



Finance Committee

Date: TUESDAY, 15 DECEMBER 2015
Time: 1.45 pm
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

Roger Chadwick (Chairman)	Deputy Jamie Ingham Clark
Jeremy Mayhew (Deputy Chairman)	Clare James
Randall Anderson	Alderman Vincent Keaveny
Deputy John Barker	Deputy Alastair King
Nicholas Bensted-Smith	Gregory Lawrence
Chris Boden	Oliver Lodge
Sheriff & Alderman Charles Bowman	Alderman Professor Michael Mainelli
Nigel Challis	Deputy Robert Merrett
Simon Duckworth	Deputy Henry Pollard
Deputy Anthony Eskenzi	Adam Richardson
John Fletcher	James de Sausmarez
Stuart Fraser	Ian Seaton
Lucy Frew	Sir Michael Snyder
Deputy Brian Harris	David Thompson
Christopher Hayward	Deputy John Tomlinson
Alderman Peter Hewitt	Philip Woodhouse
Tom Hoffman	Mark Boleat (Ex-Officio Member)
Wendy Hyde	Deputy Alastair Moss (Ex-Officio Member)

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Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
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 17 November 2015.

For Decision
(Pages 1 - 8)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.

For Information
(Pages 9 - 12)
5. **DRAFT PUBLIC MINUTES OF SUB-COMMITTEES**
To note the draft minutes of the following Sub-Committee meetings:

For Information

 - a) Draft public minutes of the Efficiency and Performance Sub-Committee held on 4 November 2015 (Pages 13 - 16)
 - b) Draft public minutes of the Finance Grants Sub-Committee held on 17 November 2015 (Pages 17 - 20)
 - c) Draft public minutes of the Corporate Asset Sub-Committee held on 24 November 2015 (Pages 21 - 24)
6. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE AND 2016 AGENDA PLAN**
Report of the Town Clerk.

For Decision
(Pages 25 - 32)
7. **AUTUMN STATEMENT AND SPENDING REVIEW**
Report of the Chamberlain.

For Information
(Pages 33 - 54)
8. **INFORMATION TECHNOLOGY DEPARTMENT - QUARTERLY UPDATE**
Report of the Chamberlain.

For Information
(Pages 55 - 62)

9. **THE PENSION FUND DEFICIT**
Report of the Chamberlain. This report will also be considered by the Court of Common Council.
For Information
(Pages 63 - 68)
10. **THE WORK OF THE CITY'S SOCIAL VALUE PANEL**
Report of the Chamberlain.
For Information
(Pages 69 - 76)
11. **INVEST NORTHERN IRELAND'S BUILDING LONDON CONFERENCE**
Report of the Chamberlain.
For Information
(Pages 77 - 80)
12. **COUNCIL TAX REDUCTION SCHEME**
Report of the Chamberlain. This report will also be considered by the Court of Common Council on 14 January 2016.
For Decision
(Pages 81 - 86)
13. **MEMBERS' FINANCIAL ALLOWANCE LOSS SCHEME**
Report of the Town Clerk.
For Information
(Pages 87 - 88)
14. **RISK MANAGEMENT - TOP RISKS**
Report of the Chamberlain.
For Information
(Pages 89 - 90)
15. **POLICE ARBORETUM MEMORIAL TRUST - NEW NATIONAL MEMORIAL PROJECT**
Report of the Town Clerk. This report was approved by the Police Committee on 1 December 2015 and will be considered by the Policy and Resources Committee on 10 December 2015.
For Decision
(Pages 91 - 96)
16. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Decision
(Pages 97 - 102)
17. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
18. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

19. **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

20. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 17 November 2015.

For Decision
(Pages 103 - 106)

21. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.

For Information
(Pages 107 - 108)

22. **DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**
To note the draft non-public minutes of the following Sub-Committee meetings:

For Information

- a) Draft non-public minutes of the Efficiency and Performance Sub-Committee held on 4 November 2015 (Pages 109 - 112)
- b) Draft non-public minutes of the Finance Grants Sub-Committee held on 17 November 2015 (Pages 113 - 116)
- c) Draft non-public minutes of the Corporate Asset Sub-Committee held on 24 November 2015 (Pages 117 - 122)

23. **CITY'S ESTATE STRATEGIC REVIEW - ANNUAL UPDATE**
Report of the City Surveyor. This report will also be considered by the Property Investment Board on 9 December 2015, Investment Committee on 20 January 2016 and Policy and Resources Committee on 21 January 2016.

As agreed by the Committee in February 2015, the summary report is included within the agenda and the full report has been circulated to Members electronically.

For Information
(Pages 123 - 124)

24. **STRATEGIC PROPERTY ESTATE - ANNUAL UPDATE**
Report of the City Surveyor. This report will also be considered by the Property Investment Board on 9 December 2015, Investment Committee on 20 January 2016 and Policy and Resources Committee on 21 January 2016.

As agreed by the Committee in February 2015, the summary report is included within the agenda and the full report has been circulated to Members electronically.

For Information
(Pages 125 - 126)

25. **WAIVER APPROVAL REQUEST - TELEPHONE LINES CONTRACT**
Report of the Chamberlain.

For Decision
(Pages 127 - 130)

26. **WAIVER APPROVAL REQUEST - INTERNAL AUDIT SUPPORT SERVICES**
Report of the Chamberlain.

For Decision
(Pages 131 - 134)

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**

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FINANCE COMMITTEE

Tuesday, 17 November 2015

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

Present

Members:

Roger Chadwick (Chairman)	Deputy Jamie Ingham Clark
Jeremy Mayhew (Deputy Chairman)	Clare James
Randall Anderson	Alderman Vincent Keaveny
Deputy John Barker	Deputy Alastair King
Nicholas Bensted-Smith	Gregory Lawrence
Chris Boden	Alderman Professor Michael Mainelli
Nigel Challis	Deputy Robert Merrett
Deputy Anthony Eskenzi	Deputy Henry Pollard
John Fletcher	James de Sausmarez
Lucy Frew	Ian Seaton
Deputy Brian Harris	Sir Michael Snyder
Christopher Hayward	Deputy John Tomlinson
Alderman Peter Hewitt	Philip Woodhouse
Tom Hoffman	Mark Boleat (Ex-Officio Member)
Wendy Hyde	

Officers:

Peter Lisley	- Assistant Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Steve Telling	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
David Padfield	- Community and Children's Services Department
David Pearson	- Director of Culture, Heritage and Libraries
Peter Bennett	- City Surveyor

1. APOLOGIES

Apologies for absence were received from Alderman and Sheriff Charles Bowman, Stuart Fraser, Oliver Lodge and Deputy Alastair Moss.

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

Tom Hoffman and Jeremy Mayhew each declared a non-pecuniary interest in respect of item 12 due to being Trustees of the City Arts Festival.

Deputy John Tomlinson declared a non-pecuniary interest in respect of item 23 as the tenant in question was known to him personally.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 22 September 2015 be approved as an accurate record, subject to the amendment of “Spitalfield Market” to “Smithfield Market” within minute item 2.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

RESOLVED – That the Committee notes the report.

5. **PUBLIC MINUTES OF SUB-COMMITTEES**

5.1 **Public minutes of the Efficiency and Performance Sub-Committee held on 16 September 2015**

RESOLVED – That the public minutes and non-public summary of the Efficiency & Performance Sub-Committee meeting held on 16 September 2015 be noted.

5.2 **Draft public minutes of the Corporate Asset Sub-Committee held on 7 October 2015**

RESOLVED – That the public minutes and non-public summary of the Corporate Assets Sub-Committee meeting held on 7 October 2015 be noted.

5.3 **Draft public minutes of the Information Technology Sub-Committee held on 20 October 2015**

RESOLVED – That the public minutes of the Information Systems Sub-Committee meeting held on 20 October 2015 be noted.

6. **CITY'S CASH FINANCIAL STATEMENTS 2014/15**

The Committee considered a report of the Chamberlain which provided the Annual Report and Financial Statements for City's Cash for the year ended 31 March 2015, for the Committee's approval. The Committee was advised that the Audit Committee had resolved to recommend that the Finance Committee approve the Financial Statements.

The minutes of the meeting of the Audit and Risk Management Committee on 3 November 2015 were put around the table for information. These minutes advised of two changes proposed to the accounts, namely:

- The wording of Section 5 of the Annual Report regarding Governance Arrangements should be made clearer.

- In addition to the disclosure note to the financial statements, the works being undertaken to the Hampstead Heath Ponds should be included in the Annual Report.

RESOLVED – That the Committee:

- a) notes the contents of Moore Stephens LLP’s Audit Management Report;
- b) approves the City’s Cash Financial Statements for the year ended 31 March 2015, subject to the amendments suggested by the Audit and Risk Management Committee set out above; and
- c) agrees that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

7. FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE

The Committee considered a report of the Chamberlain which provided the quarterly update of the work of the Financial Services Division.

Members discussed the Oracle Programme, which had been listed as closed down. Members felt that the Oracle Programme was not yet delivering all of the functions which it had been procured to deliver, and therefore questioned whether it should be considered to be closed down.

In response to a question from a Member, the City Surveyor explained that, from his perspective the rental income aspect of Oracle was operating as specified, but the service charges aspect was still in a testing stage, although this had been expected from the outset of the project.

In response to a question from a Member, the Chamberlain assured Members that during the transition to business as usual, there would continue to be effective oversight of the remaining issues to be resolved. He explained that it was difficult to provide the exact number of defects currently on the Oracle project, as defects were discovered and resolved as the system was used. Members noted that a report to a recent meeting of the Projects Sub (Policy and Resources) Committee had indicated that there were around eight defects remaining on the project, and requested that an update be provided regarding these specific defects, so that Members could get a better assessment of progress with resolving the defects on the Oracle system.

It was agreed that this information should be provided by email to the Chairman and the Chairman of the Projects Sub (Policy and Resources) Committee as soon as possible, and a report should be submitted to the next meeting of this Committee.

RESOLVED – That the Committee

- a) notes the report;
- b) requests that the Chairman of this Committee and the Chairman of the Projects Sub (Policy and Resources) Committee be provided with an

update as to the status of the Oracle Project defects previously reported to the Projects Sub (Policy and Resources) Committee as soon as possible, with a report on this issue to be submitted to the next meeting of this Committee.

8. **CHAMBERLAIN'S BUSINESS PLAN - SECOND QUARTER UPDATE**

The Committee considered a report of the Chamberlain which provided the Committee with the second quarter progress report for the Chamberlain's Departmental Business Plan.

RESOLVED – That the Committee notes the report.

9. **REVENUE BUDGET MONITORING TO SEPTEMBER 2015**

The Committee considered a report of the Chamberlain which provided Revenue Budget Monitoring for all Corporation Departments up to the end of September 2015.

RESOLVED – That the Committee notes the report.

10. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - QUARTERLY REPORT**

The Committee considered a report of the Chamberlain which provided the quarterly updates for the Chamberlain's Departmental Risk Register.

The Chamberlain provided Members with an update regarding Risk CL19 (IT Service Provision), which was rated as red. He explained that significant progress had been made in this area over the last 12 months, particularly with the integration of the Police IT Infrastructure. However, he noted that there were a number of key IT Projects which would be brought forward over the next year 12 months, particularly the desktop replacement project. He therefore explained that the target date to achieve a green risk in this area would now be revised to 31 December 2016.

A Member noted that the target date for achieving a green risk on CHB001 (Oracle ERP Delivery) had been 30 September 2015, and asked whether this had been achieved. The Chamberlain explained that the Oracle Project had been closed on that date and transitioned to business as usual.

Members noted that although this had been the case in management responsibility terms, as previously discussed, they remained concerned about the risks relating to the outstanding issues to be resolved. The Chamberlain assured Members that he remained personally responsible for the delivery of the Oracle Project, and expected that he would be able to report further progress on the completion of the Project at the December 2015 and January 2016 meetings of the Committee.

RESOLVED – That the Committee notes the report.

11. **ANNUAL ON-STREET PARKING ACCOUNTS 2014/15 AND UTILISATION OF ACCRUED SURPLUS ON HIGHWAY IMPROVEMENTS AND SCHEMES**
The Committee considered a report of the Chamberlain which provided information regarding the surplus arising from on-street parking activities in 2014/15.

RESOLVED – That the Committee notes the report.

12. **CITY OF LONDON FESTIVAL - CASH FLOW REPORT**

The Committee received a report of the Director of Culture, Heritage and Libraries which provided an update, as requested by the Committee, on the cashflow of the City of London Festival and reassurance that repayments of the outstanding loan of £150,000 would begin in 2016.

The Committee noted that the Culture, Heritage and Libraries Committee was responsible for the primary grant to the City of London Festival, and also noted that there had been some concerns voiced at the most recent meeting of that Committee regarding the governance of the Festival.

The Committee also discussed the principle of making loans to other organisations, as historically repayment of these was often deferred and eventually written off. It was suggested that in future, the Committee might consider such requests as grants, rather than loans.

RESOLVED – That the Committee notes the report.

13. **CENTRAL 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.

RESOLVED – That the Committee notes the report.

14. **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 Order 41(b).

A Member asked for clarification as to whether the accounting treatment of long leasehold disposals applied to City's Cash and Bridge House Estates Financial Statements and whether it factored in property transactions in 2015/16 and beyond. The Chamberlain explained that it only applied to specific transactions within the City Fund Financial Statements at this point.

RESOLVED – That the Committee notes the report.

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

There were no questions.

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

There were no urgent items.

17. **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.

Item No.	Paragraphs in Schedule 12A
18, 19, 20, 21, 23, 24, 25	3
22	2, 3
26	3, 5

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

The non-public minutes and summary of the meeting held on 22 September 2015 were approved as an accurate record.

19. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**

The Committee considered and noted a report of the Town Clerk which set out actions outstanding from previous non-public minutes of the Committee.

20. **NON-PUBLIC MINUTES OF SUB-COMMITTEES**

20.1 **Non-public minutes of the Efficiency and Performance Sub-Committee held on 16 September 2015**

The non-public minutes of the Efficiency & Performance Sub-Committee meeting held on 16 September 2015 were noted.

20.2 **Draft non-public minutes of the Corporate Asset Sub-Committee held on 7 October 2015**

The non-public minutes of the Corporate Asset Sub-Committee meeting held on 7 October 2015 were noted.

21. **PERFORMANCE METRICS USED IN PROPERTY REPORTS**

The Committee received a joint report of the Chamberlain and the City Surveyor which provided Members with a background to the appraisal metrics used in City of London Corporation property reports to Property Investment Board and Finance Committee. The Committee agreed that an amended version of this report should be brought to a future meeting of the Committee.

22. **DISPOSAL - SYLVACOTE COTTAGE AND AVENUE COTTAGE, PARK LANE, ASHTEAD AND SURROUNDING LAND (CITY'S ESTATE)**
The Committee considered and approved a report of the City Surveyor which requested approval for the freehold disposal of Sylvacote Cottage and Avenue Cottage, Park Lane, Ashtead, plus disposal of the surrounding land by way of a 150 year lease at a peppercorn rent.
23. **TENANTS RENT ARREARS WRITE OFF - REQUEST FOR DELEGATED AUTHORITY**
The Committee considered a joint report of the Comptroller and City Solicitor and the City Surveyor which sought delegated authority for the approval for the write off of rent arrears, subject to a mediation meeting.
24. **POLICE ACCOMMODATION PROJECT - PHASE 3, DECANT STRATEGY FOR WOOD STREET AND 21 NEW STREET**
The Committee noted a joint report of the City Surveyor, Chamberlain and Commissioner of the City of London Police which provided information regarding the decant strategy for the Wood Street Police Station building to facilitate that building's refurbishment.
25. **WAIVER APPROVAL REQUEST - APPOINTMENT OF ARCHITECT FOR CULLUM WELCH HOUSE CONCRETE PANEL DESIGN**
The Committee considered and approved a report of the Director of Community and Children's Services which requested a waiver of the City of London Corporation's Procurement Regulations to allow the appointment of the architect for the Cullum Welch House Concrete Panel Design.
26. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
The Committee noted a report of the Town Clerk detailing non-public decisions taken under urgency procedures since the last meeting.
27. **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.
28. **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 closed at 2.40 pm

Chairman

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Finance Committee – Outstanding Actions

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	17 November 2015, Item 7	<p><u>Financial Services Division – Quarterly Update – Oracle Programme</u></p> <p>The Chairman of this Committee and the Chairman of the Projects Sub (Policy and Resources) Committee be provided with an update as to the status of the Oracle Project defects previously reported to the Projects Sub (Policy and Resources) Committee as soon as possible, with a report on this issue to be submitted to the next meeting of this Committee.</p>	Chief Information Officer	Report to be submitted to December 2015 meeting	<p>The requested information has been provided to the Chairman and Chairman of Projects Sub-Committee. Summary information is included with the Information Technology Department Quarterly Update report on the agenda for this meeting.</p> <p>The Oracle Project Closure report is being finalised, and will be submitted to the Committee in January 2016.</p>

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
2.	22 September 2015, Item 6	<p><u>Resolution from Markets Committee – Revenue Outturn Reports</u></p> <p>That the Finance Committee requests that the Markets Committee reconsiders its request that Revenue Outturn Reports to that Committee are presented in a commercial format.</p> <p>The decision of the Finance Committee was received by the Markets Committee at their meeting on 30 September 2015. The Markets Committee referred this matter to Policy and Resources Committee as a dispute between Committees. This issue was subsequently raised by the Board of Governors of the City of London School.</p> <p>The Chairmen of the Committees met on 22 October to discuss the issue and it was agreed that that the Financial Services Director would attend the next meeting of the Markets Committee and Board of Governors to present potential options for the presentation of revenue outturn reports, while keeping the reports within a common format to those presented to other Committees.</p>	Chamberlain.	December 2015.	<p>The Financial Services Director attended the meetings of the Markets Committee and City of London School in November and December 2015.</p> <p>The Chamberlain agreed develop an appropriate report format in consultation with the Chairman, Deputy Chairman of the Committees. It was noted that a balance would need to be struck regarding the amount of staff time and resources it would take to develop the final separate format.</p> <p>The Chamberlain confirmed that changes would not be possible to the overall Accounts or Budgets, as the format of these was defined by CIPFA.</p>

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
3.	22 September 2015, Item 7	<u>City Procurement – Quarterly Update</u> The Committee requested that future reports provide information on trends to allow analysis of the direction of future performance.	Head of City Procurement	January 2016	Trend information to be included in next City Procurement quarterly update in January 2016.
4.	22 September 2015, Item 9	<u>Purchasing Card Policy</u> The Purchasing Card Policy to be reviewed on an annual basis.	Head of City Procurement	September 2016	Purchasing Card Policy to be reviewed in September 2016.

