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## Summary of performance and accounts



### 2009/10

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Welcome to this year's summary of performance and accounts.

This document has been produced to keep all our stakeholders up to date on how we've been doing during 2009/10.

It has been another busy year and the information inside just scratches the surface of what the City of London Corporation has achieved.

The performance summary covers all our activities across our three main areas of work – supporting and promoting the business City, providing modern, efficient and high quality local services for our communities and supplying valued services to London and the nation.

The accounts summary gives an overview of where we spent money in our role as a local, police and port health authority and where those funds came from.

As ever, your feedback is important. If you'd like more information on any activities please let us know so we can make this summary as useful as possible. Contact details are on the back page.

# Performance highlights 2009/10

## Comprehensive Performance Assessment

In December 2009 the Audit Commission announced the results of its annual assessment for the City of London, which looked at how well local services work together to improve the quality of life of local people. We were awarded an overall score of **'performing excellently'** in the Organisational Assessment, placing us amongst the top performing authorities in England. The City of London Area Assessment was also very positive and included **two Green Flags** for best practice in 'Supporting Small Businesses and Local Communities Across Borough Boundaries' and 'Culture for Everyone'.

## Stakeholder opinion poll 2009

Our tri-annual opinion poll of residents, businesses and workers took place in summer 2009. The results showed that **satisfaction with the City of London as a place to live, work or run a business remains very high**, and there were high levels of satisfaction with the way in which the City Corporation performs its key functions.



City skyline including the new Heron Tower

## Inspections, assessments and awards

- Our **children's services** were rated as **'performing excellently'** by OFSTED in its 2009 inspection.
- The Care Quality Commission rated our **Adult Social Care services** as **'performing excellently'** in its 2009 inspection.
- Our **Open Spaces** received a number of awards including **15 Green Flag Awards** and **seven Green Heritage Awards**. Three of our Open Spaces also received **Special Awards for Innovation** in park management and our City Gardens were awarded a **Gold Award** from London in Bloom.
- **London Metropolitan Archives** was awarded a prestigious **Sandford Award** from the Heritage Education Trust in recognition of the quality and excellence of its education services.
- We received a number of awards for **facilitating the development of buildings of exemplary and sustainable design**, including RIBA London Awards for 5 Aldermanbury Square, Unilever House and New Street Square, a Best Tall Building in Europe award for Broadgate Tower, and the MIPIM Architectural Review Award for One New Change.

## Consultation and engagement

- **The City-wide City Residents' meeting** in June 2009 enabled residents from across the City to share their views and keep up to date with our work. Estate based residents' meetings and a 'Rest of the City' meeting (for those who do not live on an estate) were also held.
- **The annual Business Ratepayers' meeting** in February 2010 enabled businesses to hear about our work and priorities, key issues for the City and the business rate premium.
- **We regularly consult residents, businesses and workers** on a variety of issues and proposals affecting the City. Examples in 2009/10 included consultation on our Climate Change strategy, on the future of Golden Lane Leisure Centre, and on St Paul's Churchyard streetscene improvements.

## Sustainability

We continue to implement and encourage sustainable practices in all that we do to provide our communities with a sustainable place to live, work and do business. Our pioneering **Climate Change Adaptation Strategy, launched in 2007 and updated in January 2010**, will ensure that our services and infrastructure are prepared for the predicted impacts of climate change, and we remain committed to reducing the City's carbon footprint. The City has successfully positioned itself as a centre of expertise on carbon emissions trading and continues to promote investment in sustainable technologies and markets.

## Equalities

In May 2009 the City of London formally adopted the new **Equality Framework for Local Government** and set itself the ambitious target of April 2012 for achieving "Excellent Authority" status under the Framework. Work has already begun on steps to meet this target, and this is helping to ensure that our strategies, policies and projects do not discriminate against anyone and that, where possible, they promote equality.

