

FINANCE COMMITTEE

Tuesday, 12 April 2016

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 12 April 2016 at 1.45 pm

Present

Members:

Deputy Roger Chadwick (Chairman)	Christopher Hayward
Jeremy Mayhew (Deputy Chairman)	Tom Hoffman
Randall Anderson	Wendy Hyde
Deputy John Barker	Deputy Jamie Ingham Clark
Nicholas Bensted-Smith	Clare James
Chris Boden	Deputy Alastair King
Sheriff & Alderman Charles Bowman	Alderman Professor Michael Mainelli
Nigel Challis	Deputy Robert Merrett
Simon Duckworth	Sir Michael Snyder
Deputy Anthony Eskenzi	David Thompson
John Fletcher	Deputy John Tomlinson
Lucy Frew	

Officers:

Christopher Braithwaite	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Graham Bell	- Chamberlain's Department
Connie Dale	- Chamberlain's Department
Mona Lewis	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Peter Bennett	- City Surveyor
Neal Hounsell	- Community and Children's Services Department

1. APOLOGIES

Apologies for absence were received from Mark Boleat, Stuart Fraser, Deputy Brian Harris, Alderman Peter Hewitt, Oliver Lodge, Deputy Henry Pollard, James de Sausmarez and Ian Seaton.

The Chairman advised the Committee that Alderman and Sheriff Charles Bowman, Stuart Fraser, Alderman Peter Hewitt, Alderman Vincent Keaveny and Oliver Lodge would stand down from the Committee following the Court of Common Council on 21 April 2016. The Chairman thanked those Members for their valuable service on the Committee.

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

Jeremy Mayhew and Tom Hoffman declared non-pecuniary interests in respect of item 23 due to being Trustees of the City of London Festival.

Roger Chadwick declared a non-pecuniary interest in respect of Item 21 due to being the Chairman of City Re Limited.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 15 March 2015 be approved as an accurate record.

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

a) **Draft public minutes of the Efficiency and Performance Sub-Committee held on 7 March 2016**

RESOLVED – That the draft public minutes and non-public summary of the Efficiency & Performance Sub-Committee meeting held on 7 March 2016 be noted.

b) **Draft public minutes of the Information Technology Sub-Committee held on 9 March 2016**

RESOLVED – That the draft public minutes and non-public summary of the Information Systems Sub-Committee meeting held on 9 March 2016 be noted.

c) **Draft public minutes of the Corporate Asset Sub-Committee held on 11 March 2016**

RESOLVED – That the draft public minutes and non-public summary of the Corporate Assets Sub-Committee meeting held on 11 March 2016 be noted.

6. **RESOLUTION FROM POLICY AND RESOURCES COMMITTEE - CHAIRMAN'S DISCRETIONARY FUND**

The Committee received a resolution from the Policy and Resources Committee which advised that the Policy and Resources Committee had agreed to remove the Finance Committee Chairman's Discretionary Relief Fund of £10,000.

The Chairman commented, and Members agreed, that the resolution did not provide the Committee with sufficient information regarding why the decision had been taken to remove the Finance Committee's Chairman's Discretionary

Relief Fund. The Chairman also noted that there had not been any consultation with the Finance Committee prior to this decision being taken, and there had not been an opportunity for the Finance Committee to provide information regarding recent uses of the Discretionary Relief Fund, such as supporting the State Trumpeters through a donation to the Crown Equerry Fund.

The Committee requested that the Policy and Resources Committee provide the Finance Committee with this information, to allow the Finance Committee to consider whether it would be appropriate to request that the Policy and Resources Committee reconsiders this action.

RESOLVED – That the Committee requests that the Policy and Resources Committee provides the Finance Committee with further information regarding why the decision had been taken to remove the Finance Committee’s Chairman’s Discretionary Relief Fund.

7. CHAMBERLAIN’S DEPARTMENTAL BUSINESS PLAN 2015/16 YEAR END UPDATE

The Committee considered a report of the Chamberlain which provided a year end summary of delivery against the objectives and expected outcomes stated in the Chamberlain’s Business Plan for 2015/16. The report advised that in the main, progress was good, with many key milestones met according to anticipated timescales.

The Chamberlain updated Members that the Internal Audit Plan had reached 94% completion by the end of March 2016, rather than 84% as stated within the report.