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EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 4 November 2015

Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm

Present

Members:

Roger Chadwick (Chairman)	John Fletcher
Jeremy Mayhew (Deputy Chairman)	Deputy Jamie Ingham Clark
Randall Anderson	Ian Seaton
Nicholas Bensted-Smith	Deputy John Tomlinson
Nigel Challis	Philip Woodhouse

Officers:

Susan Attard	- Deputy Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Neil Davies	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Peter Bennett	- City Surveyor
Andrew Crafter	- City Surveyor's Department
Paul Nagle	- Chamberlain's Department

1. **APOLOGIES**

No apologies were received.

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

There were no declarations.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED - That the public minutes and non-public summary of the meeting held on 16 September 2015 be agreed as an accurate record.

4. **OUTSTANDING ACTIONS**

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

A Member asked whether there had been any update in relation to the issue regarding unsocial hours payments at the Barbican Centre. The Chamberlain explained that he would meet with the Managing Director of the Barbican Centre and the Director of Human Resources during the following week to seek to resolve this issue.

RESOLVED – That the Committee notes the report.

5. SERVICE BASED REVIEW ROADMAP

The Sub-Committee considered a report of the Town Clerk which provided the latest version of the Service Based Review Roadmap.

The Chairman commented that it appeared to be increasingly likely that the Service Based Review would be an ongoing process. The Chairman compared the Service Based Review to the Procurement and Procure to Pay (PP2P) scheme, which had eventually led to the creation of City Procurement. Members commented that PP2P had, in effect, been a process of continuous improvement in procurement and it would be beneficial for a similar approach in relation to efficiency to become embedded in the Corporation.

Members also noted that one of the major learning points from PP2P had been the importance of ensuring that there was a thorough awareness of specific needs within departments. The Deputy Town Clerk explained that this was being fed into the Strategic Asset Management review, particularly in terms of delineating between the roles of provider, end user and intelligent client.

The Sub-Committee commented that the majority of the cross-departmental projects were reporting slippage against their intended programmes. Members commented that it was important that Officers assessed the critical path for these cross-departmental projects to ensure that the savings were delivered on time. In response to a question from a Member, the Chamberlain explained that the cross-departmental projects were being delayed due to both the complexity of the projects and their cross-departmental nature. It was also noted that the initial projections for when these projects would be delivered may have been too optimistic.

The Sub-Committee noted that a highly consultative approach had been taken to the Service Based Review, with significant consultation with Departments, and that this had been especially pronounced for the cross-departmental reviews. However, the Sub-Committee commented that, at some stage, it would need to be acknowledged that the implementation of cross-departmental reviews would not be universally popular within all Departments.

The Sub-Committee agreed that, at that stage, it would be necessary to implement the projects in the way which would maximise the benefit to the Corporation as a whole. The Sub-Committee noted that the cross-departmental projects had been agreed by Members and Senior Officers, and therefore Members and Senior Officers should do all they could to support the implementation of these savings in line with the agreed programmes. The Sub-Committee agreed that it would certainly offer any support that it could to Officers in implementing the cross-departmental projects.

The Chamberlain highlighted to Members that the Government's Autumn Statement would provide further clarity to the funding environment for the Corporation for the remainder of the decade. He advised that a report on the

implications of the Autumn Statement would be brought before the Sub-Committee in early 2016.

RESOLVED – That the Sub-Committee notes the report.

6. **WORK PLAN FOR FUTURE MEETINGS**

The Sub-Committee considered a report of the Town Clerk which set out the work plan for future meetings.

A Member noted that many of the Departmental Update Reports on the work plan for future meetings were listed as TBA, and requested that this aspect of the work plan be further populated. The Town Clerk and Chamberlain confirmed that this would be populated, but it was intended that the Departmental Update Reports would be prioritised on a risk-assessed basis, so there would necessarily be some flexibility within the work programme.

RESOLVED – That the Sub-Committee notes the report.

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

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

There were no items of urgent business.

9. **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.

Item(s)
10-15

Paragraph
3

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

The Sub-Committee approved the non-public minutes of the meeting held on 16 September 2015 as an accurate record.

11. **SERVICE BASED REVIEW FINANCIAL MONITORING - QUARTER 2 MONITORING**

The Sub-Committee noted a report of the Chamberlain which set out financial monitoring of Service Based Review programmes on a departmental basis up to the end of Quarter 2.

12. **SERVICE BASED REVIEW: DEPARTMENTAL MONITORING - CITY SURVEYORS DEPARTMENT**

The Committee noted a joint report of the City Surveyor and Chamberlain which provided detailed information as to the overall progress within the City Surveyor's Department in implementing the agreed Service Based Review targets within that Department.

13. **COMBINED HEAT AND POWER SYSTEM - ANNUAL REPORT 2014/15**

The Committee noted a report of the City Surveyor which provided the annual report for the City of London Combined Heat and Power (CHP) System for the year 2014/15 providing details of developments and system performance over the year.

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

There were no questions.

15. **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 business.

The meeting closed at 2.55 pm

Chairman

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FINANCE GRANTS SUB (FINANCE) COMMITTEE

Tuesday, 17 November 2015

Minutes of the meeting of the Finance Grants Sub (Finance) Committee held at Guildhall on Tuesday, 17 November 2015 at 11.30 am

Present

Members:

Roger Chadwick (Chairman)
Jeremy Mayhew (Deputy Chairman)
Deputy John Barker
Nicholas Bensted-Smith
Nigel Challis
Jamie Ingham Clark
Alderman Vincent Keaveny
Philip Woodhouse

In Attendance

Officers:

Peter Kane	- Chamberlain
Steven Reynolds	- Chamberlain's Department
Emily Rimington	- Comptroller and City Solicitor's Department
Barbara Riddell	- Independent Grants Assessor
Julie Mayer	- Town Clerk's

1. APOLOGIES

Apologies were received from Randall Anderson (on account of his attendance at another Committee); Simon Duckworth and Clare James.

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

There were no declarations.

3. MINUTES

The minutes of the Finance Grants Sub Committee held on 12 May 2015 were approved.

4. GUIDELINES FOR GRANTS

The Sub Committee noted the guidelines to be observed when considering grant applications.

5 QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

In response to a question, the Chamberlain advised that all successful applicants must submit their signed off annual accounts, which must also be submitted to the Charities Commission within 10 months of their approval.

6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

Members noted that grant recipient, Clio's Company would be holding an open day on 23rd November at All Hallows, near the Tower of London and all Members were invited.

7. EXCLUSION OF THE PUBLIC

RESOLVED – that: under Section 100 (A) of the Local Government Act 1972, the public be excluded from the meeting, for following items of business, on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12 A of the Local Government Act.

Item No(s)	Para No(s)
8 - 10	3

8. NON-PUBLIC MINUTES

The Non-public Minutes of the Meeting held on 12 May 2015 were approved.

9. GRANT APPLICATIONS

The Sub Committee received a joint report of the Chamberlain and the Town Clerk, outlining applications for Finance Grants Sub Committee assistance.

RESOLVED, that:

The following applications be agreed and funded from City's Cash

Kings Square Community Nursery	A grant of up to £5,700, subject to receipt of a satisfactory estimate for the cost of an interactive whiteboard and equipment for the nursery's forest school activities
Sylvia Pankhurst Memorial Committee	A grant of £10,000, towards the cost of a permanent life size statue of Sylvia Pankhurst on Clerkenwell Green. <i>NB. The grant to be awarded once the rest of the funding (i.e. £90,000) had been secured. Members noted that the residual business in respect of this grant would be reviewed by the Finance Committee.</i>

One application was deferred for a delegated decision.

The following applications not be agreed as, at this time, Members did not consider them to be the most appropriate use of funds:

Happy Days Children's Charity	A grant for day trips and respite breaks for London children with special needs and disabilities.
The Irene Taylor Trust	A grant towards the costs of two 5 week projects with 30 young people in Tower Hamlets to help them into training and employment.
GoodGym	A grant towards the first two years costs of establishing GoodGym in the City of London.
Diversity Role Models	A grant towards the costs of workshops held in primary and secondary schools designed to challenge stereotypes and prejudice.

10. MONITORING REPORTS FROM RECIPIENTS OF GRANTS

The Sub Committee considered and approved a report of the Town Clerk.

11. BENEFITS IN KIND

The Sub Committee considered and approved a report of the Chamberlain.

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

There were no questions.

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

The Sub Committee considered one item.

The meeting ended at 12:35 pm

Chairman

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CORPORATE ASSET SUB (FINANCE) COMMITTEE

Tuesday, 24 November 2015

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm

Present

Members:

Roger Chadwick (Chairman)	Deputy Brian Harris
Jeremy Mayhew (Deputy Chairman)	Deputy Alastair Moss
Randall Anderson	Deputy John Tomlinson
Deputy John Chapman	

Officers:

Christopher Braithwaite	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Dianne Merrifield	- Chamberlain's Department
Paul Nagle	- Chamberlain's Department
Peter Bennett	- City Surveyor
Alison Hurley	- City Surveyor's Department
Bob Meldrum	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Sue Ireland	- Director of Open Spaces
Charles Henty	- Secondary and Under Sheriff of London and High Bailiff of Southwalk

1. **APOLOGIES**

Apologies were received from Mark Boleat.

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

No declarations of interest were made.

3. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 7 October 2015 are approved as an accurate record.

4. **CENTRAL CRIMINAL COURT - 6 MONTHLY BUSINESS PLAN UPDATE**

The Sub-Committee considered the report of the Secondary of London which provided information regarding progress on delivering the Central Criminal Court's Business Plan objectives during the period 1 April to 30 September 2015.

The Chairman thanked the Secondary of London for his very positive report. The Chairman also drew Members' attention to the ongoing major capital project to replace the boilers at the Central Criminal Court.

RESOLVED – That the Sub-Committee notes the report.

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

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

There were no urgent items.

7. **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.

Item No.

Paragraphs in Schedule 12A

8-17

3

8. **NON-PUBLIC MINUTES**

The non-public minutes of the previous meeting held on 7 October 2015 were approved as an accurate record.

9. **CITY SURVEYOR'S BUSINESS PLAN 2015-18 - QUARTER 2 2015/16 PROGRESS REPORT**

The Sub-Committee noted a report of the City Surveyor which provided an update on his Departmental Business Plan to the end of September 2015.

10. **CITY SURVEYOR'S DEPARTMENTAL RISK REPORT**

The Sub-Committee noted a report of the City Surveyor which provided an update on his Departmental Risk Register to the end of September 2015.

11. **SERVICE BASED REVIEW - DEPARTMENTAL MONITORING - CITY SURVEYOR'S DEPARTMENTAL UPDATE**

The Sub-Committee noted a joint report of the Chamberlain and City Surveyor which provided an update on progress with the City Surveyor's Departmental Service Based Review savings. Members also received draft minutes from the meetings of the Efficiency and Performance Sub (Finance) Committee on 4 November 2015 and the Property Investment Board on 11 November 2015 where this report had been considered.

12. **OPERATIONAL ASSET REVIEW PROGRAMME**

The Sub-Committee considered and approved a joint report of the Chamberlain and City Surveyor which set out emerging opportunities and recommendations for consideration by the Sub-Committee as to the effective use of property assets.

13. **CITIGEN CONTRACT RENEWAL - NEGOTIATION STRATEGY**

The Sub-Committee considered and approved a joint report of the Chamberlain and City Surveyor which provided details of the strategy to re-negotiate the existing contract with Citigen. The strategy had been developed by the Head of City Procurement in consultation with the City Surveyor's department and a Member of the Sub-Committee with experience in the energy related marketplace.

14. **PUBLIC CAR PARKS - PROVISION OF LIFE CARE PLANS FOR EACH MULTI STOREY CAR PARK STRUCTURE**

The Sub-Committee considered and approved a joint report of the City Surveyor and the Director of the Built Environment which informed the Committee of the need to create Life Care Plans for each of the multi-storey car parks owned by the Corporation.

15. **ADDITIONAL WORKS PROGRAMME 2013/14, 2014/15 AND 2015/16 - PROGRESS REPORT**

The Sub-Committee noted a report of the City Surveyor which provided an overview of the progress and expenditure on the three Additional Works Programmes (AWP) which were currently running.

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

There were no questions.

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

There were no items of urgent business

The meeting closed at 3.25 pm

Chairman

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Committee: Finance Committee	Date: 15 December 2015
Subject: Annual Review of the Committee's Terms of Reference and 2016 Agenda Plan	Public
Report of: Town Clerk	For Decision

Summary

As part of the post-implementation review of the changes made to the governance arrangements in 2011, it was agreed that all committees should review their terms of reference annually. This will enable any proposed changes to be considered in time for the reappointment of committees by the Court of Common Council.

The Terms of Reference of the Finance Committee are attached as an appendix to this report for your consideration.

In addition, a forward look of the expected items of business for the Finance Committee in the next year is provided at Appendix 2.

Recommendation:

That the Committee:

- a) subject to any comments and agreement, approves the Terms of Reference of the Finance Committee for submission to the Court, as set out in the appendix 1;
- b) consider the frequency of meetings of the Committee; and
- c) notes the Forward Plan for 2016 at Appendix 2;
- d) agrees that any further changes required in the lead up to the appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.

Review of the Committee's Terms of Reference

1. There are two proposed amendments to the Committee's Terms of Reference. These both arise from the review of the Corporation's grant-giving activities, which the Committee considered in June 2015. The Committee agreed to relinquish its grant giving role and agree to adopt a strategic oversight/ performance management role in respect of all City Corporation grants programmes.
2. Therefore, it is proposed to remove the reference to dealing with requests for item (h) within the Committee's Terms of Reference. It is proposed to add a new entry to the Terms of Reference stating "providing strategic oversight and performance management of all grant giving activity by the Corporation, excluding the City Bridge Trust."

3. These proposed amendments are set out within the Terms of Reference set out at Appendix 1.
4. Members should note that, following approval of these proposed amendments to the Terms of Reference for the Committee, a report providing proposed Terms of Reference for the Finance Grants Sub-Committee will be submitted to a future meeting of the Committee.
5. In addition, Members are asked to consider the frequency of meetings for the Committee. Currently meetings of the Committee are scheduled to be held every four weeks. In 2015/16, 11 meetings of the Committee are scheduled. Over the last three years it has become typical for roughly one meeting per year to be cancelled due to a lack of business to consider.
6. Members are asked to consider the frequency of meetings for 2015 and beyond.

2016 Forward Plan

7. An agenda plan for the Committee for 2016 has been developed and is attached to this report at Appendix 2. This agenda plan provides details of the 'standing' items of the Committee, and the business of the Committee will be supplemented throughout the year as issues arise. The agenda plan also highlights the strategic items which will be the main focus of each meeting and the Divisional Updates from within the Chamberlain's Department which provide a high level progress update on the work of the Department over the last quarter.

Appendices

- Appendix 1 – Finance Committee Terms of Reference
- Appendix 2 – Finance Committee 2016 Forward Plan

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FINANCE COMMITTEE

1. **Constitution**

A Ward Committee consisting of,

- four Aldermen nominated by the Court of Aldermen
- up to 31 Commoners representing each Ward (two representatives for the Wards with six or more Members regardless of whether the Ward has sides) or Side of Ward
- the Chairman and Deputy Chairman of the Policy & Resources Committee (ex-officio)
- the Chairman and Deputy Chairman of the Investment Committee (ex-officio)

2. **Quorum**

The quorum consists of any nine Members.

3. **Terms of Reference**

To be responsible for:-

Finance

- (a) Ensuring effective arrangements are made for the proper administration of the City Corporation's financial affairs;
- (b) considering the annual budget of the several committees, to ascertain that they are within the resources allocated, are applied to the policies for which those resources were allocated and represent value for money in the achievement of those policies;
- (c) determining annually with the Resource Allocation Sub-Committee, the appropriate performance return bench marks for the City's and Bridge House Estates;
- (d) obtaining value for money in all aspects of the City of London Corporation's activities;
- (e) monitoring performance against individual Departmental Business Plans and bringing about improvements in performance;
- (f) The effective and sustainable management of the City of London's operational assets, to help deliver strategic priorities and service needs;
- (g) overseeing the City of London Corporation's approved list of contractors and consultants;
- (h) dealing with requests for ~~grants for charitable purposes from funds under the Committee's control, including the City of London Corporation Combined Relief of Poverty Charity (registered charity no. 1073660) and the City Educational Trust (registered charity no. 290840)~~, allowances, expenses, insurance, business travel, treasure trove and Trophy Tax;
- (i) **providing strategic oversight and performance management of all grant giving activity by the Corporation, excluding the City Bridge Trust.**
- (j) making recommendations to the Court of Common Council in respect of:-

- (i) the audited accounts, the Annual Budget and to recommend the non-domestic rate and Council Tax to be levied and to present the capital programme and make recommendations as to its financing;
- (ii) the appointment of the Chamberlain;

(k) strategies and initiatives in relation to energy;

Information Systems

(l) developing and implementing IS strategies to support the business needs of the City of London Corporation;

Sub-Committees

(m) appointing such Sub-Committees as are considered necessary for the better performance of its duties including the following areas:-

- Efficiency & Performance
- Finance Grants
- Information Systems
- Corporate Assets

<u>Finance Committee – Agenda Plan 2016</u>			
January to March			
Date:	<u>19th January 2016</u>	<u>16th February 2016</u>	<u>15th March 2016</u>
	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Local Government Finance Settlement, Police Settlement and Mayoral Precept 2016/17 - City Procurement – Quarterly Update - Chamberlain’s Business Plan – third quarter update - Service Based Review – Income Generation - Finance Grants Sub-Committee – Proposed Terms of Reference <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Pension Fund – Actuarial Valuation as at 31 March 2015 - Chamberlain’s Departmental Risk Register – Quarterly report on all risks - Finance Committee Contingencies - London Local Government Pension Scheme Collective Investment Vehicle – Administering Body - Review of Application of EU Procurement Regulations <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - Bridge House Estates – Strategic Review – Annual Update - City Fund Strategic Review – Annual Update 	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - City Fund 2015/16 Budget Reports and Medium Term Finance Strategy - Revenue and Capital Budgets 2015/16 and 2016/17 - Financial Service Department – Quarterly Update <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Third Quarter Budget Monitoring Report - Non-Domestic Rate Relief – Review of Discretionary Relief - Irrecoverable Non-Domestic Rates and Council Tax - Business Ratepayers Consultation – notes from meeting on 3 February - Chamberlain’s Departmental Risk Register – Top Risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - Energy/Utilities Contract Procurement 	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Information Technology Department Quarterly Update <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Chamberlain’s Departmental Risk Register – Top Risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <p>None</p>

