic alternative but to provide the funding. A grant may be made subject to binding terms and conditions under an agreement.

17.3 All grants awarded from non-charitable funds managed by the City Corporation should aspire to follow recommended practice as established within the Charities SORP (unless grants are awarded by the Corporation acting as a local authority, in which case the CIPFA Code of Practice should be followed), with reasons submitted to the appropriate service committee when this practice is not followed. Advice should be taken from the Central Funding and Charity Management Team (CFCMT) if consideration is being given to not following the SORP guidance. All grants should initially be recorded as a balance sheet liability with payment instalments coded to the balance sheet liability account and unpaid amounts recorded as a balance sheet liability.

17.4 Grants managed by CBF and CFCMT are recorded on the Salesforce Grant Management system and key controls include:

a) A grant management manual is maintained and regularly updated by the CBF Funding team, with principles adopted by CFCMT.
b) Delegated authority process for grant approvals, including consideration of conflicts of interest, for each grants programme.
c) Weekly payment reconciliations are performed between Oracle payment reports and Salesforce payment requests.
d) Regular (at least quarterly, monthly for more active grant making programmes) balance sheet and expenditure reconciliations between Oracle and Salesforce.
e) System-generated controls over payment approvals for grant instalments.
f) An assumption that all grants are paid in quarterly instalments over the life of the grant, with documentation and approval required to be recorded on Salesforce for any changes to this arrangement.

17.5 The City Corporation also makes grants from its non-charitable funds to other organisations to undertake works that deliver a corporate outcome, such as capital grant funding to the Museum of London to relocate to the Smithfield Market site. Approval to such funding

requires the authority of the Policy and Resources Committee or Capital Buildings Committee as appropriate.

SECTION 18. SALARIES, WAGES AND PENSIONS

18.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees and pensioners of the City Corporation shall be made by the Chamberlain or under arrangements approved by them.

18.2 Each Chief Officer, or their authorised representatives, shall notify the appropriate HR Business Partner as soon as possible, and in the prescribed form, of all matters affecting the payment of such emoluments. They will then update SAP SuccessFactors~~City People~~ or complete a Pay 2 form as appropriate. In particular, such matters will include:

a) Appointments, resignations, dismissals, suspensions, secondments and transfers.
b) Absences from duty, apart from approved leave, as laid out in the Employee Handbook. Sickness absence should be entered by managers directly onto SAP SuccessFactors~~City People~~.
c) Changes in remuneration and pay awards and agreements of general application.
d) Information necessary to maintain records of service for superannuation, national insurance, income tax, etc.

18.3 All appointments of permanent employees shall be made in accordance with the regulations of the City Corporation and the approved establishments, grades and rates of pay. The creation or re-designation of any post requires prior approval in accordance with the Schemes of Delegation as published by the Town Clerk, for City Corporation Departments and the four City Schools. Any changes to existing or new posts made in line with this regulation must be notified to the appropriate HR Business Unit to be entered on the HR system.

18.4 All pay amendments and time records shall be in a form approved by the Chamberlain's Payroll Manager, this may include emails from Human Resources authorising changes. Changes shall be notified to the Chamberlain's Payroll Manager as they occur.

18.5 All Line Manager's engaging consultants on behalf of the City Corporation are required to complete the HMRC's Employment Status Service tool. The tool must also be used to ascertain the employment status of other off-payroll workers who do not fall under IR35 but should be engaged on a fixed term contract or variable contract due to the nature of the work.

SECTION 19. INVENTORIES

19.1 The Chief Officers shall ensure that inventories of all assets are maintained by their Department. An inventory is a detailed list of assets. "Assets" shall be taken to mean furniture, fittings and equipment, plant, machinery and the City Corporation's treasures. Assets that are being rented or leased on a long-term basis, or such that the responsibilities of stewardship lie with the Department, should also be included in the inventory. Generally, items with a lifespan longer than one year should be included, unless they are already recorded on a formal stock record system.

19.2 The inventory should be in the form of a permanent document. It is important to ensure that the inventory is complete and that all parts of it are kept together. The inventory can be in any media, except index cards.

19.3 The inventory should provide the following information for each item:

a) Location, but if the item is moved between locations, note the general area (a separate record of location may well be necessary).
b) Full description
c) Serial and code numbers, if relevant
d) Date of purchase and cost of acquisition
e) Estimated current replacement value (for insurance purposes), which should be reviewed annually
f) Date of disposal and the proceeds; and
g) The total of all the estimated current replacement values should be shown, so that the information is readily available for insurance purposes.

19.4 Where practical, the inventory should be updated each time there is an acquisition or disposal. This will produce a more accurate record than if all the amendments are done at the end of the year.

19.5 Each Chief Officer is responsible for ensuring that an annual check is carried out of all items on the inventory and for taking action in relation to surpluses and deficiencies. If any discrepancies are found when checking the inventory, these should be followed up until reasons have been found. If the result of these findings is that an item has to be removed from the inventory, then the appropriate authorisation should be sought. If the item concerned is valued at more than £50,000, then Committee approval should be sought for any such write-off in accordance with Financial Regulation 19.6 below. The inventory should then be amended accordingly.

19.6 The disposal of any item of inventory shall comply with the City Corporation's agreed disposals procedures items of inventory with an estimated disposal value in excess of £50,000 must be approved by the appropriate Committee. Where the acquisition of an asset was aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc) then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centre – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific Member approval.

19.7 It is important that at least one copy of the of the inventory is held separately from the assets that it lists, so that if a disaster occurs to the Department or the Guildhall, then all information is protected for insurance purposes, in the event that items need replacement. If provision has been made for a business continuity box, as part of the Corporation's disaster recovery plan, then this would be the ideal location for a copy of the inventory. For inventories that are kept on computer disk, backup copies should be kept in a fireproof cabinet in a separate location to the computer.

19.8 All assets, other than for furniture and equipment, which cost in excess of £5,000 are required to be separately notified to the appropriate registrar for inclusion in the asset register. The Chamberlain, in their statutory capacity as registrar for furniture and equipment, may request inventories to be sent to them at 31st March in any one year.

19.9 The City Corporation's property shall not be removed or used otherwise than in accordance with the ordinary course of the City Corporation's business or purposes except in accordance with specific directions issued by the Chief Officer concerned.

