

City Fund Overview

Summary statement

2016-2017



The City of London Corporation's summary statement of where it spent its City Fund income over the past year.



The City of London Corporation has three main areas of work:

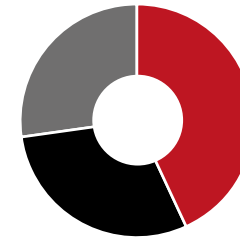
- supporting and promoting the business City;
- providing modern, efficient and high quality local and policing services for our communities; and
- supplying valued services to London and the nation.

City Fund covers the City Corporation's activities in its capacity as a local authority, police authority and port health authority. It is made up of business rates, council tax, various government grants and income from our own investments. When the business rates retained by the City Corporation are added to other general grants receivable from government, the total funding from government equates to only a small percentage of the total business rates collected by the City Corporation.

The figures in this summary have been drawn from the 2016-2017 audited financial statements modified for clarity and brevity. A full copy of the audited Accounts 2016-2017 can be found on the City Corporation's website at www.cityoflondon.gov.uk/budgetsandspending

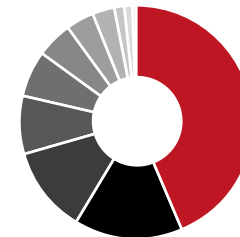
As ever, your feedback is important. If you'd like more information on any activities please let us know – our contact details are on the last page.

Annual income* - where the money came from



General government grants	£76m	43.2%
Local taxation (council tax and non-domestic rates premium)	£52.4m	29.8%
Investment income and interest earnings	£47.4m	27%
Total	£175.8m	100%

Annual expenditure* - what the money was spent on



Police	£68m	44.9%
Barbican Centre	£23.5m	15.5%
Culture, Heritage & Libraries	£18.5m	12.2%
Community & Childrens Services	£12.5m	8.3%
Port Health & Environmental Services	£9.9m	6.5%
Finance	£7.6m	5.0%
Planning & Transportation	£6.3m	4.2%
Policy & Resources	£4.7m	3.1%
Barbican Residential	(£1.9m)	(1.3%)
Open Spaces & City Gardens	£1.7m	1.1%
Property Investment Board	£0.7m	0.5%
Total	£151.5m	100%

Figures in brackets represent net income

*1 April 2016– 31 March 2017

Financial summaries

Services provided

	2016/17		2015/16	
	Expenditure £m	Income £m	Net expenditure/ (income) £m	Net expenditure/ (income) £m
Police	126.9	(58.9)	68.0	62.8
Barbican Centre	48.6	(25.1)	23.5	20.9
Community and Childrens Services	27.7	(15.2)	12.5	12.0
Housing Revenue Account (HRA)	15.1	(15.1)	0.0	(0.1)
Planning and Transportation	34.5	(28.2)	6.3	5.0
Port Health and Environmental Services	23.8	(13.9)	9.9	10.9
Culture, Heritage and Libraries	20.6	(2.1)	18.5	18.3
Finance	19.1	(11.5)	7.6	6.8
Barbican Residential	11.8	(13.7)	(1.9)	(2.1)
Policy and Resources	10.6	(5.9)	4.7	4.1
Open Spaces and City Gardens	2.1	(0.4)	1.7	1.5
Property Investment Board	1.4	(0.7)	0.7	2.0
Licensing	0.7	(0.7)	0.0	0.0
Sub total	342.9	(191.4)	151.5	142.1
Internal charges and accounting adjustments			0.4	1.2
Amount to be met from general income*			151.9	143.3
General Government Grants			(76.0)	(78.1)
Investment income and interest earnings			(47.4)	(46.3)
Local Taxation (council tax and non-domestic rates premium)			(52.4)	(28.2)
Total General Income			(175.8)	(152.6)
Purchase of Investment Properties			27.3	9.1
Surplus/Deficit for year**			3.4	(0.2)

* Income collected from fees, charges and specific government grants is included in the net cost of services.

** The £3.4m deficit for the year was funded from unallocated reserves which had a balance of £50.3m at 31 March 2017.

Balance sheet

What the City Fund owns and what is due to it and owed by it.

	at 31 March 2017 £m	at 31 March 2016 £m
Long Term Assets	2,360.90	2,298.40
Current Assets	837.10	839.00
Current Liabilities	(372.80)	(271.90)
Long Term Liabilities	(1,488.10)	(1,263.80)
Provisions	(82.60)	(46.30)
Net Assets	1,254.50	1,555.40
Represented By:		
Usable reserves ¹ :		
revenue	(99.00)	(118.50)
capital	(63.60)	(139.70)
Unusable reserves ²	(1,091.90)	(1,297.20)
Total reserves	(1,254.50)	(1,555.40)

¹ Available to spend, subject to the need to maintain a prudent level and any statutory limitations e.g. capital reserves may only be used to fund capital expenditure or repay debt.