## Our plans for 2010/11

Our **Corporate Plan 2010-2014** and our sustainable community strategy, **The City Together Strategy: The Heart of a World Class City** provide further details of what we plan to do in 2010/11 to support our strategic aims and priorities. Both are available to download from our website [www.cityoflondon.gov.uk/corporateplan](http://www.cityoflondon.gov.uk/corporateplan)

## We supported and promoted 'The City' as the world leader in international finance and business services by

- **Securing the support of the Government, City stakeholders and others for TheCityUK**, the new promotional body for the UK financial services industry, and for our lead role.
- **Being recognised by the Government and businesses as a key facilitator in discussions on visas and immigration**, resulting in changes being made to the functioning of the points-based immigration system.
- **Leading business delegations on overseas visits and hosting high-level inward visits.** The Lord Mayor and the Chairman of the Policy & Resources Committee regularly travel abroad and host overseas visitors to London, promoting the City of London brand and building relationships.
- **Providing inward investment and property advice to businesses looking to stay in or move to the City** and successfully delivering five direct foreign investment projects including China Merchants Bank and the Brazilian Investment Bank BNDES.
- **Supporting and promoting the interests of UK-based financial services firms in the key emerging markets of China and India**, including through our offices in Beijing, Shanghai and Mumbai.



Policy Chairman Stuart Fraser speaking at a banking conference in India, 2010

- **Building on our reputation for evidence-based policy-making through our research programme**, providing accurate, timely, well-focused analysis of trends and the needs of the London economy, particularly the financial and business services clusters in and around the City.
- **Working with partners to support improvements to London's strategic transport infrastructure**, resulting in work commencing on the Crossrail project, near completion of the East London line, improvements to the Tower Gateway DLR station, and progress on improvements at Blackfriars Thameslink Station.

## We provided modern, efficient and high quality local services and policing within the Square Mile by

- **Helping residents and small and medium sized enterprises (SMEs) in the City and City fringe to cope with the impacts of the economic downturn** through a range of programmes, including a 25% expansion of our training, employment and aspiration-raising programme. This, among other things, assisted 87 residents into employment, provided learning opportunities for over 1,200 residents and offered business support to over 600 SMEs.



The City of London Police's cycle safety campaign

- **Improving the delivery of local policing**, resulting in an eighth consecutive year of **falling crime in the City** and a level of public confidence in the Force of 65% - already exceeding the target set by the Government for all police forces.
- **Implementing a range of measures to mitigate the negative effects of the night-time economy in the City**, resulting in an overall reduction in alcohol related crime in 2009/10 including alcohol related assaults, assaults linked to licensed premises and drunk and disorderly offences.
- **Developing an Adult Wellbeing Strategy** to help coordinate efforts to improve the health and wellbeing of residents and workers in the City by bringing together key partners, including those in the voluntary and community sector.
- **Increasing the number of adult social care clients with self-directed support arrangements**, giving these individuals greater choice and control over the care they receive.
- **Opening new specialist accommodation for long term rough sleepers** – The Lodge – and providing rough sleepers with greater choice over the support they receive through the successful introduction of personalised budgets.
- **Investing in the redevelopment of the Golden Lane Leisure Centre** to support the health, fitness and wellbeing of our local communities through improved sports and leisure facilities.

- **Completing a £1.7m library modernisation scheme to bring the Guildhall Library and City Business Library together on one site**, resulting in a greatly enhanced environment for visitors, significant access improvements, a 40% increase in the number of public computers and extended opening hours for the City Business Library.
- **Significantly improving the public realm** across a range of sites in the City through Street Scene partnership working. Examples in 2009/10 include the Carter Lane Gardens project and the award-winning lighting improvements on the Thames Path at Blackfriars.
- **Establishing the Portsoken Community IT Project** which offers training and support to residents in some of the City's most vulnerable communities. The project is also proving successful in helping the City Corporation to present services more coherently to this often hard-to-engage community.
- **Meeting a number of the targets in our Local Area Agreement** which included significantly increasing commercial waste recycling and helping over 1,500 City workers and residents to quit smoking.
- **Opening the City Academy, Hackney** in September 2009, which specialises in business and finance and is co-sponsored with KPMG. The City Academy, Hackney is the third academy we have supported; with the other two already open in Southwark and Islington.
- **Retendering the waste and cleaning contract for New Spitalfields Market** resulting in a saving benefiting the tenants through their service charge. The new contractor expects to be able to divert 80% of the market's waste from landfill, compared to a recycling level of 62% achieved under the previous contract.
- **Completing a £4.5m refurbishment of the Monument**, one of the City's most famous landmarks, including cleaning and repairing the stonework and re-gilding the famous golden orb. The Monument reopened in February and visitor numbers have increased significantly.