SECTION 20. STOCKS AND STORES

20.1 Each Chief Officer shall be responsible for the proper care and custody of the stocks and stores under the control of their department and shall maintain proper records in such a form and the extent as may be agreed from time to time by the Financial Services Director. This includes any merchandise held for resale.

20.2 Chief Officers shall ensure that a count and valuation and reconciliation of all stocks and stores held in their departments is carried out, either continuously, or on or about the 31st March each year. The Financial Services Director, however, may dispense with this requirement in cases where the value of the items held in store is less than £50,000 in total.

20.3 Checks and reconciliations of all stocks and stores, should wherever possible be undertaken in the presence of a person independent of the keeping of the stores concerned.

20.4 All items of stock, other than PC equipment, found to be surplus are to be disposed of at the best prices available by sale, exchange, internal transfer or scrapped. In respect of PC equipment, this is to be disposed of in accordance with the procedures detailed on the appropriate Intranet page as maintained by Digital Information and Technology Services.

20.5 The return of all goods to suppliers shall be authorised by the appropriate Chief Officer or their authorised representatives. In each instance officers are only to release such goods when they are, certain that the return has been properly authorised, satisfied that the collection company has been previously notified to them, and that they are in receipt of appropriate return note documentation.

SECTION 21. MOTOR VEHICLES

21.1 All departments operating vehicles shall maintain records listing details of all motor vehicles under their control whether owned by, hired by or leased to the City. Each Chief Officer shall ensure that all such information concerning vehicles under their control is supplied to the Executive Director of the Environment who is responsible for maintaining an asset register for City Corporation owned vehicles. The Commissioner of Police shall also maintain a register of his vehicles.

21.2 Chief Officers may acquire and dispose of any vehicle provided they comply with the Procedure for the Purchase and Disposal of City Corporation Vehicles. City Corporation vehicles should be registered on the City's fleet management system, except for City of London Police vehicles. For security reasons the City Police run their own fleet system and their vehicles should be registered with their systems.

21.3 The registration documents of all City Corporation owned vehicles shall be recorded and held in safekeeping in a manner approved by the Financial Services Director.

21.4 Each department hiring or leasing vehicles shall maintain adequate records evidencing the terms of the hire or leasing agreement.

21.5 No vehicle shall be used otherwise than in accordance with the ordinary course of the City Corporation's businesses or purposes without the prior permission of the Chamberlain. Such permission is only to be given in exceptional circumstances upon presentation of a written report providing justification.

21.6 A vehicle trip log shall be kept for all motor vehicles which require a road fund licence. This should show as a minimum the milometer readings at the beginning and end of the trip, the reasons for the trip, and the name of the driver officer in charge of the vehicle during the trip. Chief Officers shall be responsible for ensuring that milometer readings are continuous.

21.7 Where a department has its own fuel pump, comprehensive records shall be maintained of all deliveries and issues.

21.8 The proceeds from the disposal of fleet vehicles previously purchased through a capital project shall accrue to centrally held reserve and may not be used for other purposes such as supplementing local risk budgets.

SECTION 22. ENTERTAINMENT & HOSPITALITY

Hospitality

22.1 Acceptance of gifts or tokens by employees from persons who have, or may seek to have, dealings with the City Corporation are dealt with through the Employee Handbook – Code of Conduct – Hospitality & Gifts.

22.2 All other business expenses (business assets) should be purchased via purchasing cards/petty cash.

Entertainment

22.3 All business entertainment expenses must be incurred in accordance with the City Corporation's Business Travel Policy and Travel and Subsistence Policy which can be found on SharePoint.

SECTION 23. DOCUMENT RETENTION

23.1 There is very little specific legislation that prescribes retention of document periods for financial documents in Local Government. Where specific legislation does apply to specific documents, the minimum retention period has been outlined below., In general, for audit purposes, all original records should be retained for at least 18 months after the end of the financial year to which they relate. For example, a document created on 1 June 2024 should be held until 31 September 2026 as a minimum.

23.2 In addition, the permanent retention of "key records relating to building and engineering works such as surveys, site plans, drawings, bills of quantities, contract documents, including those which relating to major projects which have been abandoned or deferred, deeds, lease documents, insurance policies, inventories, valuations".

23.3 No specific legislation, except that relating to VAT, covers the format in which Local Government records are retained. If a department wishes to consider electronic storage, it should ensure that it complies with the British Standard Code of Practice for Legal Admissibility and Evidential Weight of Information Stored Electronically (PD0008:1999), and the section on Microfilming and Electronic Storage at the end of this section.

23.4 Departmental policy for the retention or destruction of financial records shall be approved by the Chamberlain or his/her designate, subject to the overriding requirements of the Director of London Metropolitan Archives and relevant legal requirements which apply. Details of the minimum periods for which certain records are to be retained, and guidance as to microfilming and the electronic storage of data, are provided below.

23.5 There are legal requirements pertaining to charity financial records retention. In summary for charitable trusts, the City Corporation as the charity trustee is required to keep accounting records that are sufficient to: show and explain all the charity's transactions; and disclose at any time, with reasonable accuracy, the financial position of the charity. These accounting records must contain: (a) entries showing from day-to day – all sums of money received and expended by the charity, and the matters in respect of which such receipt and expenditure takes place (e.g. cash books, invoices and receipts); and (b) a record of the charity's assets and liabilities. These accounting records, together with the accounts and annual reports prepared from them, are to be preserved for at least six years from the end of the financial year in which they are made (refer ss 130, 131 and 134 of the Charities Act 2011). Otherwise, all other records should be retained for the minimum periods as set out below in accordance with corporate standards.

Rates, Community Charge and Council Tax Records

23.6 Apart from archival uses, legal requirements make it necessary to retain details of payments etc. over a six-year period (Limitation Act 1980).