Finance Committee – Agenda Plan 2016
April to June

Date:	<u>12th April 2016</u>	<u>10th May 2016</u>	<u>7th June 2016</u>
	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Chamberlain’s Business Plan – 2015/16 – year end review - Chamberlain’s Business Plan 2016/17 - City Procurement – Quarterly Update <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Chamberlain’s Departmental Risk Register – Quarterly report on all risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - Museum of London Pay Award 	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Financial Service Department – Quarterly Update <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Election of Chairman, Deputy Chairman and appointment of Sub-Committees - Provisional Outturn 2015/16 - Bridge House Estates Risk Register - Chamberlain’s Departmental Risk Register – Top Risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <p>None</p>	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Information Technology Department Quarterly Update - Procurement Strategy 2016-2019 <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Chamberlain’s Departmental Risk Register – Top Risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - Council Tax Write Offs - Annual Provision for Bad Debts

Finance Committee – Agenda Plan 2016
July to October

Date:	<u>19th July 2016</u>	<u>20th September 2016</u>	<u>18th October 2016</u>
	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Government Budget announcement - implications - Audited 2015/16 City Fund and Pension Fund Financial Statements - Audited 2015/16 Bridge House Estates and Sundry Trusts Financial Statement - Chamberlain’s Business Plan – Quarter 1 Update - City Procurement – Quarterly Update <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Budget Monitoring Report – First quarter update - Revenue Outturn 2015/16 for Finance Committee Operational Services - City Re Limited – Performance Monitoring - Chamberlain’s Departmental Risk Register – Quarterly report on all risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <p>None</p>	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Local Government Financial Settlement 2017/18 and 2018/19 - Financial Service Department – Quarterly Update - Annual Review of Procurement Regulations <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Purchasing Cards Policy – Annual Review - Chamberlain’s Departmental Risk Register – Top Risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <p>None</p>	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Information Technology Department Quarterly Update - Chamberlain’s Business Plan - Half-yearly Update <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Chamberlain’s Departmental Risk Register – Quarterly report on all risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <p>None</p>

Finance Committee – Agenda Plan 2016
November and December

Date:	<u>15th November 2016</u>	<u>13th December 2016</u>
	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - City's Cash Financial Statements 2015/16 - City Procurement – Quarterly Update <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Half-Yearly budget Monitoring report - Surplus arising for on-street parking 2015/16 and Utilisation of Accrued Surplus - Chamberlain's Departmental Risk Register – Top Risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <p>None</p>	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Government Autumn Statement - Implications - Revenue and Capital Budgets for Finance Committee Operational Services 2017/18 - Financial Service Department – Quarterly Update <p><u>Public report</u></p> <ul style="list-style-type: none"> - Annual Review of the Finance Committee's Terms of Reference - Finance Allowance Loss Scheme - Annual Report - Chamberlain's Departmental Risk Register – Top Risks - Finance Committee Contingencies <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - City's Estate Strategic Review – Annual Report - Strategic Property Estate – Annual Report

Committee: Finance Committee	Date: 15 December 2015
Subject: Autumn Statement and Spending Review	Public
Report of: The Chamberlain	For Information

Summary

The Autumn Statement – which confirmed a £27bn improvement in the forecast public finances over the Parliament – enabled a softening in the degree of austerity announced in the Spending Review.

The two ‘surprise’ announcements were the cancellation of the reduction in tax credits and on police funding.

Police were given a ‘flat real’ settlement, based on the assumption that local council tax would increase to offset a 1.3% real terms reduction in central government funding over four years.

The position for local government is more complex, with the phasing out of revenue support grant in part offset by council tax and localisation of business rates. Estimates suggest this will translate into a 24% real terms reduction over four years. We will only know the detailed local impact on City and CoL Police when the provisional settlements are published on 16/17 December.

Further analysis will be undertaken as more detailed information becomes available and included in the reporting on medium term financial forecasts to Finance Committee in February.

Recommendation

Members are asked to note the report.

Main Report

Background

1. On 25 November, the Chancellor announced the outcome of the Spending Review 2015. The Spending review details settlements for each government department over the next four years.
2. While generally seen as very positive with the decision not to cut tax credits and protection for police, there is a mixed outlook for many public services. The decisions are reliant on the current growth forecast for the economy, which suggests the country is on track to eliminate the deficit with a £10bn surplus in 2019-20. Interest rates are assumed to remain low, there are

improved forecasts for GDP and a number of tax and spending initiatives that, over the course of the current Parliament, will result in £6bn additional income per year.

3. The Spending Review provided a complex picture for local government. While a cash-terms increase in spending over the course of Parliament was suggested by the Chancellor, this is based on the premise that a cut in funding will be offset by an increase in taxation receipts, generated by council tax and business rates. The Chartered Institute of Public Finance and Accountancy has stated that “The sector’s early view is actually that this disguises a range of worrying and significant real cuts depending on the assumptions used. The lack of detail and transparency in the announcement makes it very difficult to determine the actual outlook for local government”. In practice, local government may face a reduction of around 24% in real terms funding.

The Autumn Statement

4. From our perspective as a local and police authority, the key financial points are:

- The Chancellor’s announcement that there will be ‘no cuts’ to Police budgets is obviously very welcome news, especially at a time of emerging threats and new forms of crime. However, the headline may not translate into ‘no cuts’ to the City of London Police. Overall police funding, including funding for Counter Terrorism, has been cut by 1.3% in real terms over four years. In a letter to PCCs and Chief Constables the Home Secretary and Policing Minister say that “taking into account the scope that you have to raise local council tax, this means a flat real settlement for policing as a whole.”

There is therefore an assumption that ‘no cuts’ is possible if flexibility is used in raising Police precepts. A number of ‘topsllices’ are also expected from the overall funding pot to meet an additional commitment to counter terrorism and other priority schemes. This implies that core funding will reduce. Notwithstanding these uncertainties, the Spending Review should significantly improve our current financial forecast for the Police which shows a deficit of £4.8m by 2017/18 having fully utilised reserves – this would have required budget savings of approaching £9m to achieve a reserve level of £4m.

- Phasing out of revenue support grant (RSG). There is no detail as yet on the profile of the reductions. Our financial forecasts assume an even trajectory, with RSG eliminated by 2019/20.
- Introduction of an apprenticeship levy of 0.5% on salary bill from April 2017. It is not clear from the announcement whether there will be any exemptions for public bodies. If not this could be an additional annual cost of approximately £1.2m. That said, if we employ apprentices, they would be funded through the scheme.

- New council tax precept of up to 2% which must be spent on funding social care. For the City this would only generate a relatively modest £100,000.
- Business Rates devolution, with local government retaining 100% of business rates revenues by the end of the Parliament. It is unclear how this would work in practice as reference is still made to levies and tariffs and, of course, the GLA share would need to be negotiated. The Chancellor revealed little extra information. It appears to be a positive development, but it is not yet known which responsibilities may be transferred under the deal e.g. police, public health and special education needs. The Government will consult on the reform in 2016, taking into account the wider resources available to councils including council tax, and consider the transfer of funding for the administration for Housing benefits for pensioners, TfL capital funding and public health.
- The Government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. Instead of holding assets that could be made surplus, councils will be able to sell them and reinvest in their services that allow them to deliver more for less – for example in home improvements that can help keep older people from needing to go to hospital. The flexibility to use asset receipts for reform projects will be subject to a number of conditions, including limits on the years in which the flexibility will be offered and the qualifying criteria for reform projects.

5. There are a few further points of interest:

- An extra £6billion will be invested in the NHS, but £2bn is already factored into the 2015-16 resourcing, which is set to overspend.
- The Better Care Fund will be expanded by £1.5bn nationally by 2020
- 400,000 affordable homes to be started by 2020/21.
- In London a new Help to Buy equity loan scheme will allow buyers to get a loan for 40% of the value of the home from 2016. The current scheme offers 20%.
- The OBR forecast suggests the Government is on track to meet its fiscal mandate and supplementary target – public sector net borrowing is expected to be in surplus by 0.5% of GDP (£10.1bn) in 2019/20.
- The OBR forecast that the terms of the ‘welfare cap’ are set to be breached in three successive years from 2016/17 to 2018/19.

6. There is more detail in the analysis by London Councils, attached at Appendix 1 and in the analysis by the Police and Crime Commissioner’s Treasurers’ Society at Appendix 2.

7. Further analysis will be undertaken as more detailed information becomes available in December with the local government and police settlements and will be included in the reporting on medium term financial forecasts to Finance Committee in February. Your Chairman and the Chairman of Police also plan to run a Member session in January to discuss the implications of the settlement expected in December for Police.

Appendices

Appendix 1 – London Councils summary

Appendix 2 – Police and Crime Commissioners Treasurers' Society summary

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Spending Review 2015

London Councils' On The Day Briefing

London Councils represents London's 32 borough councils and the City of London. It is a cross party organisation that works on behalf of all its member authorities regardless of political persuasion.

Overview

On 25 November 2015, Chancellor George Osborne delivered Spending Review 2015 (SR15) – which sets government departmental expenditure limits for the next four years (2016-17 to 2019-20). Alongside the Spending Review, the Chancellor delivered his annual Autumn Statement, which included an update on the overall economic outlook and future plans for both public spending and taxation up to 2020-21. Further information on both the Spending Review and the Autumn Statement can be found on the Treasury's website¹.

The Spending Review contained a number of policies and announcements, which are likely to impact on local government. At this stage, it is too early to confirm what the exact impact will be and more detail is likely to emerge over time; however, the key headlines for London Local government are summarised below.

Key Headlines

- Overall cut to Local Government Resource DEL will be 56 per cent in real terms (53 per cent cash) between 2015-16 and 2019-20 (falling from £11.5bn to £5.4bn)
- London Councils estimates the cut to core funding (SFA) to be around 24 per cent for England
- The Mayor of London and the boroughs will jointly commission employment support outside the Jobcentre Plus regime
- Business Rates devolution – government will consult on the reform in 2016 taking into account the wider resources available to councils including council tax, and consider the transfer of funding for administration of Housing Benefit for pensioners, TfL capital funding, and public health.
- The Government's long term review of business rates will now report at Budget 2016
- There will be a new 'Council tax precept' of up to 2% which must be spent exclusively on social care
- The Better care Fund will be expanded by £1.5bn nationally by 2020
- Local authorities will be able to retain 100% of asset disposals to spend on reform
- Government will consult on a National schools funding formula to be introduced from 2017
- 400,000 affordable homes to be started by 2020-21 including 135,000 HtB shared ownership homes
- "London Help to Buy" scheme to offer 40% equity loan in recognition of higher housing costs in London

¹<https://www.gov.uk/government/topical-events/autumn-statement-and-spending-review-2015>

Economic Outlook

Alongside the Spending Review, the independent Office for Budget Responsibility (OBR) published new forecasts for the economy and the public finances, taking into account new policy measures. It has assessed whether the Government is on course to meet its medium-term fiscal objectives outlined in the *Charter for Budget Responsibility*. These are:

- **the fiscal mandate:** “to deliver a **surplus on public sector net borrowing by the end of 2019-20** and, once a headline surplus has been achieved, to achieve a **surplus on public sector net borrowing in each subsequent year**”;
- **the supplementary target:** “for **public sector net debt as a percentage of GDP to be falling in each year**” to 2019-20.
- **the welfare cap:** a limit on a subset of welfare spending, at cash levels set out by the Treasury for each year to 2020-21 in the July 2015 Budget.

The OBR forecast suggests that the Government is on track to meet its fiscal mandate and supplementary target. Public sector net borrowing is expected to be in surplus by 0.5 per cent of GDP (£10.1 billion) in 2019-20, and public sector net debt is expected to fall by 0.6 per cent of GDP in 2015-16 and by bigger margins in subsequent years. The OBR forecast that the terms of the welfare cap are set to be breached in three successive years from 2016-17 to 2018-19. The terms of the cap are set to be observed by very small margins in 2019-20 and 2020-21, with spending above the cap but within the forecast margin and with the net effect of measures in those years reducing spending.

Key Economic & Fiscal Indicators

Table 1 below outlines the key economic and fiscal indicators underpinning the Autumn Statement. The budget deficit is expected to fall this year to £73.5 billion. This is a £4billion increase since the OBR’s estimate in July 2015. Public sector net borrowing will decrease each year until 2019-20, when there will be a surplus of £10.1 billion. This is forecast to increase to £14.7 billion in 2020-21.

Table 1 – Key Economic & Fiscal Indicators

	2014	2015	2016	2017	2018	2019	2020
Gross domestic product (GDP)	2.9	2.4	2.4	2.5	2.4	2.3	2.3
Public sector net borrowing (£bn)	94.7	73.5	49.9	24.8	4.6	-10.1	-14.7
Public sector net borrowing (deficit % of GDP)	5.2	3.9	2.5	1.2	0.2	-0.5	-0.6
Public sector net debt (%)	83.1	82.5	81.7	79.9	77.3	74.3	71.3
LFS unemployment (% rate)	6.2	5.5	5.2	5.2	5.3	5.4	5.4
Employment (millions)	30.7	31.1	31.5	31.7	31.9	32.0	32.2
CPI Inflation (%)	1.5	0.1	1.0	1.8	1.9	2.0	2.0

Source: HMT – Autumn Statement 2015; OBR – Economic & Fiscal Outlook, November 2015

CPI inflation is forecast to rise to 1.0% in 2016, more slowly than anticipated at the Summer Budget in July, before returning to the 2 per cent target in 2019-20. Unemployment is estimated to continue to fall from 6.2% in 2015 to 5.4% in 2020 and employment will increase to 32.2 million by the end of the period. GDP growth figures for 2014 have been revised upwards since Budget 2015 from 2.6% to 3.0%, falling to 2.4% in 2015 and 2016. Figures for the remainder of the period remain similar to those predicted in March at around 2.4% growth throughout the rest of the period.

Overall Public Spending

The total amount the government spends is known as **Total Managed Expenditure (TME)**. This is split up in to:

- **Departmental Expenditure Limits (DEL)** – the fixed budgets allocated to that government departments at each Spending Review.
- **Annually Managed Expenditure (AME)** - money spent in areas outside budgetary control on programmes which are demand-led – such as welfare, tax credits or public sector pensions.

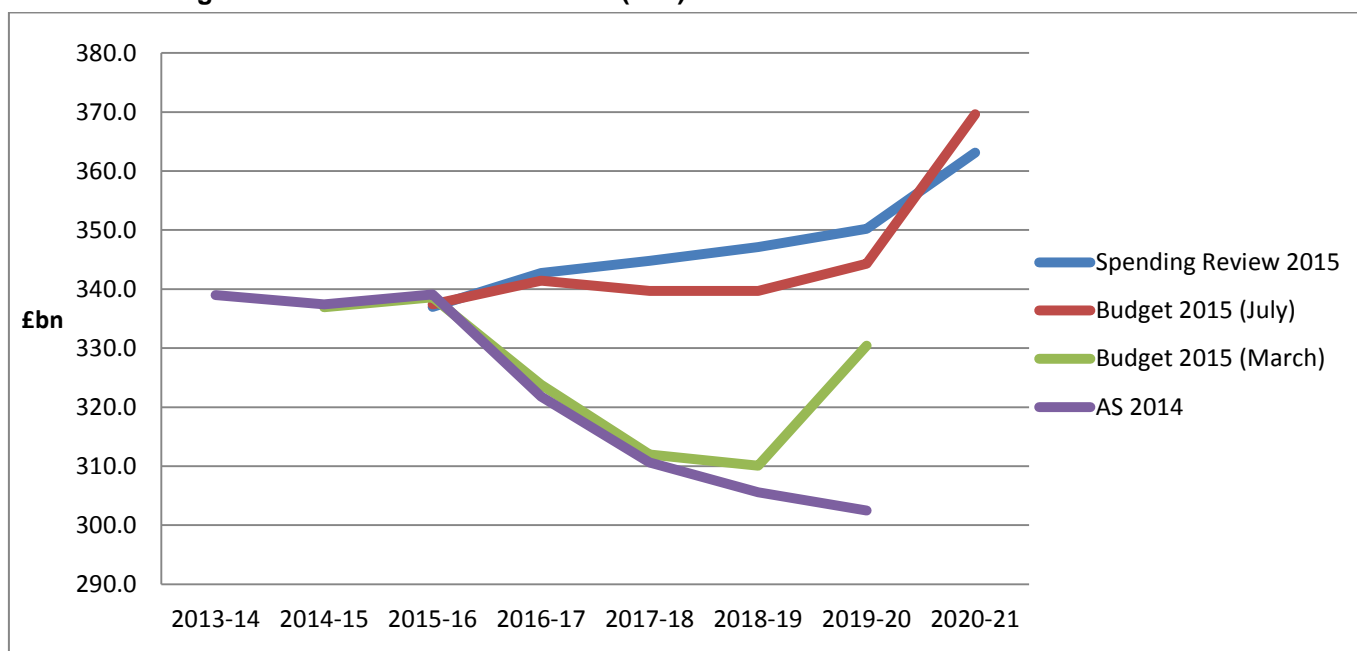
Table 2 shows how TME breaks down into DEL and AME, and capital and revenue expenditure. TME will rise from £756 billion in 2015-16 to £857 billion in 2019-20 (13%). Resource spending will increase by 7.7% over the same period. Chart 1 shows how planned resource spending has changed since Autumn Statement 2014. Compared with the Summer Budget, the overall spending will rise at a faster rate until 2019-20, when the jump in public spending is less pronounced than previously forecast.

Table 2 - Total Managed Expenditure 2015-16 to 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Resource AME	345.3	353.3	365.9	378.4	391.8	403.9
Resource DEL excl. dep	315.1	320.8	322.9	325.2	328.3	341.2
Depreciation	21.9	21.9	21.9	21.9	21.9	21.9
RDEL incl. depreciation	337.0	342.7	344.8	347.1	350.2	363.1
Public sector current expenditure	682.3	696.0	710.7	725.5	742.0	767.0
Capital AME	31.7	33.4	31.7	30.7	31.7	34.5
Capital DEL	41.7	44.0	45.0	45.0	47.3	55.7
Public sector gross investment	73.4	77.4	76.7	75.7	79.0	90.2
TOTAL MANAGED EXPENDITURE	755.7	773.3	787.5	801.2	821.0	857.2

Source: HMT; Spending Review 2015, Table 1.6 (p.21).

