

FINANCE COMMITTEE

Tuesday, 25 March 2014

Minutes of the meeting of the Finance Committee held at Guildhall, EC2
on Tuesday, 25 March 2014 at 1.45pm

Present

Members:

Roger Chadwick (Chairman)	Brian Harris
Jeremy Mayhew (Deputy Chairman)	Ann Holmes
George Abrahams	Tom Hoffman
Deputy John Barker	Deputy Robert Howard
Randall Anderson	Wendy Hyde
Alderman Sir Michael Bear	Deputy Alastair King
Nigel Challis	Gregory Lawrence
Simon Duckworth	Oliver Lodge
Deputy Anthony Eskenzi	Deputy Henry Pollard
Kevin Everett	Alderman Neil Redcliffe
Stuart Fraser	John Scott
Lucy Frew	Christopher Boden
Alderman John Garbutt	

Officers:

Simon Murrells	- Assistant Town Clerk
Julie Mayer	- Town Clerk's Department
Dan Hooper	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Suzanne Jones	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Philip Everett	- Director of the Built Environment
Daniel Hooper	- Town Clerk's Department
Peter Bennett	- City Surveyor

Retirement of the Chamberlain

Before commencing the business on the agenda, the Chairman paid tribute to The Chamberlain, as this would be his last meeting before his retirement in April. Members asked for their thanks to Mr Bilsland to be recorded and particularly noted the following achievements under his leadership:

- Establishing the first independent audit appointment panel; appointing Moore Stephens to audit the Corporation's non-local authority functions.
- Three external members appointed to the Audit and Risk Management Committee.

- Publishing the full set of City's Cash Accounts.
- The City Corporation's social investment fund.
- The 'PP2P' project and outsourcing of the City of London's IS Service.
- Local Government Chronicle's Finance Officer of the year, in recognition of the City of London's top performing Pension Fund.

The Chairman expressed his personal gratitude to Mr Bilsland for his exemplary advice, support and accessibility.

1. **APOLOGIES**

Apologies were received from Simon Duckworth, John Fletcher, Clare James, Sheriff & Alderman Sir Paul Judge, Jamie Ingham Clark, Robert Merrett, Ian Seaton, Phillip Woodhouse, Mark Boleat and Deputy Michael Cassidy.

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

- John Scott and Tom Hoffman declared interests in respect of Agenda Item 26 – Museum of London (Appointment of Treasurer) by virtue of their positions on the Board of Governors of the Museum of London.
- Ann Holmes declared an interest in respect of item 12 - the Creation of the Education Board by virtue of her position as a Governor of Southwark Academy.
- Roger Chadwick declared an interest in respect of agenda item 9 (Corporate Clothing, Uniforms and Safety Apparel) as he knows one of the parties. The Deputy Chairman would take the Chair for this item and Mr Chadwick would refrain from speaking or voting.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: that the public minutes and non-public summary of the meeting held on 18 February 2014 be approved.

4. **MINUTES OF JOINT RESOURCE ALLOCATION AND PERFORMANCE AND EFFICIENCY SUB COMMITTEES**

RESOLVED: that the public minutes and summary of the meeting held on 23 January 2014 be noted.

5. **BUDGET MONITORING REPORT**

The Committee considered the Chamberlain's Monthly Budget Monitoring report, as at the end of February 2014.

RESOLVED, that:

1. The report be noted.

2. £136,000 be allocated from the Finance Committee's City's Cash Contingency to meet the unforeseen costs of complying with the Government's public service network security arrangements.

6. **REVENUES COLLECTION INSOURCING UPDATE**

The Committee considered a report of the Chamberlain, which provided Members with an update on the return of revenues collection to an in-house service. In response to a question about the timing of the new contract, Members noted that under previous CCT (Compulsory Competitive Tendering) regulations, the contract had started in October. There was an additional benefit in that October was a less busy time than April (i.e. the start of the new financial year).

RESOLVED, that:

1. The overall progress of the project and the key risks be noted.
2. It be noted that the one-off costs to transition the service will cover the accommodation works.