23.7

Record	Relevant Statute	Minimum Period of Retention
Valuation Lists	General Rate Act 1967	Permanently
Valuation Officer's Direction Lists	General Rate Act 1967	Permanently
Primary Rate Records		10 Years
Supporting Documents to Primary Rate Records		6 Years
Bailiff's completed Receipt Book		10 Years
Rating Lists	L.G. Finance Act 1988	Permanently
Schedules to Rating Lists	L.G. Finance Act 1988	Permanently
Community Charge register	L.G. Finance Act 1988	Permanently
Canvass Form		6 Years
Primary Comm. Charge Records		10 Years
Supporting Documents to Primary Community Charge Records		6 Years
Council Tax Valuation Lists	L.G. Finance Act 1992	Permanently
Schedule to Valuation Lists		Permanently
Primary Council Tax Records		10 Years
Supporting Documents to Primary Council Tax Records		6 Years

Housing Rental Records

Record	Relevant Statute	Minimum Period of Retention
Housing Property File / Ledger		6 Years
Housing Primary Rent Collection		6 Years
Records (including rebates and refunds)		6 Years
Other Subsidiary Records		After external audit but a minimum of 18 months after the end of the financial year.

General Income (other than Rates, Community Charge and Council Tax)

In general, once an account has been paid there is no need to keep supporting records after the external audit has taken place, except for VAT income accounting purposes (see below).

Record	Relevant Statute	Minimum Period of Retention
Primary Periodical Income Record		3 Years
Primary debtors record		Currency of record or 6 years, whichever is the longer
Supporting documents to 1 & 2 above		3 Years
Assessment files (dead case)		After external audit but a minimum of 18 months after the financial year
Domestic Help Timesheet		2 years after completion of external audit
Income Returns from Departments		1 years after completion of

		external audit
Completed receipt books & other documents		6 Years (see VAT section)
Cash Register till rolls		6 Years (see VAT section)

Housing Act Advances		
Car Loan Repayments, Private Street Works, Public Health Acts etc - payments by instalments over a period of years		Basic information to be retained 12 months after completion of payment.

All Assessment Records

(for a particular year)

Record	Relevant Statute	Minimum Period of Retention
Including Rent Allowances & General Income		3 Years
Council Tax and Housing Benefits	Limitation Act 1980	6 Years
Community Charge Benefits	Limitation Act 1980	6 Years

Expenditure Records

Record	Relevant Statute	Minimum Period of Retention
Register of Tenders & Quotations		Currency of records, or 6 years for dead cases
Contract Documents (where contract is under seal)	Limitation Act 1980	12 Years
Contract Documents (where contract is not under seal)	Limitation Act 1980	6 Years
Unsuccessful quotations & tenders		A minimum of 12 months after the start of the contract
Contract Register		Indefinitely
Contractors' Final Account Documents	Limitation Act 1980	12 Years
Requisitions for supplies / works		After external audit but a minimum of 18 months after the end of the financial year
Official Copy Orders		6 Years (see VAT section)
Delivery Notes		6 Years (see VAT section)
Periodical Payments Register (dead cases)		3 Years
Paid Accounts / Purchase Invoices		6 Years
Paid Cheques including Giro cheques (presented)		After external audit but a minimum of 18 months after the end of the financial year
Costing Documents		
Stores prime records		

Haulage prime records		After external audit but a minimum of 18 months after the end of the financial year
Postage returns		After external audit but a minimum of 18 months after the end of the financial year
Inter-departmental account transfer		End of the financial year
Petty cash voucher		6 years
Detailed expenditure tabulations (final tabulations)		6 years
Year-end costing and financial tabulations		3 years
Rechargeable work job orders		3 years

PAYROLL

Record	Relevant Statute	Minimum Period of Retention
Timesheets including Bonus Sheet Car Allowance claims		After external audit but a minimum of 18 months after the end of the financial year
Other staff returns (e.g. overtime allowances)		After external audit but a minimum of 18 months after the end of the financial year
Payrolls (in whatever final form)		3 Years
P11 & P35 returns		3 Years
Individual pensioners files		Currency of record, 12 months after case has been cleared after death
Pensions payroll		3 Years
Superannuation		
Register of Contributors and Contributions	Local Government Superannuation Act	Indefinitely
Transfer Value documents		Indefinitely
Register of Pensioners		Indefinitely
Quinquennial Valuations - all papers and records		Indefinitely
Half-Year tabulations of employees superannuable pay and contributions		6 Years

OTHER ACCOUNTING RECORDS

General Accounting Records	Relevant Statute	Minimum Period of Retention
Bank Pass-Book sheets		7 Years
Receivership Records		7 Years
Cashier's Collection & Deposit Book		7 Years
Cashier's Petty Cash		7 Years
Imprest Account		7 Years
Post-dated cheques register		7 Years
RD Cheques register		7 Years
Cheques (blank) register		7 Years
Unpaid wages book		7 Years
Deceased Persons Effects Register		Indefinitely
Records of patient's property handed in for safe custody and property held under Section 48 National Assistance Act 1948		6 Years after the end of the financial year in which the property was disposed

Investment Records	Relevant Statute	Minimum Period of Retention
Register of holdings		Indefinitely
Bought and sales notes when holdings disconnected	Limitation Act 1980	6 Years

Loan Records	Relevant Statute	Minimum Period of Retention
Register of Bonds / Mortgages		Indefinitely
Copy Bond Certificates		6 Years after redemption of bond
Temporary Loans Register	Limitation Act 1980	After external audit but a minimum of 18 months after the end of the financial year

Insurance Records	Relevant Statute	Minimum Period of Retention
Register of Insurances		Indefinitely
Insurance Policies (discontinued)		Indefinitely

Financial Administration Records	Relevant Statute	Minimum Period of Retention
Controlled stationery register		Indefinitely

VAT RECORDS

All records relating to VAT (detailed below) VAT Act 1994: **6 Years**

Type of Record	Detail
Business and accounting records	Orders and delivery notes Relevant Business correspondence Purchase and sales books Cash and other accounts books Purchase invoices and copy sales invoices Record of daily takings e.g. till rolls Annual Accounts Import and export documents Bank Statements and paying in slips A VAT account Any Credit or debit notes issued or received
A VAT Account	An account summarising the totals of the output tax and input tax for each period.
Copies of all VAT invoices issued	A copy of all VAT invoices must be retained either on paper, computer or other media and should be readily available for inspection.
All VAT invoices received	A copy of all VAT invoices must be retained either on paper, or computer or other media and should be readily available for inspection.
Documentation relating to acquisition of goods from other EU countries	All documents must be retained either on paper, computer or other media and be readily available for inspection
Copy documentation relating to the transfer, dispatch or transportation of goods to or from EU countries.	All documents must be retained either on paper, computer or other media and be readily available for inspection, including documentary evidence of any goods leaving the UK.
Documents relating to imports and exports.	All documents must be retained either on paper, computer or other media and be readily available for inspection, including documentary evidence of any goods leaving the UK.
All credit notes, debit notes or other documents which evidence an increase or decrease in consideration that are received and copies of all such documents that are issued.	A copy of all credit notes, debit notes or other documents must be retained either on paper, computer or other media and should be readily available for inspection.
Any documents or certificates supporting special VAT treatment such as relief on supplies to visiting forces or zero-rating by certificate.	A copy of all documents or certificates must be retained either on paper, computer or other media and should be readily available for inspection.
Additional records as required by HMRC such as copies of self-billing invoice agreements.	Any other additional records must be retained either on paper, computer or other media and should be readily available for inspection.