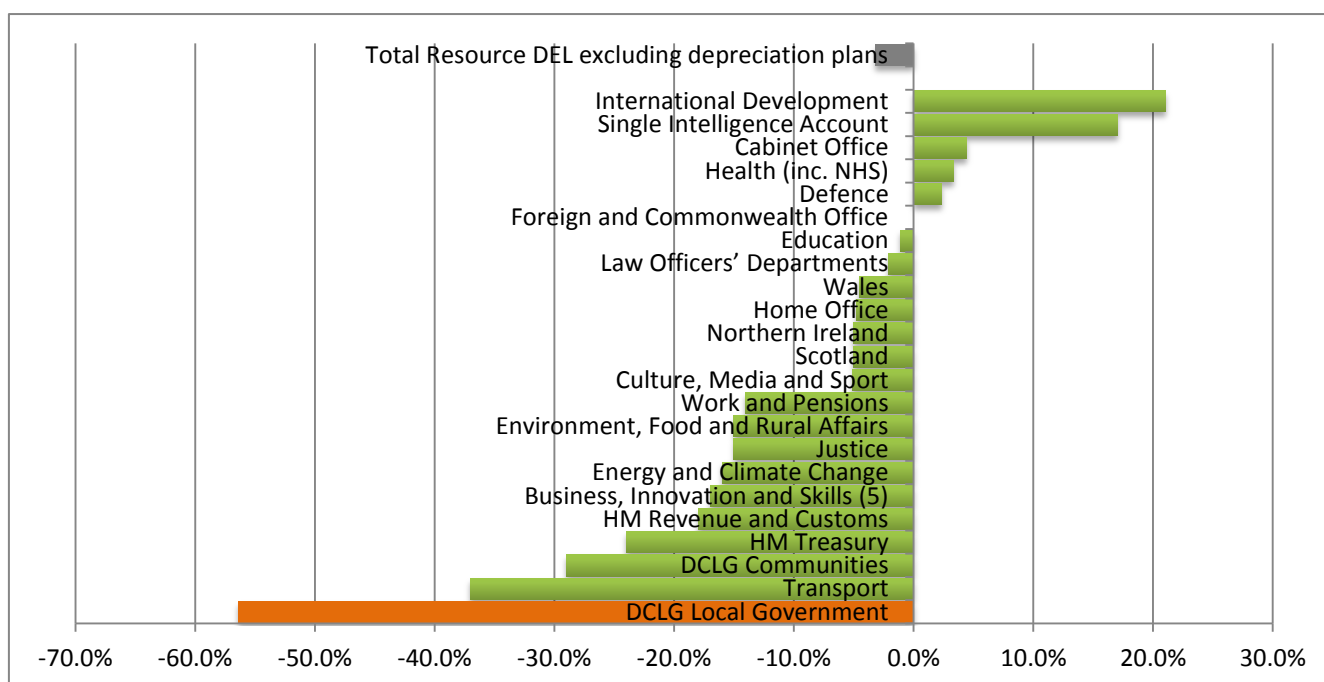
Chart 1 – Change in Government Resource DEL (£bn) since Autumn Statement 2014



Departmental Spending

Funding for health, schools, international development and defence has been protected (as previously announced). In addition the Cabinet Office has also been protected and its budget will rise in real terms. These protections magnify the level of cuts for the remaining departments. Chart 3 below shows the Department for Communities and Local Government (DCLG) will receive the largest percentage cut of all departments over the next four years falling by £6.1 billion from £11.5 billion in 2015-16 to £5.4 billion in 2019-20 (see Annex A for the full list of figures).

Chart 3 - Resource DEL by department - 2015-16 to 2019-20 (real terms % change)



Source: HMT, Spending Review 2015; figures from Table 2.1 (p.78)

Likely impact on local government core funding

Local authorities receive funding from a number of different government departments but core funding comes from the DCLG Local Government Resource DEL. The LG RDEL is presented alongside “locally financed expenditure” within the Spending Review. Analysis of OBR figures suggests that locally financed expenditure includes:

- council tax;
 - business rates retained by local authorities;
- less
- capital expenditure financed from the revenue account (CERA);
 - net use of reserves;
 - debt interest payments;
 - repayment of principal; and
 - other general fund net income.

As locally financed expenditure is rising over the period (from £28.8 billion to £35.1 billion), overall local spending is presented as increasing in cash terms by £0.2 billion from £40.3 billion to £40.5 billion (a 1.7 per cent real terms reduction).

Table 3 – Local Government Spending (as presented in the SR document)

	£ billion					
	Baseline		Plans			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
DCLG Local Government DEL ¹	11.5	9.6	7.4	6.1	5.4	*
Locally financed expenditure ²	28.8	29.0	31.5	33.6	35.1	*
Local government spending³	40.3	38.6	38.9	39.7	40.5	*

¹ In this table, Resource DEL excludes depreciation.
² Treasury/DCLG analysis based on data underlying the OBR's Local Authority Current Expenditure (England) forecast.
³ Does not include the impact of business rate reforms, which the government will consult on shortly.

Source: HMT, Spending Review 2015; Table 2.17 (p.100)

The LG RDEL figure for 2015-16 (£11.5 billion) is larger than previously stated in the Summer Budget (£10.6 billion), but it is not yet known why. **London Councils will undertake further analysis and will query this with DCLG officials.**

Possible impact on RSG

The exact impact of the cut to the Local Government RDEL on core funding (Settlement Funding Assessment) in 2016-17 will not be confirmed until the local government finance settlement in December (it has not yet been confirmed whether the settlement will cover just 2016-17 or multiple years).

However, Table 4 below shows London Councils' early estimates for the overall cut to local government core funding (Settlement Funding Assessment). **Please treat these with caution at this stage.**

Table 4 – London Councils estimates of core funding – 2015-16 to 2019-20 (England)

	Baseline	Estimates				Real % change (15-16 to 19-20)
	2015-16	2016-17	2017-18	2018-19	2019-20	
DCLG Local Government RDEL	11.5	9.6	7.4	6.1	5.4	-56%
Revenue Support Grant	9.4	8.8	6.6	5.3	4.6	-54%
Local Share of NNDR	11.3	11.4	11.7	12.0	12.4	2%
SFA	20.7	20.2	18.3	17.3	17.0	-24%

Source: London Councils modelling

Early estimates suggest that the 56% real terms cut to local government RDEL will lead to a similar level of cut to RSG (54%). Once the impact of rising local share of business rates is taken into account (real terms increase of 2% over the period), **the reduction in overall SFA is estimated to be around 24 per cent in real terms.** The figures presented above are at the England level. If the 24 per cent reduction is confirmed, core funding will have fallen by 57 per cent in real terms over the decade from 2010 to 2020.

Business Rates

Business Rates Devolution

- DCLG will shortly **consult** on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the Parliament. This will take into account the main resources currently available to councils, including council tax and business rates.
- As part of these reforms, **RSG will be phased out and additional responsibilities devolved to local authorities.**
- The government will allow directly elected mayors to add a premium to business rates to pay for new infrastructure, provided they have the support of the local business community through a vote of the majority of the business members of the Local Enterprise Partnership board.
- Government will consider transferring responsibility for funding the **administration of Housing Benefit for pensioners** and **Transport for London's capital projects** to local government and consult on options to transfer responsibility for **funding public health.**
- The government will consult on these and other additional responsibilities in 2016.

Business Rates Review & SBRR

- The government's **long term review of business rates will now report at Budget 2016.**
- The Spending Review and Autumn Statement extends the **doubling of small business rate relief (SBRR)** in England for 12 months to April 2017.

Council Tax

- **Council tax precept:** a social care 'precept' - a social care council tax 'precept' of 2% for councils responsible for delivering adult social care. Local authorities will be given this additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care. Estimates suggest this would raise an additional £55 million in London in 2016-17.
- **Council tax flexibility for policing:** The government will provide further flexibility for police forces with the lowest council tax bills to raise income from council tax by £5 rather than 2%. This proposal could allow them to raise up to an additional £12 million per year.

Devolution to local government

- **Devolution deals:** DCLG will continue to oversee delivery of devolution deals agreed with city regions and other areas. Devolution deals already announced include Greater Manchester, Sheffield, West Yorkshire, Cornwall, Liverpool, West Midlands and Tees Valley.
- **London devolution:** The Mayor of London and the boroughs will jointly commission employment support outside the Jobcentre Plus regime, to assist the very long-term unemployed and those with health conditions and disabilities to (re)-enter work. The government, the Mayor of London and the boroughs will commence detailed discussions on how they can jointly shape every element of the commissioning process: from strategy to service design, managing provider relationships and reviewing service provision.
- **Local Growth Fund:** Between 2015-16 and 2020-21, the government will commit £12 billion to the Local Growth Fund, which puts money under the direct control of business-led Local Enterprise Partnerships. The government is also creating 26 new Enterprise Zones.

- **Efficiency and reform:** local authorities will have new flexibilities to spend 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. Flexibility will be subject to a number of conditions, including limits on the years in which the flexibility will be offered and the qualifying criteria for reform projects. This detail will be set out by DCLG alongside the Local Government settlement in December.
- **Temporary Accommodation:** The management fee for temporary accommodation will no longer be administered through the housing benefit system. From April 2017, local authorities will be given more than equivalent funding directly (£10 million in total) to enable them to manage temporary accommodation and homelessness pressures as they see fit.

Housing (five point plan)

The Spending Review sets out a **Five Point Plan** for housing to:

1. **Deliver 400,000 affordable housing starts by 2020-21 including:**
 - **200,000 Starter Homes** which will be sold at a 20% discount compared to market value to young first time buyers, with a £2.3 billion fund.
 - **135,000 Help to Buy Shared Ownership homes**, open to all households earning less than £80,000 outside London and £90,000 in London, and will relax and remove previous restrictions such as local authorities' rights to set additional eligibility criteria.
 - 10,000 homes that will allow a tenant to save for a deposit while they rent. This will be in addition to 50,000 affordable homes from existing commitments
 - at least 8,000 specialist homes for older people and people with disabilities
2. **Extend the Right to Buy to Housing Association tenants.** A pilot will be launched with five Housing Associations, to inform the design of the final scheme.
3. **Accelerate housing supply by bringing forward further reforms to the planning system, including:**
 - establishing a new delivery test on local authorities, to ensure delivery against the number of homes set out in Local Plans.
 - Releasing public sector land and ensuring the release of unused and previously undeveloped commercial, retail, and industrial land for Starter Homes.
 - Backing SME house builders, including by amending planning policy to support small sites, extending the £1 billion Builders' Finance Fund to 2020-21, and halving the length of the planning guarantee for minor developments.
 - Offering £2.3 billion in loans to help regenerate large council estates and invest in infrastructure needed for major housing developments.
 - Investing £310 million to deliver the first new garden city at Ebbsfleet. This is part of a wider £700 million programme of regeneration at Barking Riverside, Brent Cross, Northstowe and Bicester Garden Town. Together these will support up to 60,000 new homes.
4. **Extend the Help to Buy:** Equity Loan scheme to 2021 and create a London Help to Buy scheme, offering a 40% equity loan in recognition of the higher housing costs in the capital.
5. **Higher rates of Stamp Duty Land Tax (SDLT):** will be charged on purchases of additional residential properties, such as buy to let properties and second homes, with effect from 1 April 2016. The higher rates will be 3 percentage points above the current SDLT rates. The government will use some of the additional tax

collected to provide £60 million for communities in England where the impact of second homes is particularly acute. The tax receipts will help towards doubling the affordable housing budget.

Impact on Local government by department

Communities and Local Government (CLG)

- **New Homes Bonus:** The government will consult on reforms including sharpening the incentive to reward communities for additional homes and reducing the length of payments from 6 years to 4 years. This will include a preferred option for savings of at least £800 million, which can be used for social care. Details of both reforms will be set out as part of the local government finance settlement consultation, which will include consideration of proposals to introduce a floor to ensure that no authority loses out disproportionately.
- **Local plans** – The government will bring forward proposals for a delivery test on local authorities, to ensure delivery against the homes set out in local plans within a reasonable timeframe.
- **Neighbourhood plans** – The government will ensure that local communities can allocate land for housing through neighbourhood plans, even if that land is not allocated in the local plan.
- **Homelessness** - The government will maintain real terms levels of spending on homelessness support services. It will devolve an increased level of funding to local authorities while ending from 2017-18 the current management fee for temporary accommodation paid from DWP to local authorities on a per household basis.
- **Public land:** departments have committed to sell land for more than 160,000 homes. The government will set the contribution local authority land disposals can make by the Budget.
- **Troubled Families** - The government will continue to invest in the Troubled Families programme to deliver better outcomes for 400,000 families by 2020 with efficiencies found from central budgets.
- **Community integration** - The government will maintain current levels of funding for community integration programmes. Targeted to support the recommendations of Louise Casey's review of opportunity and integration in isolated and deprived communities.
- **Health & social care integration** - The Spending Review makes available social care funds of £1.5 billion by 2019-20 for local government, to be included in an improved Better Care Fund. The government will also shortly consult on changes to the local government finance system to rebalance support including to those authorities with social care responsibilities by taking into account the main resources available to councils, including council tax and business rates.
- **One Public Estate programme will be extended:** £31 million to support local authorities to design more efficient asset management strategies.
- **Property disposals:** Government will publish new guidance for best practice on property disposals for local authorities by Budget 2016 and provide support to dispose of local authority sites which could be used for housing.
- **Salaries:** new guidance will be issued to local authorities to encourage them to rein in "excessive salaries" and do more to drive efficiencies for local taxpayers.

Department of Health (DH)

- **Funding:** NHS England will receive £10 billion per annum more in real terms by 2020-21 than in 2014-15. NHS spending will increase from £101 billion in 2015-16 to £120 billion in 2020-21.

- **Public Health:** Government will consult on options to fully fund local authorities' public health spending from their retained business rates receipts, as part of the move towards 100 per cent business rate retention. The ring-fence on public health spending will be maintained in 2016-17 and 2017-18.
- **Better Care Fund:** An additional £1.5 billion will be made available to the Better Care Fund by 2019/20. The NHS' mandated contribution to the NHS will be maintained in real terms over the parliament. From 2017 the government will make funding available to local government, worth £1.5 billion in 2019-20, to be included in the Better Care Fund. By 2017, every part of the country must have a plan for complete health and social care integration, to be implemented by 2020.
- **Disabled Facilities Grant:** Local authorities receive this through the Better Care Fund, and it currently equates to £220 million for England (£27.5 million, or 12.5 per cent, in London) for 2015/16. SR15 includes over £500 million by 2019-20 for this grant.
- **National Living Wage:** The new Council Tax precept and the Better Care Fund is expected to be used to support councils to cover the costs of implementing the National Living Wage.
- **Childhood Obesity Strategy:** Key national services will continue to be mandated as greater powers will be devolved so that local authorities can take preventative action. The government will be set out in a Childhood Obesity Strategy in 2016.
- **Mental Health:** £600 million of the additional £10 billion will be invested in mental health services.

Department for Education (DfE)

- **Overall schools budget:** protected in real terms, enabling per pupil protection of the Dedicated Schools Grant in cash terms and protection of the pupil premium at current rates.
- **National funding formula for schools:** will be introduced in 2017/18, including a 'transitional phase', with a detailed consultation in 2016. The national funding formula will cover schools, high needs and early years
- **Free childcare:** will double from 15 hours to 30 hours a week for working parents of 3-4 year olds, implemented from September 2017.
- **Education Services Grant:** will be cut by £600million as part of plans to "reduce the local authority role in running schools and remove a number of statutory duties" and turning all schools into academies.
- **£23billion of capital investment:** will fund 600,000 new school places, open 500 new free schools, and provide essential maintenance over the Parliament.
- **Universal infant free school meals:** Funding will be maintained.
- **16-19 year old funding:** The base rate for 16-19 year olds will be protected in cash terms, but funding outside of the base rate will not be protected.
- **Academies:** Sixth forms will be allowed to become academies, allowing exemption from VAT.

Department for Transport (DfT)

- The **resource grant to Transport for London will be phased out**, representing 6% of TfL's annual budget and saving £700million in 2019-20.
- **Construction of HS2 will begin during this Parliament**, with a funding envelope of £55.7billion in 2015 prices. The London to Birmingham section will be delivered by 2026.
- A new **£300million Transport Development Fund** will support 'transformative infrastructure projects' such as Crossrail 2.

- **£300million will be committed to cycling investment** between 2015-16 and 2020-21
- The Highways Agency will deliver 112 major road schemes worth over £15 billion to 2020-21

Home Office (HO)

- **Overall police spending:** protected in real terms over the Spending Review period
- **Capital investment:** Over £1.3 billion by 2019-20, and an additional £1 billion to overhaul the emergency services network.
- **Syrian refugees:** Over £460 million of the overseas aid budget will be used by 2019-20 to resettle up to 20,000 of the most vulnerable Syrian refugees, covering the full first year costs to ease the burden on local communities. A further £130 million will be provided by 2019-20 to local authorities to contribute to the costs of supporting refugees beyond their first year in the UK.

