

## **FINANCE COMMITTEE**

**Tuesday, 13 January 2015**

**Minutes of the meeting of the Finance Committee held at the Guildhall EC2 at 1.45 pm**

### **Present**

#### **Members:**

Roger Chadwick (Chairman)	Alderman Peter Hewitt
Jeremy Mayhew (Deputy Chairman)	Tom Hoffman
Randall Anderson	Deputy Robert Howard
Deputy John Barker	Wendy Hyde
Nicholas Bensted-Smith	Alderman Vincent Keaveny
Christopher Boden	Gregory Lawrence
Nigel Challis	Oliver Lodge
Deputy John Chapman	Robert Merrett
Deputy Anthony Eskenzi	Deputy Henry Pollard
John Fletcher	John Scott
Alderman John Garbutt	David Thompson
Brian Harris	Deputy John Tomlinson

#### **Officers:**

Peter Lisley	Assistant Town Clerk
Christopher Braithwaite	Town Clerk's Department
Peter Kane	Chamberlain
Caroline Al-Beyerty	Chamberlain's Department
Christopher Bell	Chamberlain's Department
Richard Jeffrey	Comptroller and City Solicitor's Department
Peter Bennett	City Surveyor
Philip Everett	Director of the Built Environment
Victor Callister	Department of the Built Environment
Paul Monaghan	Department of the Built Environment
Professor Barry Ife	Principal, Guildhall School of Music and Drama

The Chairman welcomed the Committee to the meeting and wished all present a happy new year. The Chairman also congratulated Deputy Robert Howard on his recent engagement.

### **1. APOLOGIES**

Apologies were received from Mark Boleat, Alderman Charles Bowman, Lucy Frew, Jamie Ingham Clark, Clare James, Ian Seaton and Philip Woodhouse.

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

John Scott declared a non-pecuniary interest in agenda item 8 ("Business Support Department – Quarterly Update") as his company has a contract for the provision of menus for selected City of London Corporation events.

3. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** - That the public minutes and non-public summary of the meeting held on 9 December 2014 be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Committee considered a report of the Town Clerk which set out the outstanding actions from previous meetings of the Committee.

The Town Clerk explained that the report regarding insurance across the Corporation would be submitted to the Committee's February 2015 meeting. The Town Clerk also reported that it remained the intention to cancel the March 2015 meeting of the Committee.

**RESOLVED** – That the Committee notes the report.

5. **DRAFT MINUTES OF THE CORPORATE ASSET SUB-COMMITTEE**

**RESOLVED** – That the public minutes and non-public summary of the Corporate Asset Sub-Committee meeting held on 21 November 2014 be noted.

6. **DRAFT MINUTES OF THE INFORMATION SYSTEMS SUB-COMMITTEE**

**RESOLVED** – That the public minutes and non-public summary of the Information Systems Sub Committee meeting held on 9 December 2014 be noted.

7. **LOCAL GOVERNMENT FINANCE SETTLEMENT, POLICE SETTLEMENT AND MAYORAL PRECEPT 2015/16**

The Committee considered a report of the Chamberlain which set out the core grants recently announced in the Local Government Financial Settlement and Police Settlement for 2015/16.

The Chamberlain explained that at paragraph 10 the report stated that the outstanding appeals represented £1.25bn of rateable value. It was explained that the City's maximum income from these properties was c.£14m, and the maximum liability for the appeals was £1.1m.

**RESOLVED** – That the Committee notes the report.

8. **BUSINESS SUPPORT DEPARTMENT - QUARTERLY UPDATE**

The Committee considered a report of the Chamberlain which provided an outline of the current status of the Business Support Division, its workload, and key progress over the last quarter.

The Chairman noted that it would be beneficial for future similar reports to include the value of the contracts so that Members could see the financial scale

of non-compliance, although it was also noted that the proper process should be followed regardless of the value of the procurement. The Chamberlain confirmed that future reports would contain this information.

**RESOLVED** – That the Committee notes the report.

9. **LONDON COUNCILS: LONDON LOCAL GOVERNMENT PENSION SCHEME COLLECTIVE INVESTMENT VEHICLE - FUNDING**

The Committee considered a report of the Chamberlain which requested the Committee to agree a further contribution to the London Councils Local Government Pension Scheme (LGPS) Collective Investment Vehicle (CIV).

The Chairman confirmed that the Corporation had not yet made any capital contribution to the scheme.

A Member asked whether it was good budgetary practice to provide funding from the 2015/16 Committee Contingency Budget, rather than this being included in the budget for 2015/16. It was explained that it was preferred to assign funding for specific unforeseen events from the Contingency Budget, rather than allow that spending to become part of the overall departmental budget in future years.