Microfilming & Electronic Storage of Documents

23.8 Subject to normal audit procedures for microfilming of documents, the following points are relevant to retention of documents.

23.9 Sections 37 and 39 of the GLC (General Powers) Act 1969 empower the City of London Corporation to make microfilm records of their documents which, notwithstanding that the document may have been destroyed are receivable in evidence, if properly verified, in Court proceedings.

23.10 Any documents to be electronically scanned or microfilmed, for VAT purposes, must first be reported to the Chamberlain's Corporate Treasurer who will seek the permission of HMRC.

23.11 Any documents which have been microfilmed may, subject to the conditions set out in Sections 23.12 below, be destroyed after formal closure of the audit for a financial year by the external auditor. In certain situations, the audit may remain open for a longer period of time. If an audit remains open the authorities must seek approval of the external auditors for the disposal for any documents.

23.12 Instances when documents should be retained:

a) Records deposited under Section 4 of the Public Records Act 1958 are to be retained permanently.
b) Records deposited or acquired under Section 5 of the City of London (Various Powers) Act 1962 and Section 2 of the Local Government (Records) Act 1962, as amended by the London Government Act of 1963 and any relevant later Acts.
c) Documents which are or may be value for administrative, historical, sociological or research purposes should be retained.
d) Before documents are destroyed it is recommended that an Archivist be consulted for advice:
   - On the retention on a selective or sampling basis (say 1% to 2%) of a typical set of papers.
   - When doubts exist on documents which should be preserved as having an historical value not only because of their age, but the fact that current documents may from their content or nature have an historical value.
   - On the retention of microfilm after its use for administrative purposes has ceased or at the end of any statutory period for which it is required.

23.13 In general, any microfilm intended to be preserved should be original film and not a diazo copy. References to microfilm are equally applicable to microfiche.

SECTION 24. VERIFICATION OF CONTRACTORS AND CONSULTANTS FINAL ACCOUNTS

Verification of Contractors' and Consultants' Final Accounts

24.1 The verification procedures set out in (a) and (b) below will apply to final accounts for works contracts. In this context, references to risks relate to the matrix set out in the P3 Policy Framework~~Project Procedure~~:

a) All Final accounts which exceed £50,000 in value will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,

b) In addition, final accounts of £2,000,000 and above will also be subject to final account verification by the Chamberlain's Financial Services Division (FSD) or the City Bridge Foundation Financial Director (for CBF projects) where (i) the value is £2,000,000 to £10,000,000 and the overall risk of the project has been assessed at some point as "Medium" or "High", and (ii) the value exceeds £10,000,000 regardless of the risk assessment.

24.2 All final account documentation is to be made available before or with the submission of the final account, which is itself to be prepared in accordance with the contract conditions (e.g. within 3 or 6 months of practical completion) and immediately submitted for verification by the City of London. Where the final account has not been verified as correct in accordance with clauses (a) and/or (b) the Final Payment Certificate/Invoice is not to be paid prior to approval of an outcome report (Gateway 6 report as set out in the P3 Policy Framework~~Project Procedure~~) which informs Members of the position of the Final Account Verification.

24.3 The verification procedures set out in (a) and (b) below will apply to final fee accounts for consultants that exceed £50,000 in value. In this context, references to risks relate to the matrix set out in the P3 Policy Framework~~Project Procedure~~:

a) Fee accounts associated with works contracts will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,

b) Fee accounts shall also be submitted for verification by the FSD where the associated works contract final account requires verification by the FSD in accordance with the above regulations.

24.4 Where a consultant's remit includes preparation of final account documentation for the works contract, they shall not submit their final fee account for payment until the works contract final account has been verified as correct in accordance with clauses (a) and/or (b) above. A clause to this effect should have been inserted in the fee agreement.

Submission of Final Accounts to the Chamberlain's Financial Services Division for Verification

24.5 Project Management and Technical staff shall either prepare final accounts, or ensure that this is done by our consultant(s) and contractor(s) for all works contracts, in accordance with the time scales stipulated in the contract conditions, and then make this information available in either digital or hard copy format to the appropriate Financial Services Head of Finance along with relevant supporting documentation in the form of Contract Instructions, Variation Orders, Site Meeting Minutes, Practical Completion Certificates, Extension of Time Certificates, Payment Certificates, Invoices, Day-Work Sheets, Priced Bills of Quantities, Specifications, etc.

24.6 Project Management and Technical staff shall prepare final fee accounts for all consultancy appointments, in accordance with the time scales stipulated in the contract conditions and then make this information available in either digital or hard copy format to the appropriate Financial Services Head of Finance or CBF Head of Finance along with relevant supporting documentation.

24.7 When all the applicable documentation is available the "Originating" Officer in the technical department should email that the final account is ready for verification to the appropriate Financial Services Head of Finance. This is the Head of Finance who heads the unit responsible for providing financial support services to the client department for the project in question. For works contracts, attached to this email should be a completed copy of the Contractor's Final Account checklist form. This email should be copied to the Town Clerk's Corporate Programme Team and to the CBF Chief Operating Officer for CBF schemes, for information.

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City of London Corporation Committee Report

Committee(s): Finance Committee – For information	**Dated:** 2 June 2026
Subject: Chamberlain's Departmental Risk Management Update	**Public report:** For Information
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties**	Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	Caroline Al-Beyerty, Chamberlain
Report author:	Leah Woodlock, Chamberlain's Department

Summary

The Finance Committee is updated monthly on the financial corporate and departmental risks documented by the Chamberlain's department. As at June 2026, there are **two** RED-rated risks listed on the Corporate Risk Register. Significant work is underway to mitigate the realisation of these two risks and all red and amber rated risks within the gift of the Chamberlain's Department. The risk score for all corporate risks have remained unchanged since the previous update.