Department for Work & Pensions (DWP)

The DWP settlement includes:

- continued roll out of Universal Credit, extending job search conditionality to a further 1.3 million claimants per year by 2020-21
- a real terms increase in funding to help those with disabilities and health conditions return to, and remain in, work
- a new Work and Health Programme replacing the Work Programme and Work Choice which will provide specialist support for the long-term unemployed and claimants with health conditions and disabilities
- **Co-location of JCP with local authorities:** DWP's estate will be reformed and reduced by 20% and the number of jobcentres co-located with local authorities will be expanded, benefiting claimants and those using government services while delivering a total reduction of 30% in estate costs.
- **Tax credits:** The rate at which a claimant's award is reduced as each pound of their income exceeds the income threshold (known as the taper rate) will remain at 41% of gross income from April 2016. The level of income at which a claimant's tax credit award begins to be tapered away (known as the income threshold), will remain at £6,420 per year from April 2016. Claimants earning below this amount will retain their maximum award. Consequently the income threshold for Child Tax Credit-only claimants will remain at £16,105 in 2016-17. As announced at Summer Budget 2015, the income rise disregard in tax credits will reduce from £5,000 to £2,500.
- **Tax-Free Childcare:** the upper income limit will be lowered from £150,000 to £100,000 per parent and the minimum income level per parent will increase from the equivalent of 8 hours to 16 hours at the NLW.
- **Universal Credit rollout schedule:** The government will begin the rollout of the UC Digital Service in 2016, completing by 2021.
- **Universal Credit Minimum Income Floor:** The government will uprate the individual threshold in the UC Minimum Income Floor for the self-employed in line with the NLW instead of the NMW.
- **Temporary absence in Housing Benefit and Pension Credit:** The government will end the payment of Housing Benefit and Pension Credit to claimants to who travel outside of Great Britain for longer than 4 weeks consecutively, from April 2016.
- **Capping Housing Benefit in the social rented sector:** The government will apply the relevant Local Housing Allowance rates as maxima for Housing Benefit paid in the social rented sector, including the Shared

Accommodation Rate for single claimants aged under-35 without dependent children. The cap will apply from 1 April 2018 but only to tenancies signed after 1 April 2016.

- **Extension of the local authority Fraud and Error Reduction Incentive Scheme (FERIS):** The government will extend funding to the end of 2017-18 to reward local authorities for reducing fraud and error in Housing Benefit.

Infrastructure

- **Capital:** Departmental capital spending will increase by £12 billion over the next five years, meaning over £100 billion will be invested in the UK's infrastructure.
- **Transport:** Transport investment will increase by 50 per cent to £61 billion over this parliament, including starting construction on HS2, spending £13.4 billion on the Roads Investment Strategy and over £5 billion on roads maintenance
- **National Infrastructure Delivery Plan:** the government will publish this next spring, setting out in detail how it will deliver key projects and programmes over the next five years.
- **UK Guarantees Scheme:** The Government will extend the availability of the £40 billion UK Guarantees Scheme to March 2021, to help infrastructure projects raise finance from banks and the capital markets.
- **Roads:** This parliament will see a £15 billion investment in the Roads Investment Strategy, and an additional £250 million to tackle potholes.
- **Rail:** Over the next five years, £475 million will be used to fund large local transport projects, and £300 million for a new Transport Development Fund, for the next generation of transport infrastructure projects.
- **London Investment:**
 - £11 billion of support for transport investment including Crossrail, new Underground trains, new buses, and a network of cycle superhighways.
 - New cultural and university quarters will be delivered in the Queen Elizabeth Olympic Park.
 - £150 million will be invested in museum storage to replace Blythe House and support for redevelopment of a new campus for the Royal College of Art.
 - £97 million will be used for the Thameslink station at Brent Cross.
 - £55 million will be used to extend the London Overground to Barking Riverside.
 - The publicly owned land around the Old Oak Common HS2 station will be brought together into single control.
 - London Help to Buy will see the government loan 40 per cent of the price of a home, providing the purchaser is able to pay a five per cent deposit, for a new build home worth up to £600,000.
- **Transport for London:** TfL's resource grant, which makes up around six per cent of its annual budget, will be phased out, amounting to £2.8 billion in savings by 2019. TfL is expected to fill the hole through efficiency savings and asset sales.

London Councils' Future Work

London Councils will undertake further analysis in the coming days, including circulating revised estimates of core funding to boroughs, based on the newly published resource DEL figures. However, the exact figures for 2016-17 will not be known until the LGF settlement in December. Further briefings will be provided then.

Appendix A – Resource DELs by department 2016-17 to 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20	Real % change 15- 16 to 19-20
Defence	27.2	27.8	28.5	29.2	30.0	2.3%
Single Intelligence Account	1.8	1.8	2.0	2.1	2.2	17.0%
Home Office	10.3	10.7	10.6	10.6	10.6	-4.8%
Foreign and Commonwealth Office	1.0	1.0	1.0	1.0	1.0	0.0%
International Development	8.5	9.1	9.3	10.7	11.0	21.0%
Health (inc. NHS)	111.6	115.6	118.7	121.3	124.1	3.3%
Work and Pensions	5.8	6.1	6.3	5.9	5.4	-14.0%
Education	53.6	54.4	55.5	56.4	57.1	-1.1%
Business, Innovation and Skills (5)	12.9	13.4	12.3	11.7	11.5	-17.0%
Transport	2.6	2.0	2.1	2.2	1.8	-37.0%
Energy and Climate Change	0.9	0.9	1.0	1.0	0.9	-16.0%
Culture, Media and Sport	1.1	1.2	1.2	1.2	1.1	-5.1%
DCLG Communities	1.5	1.4	1.4	1.3	1.2	-29.0%
Scotland	25.9	26.1	26.3	26.3	26.5	-5.0%
Wales	12.9	13.0	13.1	13.2	13.3	-4.5%
Northern Ireland	9.7	9.8	9.9	9.9	9.9	-5.0%
Justice	6.2	6.5	6.3	5.8	5.6	-15.0%
Law Officers' Departments	0.5	0.5	0.5	0.5	0.5	-2.1%
Environment, Food and Rural Affairs	1.5	1.7	1.6	1.5	1.4	-15.0%
HM Revenue and Customs	3.3	3.5	3.4	3.1	2.9	-18.0%
HM Treasury	0.2	0.2	0.2	0.1	0.1	-24.0%
Cabinet Office	0.2	0.3	0.3	0.3	0.2	4.4%
National citizenship service	0.1	0.2	0.2	0.3	0.4	-
Small and Independent Bodies	1.5	1.5	1.5	1.5	1.5	-6.6%
Reserve	3.5	3.5	3.4	3.5	4.1	-
Adjustment for non-baselined funding	0.4					-
Total RDEL plans (central govt)	304.7	312.2	316.6	320.6	324.3	-1.2%
Local govt spending	40.3	38.6	38.9	39.7	40.5	-6.7%
DCLG Local Government	11.5	9.6	7.4	6.1	5.4	-56.4%
Locally financed expenditure	28.8	29.0	31.5	33.6	35.1	13.1%
Total Resource DEL excluding depreciation	316.2	321.8	324.0	326.7	329.7	-3.2%
OBR allowance for shortfall	-1.0	-1.0	-1.0	-1.5	-1.5	39.3%
Resource DEL excluding depreciation forecast	315.2	320.8	323.0	325.2	328.2	-3.3%

Note: Figures are in £ billion

Annex B – Capital DELs by department 2016-17 to 2019-20

	£billion					
	Baseline			Plans		
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Defence	7.1	7.3	7.5	7.8	8.1	8.7
Single Intelligence Account	0.4	0.4	0.4	0.4	0.5	0.5
Home Office	0.4	0.5	0.5	0.4	0.4	0.4
Foreign and Commonwealth Office	0.1	0.1	0.1	0.1	0.1	0.1
International Development	2.6	2.7	3.2	2.8	3.1	3.6
Health (inc. NHS)	4.8	4.8	4.8	4.8	4.8	4.8
Work and Pensions	0.2	0.3	0.4	0.3	0.2	0.2
Education	4.6	5.2	4.6	4.4	4.4	4.6
Business, Innovation and Skills	3.8	3.1	2.2	1.7	1.7	1.6
<i>Of which financial transaction in CDEL</i>	1.6	1.0	0.4	0	-0.1	-0.2
Transport	6.1	6.3	7.6	8.9	11.4	12.4
Energy and Climate Change	2.3	2.4	2.5	2.4	2.3	2.8
Culture, Media and Sport	0.4	0.4	0.4	0.4	0.3	0.2
DCLG Communities	3.1	4.0	3.7	4.0	3.6	4.3
Scotland	3.0	3.2	3.2	3.2	3.4	3.5
Wales	1.5	1.5	1.5	1.6	1.6	1.7
Northern Ireland	1.1	1.1	1.1	1.2	1.2	1.2
Justice	0.4	0.7	0.7	0.7	0.4	0.1
Law Officers' Department	0	0	0	0	0	0
Environment, Food and Rural Affairs	0.5	0.6	0.6	0.6	0.5	0.5
HM Revenue and Customs	0.1	0.2	0.2	0.2	0.2	0.2
HM Treasury	0	0.1	0.1	0.1	0.1	0
Cabinet Office	0	0	0	0	0	0
Small and Independent bodies	0.1	0.1	0.1	0.1	0.1	0.1
Reserves	1.0	1.1	1.3	1.3	1.2	1.1
Capital spending not yet in budgets	–	–	–	–	–	3.0
Adjustment for non-baselined funding	0.3	–	–	–	–	–
Total Capital DEL Plans	43.7	46.0	47.0	47.5	49.8	55.7

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Spending Review 2015

25 November 2015

Introduction

On 25 November 2015 the Chancellor of the Exchequer, George Osborne MP, announced the outcome of the [Spending Review 2015](#). The Spending Review (SR2015) details spending settlements for each government department over the next four years (2016-17 to 2019-20). The SR2015 documents set out the announcements in more detail.

In his speech, the Chancellor addressed police funding and said: "*now is not the time for further police cuts, now is the time to back our police and give them the tools to do the job.*"

This briefing outlines the background and summarises the key SR2015 announcements for police.

Overall police funding, including funding for Counter Terrorism, has been cut by 1.3% in real terms over four years. In a letter to PCCs and Chief Constables the Home Secretary and Policing Minister say that "taking into account the scope that you have to raise local council tax, this means a flat real settlement for policing as a whole."

The Spending Review document added that police force budgets will be maintained at current cash levels [ref 1.81]. However a number of topslices are expected to fund additional schemes outlined by the Chancellor and detailed below.

Further detail from the Home Office is expected in the next few days.

However, how this will affect individual settlements will not become clear until the provisional police funding settlement for 2016-17, expected on 17 December.

Please find below a table setting out Home Office revenue and capital spending totals. Unlike previous years the Home Office spending totals contained in the Spending Review do not separate police funding. At this stage it is therefore not possible to set out the profile of the year on year changes.

Home Office	£ billion					Real growth
	2015-16	2016-17	2017-18	2018-19	2019-20	
Resource DEL (exc depreciation)	10.3	10.7	10.6	10.6	10.6	-4.80%
Capital DEL	0.4	0.5	0.5	0.4	0.4	-
Total Managed Expenditure	10.7	11.2	11.1	11.0	11.0	

As part of the announcement, the Chancellor also delivered the Autumn Statement 2015, alongside the Office for Budget Responsibility's Economic and Fiscal Outlook; a separate briefing summarises the main Autumn Statement announcements on economic forecasts, tax and welfare.

Background

In July 2015 the Chancellor [announced](#) the Spending Review would be published in November and would set out how the Government would deliver £20bn of savings from departmental budgets in order to eliminate the deficit by 2019-20. As part of the announcement, HM Treasury [published](#) a

framework document, outlining the Government's priorities for the Spending Review and the principles which would underpin its decisions. Departments were initially asked to model 25% and 40% savings within their resource (revenue) budgets by 2019-20 in real terms. In September 2015 the Chancellor [announced](#) that the Office for Budget Responsibility would publish its forecast alongside the Spending Review. Consequently a joint Autumn Statement and Spending Review were published.

Key Headlines

The main announcements from the Spending Review which have an impact on police are summarised below. References to the relevant paragraphs in the SR2015 document are indicated in brackets.

POLICE

- £1bn will be invested in new mobile digital technology through the Emergency Services Mobile Communications Programme. [ref 1.83]
- Police efficiency will be improved by taking steps to drive down the cost of police procurement by up to £350 million and encouraging greater collaboration between police forces and with other public and emergency services. [ref 1.83]
- Additional transformational funding will be allocated to forces which have "strong proposals to support efficiency and reform and to help transition to new funding arrangements in future". This funding will also allow forces to train more firearms officers to ensure the country extends its capability to protect its citizens from terrorist threats. [ref 1.81]
- The provisional police settlement, outlining allocations for individual force areas is expected to be announced on 17 December.

HOME OFFICE

- The Home Office administration budget will be reduced by 30% between 2015-16 and 2019-20. [ref 2.15]
- The National Crime Agency's budget will be protected. [ref 1.81]
- Over £200m of capital investment to fund new digital and investigative capabilities for the National Crime Agency. [ref 1.84]

COUNTER-TERRORISM

- Counter terrorism funding will be increased by £500m, equivalent to a 30% rise. [ref 1.75 and 2.7]
- The number of police armed response vehicles available to respond rapidly to critical incidents will be increased by up to 50% and new funding will be made available to increase the number of specialist counter terrorism fire arms officers and to train existing officers.

COUNCIL TAX

- In England it is the intention that the overall referendum limit for police precept will be maintained at 2% over the Spending Review period.
- Additional flexibility will be made available for the ten PCCs in England with the lowest precept levels each year (lower quartile), so that they can raise their precept by up to £5 per year over the Spending Review period.
- All other PCCs can expect to be subject to the usual 2% referendum limit.

REACTION

- Paddy Tipping, chair of the Association of Police and Crime Commissioners finance group said: *"We praise the government that during this difficult time they have taken the decision to not cut the police budget. We continue to be committed to innovation and reform to provide a secure service to the public who value neighbourhood policing. We will be working together and with the government to continue to invest in new technology; reduce back off costs and share resources where possible"*.
- The Institute for Fiscal Studies (IFS) will hold a briefing on the Spending Review at lunchtime 26 November; analysis and slides will be available on their [website](#).

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Agenda Item 8

Committee:	Date:
Information Technology Sub Committee Finance Committee	15 December 2015 15 December 2015
Subject:	Public
Information Technology Division – Quarterly Update	
Report of:	For Information
The Chamberlain	

Summary

The IT Division continues to operate under significant load and this last quarter has seen a number of major milestones passed in a challenging period for the IT Division.

Since the last update we have completed the Agilisys 2 year review with IT Sub Committee. Whilst acknowledging there are service issues yet to resolve, this review recognised progress made and the opportunity for innovation that will come from the three priority projects currently progressing through Member Governance.

These projects will transform our IT Service by renewing our end user devices, creating a robust and resilient shared network across the Corporation and Police, as well as modernising our telephony and communications systems.

We did have major service incident when power was cut to the Justice Rooms Data Centre on the 23rd of November resulting in an outage from 13:00. City Surveyor's reinstated power just after midnight and service was restored by Agilisys in time for the start of the next working day. A further planned downtime is required to complete remedial work on the power supply and a major incident report is being prepared.

The Oracle Steering Group agreed the closure of this project in October, delegating a number of defects and functional reports to overseen by a project board and delivered by the business areas. This work is nearing completion and should be finished in Dec. The Closure Report for the Oracle Projects will be presented to the Committee in January 2015.

The Police Service transition continues at pace and is working towards completion in Jan 2016. Steps have also been taken to mitigate the red risk around the Police IT Service and these changes were in place during October. The IT Service Risk in the Corporation and the Police will be aligned in January and remain at a managed Amber while the 3 Priority Programmes are implemented.

Superfast City is progressing well, with Golden Lane due to go live in January and BT progressing plans for a Fibre to the Cabinet roll out to provide broader coverage. The Wireless concession continues its procurement process to plan and the first set of detailed responses are now being evaluated.

Recommendation

Members are asked to note this report.

Main Report

IT Division and the Agilisys Strategic Partnership

1. The October IT Sub Committee completed a 2-year review of the Strategic Partnership with Agilisys. The review concluded that the relationship with Agilisys remains on a positive footing, with Members noting improvements made over the last year and planned for the coming year, as well as opportunities for a more innovative approach going forward.
2. An innovative approach is at the heart of the three priority programmes, which will transform our IT Service by renewing our end user devices, creating a robust and resilient shared network across the Corporation and Police and modernising our telephony and communications systems.
3. Through these projects, we will provide staff with a consistent user experience across all parts of the organisation, a set of modern IT equipment fit for the role being performed supported by a renewed communications system, which connects every part of the organisation and enables collaboration and joint working. Building on some of the changes we have already made, these projects will put a foundation in place to support different and more flexible ways of working and enable both the Corporation & Police Transformation Programmes.
4. In September, we undertook to complete the design for two of these priority programmes and prepare a suitable approach for the third. Gateway Reports for these have been submitted and will be considered by the IT Sub Committee and Project Sub Committee during Dec / Jan and are briefly described below:
 - **End User Device Renewal GW 4/5** - This report recommends a strategic approach that will significantly improve the end user experience and ensure the Corporation is aligned to Microsoft best practice and future-proof our technology. We propose the replacement of all user devices over the course of 2016 using a role-based approach, as well as fully redesigning our supporting systems.
 - This programme represents much more than an end user device renewal programme, as it:
 - Will address our remaining performance issues
 - Is an end-to-end solution – hardware, software, support and end user productivity
 - Is the implementation of a 21st Century managed desktop environment
 - Represents a significant step forward in the provision of IT services to our end users
 - Will lead to implementation of Microsoft best practice for Corporate IT
 - Is a sustainable and future proof roadmap
 - Is a key readiness criteria for future options including Office 365
 - Enables collaboration and flexible working

- The recommended approach will deliver significant benefits for all our stakeholders. It addresses the requirements for flexible working and end user collaboration. It is also a key enabler for us to service the collaboration agenda across the supporting agencies e.g. CoLP and NHS.
 - **Joint Network Refresh Programme GW 4/5** – The JNPR is built on a “wireless first” principle, and will provide a robust, resilient, and secure shared network infrastructure across CoL and CoLP. This innovative design will facilitate shared working and will intelligently manage the access for users to datasets based upon role and location. It will also provide for a guest Wi-Fi solution to support joint working with external partners and hosted events.
 - **Unified Communications GW 2** – A Unified Communications programme is currently under development and this paper proposes a pilot to test functionality available against the requirements of the business. Once scope and priorities are agreed this project will provide new functionality to the organisations that will go further to support flexible working. It will improve the resiliency of our telephony system and continues the approach of separating our operational properties from our IT Infrastructure; this removes a reliance on fixed assets (desktop telephones) to enable agile delivery of desktop and telephony services.
5. A fourth priority project is being developed around the consolidation and rationalisation of our Corporate Systems. This will build on progress already made and the rationalisation of the local applications provided by the End User Device Programme to rationalise the core applications that support the Corporation. Working with the business areas, we will define a roadmap for each system and initiate a number of specific projects to upgrade and consolidate. Further Gateway Reports on this will come to Committee in the 1st Quarter of 2016.
 6. We have also reviewed the current arrangements for application support with Agilisys. Together we have investigated the possibility of a wholesale outsourcing of these teams, however in their current form this is not a commercially viable proposal. We are now working on a plan to pass a number of standard functions to Agilisys and consolidating the remaining retained function under a single team and leadership. This will realise a stronger team with better interfaces with both the business and Agilisys. Members will be updated on progress on this for the March IT Sub Committee.
 7. The Agilisys contract is now 2.5 years through a 5-year initial term, with an option to extend for a further 2 years. A replacement service or contract would take c18months to put in place, so a decision on this extension needs to be made in early 2016. We will bring a paper to IT Sub Committee in March 2016 with a recommendation on whether to take up the 2-year extension.
 8. There is a cost pressure in the Agilisys contract around growth in the usage of the utility priced aspects of the service, storage and server resource. This risk of growth was highlighted at the start of the contract and the cost pressure has

been noted in recent Committee Reports. We are seeking to contain the current pressure within the local risk budget this year and will report the progress made in containing these costs to IT Sub Committee in March.