## We provided valued services to London and the nation by

- **Playing an integral role in national and international efforts to combat financial crime** through the City of London Police's work in tackling organised crime groups, securing major convictions, raising public awareness and leading the way in supporting victims. 2009/10 also saw the **opening of the National Fraud Intelligence Bureau**, in partnership with Action Fraud (the national contact centre), and the Economic Crime Directorate, recording an **80% detection rate**.
- **Completing the major restoration of Keats House and re-opening it to the public**, creating a popular visitor attraction and renewing interest in the life and work of John Keats.
- **Publishing online over 10,000 City and metropolitan parish registers held by the London Metropolitan Archives** in phase two of our partnership with Ancestry.co.uk to digitise genealogical sources.
- **Helping over 90 new City employers to support their local communities** by developing a Corporate Responsibility Programme or joining volunteering programmes through our City Action and Heart of the City initiatives.



The refurnished Keats House in Hampstead



The new Galleries of Modern London at Museum of London

- **Enhancing the provision of high quality music training for young people across London** through a new partnership between the Guildhall School of Music & Drama and the Centre for Young Musicians, which became a part of the Guildhall School this year.
- **Establishing a new joint Division for Creative Learning between the Barbican Centre and the Guildhall School of Music & Drama** in close collaboration with the London Symphony Orchestra. This will provide a unique programme of artistic activity that will effectively co-ordinate the organisations' strengths and assets and help create an international arts and education quarter in the City.
- **Encouraging new audiences by holding a series of Barbican Centre events off-site**, including the Blaze contemporary music and dance festival focused on east London.
- **Supporting and funding a number of other flagship cultural organisations** including the City of London Festival, the London Symphony Orchestra and the Museum of London.
- **Distributing over £15m to London's voluntary and community sector through the City Bridge Trust**, supporting a variety of community-based activities and services across the capital.

## Summary of accounts 2009/10

This document contains financial information on the City of London Corporation's activities in its capacity as a local authority, police authority and port health authority. A summary of its spending and income during 2009/10 is provided together with its financial position at 31 March 2010. The City of London Corporation's 2009/10 financial statements were prepared in accordance with recommended accounting practice, and the independent auditors opinion was that the statements present fairly the financial position at 31 March 2010 and the income and expenditure for the year. The figures in this summary have been drawn from the audited statements but some modifications have been made to reflect the nature of this document. A full copy of the financial statements is available at

[www.cityoflondon.gov.uk/finance](http://www.cityoflondon.gov.uk/finance)

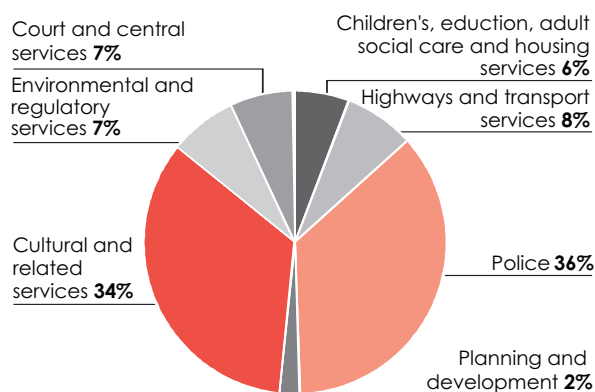
## The cost of services and how they were financed

This table summarises the revenue account for 2009/10 and shows the costs of providing services, where the money came from towards meeting these costs and the surplus for the year.