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

Recommendation

Members are asked to:

- Note the report

Main Report

Background

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

2. The Digital Information Technology Service (DITS) as a part of the Chamberlain's Department risks are reported to the Digital Services Committee for oversight. The Commercial, Change and Portfolio Delivery (CCPD) as a part of the Chamberlain's Department risks are reported to the Projects and Procurement Sub-Committee for oversight.

Current Position

3. The Chamberlain's department has two major financial RED Corporate Risks, which are regularly reviewed, with multiple mitigation measures in place to prevent them or future risks. Significant analysis on spend has been undertaken throughout April and May for both funds.

4. The risk score for CR35 **Unsustainable Medium-Term Finances – City Fund (current score RED 16)** remains unchanged. The score reflecting ongoing geopolitical decisions becoming a structural economic driver – i.e. impacting inflation and demand, plus the decision on Fair Funding Formula being based on deprivation of needs. Although Government has recognised the updated formula is based on residents and does not consider the national and pan-London services plus the daily commuter populations. The City Corporation has received transitional relief over the three-year period as part of a bespoke funding arrangement. However, core funding has reduced by over £60m and discussions are ongoing with central government. Until the position is clarified, there is tremendous fiscal uncertainty, and the need to deliver sustainable savings and income to maintain a balanced City Fund budget.

5. Mitigations continue through the Medium-Term Financial Plan and associated funding strategy. Work is also progressing to strengthen financial grip and delivery of savings: pressures and mitigations are being tracked more granularly within budget monitoring reports, the draft savings timetable and approach has been reset for 2026/27 with a proactive pipeline for 2027/28 through to 2029/30, and governance has been reinforced through the Chief Executive, Town Clerk's Senior Leadership Team with the support of the Officer Future Planning Forum (Chief Officer's direct reports) and a new Savings Assurance Board to monitor and enable delivery of identified savings – with a regular progress update to Resource Allocation Sub Committee.

6. **CR42 Housing Revenue Account (HRA) Finances (current score RED 16)**. The score reflects inflation, additional spend and resources required to ensure compliance requirements are met, substantial improvement works required on existing stock, and delays in new units affecting income. Mitigation includes fortnightly monitoring of capital schemes and repair costs, plus continuous review of exceptional financial support, including capitalising expenses where appropriate. Current actions involve working with MHCLG and CIPFA to address funding, implementing the revised 10-year HRA plan, and exploring long-term sustainability.

7. Full details of all Chamberlain's corporate and departmental risks can be found in appendix 1.

Strategic implications –

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

Resource implications – Not applicable

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

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

Equalities implications – Not applicable

Climate implications – Not applicable

Security implications – Not applicable

Conclusion

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 – Chamberlain's Departmental Risk Register

Background Papers

Chamberlain's Departmental Risk Management Update Reports

Leah Woodlock
Chamberlain's Project Manager
Chamberlain's Department
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CHB Finance Committee risks - detailed report

Generated on: 12 May 2026

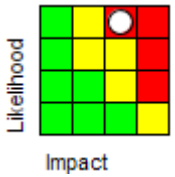
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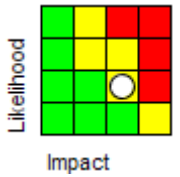
Risk Level Description Corporate

Code	CR35	**Title**	Unsustainable Medium Term Finances - City Fund

Description	**Causes:** • Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Further exacerbated by geopolitical decisions, becoming a structural economic driver. • Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. • The Government's Fair Funding settlement from 26/27 has significant impacts for the City Corporation. The updated formula has a foundation on residents and does not consider the national and pan-London services plus the daily commuter populations and the costs affiliated with this. The City Corporation has received transitional relief over the three-year period as part of a bespoke funding arrangement. However, core funding has reduced by over £60m and discussions are ongoing with central government. Until the position is clarified, there is tremendous fiscal uncertainty. **Event:** The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit. **Effect:** Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community.

	Challenges in executing the capital program and major projects within affordable limits.

Current Risk Assessment, Score & Trend Comparison		16	–	Constant
Likelihood	Likely	**Impact**		Major
Risk Score	16	**Review Date**		26-Mar-2026

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

Latest Note	The City Fund Medium-Term Financial Plan (MTFP) maintains its focus on addressing a structural funding gap, which arises from the City's responsibilities across pan-London, national commitments, and the daytime population – not covered by the local government settlement from 2029/30. This gap is further impacted by increased demand, inflationary pressures, and constrained growth within core funding streams. Delivery of the savings programme remains critical but carries ongoing risk in terms of achievability and timing of benefits. The latest forecast of the City Fund medium-term financial plan approved by Court of Common Council in March 2026includes: • Use of transitional funding to support National, pan-London and daytime population • Strategic approaches outlined on how to effectively assist the national, pan-London, and daytime populations pressures. • Increase in Business Rates Premium to partly mitigate the daytime population pressures • Savings needed over the medium-term financial plan and thereafter • Securing income generation opportunities. • Contingencies held centrally for unexpected spend - from 2025/26 underspends to be carried forward, subject to approval from the Chamberlain in consultation with the Chair and Deputy Chair of Resource Allocation Sub Committee. • Additional funding for the HRA capital programme and Exceptional Financial Support • The external funding strategy aims to support the City's operational property renovations, thereby reducing the need for asset disposal and minimising the loss of rental income. • Reprofiling of cyclical works programme and capital programmes The position is still vulnerable to changes in external funding arrangements, such as future business rates reset and Fair Funding. Ongoing dependence on transitional relief and reserve utilisation offers only temporary mitigation and does not constitute a long-term, sustainable approach.