**RESOLVED** – That the Committee agrees that the City's contribution towards the cost of implementing the CIV, totalling £50,000, be met from the Finance Committee's City Fund contingency (£25,000 in 2014/15 and £25,000 in 2015/16)

10. **CULTURAL ENGAGEMENT WITH CHINA - REQUEST FOR FUNDING FROM THE FINANCE COMMITTEE CONTINGENCY FUND**

The Committee considered a report of the Principal of the Guildhall School of Music and Drama which informed the Committee of an opportunity for the Guildhall School to stage two opera scenes productions at the Shanghai Grand Theatre in April 2015. The Guildhall School requested funding for this trip from the Finance Committee's contingency fund as, due to the late stage in the financial year, the Guildhall School did not have sufficient resources remaining in its budget to take this opportunity.

The Town Clerk explained that the Guildhall School was now seeking funding for 27 people to travel to the performances, rather than 26 as set out within the report. This would increase the cost of the travel by one visa and one air fare (totalling £945.36), which brought the total requested to £29,805.22.

In response to a question from a Member, the Principal of the Guildhall School explained that the purpose of the trip was to raise the School's profile in China and for all disciplines, not just in opera, in the hope of attracting further international students.

The Principal of the Guildhall School explained that the School would not receive any direct income from the performances, but would be able to receive income in the event that it hosted similar exchange on reciprocal terms. The

Committee noted that in the event that such income was received, it would be appropriate for some of the income to return to the Finance Committee in light of this investment.

**RESOLVED** – That the Committee approves funding of £29,805.22 to meet the transport and freight costs of taking the Guildhall School’s opera scenes to Shanghai in April 2015, to be drawn from the Finance Committee’s 2014/15 City’s Cash Contingency fund.

**11. FINANCE COMMITTEE CONTINGENCIES**

Consideration was given to a report of the Chamberlain which provided the Committee with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

A Member asked how it was determined whether contingency fund applications were submitted to the Finance Committee Contingency Fund or the Policy & Resources Committee Contingency Fund. The Chamberlain explained that the Policy & Resources Committee Contingency Fund was primarily for works related to that Committee, while the Finance Committee Contingency Fund acted as a central contingency budget for all other areas of the City of London Corporation.

**RESOLVED** – That the Committee notes the report.

**12. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee considered a report of the Town Clerk which provided information of the action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Orders 41(a) and 41(b).

**RESOLVED** – That the Committee notes the report.

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

There were no questions.

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

There were no items of urgent business.

**15. 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 Schedule 12A of the Local Government Act.

<b>Item No.</b>	<b>Paragraphs in Schedule 12A</b>
16-24, 26, 27	3
25	1 and 3

16. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
The non-public minutes of the meeting held on 9 December 2014 were approved as an accurate record.
17. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**  
The Committee considered and noted a report of the Town Clerk which set out the outstanding actions from previous meetings of the Committee.
18. **DRAFT NON-PUBLIC MINUTES OF THE CORPORATE ASSET SUB-COMMITTEE**  
The non-public minutes of the Corporate Assets Sub-Committee meeting held on 21 November 2014 were noted.
19. **DRAFT NON-PUBLIC MINUTES OF THE INFORMATION SYSTEMS SUB-COMMITTEE**  
The non-public minutes of the Information Systems Sub-Committee meeting held on 9 December 2014 were noted.
20. **STRATEGIC PROPERTY ESTATE - UPDATE**  
The Committee considered and approved a report of the City Surveyor which provided an update on progress made over the previous year in respect of the Strategic Property Estate.
21. **CITY'S ESTATE STRATEGIC REVIEW**  
The Committee considered and approved a report of the City Surveyor which provided the annual update of the strategy for City's Estate (the investment property portfolio held by City's Cash).
22. **CITY FUND AND CITY'S ESTATE HIGHWAY DISPOSAL - BART'S SQUARE, EC1**  
The Committee considered and approved a report of the City Surveyor which requested the Committee's approval, subject to the approval of the Property Investment Board, for the disposal of a freehold interest at Bart's Square, EC1.
23. **CITY'S ESTATE - LETTING REPORT - DEVELOPMENT AGREEMENT AT GRAFTON STREET AND SALE OF FREEHOLD AT BRUTON STREET**  
The Committee considered and approved a report of the City Surveyor which requested the Committee's approval, subject to approval from the Property Investment Board, to enter into a development agreement at Grafton Street and Sale of Freehold at Bruton Street.
24. **CITY'S ESTATE - LETTING REPORT - SURRENDER & NEW LETTING AT STORE STREET**  
The Committee considered and approved a report of the City Surveyor which requested the Committee's approval, subject to the approval of the Property Investment Board, for the surrender of a groundlease at Store Street and the granting of a new 10 year lease at the same site.

25. **FORMER TENANT RENT ARREARS WRITE OFFS**

The Committee considered and agreed a report of the City Surveyor which requested the Committee's approval to the write off of four cases of outstanding debt. The Property Investment Board had agreed to the write off of these cases at their meeting in December 2014.

26. **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.

The Chairman reminded Members that the Finance Committee Dinner would be held on Thursday, 29 January 2015 at Drapers' Hall.

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

There was one items of non-public urgent business. The Committee considered and approved a report of the Director of Built Environment regarding the London Bridge Staircase.

**The meeting closed at 2.48 pm**

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Chairman

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