9. We previously reported to Committee that 4 key roles in the IT management team were unfilled, namely the Head of IT, Project Management Office Lead, Contract Manager and Head of Police IT Service. Three of these roles are now filled and the remaining Contract Manager role starts in early January. This new team is already making a very positive change and we are making substantial improvements to our engagement with the Business, our Communications, the delivery of our projects, our Service Management and how we manage our contracts, including Agilisys.
10. We are also working with Agilisys to define a strategic resourcing plan to reduce the IT Divisions requirements for Contractors and most efficiently resource the significant demands of the major programmes both underway and about to be started.

Data Centre Power Outage

11. There was a major interruption to our IT Service on Monday the 23rd of November. Power was cut to our Data Centre in the Justice Rooms from 13:00 on Monday.
12. Our City Surveyor colleagues worked to restore the supply as quickly as possible, however a number of issues meant that this could not be achieved till after midnight. Once power was restored, the IT Division and Agilisys worked overnight to re-establish services for the start of the working day on Tuesday.
13. Further work is required to address some remaining power issues and a planned downtime is being finalised, which will be communicated shortly. A major incident report is being prepared by City Surveyor, IT Division and Contingencies team. This will detail the course of events and the lessons learned.
14. We are in the process of decommissioning the Justice Room Data Centre. The vast majority of our systems are now housed in the Infrastructure as a Service Data Centre (IaaS), which is independent of Guildhall. However a number of critical pieces of infrastructure, mainly around our network and telephony, are still in this room and the power cut meant users in Guildhall could not access the IaaS based systems. The three priority programmes will remove the remaining dependency on this room.

Oracle Project Closure

15. The Oracle Project closure was agreed with Oracle Steering Group. A number of remaining actions were tasked to the Chamberlains Department and the business areas to complete, largely around deployment of developed report functionality and the resolution of a number of remaining defects. This work is progressing well and all major functionality will be deployed over the next

month. Defects have largely been dealt with and will be complete on a similar timescale.

16. A Project Closure report is being prepared and will be presented to the Committee in January. This will also be considered by the Projects Sub (Policy and Resources) Committee. A benefits realisation review will also be taken forward in the early part of 2016.
17. The Oracle service has now bedded in and is running reliably.

IT Risks

18. The IT Service has two Corporate risks, one related to IT Service Provision and the other related to Information Security. The position across each is summarised below.
19. The IT Service Provision risk covers both Police and Corporation and is currently red, specifically in relation to the position of the Police IT Estate. This risk has been partially mitigated by the implementation of back up storage and spare network equipment. However, in discussion with Police leadership, the risk remains in a red position due to the continued risk of an interruption of service.
20. This risk will be further mitigated with the completion of the Police migration to the Infrastructure as a Service in Dec / Jan; it will then move to a managed amber position. From this point on, the Police and Corporation risk will be aligned and will move to a green position once the Joint Network Refresh Programme has renewed the network infrastructure. This work is due for completion in Dec 2016.
21. The Information Security Risk is specific to the Corporation and is currently in an amber position. However a number of significant steps have been taken to strengthen our information security position during 2015, including:
 - Staff across the Corporation have been through Anti-Fraud and Data Protection training
 - We have conducted a series of IT Health Checks and gained PSN accreditation
 - We work closely with the Police to benefit from their well-developed and rigorous approach to information security
 - Renewed Information Management and Governance Strategy and Policies have been published on the Intranet and will be finalised in early 2016
 - Cyber Security & Risk Management development workshop for Members is planned for February 2016
22. This risk will move to a green position once the actions are complete and the business areas have defined system owner and data retention policies for systems that contain sensitive information. This work will progress in 2016.

23. Both risks will be subject to frequent review and will progressively improve as we move through 2016. We will report our risk position at the next IT Sub Committee and provide Quarterly Updates.

City of London Police

24. The Police IT service continues to improve as Agilisys complete the implementation of their mandatory projects. The majority of these projects are now complete, as per the original plan.
25. The largest of these is the migration to Infrastructure as a Service, which moves Police IT Systems into a secure off site data centre and a new infrastructure. The first migrations onto this platform have been successfully completed and the rest of the systems will complete their moves during Dec and Jan.
26. As noted above the Police IT service operates under a red risk until this work is complete. It will move to amber at completion and to green once the network infrastructure has been renewed, which is covered by the Joint Network Refresh Programme.
27. We are also supporting the Police on a number of their change programmes, including:
- Accommodation Project
 - New National Fraud System Implementation
 - Mobile working Project
 - Various telephone and networking upgrades
 - Crime, Case, Custody & Intelligence (CCCI) replacement.
 - Ring of Steel replacement
 - Airwave Replacement

Superfast City Programme

28. The Superfast City Programme aims to engage and incentivise telecommunications providers to invest in providing affordable, superfast broadband services to the Square Mile and to increase the coverage and capacity of mobile coverage in the City. The Programme has been running since November 2014, when it was approved by the Policy & Resources Committee.
29. On the wired work stream, BT are now working through a plans to implement 16 new cabinets in 2015/16 and a further 7 cabinets in 2016/17. The first of these will go live in early 2016 and over the course of the next 2 years this roll out will make a significant difference to connectivity for SME's and residents in the City.
30. Golden Lane has now had the Fibre to the basement equipment installed and BT have stated these will go live in January. BT have also requested access to the Towers in the Barbican to survey them for potential addition to this service.

31. On the wireless work stream, our competitive dialogue process has received the first detailed vendor responses and we are now moving into the evaluation of these. The plan remains on track to award the Concession from May/June 2016.

Conclusions

32. The IT Department continues to deal with a challenging workload. For the Police, the key challenge is to meet the demands of their ambitious change programme and for the Corporation, aspects of our IT Service still need to improve and we need to strengthen our service resilience.
33. However, good progress has been made on a number of major activities: improvement in service performance, the closure of Oracle Project and the Gateway Reports for the 3 Priority Programmes.
34. Our IT resourcing is also now in a much more stable state. The new management team is becoming more effective and making tangible improvements to our engagement and project and service delivery. We are also working closely with Agilisys to reduce our requirement for contractors, moving to a more stable model of long-term resource supplementing our permanent staff.
35. Our partnership with Agilisys remains positive. With the service improvements and projects planned, we anticipate a much improved service capable of supporting the ambitious goals of both the Corporation and the Police to be in place through 2016.

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Committee	Dated:
Finance Committee	15 December 2015
Subject: The Pension Fund Deficit	Public
Report of: The Chamberlain	For Information

Summary

At the Court of Common Council meeting on 15 October 2015, questions were raised regarding the pension fund deficit and the Chairman of the Finance Committee undertook to provide a report to the Court.

This report briefly advises Members on the two types of valuation – actuarial and accounting – that the Pension Fund is subject to.

The level of the deficit depends on how assets and particularly liabilities are valued. The valuation used to make decisions over the fund is the actuarial valuation.

The actuarial valuation is undertaken triennially. The last valuation was as at 31 March 2013 and the overall funding level for the pension fund was 85% with a deficit recovery period of 20 years. This compares favourably to the average funding level of 80% for all Local Government Pension Schemes for 2013. The average recovery period was similar to the City's.

In addition to the triennial valuation, the City receives an annual funding valuation and as at the 31 March 2015 the overall funding level had increased to 88.5% and was marginally ahead of the 20 year deficit recovery period funding plan.

As the overall funding rate has increased to 88.5% and we are marginally ahead of the 20 year deficit recovery period funding plan, there are no issues of concern to highlight to Members.

Recommendation

Members are asked to note the report.

Main Report

Background

1. At the Court of Common Council meeting on 15 October 2015, questions were raised regarding the pension fund deficit and the Chairman of the Finance Committee undertook to provide a report to the Court.

2. The Local Government Pension Scheme (LGPS) is a statutory pension scheme and is the largest public sector pension scheme in the UK. It is a nationwide pension scheme for people working in local government or other types of employer participating in the scheme. The LGPS in England and Wales is administered locally through 89 local pension funds including the City of London.
3. The LGPS is a statutory funded pension scheme that provides salary-related defined benefits which are not dependent on investment performance. The scheme regulations were made under the Superannuation Act 1972. Changes to scheme rules are discussed at national level by employee and employer representatives, but can only be amended with the approval of Parliament.
4. The LGPS is a registered public service pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. It has achieved automatic registration by virtue of Part 1 of Schedule 36 of that Act because the LGPS was, immediately before 6 April 2006, both a retirement benefits scheme approved under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 and a relevant statutory scheme under section 611A of that Act.
5. The LGPS is contracted out of the State Second Pension (S2P) because it provides benefits that are as good as most members would receive if they had been in S2P. It meets the Government's new standards under the automatic enrolment provisions of the Pensions Act 2008.
6. In March 2011, Lord Hutton published the independent Public Service Pensions Commission final Report to the Government recommending future changes to public sector pensions. The Report had been commissioned by the Chancellor to review the structure of public service pension provision. The Government had already confirmed its commitment to maintaining some form of defined benefit pension for public service employees. However the Commission were asked to make recommendations on how public service pensions can be made sustainable and affordable in the long term, fair to the public workforce, employers and taxpayers and ensure they are consistent with the economic challenges ahead whilst protecting existing pension rights.
7. Since the Report was published there have been a number of changes to the LGPS including:
 - Increasing pension ages in line with state pensions.
 - Moving from a final salary scheme to a career average. Up until 31 March 2014 the LGPS was a final salary scheme. From 1 April 2014 the scheme has been based on career average, although benefits based on service to 2014 will still be based on final pay.

Prior to this, since 2008 the employee contribution has been determined by how much an employee is paid. There are 9 different pay bands with contributions rates ranging from 5.5% to 12.5% of pensionable pay. These contribution rates are set by the Government and are reviewed periodically. Prior to 2008, the employee contribution rate was 6% regardless of earnings.

8. To ensure the long term sustainability of the LGPS it is subject to a new cost management process which will monitor the long term cost of the scheme to ensure it stays within agreed parameters as set by the LGPS Advisory Board and HM Treasury. Under this process extra valuations will be carried out at a national level every three years from 31/03/2016. Should costs increase outside those parameters future changes to the scheme may be required – either less generous benefits or higher employee contributions or a mixture of both.

Valuations

9. How large are the liabilities? The Pension Fund is subject to two types of valuation – an actuarial (funding) valuation and an accounting valuation (IAS26 valuation) which are two different measurers of the same liabilities. The difference between the two valuations comes mainly from the financial assumptions adopted to value the liabilities.

Actuarial (Funding Valuation)

10. An actuarial valuation is undertaken every three years by an independent actuary. The purpose of the actuarial valuation is to review the financial position of the Pension Fund and to set the level of future contributions required from each employer so that the assets will be sufficient to meet future pension payments. The assumptions used in the valuation are set by the Actuary following discussions with the City as administering authority and in line with the LGPS Regulations and will include:
 - Future levels of price inflation
 - Pay increases
 - Retirement age and longevity
 - Expected returns on investments (which then is reflected in the discount rate applied to liabilities)
11. The last actuarial valuation was undertaken as at 31 March 2013 and the results were reported to the Finance Committee at its meeting on 21 January 2014. At that time the overall funding level was 85% and Members agreed that the deficit recovery period should be maintained at 20 years from 2014/15 and employers' overall contribution rate should be maintained at 17.5% for the financial years 2014/15 to 2016/17. The next triennial valuation will be undertaken as at 31 March 2016 with any revised employer contributions coming into force on 1 April 2017. The average published funding level for all LPGS's at the 2013 valuations was 80% and the average recovery period was not dissimilar to that adopted by the City.
12. In addition to the triennial actuarial valuation, the Financial Investment Board (which oversees the appointment of and monitoring of investment managers to the Pension Fund) receives on an annual basis a funding update. The last funding update which was as at 31 March 2015 indicated that the overall funding level had increased to 88.5% and that it was marginally ahead of the 20 year deficit recovery period funding plan.

13. For funding valuations the discount rate to be applied to the liabilities is based on the expected investment return of the assets actually held by the Fund and reflects the long term investment return that the Pension Fund can hope to achieve.

Accounting Valuation

14. The purpose of the accounting valuation is to meet statutory disclosure requirements where the assets and liabilities are measured using a method and assumptions which meet the prescriptive requirements of International Accounting Standard (IAS) 26. IAS26 is the accounting valuation for the Pension Fund as a whole whilst IAS 19 is an accounting valuation for each employer within the Pension Fund and is undertaken using the same methodology as IAS 26. The accounting standards require organisations to recognise liabilities for pension benefits as they are earned even if the payment of such benefits will be many years into the future. Compliance with the standards allows employer's pension obligations to be compared with each other on a consistent basis. Accounting deficits are usually larger than funding deficits and are more volatile because the prescribed discount rate applied to the liabilities assumes that all the assets are corporate bonds. Unlike the actuarial valuation, the discount rate does not take account of expected returns from the actual investment strategy.

15. The table below sets out the funding and accounting valuations as at 31 March 2013 (the last triennial valuation) and 31 March 2015 for the Pension Fund whilst the final column sets out the accounting valuation for the City of London Corporation only (i.e. excluding the Museum of London and the other admitted bodies).

As at 31/03/2013	Funding – Pension Fund	Accounting – Pension Fund (IAS 26)	Accounting – City of London (IAS 19)
Value of Assets	£702M (smoothed market value)	£709M	£647M
Value of Liabilities	£830M	£1,073M	£989M
Deficit	£128M	£364M	£342M

As at 31/03/2015	Funding – Pension Fund	Accounting – Pension Fund	Accounting – City of London
Value of Assets	£819M (smoothed market value)	£816M	£752M
Value of Liabilities	£926M	£1,352M	£1,250M
Deficit	£107M	£536M	£498M

16. Members should note that:

- Whilst the values of assets are broadly similar, the values of liabilities vary significantly due to the difference in the calculation of the discount rates as outlined in paragraphs 13 and 14.
- For every 0.1% increase/decrease in the corporate bond rate, the deficit decreases/increases by around £22M.
- The key deficit figure is the funding deficit as this is the deficit that the employer contributions are targeted to fund over the next 20 years or so. As the funding deficit is based on the expected returns from our investment portfolio, it is the most accurate estimate we have.
- The accounting deficits – whether for the Pension Fund as a whole or for the Corporation – are only determined to meet accounting requirements and for comparison purposes in published accounts.
- The assumptions used in the actuarial calculations are challenged robustly by an informal Member and Officer Group.
- As the overall funding rate has increased to 88.5% and we are marginally ahead of the 20 year deficit recovery period funding plan, there are no issues of concern to highlight to Members.

Training

17. A Pension Deficit Seminar for Members was held on Friday 10th July and a further seminar has been arranged for Monday 11 January 2016 at 4pm. Members are advised to contact the Town Clerk's Department if they would like to attend.

Conclusion

18. The difference in the calculation of the discount rate causes significant variations in the valuation of liabilities. For a funding valuation, the calculation of the discount rate to be applied to the liabilities is based on the expected investment returns of assets held by the Fund, whereas for an accounting valuation, the discount rate assumes that all the assets are corporate bonds. The key deficit figure for decision making is the funding deficit of £107m, as this is the deficit that the employer contributions are targeted to fund over the next 20 years or so. As the overall funding rate has increased to 88.5% and we are marginally ahead of the 20 year deficit recovery period funding plan, there are no issues of concern to highlight to Members.

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Committee:	Date:
Finance Committee	15 December 2015
Subject: The work of the City's Social Value Panel	Public
Report of: The Chamberlain	For Information

Summary

City Procurement in response to the Social Value Act 2013 established the City of London Social Value Panel made of 12 organisations that represent social, economic and environmental aspects of the community we serve. The Panel has been in operation since June 2014 and has consulted on 13 service contracts to date with a positive impact on the outcomes delivered through the supplier contracts the City has let during this period.

Recommendations

Members are asked to note:

- The role of the City's Social Value Panel and the outcomes achieved in contracts let to date (as set out at Appendix 1).
- The contributions made by the panel organisations on a voluntary basis.
- The recent hosting of a study visit from 14 delegates from public authorities in Finland and Denmark.
- The potential to grow the work of the Social Value Panel in collaboration with other London Boroughs in the future.

Background

1. City Procurement set up the Social Value Panel in response to the Social Value Act 2013 which introduced national legislation requiring all public authorities to engage the voluntary and community sector, along with other interested groups, to help shape procurement policies, services and outcomes for all service contracts over the EU procurement threshold for service (£174k currently).
2. As a procuring authority, City of London must consider how service contracts might improve economic, social and environmental well-being in the relevant area and explore how this may best be put into practice. The authority must demonstrate how it has consulted the community and record the ideas put forward. The authority has no legal requirement to implement anything sourced from such a consultation.
3. Traditionally this work was undertaken by online forums or questionnaires with the procurement lead sharing their ideas and asking for feedback. In 2014

the Head of City Procurement presented the case to establish the Social Value Panel to the Procurement Steering Group.