² Unavailable to spend, amounts which represent accounting adjustments in accordance with regulations or unrealised gains and losses where amounts only become available if the assets are sold.

Capital expenditure and financing

Capital expenditure generally represents spending on purchasing, upgrading and

improving assets such as roads, buildings, vehicles and computer systems where the benefits last more than one year.

	2016/17 £m	2015/16 £m
Expenditure		
Investment properties	33.3	14.4
Operational properties and assets	24.1	25.7
Intangible assets	0.0	0.2
Revenue Expenditure Funded from Capital Under Statute	203.7	1.3
	261.1	41.6
Financing		
Capital receipts, grants and other financing	(201.2)	(28.1)
Direct revenue contributions	(59.9)	(13.5)
	(261.1)	(41.6)

Other funds

This publication only covers City Fund. This is one of three funds from which the City Corporation pays for its work. The others are Bridge House Estates and City's Cash.

City's Cash is revenues derived from the City Corporation's estates and used to provide services that are of importance nationally and internationally as well as to the City and Greater London. These services include the work of the Lord Mayor in promoting UK trade overseas, numerous green spaces and the City Corporation's work in surrounding boroughs supporting education, training and employment opportunities.

The City Corporation is also the sole trustee of the **Bridge House Estates** which was originally set up through bridge taxes, rent and private bequests to deal with the upkeep of London Bridge. This now funds the maintenance of Tower, London, Southwark, Millennium and Blackfriars Bridges. The funds have been effectively managed over the centuries so we can now also help charitable causes across London through the City Bridge Trust with grants amounting to around £20m every year. The full accounts for this charity are available online at www.cityoflondon.gov.uk/budgetsandspending

Prior to 1 April 2016 all local authorities were required to analyse the net cost of their services on the basis of a standard service analysis. The 2016/17 Code of Practice on Local Authority Accounting introduced a new requirement for local authorities to report services based on the way in which the authority operates and manages services. The Court of Common Council is the City Corporation's primary decision-making body and it works through committees. The 2015/16 City Fund accounts have therefore been restated to reflect the City Corporation's committee structure. The following sections describe the main functions of the Committees listed in the table on page 2.

Police

The Court of Common Council is the Police Authority for the Square Mile as set out in the City of London Police Act 1839. Under Section 56 of the Act, the Common Council delegated to the Police Committee all of its police authority functions (with the exception of the appointment of the Commissioner). The Committee's role is to make sure the City of London Police runs an effective and efficient service by holding the Commissioner to account; to ensure value for money in the way the police is run, and to set policing priorities taking into account the views of the community.

The City of London Police's priorities are to protect the City of London from the threat of terrorism and extremism; to protect the City of London and UK from fraud; to tackle cyber-crime; to respond effectively to public disorder; to reduce crime; to improve road safety; to tackle anti-social behaviour associated with the night time economy in the City of London; to support the Strategic Policing Requirement; and to combat economic crime through their work as the National Lead Force.

Barbican Centre

The Barbican Centre Board is responsible for the activities and services of the Barbican Centre, Europe's largest Arts Centre. The Barbican Centre was founded by the City of London Corporation, itself the third largest sponsor of the arts in the UK. Today, the City of London remains the principal funder of the Barbican Centre and the activities which take place within and without its walls. The Centre offers a range of events to suit every taste - cinema, theatre, opera, classical music, art exhibitions, a library and is a leader in the field of creative learning.

Community and Children's Services

This Committee provides accommodation and sporting and leisure opportunities for residents of the City and those who work in the City or for the City of London Corporation. The Community and Children's Services Department manages over 2,000 properties, most of them outside the City, and three sheltered schemes for elderly people, as well as running Golden Lane Sport & Fitness and offering a programme of sporting activities throughout the year. The Committee is also responsible for the full range of Social Services functions within the City. These include provision of social work, domiciliary support, occupational therapy, residential and day care for City residents and others in need. The service also includes social work support for individuals and families attending St Bartholomew's Hospital. The Committee also oversees the City Corporation's work as a local education authority. Education services include adult and community education, careers and guidance services, youth activities, out-of-school and holiday activities for children and the Sir John Cass's Foundation Primary School.