7. **COUNCIL TAX DISCOUNTS ON EMPTY PROPERTIES**

The Committee considered a report of the Chamberlain in respect of the various options for discounts on Council Tax for empty properties and the possible consequences of changing the current level of discounts. Whilst noting the number of properties vacant for more than 2 years was relatively small, Members were particularly interested in those which had been vacant for more than 6 months, as they would not wish to encourage this practice. Officers agreed to research the policies of other local authorities.

RESOLVED, that:

It be noted that the Finance Committee are minded to withdraw the discount, subject to a further report from the Chamberlain, clarifying the process and the policies adopted by other local authorities.

8. **LOCAL GOVERNMENT PENSION SCHEME 2014**

The Committee considered a joint report of the Chamberlain and the Director of Corporate HR, in respect of the changes to the Local Government Pension Scheme. The report also set out the discretions within the scheme that require policy decisions from the City of London, as both the Employer and the Administering Authority.

RESOLVED, that:

1. The report be noted.
2. The existing policy be retained, where regulations are unchanged.
3. The pension benefits of all existing retirees, that are currently abated, be approved. (The individual being re-employed in further LGPS service before 1st April 2014 will continue to be subject to abatement).

4. The pension benefits of retirees from 1st April 2014 will not be subject to abatement, where the individual is subsequently re-employed in further LGPS service.
5. The City of London, as the Administering Authority, supports the decision of the Employer to extend the one year period in which new and existing scheme members may transfer pension rights from other schemes, rejecting this only in exceptional circumstances.

9. CORPORATE CLOTHING, UNIFORMS AND SAFETY APPAREL (E-CATALOGUE)

The Committee considered a report of the Chamberlain in respect of the Contract for corporate clothing, uniforms and safety apparel. The report recommended that a short term contract extension be negotiated, before the expiry of the current contract at the end of March 2014, in accordance with Regulations 14 and 17 of the Public Contracts Regulations 2006. The Deputy Chairman took the Chair for this item.

In response to a question about the timing of this report, given that the contract would expire shortly, officers advised that there were currently 120 live projects but work was underway to let them in categories. Members noted that, whilst this would be more efficient and achieve economies of scale, the procurement regulations permitted discretion in choosing the most appropriate route to market.

RESOLVED, that:

1. Regulation 16.1 of the Corporation's Procurement Regulations be waived, subject to a full procurement exercise being undertaken.
2. The Corporate Clothing, Uniforms and Safety Apparel (e-catalogue) Contract be extended for a period of 12 months, from 1 April 2014.

10. GUILDHALL CLUB 2013/14 BUDGET MONITORING REPORT

The Committee considered a resolution from the House Committee of Guildhall Club in respect of its 2013-14 Budget Monitoring Report. At the meeting of the House Committee of the Guildhall Club on 14 March 2014, members noted that a potential overspend of £65,000 was forecast for the current year (2014/15). This had resulted from unbudgeted consultancy costs (£44,000) combined with employee costs of £11,000 (from the retention of the Assistant Manager, additional agency staff and sickness absence cover from earlier in the year) and from an overspend in provisions (£5,000). The original report, which had been submitted to the Guildhall House Club Committee was tabled.

In response to questions, officers assured members that this situation had arisen from a unique set of circumstances and appropriate action had been taken. Members would have the opportunity to ask further questions in the confidential section of today's agenda.

RESOLVED, that:

The budget of the House Committee of the Guildhall Club be increased by £65,000.

11. CITY RE LTD - GOVERNANCE CHANGES

The Committee considered a report of the Chamberlain in respect of governance changes to City Re Ltd, which allows the City to share in the risks and benefits of insuring its property portfolio, whilst controlling the financial exposure.

RESOLVED, that:

The Chamberlain (Chris Bilsland) and the Corporate Treasurer (Paul Mathews) be replaced by their successors (Peter Kane and Kate Limna) as Director and Alternate Director respectively, effective from the date of their retirements.

12. THE CREATION OF THE EDUCATION BOARD

The Committee considered a report of the Town Clerk in respect of the creation of the Education Board, as recommended by the recently approved Education Strategy 2013-15. Members had been emailed comments made and decisions taken at the Community and Children's Services and Policy and Resources Committees in respect of this item.

Members noted that the Finance Committee were being asked to consider the financial recommendations and not the governance aspects contained in the report. The funding proposed was for 2014/15, with future funding being allocated in the base provision for the 2015/16 budget.