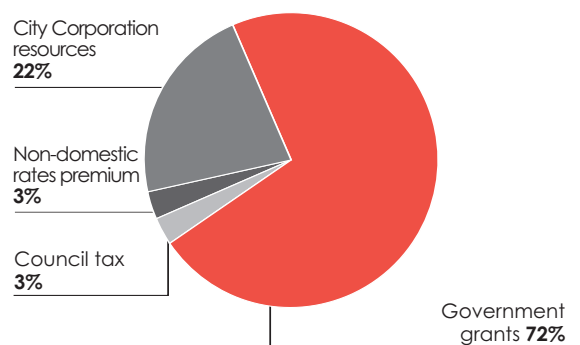
	Gross expenditure £m	Gross income £m	Net expenditure £m
Children's and education services	9.6	(6.2)	3.4
Adult social care	6.8	(0.6)	6.2
Housing services	36.1	(35.8)	0.3
Highways and transport services	32.4	(19.7)	12.7
Police services	101.6	(41.1)	60.5
Planning and development services	18.6	(14.5)	4.1
Environmental and regulatory services	27.0	(14.9)	12.1
Cultural and related services	78.7	(21.4)	57.3
Court services	8.1	(5.6)	2.5
Central services	15.4	(6.1)	9.3
<b>Sub total</b>	<b>334.3</b>	<b>(165.9)</b>	<b>168.4</b>
Internal charges and accounting adjustments			(8.6)
<b>Amount to be met from government grants, City Corporation resources and local taxation</b>			<b>159.8</b>
<b>Government grants</b>			
Contributions from non-domestic rate pool:			
General		(66.7)	
City offset		(9.8)	
Police grant		(21.0)	
Revenue support grant		(15.4)	
Other grants		(1.2)	(114.1)
<b>City Corporation resources</b>			
Investment income and interest earnings			(36.0)
<b>Local taxation</b>			
Non-domestic rate premium		(5.0)	
Council tax		(5.4)	(10.4)
Total income			<b>(160.5)</b>
<b>Surplus for year</b>			<b>(0.7)</b>

The surplus for the year of £0.7m (2008/09 – surplus of £1.1m) compares to a budget which anticipated a deficit of £7.2m. The reasons for this improvement of £7.9m include reduced requirements for highways and adult social care; lower costs of collecting rates and council tax; lower calls on contingencies; increased income from investment properties and interest; and a successful VAT claim. Whilst the result for the year is encouraging, the City Corporation's financial strategy of eliminating the need for the use of general reserves by matching ongoing revenue expenditure to revenue income over the medium term remains extremely challenging due to the current economic climate and the imminent reductions in public funding. The £0.7m was added to unallocated reserves which had a balance of £48.5m at 31 March 2010.

## Net cost of services



## Where the money came from



## Housing revenue account

Local authorities are required to maintain a separate landlord account – the Housing Revenue Account (HRA). As at 31 March 2010 the City of London's HRA rental stock was 1,887 dwellings. The HRA also includes costs and service charge income relating to sold properties of which there were 872 as at 31 March 2010. The following table indicates a deficit for the year of £1.1m (2008/09 – deficit of £0.9m) which was £0.5m lower than budget due mainly to reduced expenditure on supervision and management together with increased income from charges for services.

	£m
<b>Expenditure</b>	
Repairs and maintenance	5.6
Supervision and management	6.0
Depreciation and other costs	1.5
Payment to HRA subsidy pool	0.3
<b>Total expenditure</b>	<u>13.4</u>
<b>Income</b>	
Rents:	
Dwellings	(7.4)
Other	(1.6)
Services and facilities	(3.5)
<b>Total income</b>	<u>(12.5)</u>
<b>Net expenditure</b>	<b>0.9</b>
Technical accounting adjustments including loan repayments	0.2
<b>Deficit for year</b>	<u>1.1</u>
Balance 1 April 2009 (surplus)	(6.3)
<b>Balance 31 March 2010 (surplus)</b>	<u>(5.2)</u>

## Capital expenditure summary

Capital expenditure generally represents spending on purchasing, upgrading and improving assets such as roads, buildings, vehicles and computer systems. The benefits from capital expenditure are received over a period of longer than a year. Set out below are the main areas of capital expenditure during 2009/10 together with how the expenditure was paid for.