4. The main idea was to seek real innovation through early consultation with a forum made up of local representative groups at the early stages of planned service procurements. This would allow the City to gain innovative ideas and be clear on what was actually important to the City we serve. It would also improve relations with such groups, give an audit trail of how the City complies with the Act and enhance the City's reputation in this sector.
5. The Social Value Panel was established during early 2014 in terms of creating terms of reference, approaching groups to participate, get non-disclosure agreements signed and agreeing the workings of the panel and frequency of the meetings.
6. The first Social Value Panel was launched in June 2014 and has met quarterly since being chaired by The Head of Sourcing and Category Management. To our knowledge we are the only (or at least the first!) public authority to have established such a panel.
7. The established membership of 12 organisations of the Social Value Panel represent businesses, community and environmental organisations which include the London Chamber of Commerce, Greater London Enterprise, Social Enterprise UK, Bromley by Bow Centre, Toynbee Hall, Demeter Development, Transport and Sustainability Forum, Action Sustainability and the Brokerage Citylink.
8. The Panel has been consulted on 13 service contracts to date covering a wide range of service areas. Appendix 1 lists the contracts and subsequent outcomes that have been introduced to the contracts, showing a wide range of community benefits being realised through our supplier spend.
9. One of the key projects recently delivered is an example of this, with our new Corporate Cleaning contract introducing the following responsible outcomes:
 - I. *Panellists had been concerned about the prevalence of unfair rotas in the industry) - Staff friendly rotas have been implemented in the new contract.*
 - II. *Staff training & career development opportunities suggested - Each member of staff has an individual training plan in the new contract.*
 - III. *Facilities Management apprenticeships were suggested instead of cleaning apprenticeships - 12 Facilities Management Apprenticeships created.*
 - IV. *Environmentally friendly cleaning products suggested – The contract now uses materials that adhere to EU GPP criteria AND none are tested on animals.*
 - V. *Contractor to pay London Living Wage. Was already our policy.*
 - VI. *Panellists were concerned about zero hours contracts - All staff are employed on FT/PT contracts only in the new contract.*
10. The Social Value Panel has proved to be a highly successful intervention for the City's Officers. It brings us closer to the issues that matter most to

communities within the City and fringe boroughs including local economic regeneration, social value and equality and environmental quality.

11. We believe that the innovative ideas generated have been facilitated by bringing together a pool of individuals with diverse interests, backgrounds and experiences.

City of London Hosted Study Visit

12. Given the impact City has made on Social Value we recently as a result of a request from a city in Denmark and four cities in Finland to share best practice on social value, hosted a Study visit. The visiting delegation of 14 spent a full day with City and supporting boroughs on topics such as Living Wage, apprenticeships and social value in contracts. Representatives from these European cities also attended the Social Value Panel on 24th November.

Future potential growth in Scope of the Social Value Panel

13. City Procurement are liaising with other London Boroughs involved in the London Responsible Procurement network to explore the potential opportunity to widen the scope of the Social Value Panel. This would see in the first instance the panel expanded to take on more London wide issues and consider any collaborative London service contracts.

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Appendix 1 – Social Value Outcomes from contracts consulted through the City’s Social Value Panel

Consultation	Date of Feedback	Outcomes
Mansion House Catering Contract	03-Jul-14	<ul style="list-style-type: none"> • Sourcing of Fair Trade, local suppliers and Rainforest Alliance Certified Products • Consolidated deliveries and supply chains • Carbon emissions reduced through commitment to reducing air miles • Food waste management programme • Diversity and environmental training for staff • Payment of Living Wage for all staff
Barbican Centre Catering Contract	9-Sep-15	<ul style="list-style-type: none"> • Water saving measures including staff training • Environmentally positive farming (organic & biodynamic – maintaining biodiversity, heirloom varieties, rare breeds etc.) • Sustainable restaurant Association menus • Sustainably sourced fish (MSC) • Ethical meat and dairy, high animal welfare standards, free range eggs • Seasonal menus using locally sourced ingredients • Consolidated deliveries • Dedicated Sustainability and Environmental Management expert • Waste management, monitoring and reduction & food waste composting scheme • Energy efficiency – equipment and staff training • Payment of London Living Wage to all staff • Fair Trade certified products • Vegetarian and Gluten Free offerings • Employment opportunities for local people • Apprenticeships opportunities for catering college students • Food Miles – local sourcing, Bermondsey Bakery, (free range) British chicken etc. • Sustainable Fish City Pledge • Seasonal and healthy food – fruit and veg from Watts farm (co-operative in Kent)
Off Street Car Park Management Service	19-Mar-15	<ul style="list-style-type: none"> • Signposting to homelessness services is part of the operating procedures. • All equipment is DDA compliant • On-going work to review street furniture for cycle parking opportunities • The contractor will engage with employment initiatives such as Fringe Benefits, the Cheapside Employment Service, and Square Mile jobs • All staff paid London Living Wage which will improve recruitment and retention as of 1 April 15 • All staff has been given hand held equipment for security purposes.
Aldgate Pavilion Café Management	10-Jun-15	<ul style="list-style-type: none"> • Soft market testing conducted with social enterprises to refine specification and determine their interest. • “Other Social Value” section added to specification enabling tenderers to propose alternative schemes including food recycling. • Time credits included in specification to encourage & support volunteers.

Consultation	Date of Feedback	Outcomes
		<ul style="list-style-type: none"> • Low cost menu options for local communities included in specification. • A community steering group was included in the specification. • Meet the Buyer event held.
Corporate Cleaning Services	9-Sept-15	<ul style="list-style-type: none"> • Fair rotas implemented • Staff training & career development opportunities • Apprenticeship opportunities • Use of electric vehicle for a mobile cleaning unit • Staff able to lease bikes tax free • Cleaning products adhere to UK government buying standards • Contractor to pay London Living Wage • Staff employed on FT/PT contracts (no zero hours contracts)
Window Cleaning Services	9-Sept-15	<ul style="list-style-type: none"> • Winning bidder is an SME • Staff paid above Living Wage • All staff trained (IRATA, PASMA & IPAF) & further NVQ training encouraged • Committed to working within COSHH regulations.
City Advice Service	10-Jun-15	<ul style="list-style-type: none"> • Tender pricing schedule developed to show apportionment of funding across different providers. • Specification included reference to use of volunteers; potential to develop local ambassadors; and a requirement to integrate time credits. • Bidders asked to demonstrate how the service would affect identified outcomes. Performance measures were included to show the distance travelled.
Community Support Services	19-Mar-15	<ul style="list-style-type: none"> • Timescales were adjusted to allow smaller organisations to apply • A service user was part of the evaluation panel. • Specification is mostly outcome based, but with specific areas where required in accordance with the Care Act. • Consultation with current service users on all aspects of the contract.
Community Health Engagement tender	19-Mar-15	<ul style="list-style-type: none"> • Service was reconsidered & aligned with the Obesity & Physical Activity tender, which starting in mid-October. • A Meet the Buyer event was held in Feb 15. • The current service uses volunteers through the City's Time Credits scheme & this will be written into the specification to ensure it continues.
Healthy Behaviours Service	19-Mar-15	<ul style="list-style-type: none"> • Meet the Buyer event held in December 2014. • All potential bidders were invited to be part of a contact sharing database on the London Tenders Portal to allow further networking outside of event. • A review of TUPE of internal staff with HR, and external staff with those providers & Comptrollers & confirmed in ITT pack.

Consultation	Date of Feedback	Outcomes
		<ul style="list-style-type: none"> • Service outcomes within the specification have been adjusted to a more positive focus. • Holistic treatments for clients included in the specification.
Schools Coach Travel Services	19-Mar-15	<ul style="list-style-type: none"> • Contract to be split into lots based on location, reducing environmental impact on air quality • Health & Safety & sub-contracting arrangements considered during supplier selection process? • Charging mechanism to be split between known regular journeys at a fixed rate and ad-hoc requirements subject to mini-competition or mileage rate • Discussions held with Community Services Category Board to determine if and how the contract can be widened.
Barbican Communal Repairs and Redecorations	24-Nov-15	<ul style="list-style-type: none"> • SME support • Contact information for Ready to Supply the City programme and other small business initiatives • Strong weighting and focus on CSR in evaluation of specification
Employability Services Provider for Central London Forward 'Working Capital' Pilot Programme".	19-Mar-15	<ul style="list-style-type: none"> • Engagement with SME and third sector organisations through a supplier event • COL amended its PQQ to facilitate consortia of smaller organisations to apply. • Prior to supplier event CLF set up a micro website to publish information about the procurement. SMEs have used this to advertise their services as potential sub-contractors/consortium partners & for larger organisations to advertise their supply chain opportunities. • Specification asked tenderers how they will commit to managing their supply chains in a fair & transparent way & how they will embed social value & environmental sustainability.

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Committee:	Date:
Finance Committee	15 December 2015
Subject:	Public
Invest Northern Ireland's Building London Conference	
Report of:	For Information
The Chamberlain	

Summary

The City of London Corporation was invited to be a guest speaker at the recently held Building London Conference organised by Invest Northern Ireland in Belfast. The conference had a focus on introducing Northern Ireland firms working in the construction, property and facilities sectors to purchasing organisations managing construction projects in London. The City of London Corporation was represented by the Head of City Procurement and the Director of Property Projects. The event allowed the City of London Corporation to find potential new competitive supply chain entrants with on-going follow-up work with identified suppliers progressing.

Recommendation

Members are asked to note the report.

Background

1. Invest Northern Ireland invited the City of London Corporation to be a guest speaker at their Building London 2015 Conference. The aim of the conference was for purchasing organisations in London to share upcoming construction related projects and to have an opportunity to be introduced to Northern Ireland firms capable of delivering work of the nature and size required.
2. The City of London Corporation accepted this invite and was represented by the Head of City Procurement, Chamberlain's and Director of Property Projects, City Surveyor's.
3. The conference was held on the 10th November 2015 at Stranmillis University College, Belfast with City of London participating alongside Transport for London, Crossrail, Laing O'Rourke and Dragados.
4. The conference format was designed to provide delegates with the opportunity to network with conference speakers, key industry decision makers and peers from the GB construction industry. The conference agenda was made up of presentations from each guest purchasing organisation with a number of networking sessions and a Q & A session.
5. The City of London Corporation presented a number of pieces of information focused on how to supply the City, finding our future opportunities, engaging with procurement and some highlights from our future projects list as well as

the links between London and Northern Ireland with reference to The Honourable The Irish Society.

6. The event proved to be successful with good feedback received from both the conference organisers (see Figure A) and delegates as it was felt the City of London Corporation presented real achievable opportunities for the companies who attended. The Corporation has had follow-up engagement with suppliers who were identified as potential future supply chain entrants for your projects.

Figure A - Feedback from the Conference organisers

From: Invest NI

Sent: 12 November 2015 09:41

To: Bell, Christopher; Lewis, Huw

Subject: Thank you from Invest NI

Dear Chris and Huw,

Thank you both for the time and effort that you put into the preparation and delivery for our Building London Conference event in Belfast this week. Initial feedback from the client companies is that it was extremely useful and that they got a lot out of it stating that they were very impressed with the quality and content of the presentations and the opportunities presented by City of London.

In the past we have held follow up meetings with presenters a few months after these sorts of events. I was wondering if we could arrange something for the new year? If at all possible, could you keep track of NI companies that contact you over the next few weeks? We are trying to monitor follow up and this is only really possible with your help.

Thanks again for taking the time to come to Northern Ireland, I hope that you found the trip worthwhile.

Best regards,

Senior Business Development Director

Trade - Construction & Energy

Europe and Russia

7. The event also allowed the Corporation to network with colleagues from Transport for London bringing new relationships that could lead to market information sharing and collaborative working in the future.

8. It should be noted that Invest Northern Ireland covered all Corporation expenditure including travel, accommodation and costs incurred during the conference.

Christopher Bell
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Committee: Finance Committee Court of Common Council	Date: 15 December 2015 14 January 2016
Subject: Council Tax Reduction Scheme	Public
Report of: The Chamberlain	For Decision

Summary

Until 2013 there was a national Council Tax Benefit scheme to assist people on low incomes with their council tax bills. This was replaced by a locally determined Council Tax Reduction Scheme (CTRS) from the financial year 2013/14. For the first year the Government defined a default scheme almost identical to the old Council Tax Benefit scheme. To protect residents on low incomes, the City Corporation adopted the Government's default scheme and subsequently has kept the CTRS in line with Government increases of benefits generally.

However, following changes to national benefits in the July 2015 budget, this will not be possible for 2016/17 and changes will be required to keep the scheme as similar to now as possible. It is obligatory to consult on any changes to the scheme and hence consultation was undertaken with all council tax payers on 2 options. Broadly speaking option 1 would protect existing claimants from possibly being worse off, although it would also limit backdating in future for new claimants and it would keep the administration of CTRS in line with Housing Benefit. Option 2 would keep the existing scheme more or less as it is now which could make some disabled claimants worse off but would continue to allow longer backdating for new claimants and would cause the CTRS to be less aligned with Housing Benefit and other national benefits.

Option 1 was recommended as it would help protect the most vulnerable City residents. The financial impact on the City Corporation would be very small with either option.

The detailed report gives greater technical information about the issue; the results of the consultation; and recommends the alteration of the current scheme to incorporate option 1 for 2016/17.

Recommendation

Members are asked to endorse the adoption of a revised Council Tax Reduction Scheme, following national benefit upratings (increases) and applying option 1 for onward approval by the Court of Common Council.

Main Report

Background

1. In 2013 the Council Tax Reduction Scheme (also known as Council Tax Support) replaced the Council Tax Benefit scheme that had existed to assist council tax payers with low incomes to pay their council tax. It is in effect a rebate from full council tax and the reduction can be any amount up to 100%. Council Tax Benefit was very closely related to Housing Benefit, using similar rules about calculating income. The change was brought about partly as a result of the Government's aim to replace Housing Benefit with Universal Credit and partly in line with the localism agenda, giving councils more discretion over the rebate scheme they offer for council tax. Since 2013 pensioners have been fully protected and their entitlement to Council Tax Reductions continues to be assessed in accordance with existing national benefit regulations. Any changes, therefore, only apply to working age claimants.
2. Prior to April 2013, the amount of Council Tax Benefit granted was wholly funded by central Government. From 2013/14 a grant was provided to local authorities, intended to be 90% of the amount of Council Tax Benefit. In the City's case, the majority of this grant was actually not paid, following a Government formula. In subsequent years no grant was paid and the council tax reduction awarded notionally formed part of the overall council tax calculation.
3. For 2013/14 it was possible to use the Government's default scheme, i.e. having a CTRS which mirrored the old Council Tax Benefit scheme and was linked to the Housing Benefit rules. Some Councils chose to adopt the default scheme and made up the 10% shortfall themselves. Those that did not use the default scheme had to consult with all tax payers and other stakeholders about their proposed schemes.
4. The City Corporation adopted the default scheme in 2013 whereby no-one was worse off than under the old arrangements and picked up the shortfall in funding. For the two subsequent years, although the default scheme technically no longer existed, the City continued with a CTRS which mirrored the Housing Benefit Scheme. Hence no consultations were undertaken but the CTRS was confirmed as part of the council tax setting procedure each year.
5. However, the July 2015 budget made changes to the "uprating" (increases/decreases) rules for Housing Benefit, by which some people (other than pensioners) could be worse off. The budget changed the increases to the amounts (applicable amounts) set by Government to reflect the basic living needs of the claimant and family that are used to assess entitlement to CTRS discount. The Government announced that the applicable amounts would be frozen for 4 years for working age claimants. However, some benefits will continue to increase such as disability pensions and some claimants could be

worse off. To prevent this happening, the local CTRS would have to change and it would therefore no longer be possible to continue with what was in effect the default scheme beyond the financial year 2015/16. There are also changes to the rules around backdating of benefit; applicable amounts for families; and non-dependant deductions (a non-dependant is someone who normally resides with the claimant on a non commercial basis, typically these are adult sons and daughters in the household).

Current Position

6. The City's current CTRS technically cannot continue beyond the end of the current financial year without a few people being potentially worse off for the reasons set out above. Although most of the scheme can be retained and the only necessary changes are highly technical, a full consultation was required by legislation in order to implement them for 2016/17. The new scheme must be set by resolution of the Court of Common Council in January 2016 to be effective for the following year.
7. The consultation has now taken place, following advice from the Comptroller and City Solicitor. It ran for a 6 week period from 12th October 2015 to 16th November 2015. All City council tax payers were consulted as well as the Greater London Authority as the major preceptor and the Temples as minor preceptors (parishes).
8. In total 5,800 letters were sent to council tax payers, offering 2 options and recommending one of them. There were 178 responses, just over 3%, of whom the majority, 140 favoured Option one; 34 favoured Option two; and 4 made comments but did not state a preference. A total of 18 comments/queries were received in writing. Some were simple comments thanking for being consulted, some were comments supplementing the response and saying that people should not be worse off under a revised scheme, a few raised queries about the costs of the scheme and there were 6 respondents who did not understand the letter or thought the options unclear. The Greater London Authority responded that they had no comments and the Inner and Middle Temple did not respond formally to the consultation.

Options

9. It is not possible to comply with the legislation and to protect working age claimants while continuing with the current CTRS so to do nothing would not be an option. A new, legal CTRS is required. Given the City has previously followed the Government's default scheme, two options were offered in the consultation which enable the existing scheme to continue with minimal change and therefore to protect existing working age claimants as far as possible. It is important to note that pensioners are fully protected and not affected by any change.

10. The two options for the future CTRS which were offered are set out below; by the very nature of benefits these had to be quite technical and detailed:

Option One:

Introduce revised applicable amounts, personal allowances, backdating and non-dependant deductions in line with Housing Benefit. The effects of this would be that:

- i. broadly speaking the claimant would receive the same amount of CTRS discount as they have done until now and as under the old Housing Benefit scheme, provided, of course, that their personal circumstances do not change;
- ii. backdating the start date of the CTRS claim would be aligned with new Housing Benefit rules; this was previously 6 months but from April 2016 will be reduced to 4 weeks. This will only affect new claims which have been made late;
- iii. where the claimant has non-dependants (generally adult sons or daughters) living in the household, the amount that the non-dependants are expected to contribute will increase in line with the prescribed scheme for pensioners to ensure that the contributions are the same whether or not the non-dependant is a pensioner or non pensioner.

Option Two:

Continue to award CTRS discount based on the current scheme, using the current rates of applicable amounts, personal allowances, and non-dependant deductions. Not make technical adjustments to the scheme to bring it in line with the prescribed scheme for pensioners and the Housing Benefit scheme. The effect of this would be that:

- i. the applicable amounts and personal allowances would remain the same and claimants could be awarded a smaller amount of CTRS discount.
- ii. Not making the technical changes to backdating and non-dependant deductions would leave CTRS misaligned with the prescribed pensioner CTRS and with Housing Benefit.

Proposals

11. Option 1 was recommended as it would protect existing claimants from reduction in CTRS and would keep the scheme more in line with Housing Benefit. It should be noted that the changes in the backdating provisions for Housing Benefit would reduce the period of backdating to 4 weeks from 6 months. The change to backdating will only affect new claimants who do not make a claim for CTRS discount at the appropriate time.