Generally Members welcomed the report, as the City of London Corporation had not had a Committee with an education overview for many years. Officers confirmed that there was no intention to take responsibility from the schools and their Boards. Members noted that schools would be invited to bid by submitting project proposals and there would be no replacement of capital funding. The Governing Body would formulate the spending strategy, with the Education Board taking the final decision.

RESOLVED, that:

1. £550,000 be allocated to the Education Board in its first year, to support the City Academy Schools, including Redriff Primary Academy, if City sponsorship is approved for the 2014/15 Academic Year. The financial support will be for projects approved by the Education Board.
2. £150,000 be allocated to central education resources, to implement the education reforms as set out in the Education Strategy.
3. The total of £700,000 be met from any underspent City's Cash budgets in 2013/14, which would otherwise be retained centrally, or, should there be insufficient underspends, from City's Cash reserves.

13. **QUEEN STREET PILOT PROJECT - OUTCOME REPORT - GATEWAY 7**
The Committee received a report of the Director of the Built Environment which sought to close the Queen Street Pilot Project.

RESOLVED, that:

1. The outcome report be received and actions noted.
 2. The Queen Street Pilot project, inclusive of all project elements, be formally closed down.
 3. £29,000 of the remaining funds from the Queen Street Pilot project (On-Street Parking Reserve) be utilised to complete some minor outstanding actions (which include signage and paving alterations) that have yet to be implemented as part of the original St Pancras Church Garden project scope.
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
The Chairman was heard in respect of the following item of urgent business:

Finance Breakfasts

The Chairman suggested holding Finance Breakfast meetings, open to all Members of the Court, to cover the following topics:

- The 3 City Funds
- The relationship between local authority and central government funding.
- The 2016 Financial Settlement and funding issues for London
- Possibly inviting a high profile guest speaker.

Members agreed with the proposal and were invited to submit further suggestions.

Awards

The Business Services Director was heard in respect of the PP2P Project, which had been shortlisted for a Local Government Chronicle Award for Business Transformation. The PP2P Project had also been shortlisted for Procurement Team of the Year (Local Government and Consortia) at the Government Opportunities Excellence in Procurement Awards. Recognising the partnership with Accenture, the project was awarded highly commended. The Chairman thanked officers for their hard work on the project and the above submissions.

16. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Item No.	Paragraph(s) in Schedule 12A
17 - 25	3
26 - 27	1,2 & 3

17. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the non-public minutes of the meeting held on 18 February 2014 be approved.

18. NON-PUBLIC MINUTES OF JOINT RESOURCE ALLOCATION AND PERFORMANCE AND EFFICIENCY SUB COMMITTEES

RESOLVED: That the non-public minutes of the meeting held on 23 January 2014 be noted.

19. FORMER TENANT RENT ETC ARREARS WRITE OFFS

The Committee considered a report of the Comptroller and City Solicitor which sought to write off 2 cases.

20. COUNCIL TAX - CLAIM FOR A REDUCTION IN THE AMOUNT OF COUNCIL TAX PAYABLE

The Committee considered a report of the Chamberlain, which set out an application for a reduction in the amount of Council Tax payable (a discretionary local discount) under Section 13A of the Local Government Finance Act 1992.

21. UPGRADE OF PENSIONS ADMINISTRATION SOFTWARE

The Committee considered a report of the Chamberlain in respect of an upgrade to the Pensions Administration Software.

22. BARBICAN CINEMAS - ISSUE REPORT 2

This report was withdrawn and would be presented to the Barbican Centre Board and Projects Sub Committee before coming back to the Finance Committee.

23. NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered a report of the Town Clerk detailing non-public decisions taken under delegated authority and/or urgency procedures since the last meeting, as follows:

- **Rennie Gardens, Blackfriars Road SE1 (Urgency)**
- **53 New Broad Street - major refurbishment (Delegated)**
- **4-14 Tabernacle Street – Gateway 3/4/4B A major refurbishment of vacant office building (Delegated)**

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

There were no non-public questions relating to the work of the Committee.

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

There was no other non-public business.

The meeting ended at 3.40 pm

Chairman

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