	£m	£m
<b>Investment properties</b> - strategic acquisitions and refurbishments	55.0	
<b>Operational properties</b> - improvements to the Guildhall complex	8.4	
<b>Highways</b> - Transport for London schemes and streetscene/riverside walkway enhancements	5.8	
<b>Housing and Social Services</b>	4.2	
<b>Recreation and tourism</b> - improvements to the Barbican Centre	0.4	
<b>Police</b> - vehicle purchases and IT systems	2.6	
<b>Digital Inclusion and Challenge projects</b>	0.7	
<b>Refuse collection and disposal</b> - vehicle replacements	0.2	
	<u>77.3</u>	
<b>Financed by:</b>		
Capital receipts		(63.2)
Grants and contributions		(12.9)
Revenue finance		(0.4)
HRA major repairs reserve		(0.8)
		<u>(77.3)</u>

## Collection fund revenue account

The City of London Corporation, like other billing authorities, is required to maintain a collection fund which receives income from non-domestic rates and council taxes and makes payments to the Government's non-domestic rates pool, to precepting authorities and to the City of London Corporation's revenue account. The fund has a significant impact on cash flow due to the level of income from business ratepayers in the City.

	<b>£m</b>
<b>Expenditure</b>	
Government's non-domestic rates pool	600.1
City of London revenue account	
Council tax	5.4
Non-domestic rate premium	5.0
Cost of collection allowance	1.6
City offset	9.8
Greater London Authority	0.5
<b>Total expenditure</b>	<b><u>622.4</u></b>
<b>Income</b>	
Income from business ratepayers	(616.5)
Council taxes	(6.0)
<b>Total income</b>	<b><u>(622.5)</u></b>
<b>Surplus for year</b>	<b>(0.1)</b>
Balance 1 April 2009 (surplus)	(0.3)
<b>Balance 31 March 2010 (surplus)</b>	<b><u>(0.4)</u></b>

## Balance sheet at 31 March 2010

This table summarises what the City of London Corporation owns, what it is due and what it owes.

	Notes	£m		Notes	£m
Fixed assets:			Represented by:		
Operational	1	652.8	Capital adjustment account	6	(1,374.7)
Investment properties	2	676.4	Revaluation reserves	7	59.3
Investments	3	304.9	Usable capital receipts		(85.5)
Sums receivable		44.8	HRA major repairs reserve		(11.5)
Sums payable		(106.6)	Revenue reserves	8	(130.2)
Other net liabilities	4	(24.1)	HRA and Collection Fund reserves		(5.6)
Pension liability	5	(649.6)	Pension reserves	5	649.6
<b>Total net assets</b>		<b><u>898.6</u></b>	<b>Total equity</b>	<b>9</b>	<b><u>(898.6)</u></b>

### Notes

- The value of land, buildings (including council dwellings), infrastructure and vehicles that are used in the provision of services.
- The value of properties that are held to provide revenue income for the funding of services.
- The value of cash invested, mainly in fixed term deposits, to provide interest earnings for the funding of services.
- Other net liabilities relate to grants and contributions received of £27.5m which have been deferred for matching against the associated expenditure in later years, partly offset by a cash balance of £3.4m.
- The commitment to pay retirement benefits to police officers over future years, matched by a negative reserve on the other side of the balance sheet.
- The capital adjustment account mainly includes entries for the financing of capital expenditure partly offset by reductions for depreciation, impairment, and disposals of fixed assets.
- The revaluation reserves contain recognised gains and losses since the inception of the reserve on 1 April 2007. The reserves indicate net losses of £59.3m as they include unrealised losses on investment properties which reflect general falls in prices that are not anticipated to be permanent.
- Includes both sums earmarked for specific purposes and unallocated balances.
- Total equity reduced by £128.7m compared to the previous year (2008/09 reduced by £132m) primarily due to a higher police pension liability and a reduction in investments partly offset by an increase in fixed assets.

## Contact details

Please contact us if you would like more information on any of the issues covered in this document or if you would like to receive a copy of this publication in an alternative format such as Braille, large print or audio tape.

The City Corporation would welcome comments on whether you find this document useful. These comments should be sent to

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The City of London Corporation is an unusually diverse organisation with three main aims –

- to support and promote 'The City' as the world leader in international finance and business services
- to provide modern, efficient and high quality local services and policing within the Square Mile for the benefit of workers, residents and visitors, whilst delivering sustainable outcomes
- to provide valued services to London and the nation.

The City pre-dates parliament and its experience and tradition underpin its modern and efficient services. It operates on a non-party political basis through its Lord Mayor, aldermen and elected council members.

This summary was produced in September 2010.