Housing Revenue Account

The Housing Revenue Account is ring-fenced (i.e. financially self-contained). It relates primarily to housing landlord functions and the main items of expenditure are:

- Repairs, maintenance and improvements

- Estate-based services such as caretaking, cleaning, grounds maintenance and lighting
- Supervision and management
- Capital charges

Income is received from three main sources:

- Rents from dwellings, shops and parking facilities
- Service charges from tenants
- Service charges from homeowners

As at 1 April 2016, the HRA had within it 2,836 properties. Just over a quarter of the stock is within the City, with the remainder being in six London Boroughs.

Planning and Transportation

The City's pre-eminence as a world financial centre has a strong influence on the work of this Committee. It ensures that the City and its residents and workers enjoy well planned buildings, safe, clean streets and a good public transport system. Its functions include:

- All functions of the City as local planning authority in relation to town and country planning and development control.
- Making recommendations to the Court of Common Council relating to the acquisition, appropriation and disposal of land held for planning purposes and to exercise all other functions of the local planning authority relating to land held for planning (or highways) purposes.

- All functions of the Court Common Council as local highway, traffic, walkway and parking authority (other than in respect of powers expressly delegated to another committee) and as Lead Local Flood Authority in relation to the Flood and Water Management Act 2010.
- All functions relating to the construction, maintenance and repair of sewers in the City, including public sewers (on behalf of Thames Water under an agency arrangement).
- All functions relating to building control under the Building Act 1984, Building Regulations 2000-10 and London Building Acts 1930-82 and the setting of building control charges under the Building (Local Authority Charges) Regulations 2010.

Port Health and Environmental Services

This Committee is responsible for overseeing a wide range of areas including environmental health, trading standards, animal health, including the Heathrow Animal Reception Centre, licensing (except for those which are in the province of another committee), public conveniences, street cleansing, refuse collection and the management and operation of the City of London Cemetery and Crematorium. The City of London Corporation is also responsible for port health functions on the tidal Thames, including the ports of Tilbury, Thamesport, Sheerness, London City Airport and London Gateway.

Culture Heritage and Libraries

This Committee is responsible for the City Corporation's activities and services in fields of culture, heritage and tourism including the development of relevant strategies and policies. The Committee is also responsible for the management of the City's libraries and archives, the management of the Guildhall Art Gallery and the management and maintenance and where appropriate, furnishing of the City Information Centre.

Finance

The Finance Committee provides careful stewardship of the City Corporation's funds, ensures that the City of London Corporation achieves value for money in all its activities and controls a number of functions which are of fundamental importance to the City Corporation and the way in which it works.

Barbican Residential

The Barbican Residential Committee is responsible for the Barbican Estate, which comprises a mixture of residential and commercial properties in the heart of the City. It oversees the management of all completed residential premises and ancillary accommodation on the Barbican Estate; i.e. commercial premises, launderette, car parks, baggage stores etc and, in fulfilling those purposes, it has regard to any representations made to it by the Barbican Estate Residents' Consultation Committee.

Policy and Resources

The Policy and Resources Committee is a corporate committee which is responsible for the City Corporation's governance arrangements, recommending its strategic priorities, agreeing policy, allocating overall resources and overseeing the City's security and emergency planning arrangements. The Committee is tasked with directing the City Corporation's economic development initiatives and the activities associated with the promotion of the City of London as the world's leading international financial and business centre (both here and abroad) and as a place within which to do business. It is also responsible for the effective and sustainable management of the City of London Corporation's operational assets to help deliver strategic priorities and service needs.

Open Spaces and City Gardens

The Open Spaces and City Gardens Committee is the overarching policy and strategic body in relation to the activities of the City Corporation's Open Spaces Department. It is also responsible for the day to day management of gardens, churchyards and green spaces in the City, together with Bunhill Fields Burial Ground. The City of London protects and manages, by charitable trust, almost 11,000 acres of open space across London.

Property Investment Board

The Property Investment Board is responsible for determining and approving management and investment matters relating to the property within the City Fund Estate in accordance with the management plans and investment strategies. The Board is also responsible for acquisition, management and disposal of all City property within its remit.

Licensing

The Licensing Committee exercises the City of London Corporation's local authority licensing function under the Licensing Act 2003. As such, it is responsible for licensing premises for:

- The sale of alcohol by retail
- The supply of alcohol in club premises
- The provision of regulated entertainment
- The provision of late night refreshment

The City of London licensing authority must carry out its licensing functions, including all actions and decisions, with a view to promoting the following objectives:

- The prevention of crime and disorder
- Public safety
- The prevention of public nuisance
- The protection of children from harm

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