Risk Level	Corporate	**Department**	Chamberlain’s

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

Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR35a Impact of inflation	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme • Use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.3% in the 12 months to March 2026, up from 3.0% in the 12 months to February (source Office for National Statistics). Identifying areas that are forecasting to exceed budget envelope due to inflation increases. These pressures and mitigations are now tracked in greater detail for better reporting.	12-May-2026	Iain Jenkins	31-Mar-2027
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	Major projects are reported monthly to the Chamberlain's Assurance Board, with updates to the Portfolio Board led by the Town Clerk/Chief Executive. Regular reports also go to the Capital Buildings Board, Finance Committee, and Policy and Resources Committee. All projects are currently forecast to be completed within budget, though there remain several risks (i.e. cost increases within Salisbury Square Development / Future Police Estate Programme; fundraising for the Barbican; cashflow financing and fundraising for the Museum of London), which will continue to be reviewed monthly.	12-May-2026	Sonia Virdee David Abbott	31-Mar-2029

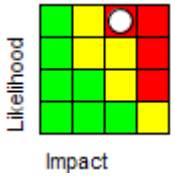
CR35f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)	Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. A savings timetable and approach have been reset for 2026/27 to ensure in-year savings are delivered. With also a proactive approach to identifying and delivering savings during 2027/28 to 2029/30.	12-May-2026	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Jan-2027
CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	An Officer Financial Planning Forum has been stood up to codesign the financial and business planning approach, standards and framework. A Chief Officer Savings Assurance Board has been established to monitor and enable the identified savings, it currently meets fortnightly. Saving proposals will be taken to P&R away day and subsequently tracked by Resource Allocation Sub Committee.	12-May-2026	Sonia Virdee; Genine Whitehorne	31-Mar-2027
CR35q Income Generation	Develop income generation opportunities	Income Generation schemes are being explored, these include but not limited to events, advertising and sponsorship, filming, retail opportunities and fees and charges. The Member led Income Generation Working Party will continue into 2026/27 and the role is to continue to recommend direction, keep momentum and prioritisation on income generation opportunities.	12-May-2026	Genine Whitehorne	31-Mar-2027
CR35r Mitigate the impact Local Government Settlement	Engage with MHCLG on transitional funding	The Local Government Settlement - Fair Funding 2.0, three-year settlement, is based on deprivation of needs and Business Rate reset in April 2026. Due to the distinctive nature of the City Corporation, the Government has approved transitional relief for a period of three years as part of a customised funding agreement, which will be reviewed annually. In addition, the Secretary of State is removing the council tax referendum threshold for the City and 5 other Local Authorities in 27/28 and 28/29. The 5% remains in place for 26/27. Whilst council tax is a local decision, core grant will assume that we levy above the 5% during 27/28 and 28/29. Currently, at the end of the transitional relief, Government are not supporting the national, pan-London and daytime population services.	12-May-2026	Sonia Virdee	30-Sep-2026

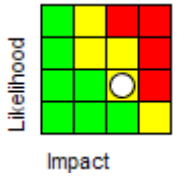
		Members have approved the extension of the scope of the Business Rate Premium to use for daytime population services (from 1st April), £12.6m contributed with a funding gap of c£9m p.a. A Fair Funding Workstream has been established, with initial activities reviewing the type and audience of expenditure.			
CR35s Mitigate the impact of the Police Reform	Develop a working party and a response to the announcement of the Police Reform	Terms of reference have been agreed for the forces review. Funding will be reviewed separately (following the outcome of the forces review).	30-Mar-2026	Alistair Cook	30-Jun-2026
CR35t Barbican Centre – 10 year business plan	Delivering the 10-year business plan	The 10-year plan is in development and will be presented to the Barbican Centre Board in the spring for approval. The Efficiency and Performance Review Group will be presented the draft 10-year plan for review and scrutiny.	12-May-2026	Abigail Pogson, Sarah Wall	31-Mar-2029
CR35u City Fund structural funding shortfall	Establishing a new budget setting framework to address the structural funding shortfall from the local government funding formula	A new framework was presented to Finance Committee in April to establish the process in addressing the structural funding deficit within City Fund when transitional funding arrangements come to an end. Alongside this, discussions with government around the future funding of services not captured within the funding formula are ongoing. A draft approach has been established along with an associated timeline.	12-May-2026	Sonia Virdee, Genine Whitehorne	16-July-2026

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

Description	**Cause:** The Housing Revenue Account is not self-financing and is unable to deliver its statutory duties. Current known cost pressures include: • Ongoing delays in building statutory new homes are causing delays to income streams and increased costs. • Resourcing for health and safety to ensure meeting of compliance requirements. • Substantial improvement works required on existing stock. • Existing funding streams are constrained, with reliance on temporary or uncertain sources such as National Insurance grant allocations, external grants, and re-prioritisation decisions regarding City Fund Capital Reserves

	• Delays to new units reducing rental income at the same time **Event:** Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties. **Effect:** Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.

Current Risk Assessment, Score & Trend Comparison		16		Constant
Likelihood	Likely	**Impact**		Major
Risk Score	16	**Review Date**		30-Mar-2026

Target Risk Assessment & Score		**8**	
Likelihood	Unlikely	**Impact**	Major
Risk Score	8	**Target Date**	30-Mar-2027

Latest Note	Court of Common Council has approved an uplift of £152m (including optimism bias) to the major improvement works programme, ensuring that corporate ambitions around housing can be met. Officers from Chamberlain's, Surveyors and housing meet regularly to ensure that schemes for new unit delivery are on track for delivery and ensure that units are tenanted as soon as possible. Exceptional Financial Support (EFS) secured – Capital direction 2026/27 (need support for the next 4 years). This needs to be applied for each year. Regulator of Social Housing report – C3 grading (C3 Consumer Standard grading, identifying serious failings in meeting required consumer outcomes). Need to prioritise future programme of works in 2026/27, apply for a revised EFS for 2026/27. Failure to bring on the new units – such as Sydenham Hill and Black Raven Court.