12. As Option 1 protects existing claimants better than Option 2 and of those who responded to the consultation, a clear majority, 79%, favoured this option, it is proposed that Option 1 be adopted for the financial year 2016/17.
13. The current changes proposed are technical but in time, CTRS will diverge increasingly from Housing Benefit and when Universal Credit replaces Housing Benefit, there will be nothing on which to base the local CTRS. Also, the Government has just announced a review of the operation of the council tax reduction system overall. It is proposed, therefore, that a review of the City's CTRS be undertaken during 2016/17.

Financial Implications

14. The current CTRS caseload consists of 373 households, around 5% of all council tax dwellings. Of these, 230 are working age and therefore potentially affected by the changes. There are 3 disabled households currently in receipt of CTRS discount; these are the most likely to be affected by the budget changes.
15. It is difficult to calculate precisely the effect of the two options as CTRS entitlement could change for a number of reasons not related to changes to the scheme such as change in income or household composition. However, based on current caseload, it is estimated that in total Option 1 would cost somewhere between £240 and £1,000 per annum and Option 2 between £90 and £500. The current total cost of council tax discount for 2015/16 is estimated to be £209,000, although this may fluctuate slightly over the remainder of the year. The exact amount of CTRS discount payable for 2016/2017 will depend on the number of claimants at that time and their individual personal circumstances but based on current caseload if option 1 is adopted the amount of CTRS discount would increase slightly to £210,000. Historically, the cost of CTRS has been around £250,000 but has declined in the last year.

Conclusion

16. It is concluded that the City's Council Tax Reduction Scheme should be altered in line with Option 1 above from the financial year 2016/2017 and that the Court of Common Council should be requested to set the new scheme in January 2016.

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Committee: Finance Committee	Date: 15 December 2015
Subject: Members' Financial Loss Allowance Scheme	Public
Report of: Town Clerk	For Information

Summary

The Finance Committee is responsible for monitoring the operation of the Members' Financial Loss Allowance Scheme. This report provides an update on the operation of the Scheme over the last three years. There are no current concerns regarding the Scheme. It is not proposed that any amendments to the Scheme be recommended to the Policy and Resources Committee.

Recommendations

The Committee is recommended to note the report.

Main Report

Background

1. The Members' Financial Loss Allowance Scheme (the Scheme) was created through a resolution of the Court of Common Council on 13 April 2006.
2. The object of the Scheme is to provide a means of addressing the situation where a Member demonstrably suffers financial loss by virtue of undertaking his or her civic duties and, as a result, is likely to incur hardship.
3. The Scheme was last reviewed by the Policy and Resources Committee on 6 September 2012. The Committee agreed that the income threshold whereby Members are eligible for support from the Scheme should be adjusted to £50,000.
4. It is the responsibility of the Finance Committee to monitor and scrutinise the Scheme. A copy of the Scheme can be found online at:

<http://www.cityoflondon.gov.uk/about-the-city/how-we-make-decisions/Documents/Members-Financial-Loss-Scheme.pdf>

Claims made in 2014/15

5. Between April 2014 and April 2015, four claims were made to the Scheme, for a total £495.48 (an average claim made of £123.87). By comparison, two claims were made in 2013/14, totalling £373.08 (average claim of £186.54).

6. While overall information of the claims made and the total value of these is required by the Finance Committee to monitor the Scheme, all claims are made to the Scheme on a confidential basis. Therefore, it is not possible to provide more detailed information about the claims.

Conclusion

7. The Scheme is not heavily called upon by Members. However, it is appropriate that the Finance Committee continues to receive an annual report providing information of the total amount claimed from the Scheme to ensure that usage remains consistent.

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Committee:	Dated:
Finance Committee – For Information	15 December 2015
Subject: Risk Management – Monthly Report	Public
Report of: Chamberlain	For Information

Summary

This report has been produced to provide Finance Committee with an update on the most significant risks faced by the Chamberlain's Department.

There are currently no RED risks on the departmental risk register and one RED risk on the Corporate Risk Register:

- CR19 - IT Service Provision

This risk remains red but is expected to reduce as infrastructure changes are implemented. Progress against the transition plan is measured regularly to ensure the risk continues to reduce towards the target status of Green by 31 December 2016.

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 Committee the key risks faced in their department. Finance Committee has determined that it will receive the Chamberlain's risk register on a quarterly basis with update reports on RED rated risks at the intervening Committee meetings.

Current Position

2. This report provides an update on the current RED risks that exist in relation to the operations of the Chamberlain's department and, therefore, Finance Committee.

Summary of Key Risks

3. There is currently one RED risk on the Corporate Risk Register for which the Chamberlain's Department is responsible:

CR19 - IT Service Provision (Current Status: RED – no change)

The current status of this risk is specifically in relation to the position of the Police IT Estate. This risk has reduced from October 2015 by the implementation of back up storage and spare network equipment. However, in discussion with Police leadership, the risk has been left in a red position due to the continued risk of an interruption of service.

This risk will be further mitigated with the completion of the Police migration to the Infrastructure as a Service (IaaS) by January 2016; it will then reduce to Amber. From this point on, the Police and Corporation risk will be synchronised and will move to a green position once the Joint Network Refresh Programme has renewed network infrastructure. This work is due for completion in Dec 2016. The target date for the risk to reduce through Amber to the target status of Green is therefore revised from 31 December 2015 to 31 December 2016.

Other Material Changes since the Previous Review

4. CHB006 – IT Service Outage. Work has now begun on actions flowing from the Joint Operational Review to bring stability and improved resilience. Renewal of the network infrastructure and update of the telephony system has commenced with a target completion date of December 2016. The target date for this risk to reduce to Green is therefore revised to 31 December 2016 and the current score increased to Amber. The level of risk is expected to reduce as the work progresses over the next few months.

Conclusion

5. Members are asked to note the actions taken to manage these significant risks in relation to the operations of the Chamberlain's Department and the overall reducing level of current risk.

Appendices

- None

Background Papers

Report to Finance Committee 17 November 2015: Finance Committee Risk

Joy Ahwiah

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Committee: Police (For information) Policy and Resources (For Decision) Finance (For Decision)	Date: 1 December 2015 10 December 2015 15 December 2015
Subject: Police Arboretum Memorial Trust – New National Memorial Project	Public
Report of: Town Clerk	For Decision

Summary

1. The City of London Corporation has been invited to become a founding partner of a project being run by the Police Arboretum Memorial Trust (the Trust). The aim of the project is to create a national memorial that pays tribute to the UK's Police Service and honours the dedication, courage and sacrifice of the officers who have died in service.
2. The Trust launched an appeal to raise £4m to fund the initiative at the beginning of the year. The initiative contains four overall objectives:-
 - the creation of a new monument at the National Memorial Arboretum (NMA) in Staffordshire;
 - refreshing the existing memorial, known as “The Beat” at the NMA;
 - the creation of a digital, interactive, memorial; and
 - the development of a living memorial i.e. the creation of a fund to support the families of the fallen as an when a tragic event occurs.
3. Since the announcement of the project early this year, the Trust has raised approximately £2.8m from a number of sponsors. It is now keen for the City Corporation to consider supporting the project also by becoming a founding partner and contributing £250,000 towards the initiative the cost of which could be spread over three to five years.

Recommendation(s)

1. The Police Committee is asked to note the content of the report and forward any comments it wishes to make to the Policy and Resources Committee.
2. The Policy and Resources Committee is asked to:-
 - consider the Police Arboretum Memorial Trust's request for a contribution in the sum of £250,000 in support of the Trust's project to create a new national memorial that pays tribute to the UK's Police Service and honours those officers who have died in service, together with any comments made by the Police Committee; and
 - if supported, agree that the funding is spread over five years;

- note that the funding for Year 1 (£50,000 in 2015/16) be met from the Finance Committee's City's Cash Contingency, subject to the approval of that Committee; and
- the funding for the remaining four years be met by adjusting the base budget of this Committee (i.e. City's Cash).

The **Finance Committee** is recommended to agree that funding for Year 1 (£50,000 in 2015/16) be met from the Finance Committee's City's Cash Contingency

Main Report

Background

1. Since the creation of policing over 4,000 men and women have given their lives to serve and protect UK communities. In addition, there have been substantial losses in British Colonial and other UK administered forces overseas. The Police Arboretum Memorial Trust (the Trust) has therefore developed an ambitious project to create a national memorial to pay tribute to the UK's Police Service and to honour the dedication, courage and sacrifice of the officers who have died in service.
2. On 15th January 2015, the Trust launched its appeal to raise £4m to fund the creation of a UK Police Memorial. At the launch the Chancellor also announced that the Treasury would be contributing £1m to the development of the new memorial, stating that:-

"The UK is the birthplace of modern Policing. Policing is our gift to the world; our Police service is respected and admired throughout the world for its professionalism, its commitment to our protection and its service to our nation. It is therefore fitting that we have a memorial to the Service and to the thousands of men and women who have given their lives for us and our communities."

3. A new physical memorial is to be located at the National Memorial Arboretum (NMA) in Staffordshire. The intention is that it will complement other memorials around the country, notably the National Police Memorial at the Mall and both "The Beat" and the Police Memorial Garden, which are already located at the NMA.
4. The National Police Memorial located at the Mall was created following the tragic shooting and death of Yvonne Fletcher in 1984. Its location has been problematic as it does not easily lend itself to major events and commemorative gatherings; nor does it allow quiet contemplation and remembrance by families and they are keen to see this issue addressed. By contrast, the NMA in Staffordshire is conveniently situated and is designed for major events as well as individual reflection.

Proposal

5. The UK Police Memorial project aims to develop the world's first memorial to marry both the digital and physical. It will have four elements:-

- the creation of a new monument at the NMA;
 - refreshing the existing memorial at the NMA, known as “The Beat”;
 - creating a digital, interactive, memorial; and
 - developing a living memorial by creating a fund to support the families of the fallen as and when a tragic event occurs.
6. In addition, an educational programme and a national campaign aimed at fostering better understanding and an appreciation of policing will be developed as part of the project.

The New Monument

7. The new monument will honour the fallen and pay tribute to the sacrifice of the men and women who have served and continue to serve the nation and its communities. It will be a place of ceremony, remembrance and quiet reflection, which can engender a national sense of pride and value in the UK’s Police service. The monument will be located at the UK’s national place for year round remembrance at the NMA. Whilst a number of design concepts are in the process of being developed they will be subject to an extensive consultation exercise with Police and members of the public. The expectation is that it will be erected in 2017-18.

“The Beat”

8. “The Beat” is an avenue of trees listing some of the names of the fallen. Care of Police Survivors, a leading police charity, care for it. The avenue now looks very tired. The trees are unhealthy and the area is poorly irrigated. As part of the UK Police Memorial project “The Beat” is to be redeveloped and improved. It will also be re-sited to support the Trust’s vision of the avenue leading to a new memorial.

A Digital Memorial

9. In order to extend its reach nationally and internationally the new memorial will be complemented by digital technology. It will be the first of its kind to merge both physical and digital aspects by for example:-
- Enhancing visitor experience to the memorial using technology
 - Raising awareness of the purpose of the physical memorial in the wider population
 - using digital activity to enhance the physical structure but not interacting with it
 - Developing educational based activities for school aged groups
 - Remembrance specifically for the police family audience
10. The digital aspects must pass the test of time and not be reliant on particular technologies. It will focus on the memorial story through a series of narratives able to be updated cost effectively.

A Living Memorial

11. The final element of the UK Police Memorial project is to make resources available to support the families of the fallen as and when these tragic events occur. The intention is that this will be created in partnership with organisations such as the National Association of Chaplains to the Police.

Unveiling of the Design for the Memorial

12. Since the announcement of the project earlier this year, the Trust has raised approximately £2.8m from a number of sponsors including the Treasury, which contributed £1m. Nearly all Police Forces via their Police and Crime Commissioners and the wider Police community (e.g. Police Mutual Assurance and the National Police Chiefs Council). The Trust is of the view that if the City Corporation supports the project also by agreeing to its request for a contribution of £250,000, the gesture would add to its fund raising momentum. It will assist in raising the remaining sum by inspiring other companies or grant making bodies to support the project also.
13. As mentioned above, currently a number of design concepts are being explored in respect of the actual monument. A major event is to be hosted by the Drapers Company in Drapers Hall on 24th February 2016 to unveil the design (both physical and digital) of the new memorial and to thank partners who have helped the Trust achieve success. A national media campaign will also be launched at that event to help members of the public and a number of other activities are also being explored for the event.

Conclusion

14. The sacrifices made by the members of the Police services to serve and protect our communities deserve to be acknowledged. It is therefore fitting that they are honoured by having a national place of remembrance and celebration one, which easily lends itself to major events, commemorative gatherings and quiet contemplation by families. The new UK Police Memorial project proposals will deliver this.
15. Supporting the Trust's request will also help to demonstrate further the City Corporation's commitment to working in partnership and collaboratively with other organisations to deliver national projects, which are both worthy and innovative.

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Committee: Finance	Date: 15 December 2015
Subject: Central Contingencies	Public
Report of: Chamberlain	For Decision

1. Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources Committee, such budgets do not include any significant contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies 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.
2. In addition to the central contingencies, the Committee has a specific City's Cash contingency of £100,000 to support humanitarian disaster relief efforts both nationally and internationally.
3. The uncommitted balances that are currently available are set out in the table below together with the amounts being requested at this meeting.

2015/16 Contingencies - Uncommitted Balances at 3 December 2015				
	City Fund £'000	City's Cash £'000	Bridge House Estates £'000	Total £'000
General Contingencies	434	612	50	1,096
National and International Disasters	0	80	0	80
Uncommitted Balances	434	692	50	1,176
Requests for contingency allocations	50	80	0	130
Balances pending approval	384	612	50	1,046

4. The £50,000 requested from City Fund contingency relates to a request from the Police Arboretum Memorial Trust in support of the Trust's project to create a new national memorial to pay tribute to the UK's Police Service. A report is set out elsewhere on the Agenda.
5. The City Surveyor has also asked the Property Investment Board to support a request for £80,000 to fund the six Assistant Property Facilities Manager posts for the period January to March 2016 pending completion of the Facilities Management review. The City Surveyor has request support from PIB to meet this cost from the City's Cash finance contingency. Funding for these posts in 2015/16 was originally agreed as a budget carry forward of £240,000 from 2014/15 underspendings pending the review of centralisation of funding. At the time provision was only requested to December 2015 as it was anticipated that the review would be completed by then. Pending completion of the review, and

to avoid service disruption, further funding to cover the cost until the end of this financial year is requested. Property Investment Board meets on 9 December 2015, and the views of that Board on this issue will be reported to the Committee at the meeting.

6. The requests which the Committee has previously agreed against the 2015/16 contingencies are listed at Appendix 1.

Recommendation

7. Members are asked to :

- i. note the contents of this report; and
- ii. agree to allocate £80,000 to the City Surveyor's budget from the Finance Committee's City's Cash contingency to meet the cost of the Assistant Property Facilities Manager posts for the period January to March 2016 pending completion of the Facilities Management review.

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Appendix 1 2015/16 Contingencies

2015/16 General Contingency – City’s Cash

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			950,000
	2014/15 Provision brought forward to fund commitments entered into in previous financial years			145,000
	Total Provision			1,095,000
10 Dec 2013	£55,000 (£30,000 in 2014/15 and £25,000 in 2015/16) for additional one-off revenue costs in respect of the Education/Community Programme to launch the Heritage Gallery; and the provision of retail stock to promote the opening and the City’s role in looking after London and the Nation’s heritage. The first £15,000 of income from the sale of the special retail stock will be credited centrally.	DCHL	25,000	
21 Oct 2014	Up to £98,500 in match funding (in partnership with the Mercers' Company) for a biography of Sir Thomas Gresham. Phased over 5 years - £33,500, £5,000, £5,000, £25,000 and £30,000 in 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 respectively.	TC	65,000	
13 Jan 2015	Funding to meet the transport and freight costs of taking the Guildhall School’s opera scenes to Shanghai in April 2015.	GSM	29,800	
17 Feb 2015	Grant funding for The Honourable The Irish Society (£25,000 p.a. for 2014/15 and 2015/16)	CH	25,000	
14 Apr 2015	“Founding Sponsor” contribution towards the cost of a major City spectacular in commemoration of the 350 th anniversary of the Great Fire of London.	DCHL	300,000	
21 Jul 2015	£33,000 to match fund a grant that The Honourable The Irish Society are making to the National Citizenship Scheme. £5,000 for the Lord Mayor to host a dinner in Belfast to mark the giving of this grant.	CH	38,000	
	Total allocations agreed to date			482,800
	Balance remaining prior to any requests that may be made to this meeting			612,200

Appendix 1 2015/16 Contingencies

2015/16 General Contingency – City Fund

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			800,000
	2014/15 Provision brought forward to fund commitments entered into in previous financial years			83,000
	Total Provision			883,000
13 Jan 2015	£50,000 (£25,000 in 2014/15 and £25,000 in 2015/16) for additional funding towards the LGPS Collective Investment Vehicle (CIV).	CH	25,000	
17 Feb 2015	£142,000 (£84,000 in 2014/15 and £58,000 in 2015/16) towards an appeal regarding Greater London Authority Roads.	CH	58,000	
9 Oct 2015	£366,000 to fund the cost of urgent waterproofing and drainage works at Frobisher Crescent.	DCCS	366,000	
	Total allocations agreed to date			449,000
	Balance remaining prior to any requests that may be made to this meeting			434,000

2015/16 General Contingency – Bridge House Estates

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			50,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			50,000

Appendix 1 2015/16 Contingencies

2015/16 National & International Disasters Contingency – City’s Cash

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2015/16 Provision			100,000
	2014/15 unspent provision brought forward			30,000
	Total Provision			130,000
27 Apr 2015 Urgency	Disasters Emergency Committee, Nepal Earthquake Appeal	TC	25,000	
1 May 2015 Urgency	Disasters Emergency Committee, Nepal Earthquake Appeal	TC	25,000	
	Total allocations agreed to date			50,000
	Balance remaining prior to any requests that may be made to this meeting			80,000

Key to Responsible Officers:

CH: Chamberlain

DCHL: Director of Culture, Heritage and Libraries

GSM: Principal, Guildhall School of Music and Drama

TC: Town Clerk

DCCS: Department of Community and Children’s Services

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