Risk Level	Corporate	**Department**	Chamberlain's
Creation Date	16-Oct-2023	**Risk Owner**	Mark Jarvis; Sonia Virdee
Approach	Reduce	**Risk Administrator**	Leah Woodlock

Head of Profession 1	Financial Services	**Risk assigned to**	Chamberlain
Head of Profession 2	Estates & Facilities	**Committee**	Finance Committee
Head of Profession 3	n.a	**Parent Risk**	CR Corporate Risk Register

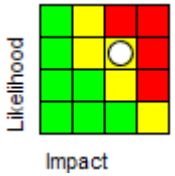
Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR42a Capital Schemes Monitoring	Close monitoring of capital schemes is required during 2026/27, update to be provided in regular reporting of capital forecasts.	The 10-year capital forecasts are being updated and will be reviewed in July at the Efficiency and Performance Review Group	12-May-2026	Mark Jarvis	31-Mar-2027
CR42b Repairs & maintenance	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	An external review of the HRA's efficiencies, is being scoped out by Minister of Housing, Communities and Local Government (MHCLG) to be carried out by CIPFA during this financial year.	12-May-2026	Mark Jarvis	31-Mar-2027
CR42c MHCLG Engagement	Engagement with government departments (e.g., MHCLG) and other stakeholders to discuss challenges and options.	Many other London Boroughs also have very fragile HRAs and we are working with local government colleagues as well as MHCLG and Treasury on wider solutions to current challenges. An agreement has been reached for EFS support of £2.6m for 2026/27.	12-May-2026	Mark Jarvis	31-Mar-2027
CR42d Grant Funding & Capitalisations	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs. Ensuring appropriate expenditure is fully capitalised.	Review of spend, including failure to bring on the new units – such as Sydenham Hill and Black Raven Court is ongoing. A backward look and 10 year forecast will be reviewed by the Efficiency and Performance Review Group in July.	12-May-2026	Mark Jarvis	31-Mar-2027

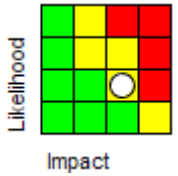
CR42e Ensuring a long term sustainable social housing provision	Review options to improve long term sustainability, including partnering with third parties	We will be exploring options in the first two quarters of FY 2026, once we have solution to the more immediate risks. Part of work with external consultants CIPFA.	12-May-2026	Mark Jarvis	30-Jun-2027

Code	CR33	Title	Project portfolio strategic impact and/or financial value

Description	**Cause:** The City of London Corporation is committed to delivering a diverse and ambitious portfolio of projects spanning both capital and revenue projects. As part of strengthening governance and delivery oversight, the Corporation has introduced a new P3 (Projects, Programmes and Portfolio) Framework in autumn 2025. The successful adoption of this framework is critical along with the development and appropriate utilisation of a strategic prioritisation tool to support consistent decision-making and alignment with corporate priorities. If the framework and its associated tools are not successfully embedded and adopted, it may result in fragmented governance, unclear accountability, and inability to deliver projects and programmes and achieve strategic intent. **Event:** Inadequate portfolio-level control and weak adherence to corporate prioritisation mechanisms result in consistent delays to project progression, evidently inconsistent delivery, and fragmented governance. Financial implications emerge from deferred starts and prolonged maintenance obligations, whilst increasing the risk of reputational damage due to perceived inefficiency and lack of transparency. **Effect:** The realisation of this risk would significantly undermine the Corporation's ability to deliver its strategic priorities and realise intended benefits across both capital and non-capital programmes. Delays or abandonment of pipelined and future initiatives would weaken organisational momentum and credibility, while repeated slippages and inconsistent oversight could erode trust among key stakeholders, including government partners and the wider public. Financially, deferred project starts, and prolonged maintenance obligations would increase revenue expenditure, placing additional pressure on the Medium-Term Financial Plan (MTFP). The lack of effective governance and transparency would reduce assurance over programme performance, hinder informed decision-making, and compromise the Corporation's ability to respond with agility to emerging needs and opportunities. Collectively, these impacts would diminish the Corporation's reputation, operational efficiency, and long-term sustainability

Current Risk Assessment, Score & Trend Comparison		12	–	Constant

Likelihood	Possible	Impact	Major
Risk Score	12	Review Date	23-Mar-2026

Target Risk Assessment & Score		8	

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

Latest Note	Following the successful launch of the P3 policy framework in November 2025, work has focussed on embedding the framework and introducing new Gateway processes, templates, and guidance; continuous data cleansing/validation exercises of the project portfolio have been undertaken to enhance reporting accuracy; and development of the new Project Management Academy (P3 Development Hub) is underway following the award to a preferred supplier.

	Planning work is being undertaken to implement the finance module for Cora, alongside work to integrate with Programme Sapphire (SAP finance elements); as well as to introduce the next stage of portfolio management implementation through introduction of benefits management and full business case development during 2026/27. This risk will be taken to the Chief Officer Risk Management Group for consideration to regrading to a departmental risk.

Risk Level	Corporate	**Department**	Chamberlain's
Creation Date	14-Feb-2020	**Risk Owner**	Genine Whitehorne
Approach	Reduce	**Risk Administrator**	Olivia Plunkett; Jess Roberts; Tabitha Swann; Genine Whitehorne; Leah Woodlock; Thomas Wrench
Head of Profession 1	Financial Services	**Risk assigned to**	Nadhim Ahmed
Head of Profession 2	Commercial	**Committee**	Finance Committee
Head of Profession 3	Programme Management	**Parent Risk**	CR Corporate Risk Register

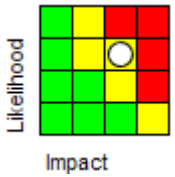
Actions related to this risk:

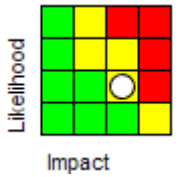
Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR33j Project Management Academy	Refresh the Project Management Academy	A supplier has been awarded a contract to develop e-learning material and face to face modules. Work is underway with the supplier to develop course module materials. The suite of e-learning and face to face modules will be launched in Summer under the banner of the P3 Development Hub. Internal training is available for all staff on the P3 Framework and the Cora Project Management system.	30-Apr-2026	Nadhim Ahmed	30-Sep-2026
CR33l Cashflow and Forecast Monitoring	Monitor the high-level cashflow/forecast monthly	As part of the P3 framework, the Chamberlain's Assurance Board has been established to review the financial dashboards and forecasts for the Major Programmes and the wider portfolio, with guidance provided to the Portfolio Board. Quarterly monitoring/reporting will continue going forwards to the Investment Committee. The achievement of property sales on time, as well as drawdown from financial investments, is necessary to fund cash outflows. This is a key risk that will continue to be monitored.	30-Apr-2026	David Abbott	31-Mar-2029

CR33m Secure Third-Party Funding	Secure Third-Party Funding	A project update report is prepared for information to the Finance Committee, Capital Buildings Board and Policy & Resources Committee on a regular basis. This will continue throughout the lifespan of the Major Programmes. In addition, Court of Common Council approved in March 2026 – proposals for external funding to support the City Fund's operational property renovations, thereby reducing the need for asset disposal and minimising the loss of rental income.	30-Apr-2026	Sonia Virdee; Paul Wilkinson	31-Mar-2029
CR33o P3 compliance monitoring	A suite of key performance indicators (KPIs) are in development to complement portfolio reporting. This will eventually be used to assess P3 compliance at officer portfolio boards and at Projects and Procurement Sub-Committee (PPsC).	Engagement with HR colleagues is planned to incorporate compliance objectives with the P3 policy framework as part of the annual performance management cycle. Initial focus will be on the objective setting process as part of the new performance management cycle for 2026/27.	30-Apr-2026	Genine Whitehorne	31-Mar-2029
CR33p P3 performance management objectives	Embedding P3 accountabilities and responsibilities in performance management objectives	A suite of key performance indicators (KPIs) are in development to complement portfolio reporting. This will eventually be used to assess P3 compliance at officer portfolio boards and at Projects and Procurement Sub-Committee (PPsC).	30-Apr-2026	Genine Whitehorne	31-Mar-2029

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

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

Current Risk Assessment, Score & Trend Comparison		12		Constant
Likelihood	Possible	**Impact**		Major
Risk Score	12	**Review Date**		23-Mar-2026

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

Latest Note	The City's Estate, 5-year financial plan remains exposed to income volatility, particularly in relation to investment and property returns, alongside ongoing inflationary cost pressures. Whilst regular revenue activities are nearly balanced, when factoring in major project financing, cyclical works programme, business as usual capital programmes and exceptional items a medium-term funding gap persists - requiring additional drawdowns to support annual budgets throughout the 5-year financial plan and beyond. The five-year financial plan includes: • Contingencies held centrally for unexpected spend - from 2025/26 underspends to be carried forward, subject to approval from the Chamberlain in consultation with the Chair and Deputy Chair of Resource Allocation Sub Committee. • Securing income generation opportunities. • Reprofiling of cyclical works programmes and capital programmes. • Reduction in grant to City Fund for the Courts build at Salisbury Square Development – replaced with external funding secured under City Fund.

	• Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy Sustainability is dependent on what is an acceptable drawdown and investment performance, with any underperformance likely to necessitate compensating savings or reductions in discretionary expenditure. A report will be brought back to Finance Committee in July recommending an approach to sustainability, including what is an acceptable drawdown on assets and future savings target under City's Estate.

Risk Level	Corporate	**Department**	Chamberlain's
Creation Date	31-Oct-2022	**Risk Owner**	Caroline Al-Beyerty
Approach	Reduce	**Risk Administrator**	Leah Woodlock
Head of Profession 1	Financial Services	**Risk assigned to**	Sonia Virdee
Head of Profession 2		**Committee**	Finance Committee
Head of Profession 3		**Parent Risk**	CR Corporate Risk Register

Actions related to this risk:

Ref No:	Action Description	Latest Note	Latest Note Date	Action Owner	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme • Monitor the use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.3% in the 12 months to March 2026, up from 3.0% in the 12 months to February (source Office for National Statistics).	12-May-2026	Sonia Virdee	31-Mar-2027
CR38e A reduction in key income streams and increase in bad Debt	Monitoring key income streams • i.e. rental income from the property investment portfolio.	This is being monitored monthly, with action being taken within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored.	12-May-2026	Sonia Virdee; Genine Whitehorne	31-Mar-2027

		Benchmarking exercises are currently being undertaken to provide a market comparison. The Member led Income Generation working party continues into 2026/27.			
CR38f Achievement of current Savings Programme	Delivering the current savings programme and securing permanent year-on-year savings.	Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year. A savings timetable and approach have been reset for 2026/27 to ensure in-year savings are delivered. With also a proactive approach to identifying and delivering savings in 202728 and 2028/29. The new approach to savings will be required and will be presented to Resource Allocation Sub Committee for endorsement, following steer at Policy and Resources away day in July. In addition, a report will be brought back to Finance Committee in July recommending an approach to sustainability, including what is an acceptable drawdown on assets and future savings target under City's Estate.	12-May-2026	Sonia Virdee	31-Jan-2027
CR38g Major Projects Financial Envelope	Remain within the financial envelopes approved for major projects.	The only major project remaining within City Estate is the Museum of London Landlord Works, which is nearing completion, as well as the funding contribution towards Salisbury Square Development – with funding contributions reduced by c£40m. As per City Fund, projects are routinely reviewed by the Chamberlain's Assurance Board, and reported to Finance Committee, Capital Buildings Board, and Policy & Resources Committee.	12-May-2026	Sonia Virdee	31-Mar-2029
CR38i Charities Review (Natural Environment)	Undertake the Charities Review (Natural Environment)	Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the City of London Corporation. All NE Charities have now moved to a Grant Funding Model for local risk only (i.e. costs that are controllable by the charities) with further work planned to address the remaining expenditure – i.e. capital programmes. Key committees have endorsed the plan, with oversight and contingency funding arrangements in place to support the transition. A comprehensive framework document outlines the procedures, guidelines, and monitoring	12-May-2026	Emily Brennan; Marguerite Jenkins; Sonia Virdee	31-Mar-2027

		requirements for the funding model, ensuring clarity and consistency throughout the implementation process.			
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	The requirements for the revised approach to savings was discussed at Efficiency & Performance Review Group. An Officer Financial Planning Forum has been stood up to codesign the financial and business planning approach, standards and framework. For City's Estate, a proposed framework in relation to the annual drawdown (deficit) v the net asset position is to be used as a guide to determine the level of reductions required. An update is going to Finance Committee in July setting this out.	12-May-2026	Sonia Virdee; Genine Whitehorne	31-Jan-2027
CR38k Income Generation	Development of income generation opportunities.	Income Generation schemes are being explored, these include but not limited to events, advertising and sponsorship, filming, retail opportunities and fees and charges. A Member led Income Generation Working Party has been established to recommend direction, momentum and prioritisation on income generation opportunities.	30-Mar-2026	Genine Whitehorne	31-Mar-2029
CR38l GSMD – 5-year sustainable model	Delivery of the Guildhall School of Music & Drama (GSMD) 5 year plan	Delivery of the GSMD 5-year plan is progressing as intended, demonstrating strengthened financial grip, improved planning discipline and sustained focus on long-term sustainability.	30-Mar-2026	Natasha Mitchell	31-Mar-2029

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