A Member asked for further information regarding why the Department had been unable to achieve the target of collecting 99.75% of Non-Domestic Rates. The Chamberlain explained that the target set was very challenging and forced the Corporation to rely, to an extent, on timely payment from ratepayers. The Chamberlain explained that the performance of 99% of rates collected was still very good performance, indicating a low level of bad debt, and therefore was not a cause of major concern.

RESOLVED – That the Committee notes the report.

8. CHAMBERLAIN’S DEPARTMENT RISK MANAGEMENT - QUARTERLY REPORT

The Committee considered a report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register.

The Chairman asked for further information regarding risk CHB11. The Chamberlain explained that this risk had been added to the Risk Register to reflect the risks and ensure close monitoring of the cross-cutting review of Contract Management.

In response to a question from a Member, the Chamberlain clarified that the risk around Oracle ERP delivery was classified as amber, but all known defects

with the system were now resolved, and the project was complete apart from one outstanding report. The Chamberlain emphasised that the key now was to ensure the delivery of the business benefits which the Oracle system would allow.

RESOLVED – That the Committee notes the report.

9. **CHAMBERLAIN'S DEPARTMENTAL BUSINESS PLAN 2016/17**

The Committee considered a report of the Chamberlain which provided the Chamberlain's Department Business Plan for 2016/17. The business plan set out the key priorities of the department and described the specific actions that the Department would undertake during the next year to deliver against these priorities and to improve the value of the services provided.

A Member asked for clarification regarding the target in relation to the percentage of invoices received electronically. The Chamberlain advised that the targets were based on performance goals within that quarter, and was not annual cumulative target.

A Member asked for further information regarding how the Procurement Savings target was set. The Chamberlain advised that upcoming procurement projects were benchmarked against the market with savings applied to those benchmarks to identify the target.

RESOLVED – That the Committee approves the Chamberlain's Departmental Business Plan 2016/17

10. **INFORMATION TECHNOLOGY DIVISION - QUARTERLY UPDATE**

The Committee considered a report of the Chamberlain which provided information regarding the work of the IT Division over the last quarter.

A Member requested that the Cybersecurity Policy be presented to Members at the June 2016 meeting of the information Technology Sub-Committee.

The Chamberlain advised Members that there had been technical problems with the Good email platform over the last couple of weeks. He advised that the VIP Support team was contacting all Members to resolve this issue, and explained that all Members should now have at least one functioning device.

RESOLVED – That the Committee notes the report.

11. **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:

- a) agrees to carry forward sufficient resources from the 2015/16 Central Contingencies Funds to meet existing allocations and thereby providing

a full years contingency for funding requirements that may arise during 2016/17; and

- b) agrees to carry forward the unspent balance on the 2015/16 National and International Disasters Contingency Fund.

12. DECISION TAKEN UNDER DELEGATED AUTHORITY SINCE THE LAST MEETING OF THE COMMITTEE

The Committee considered a report of the Town Clerk which provided information of a decision taken under delegated authority since the Committee's last meeting. The decision was to agree to make a grant of £50,000 to UKCF to contribute to its New Beginnings Fund, a pooled fund to provide support to frontline organisations and community groups working with refugees and people seeking asylum in seven key areas in the UK. The ultimate beneficiaries of the donation to be children who are refugees/seeking asylum and the donation to be spent in London and Northern Ireland (focused in Londonderry), split equally.

RESOLVED – That the Committee notes the report.

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

A Member noted that the Greater London Authority had raised the issue of considering implementing Land Value Tax in London and asked whether the Chamberlain had any comments on this matter. The Chamberlain advised that Land Value Tax would not apply directly to the Corporation, but would apply to businesses operating within the City. The Chamberlain explained that the raising of the issue was likely to be linked to the wider agenda of fiscal devolution agenda, and advised that the matter would be investigated and reported back to the Committee.

A Member noted that this was the first meeting since the Government's Budget announcement. The Chamberlain advised that a briefing on the implications of the Budget to the Corporation could be provided to the Committee via email.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

15. EXCLUSION OF THE PUBLIC

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

Item No.
16-25

Paragraphs in Schedule 12A
3

16. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes of the meeting held on 16 March 2016 were approved as an accurate record.

17. 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.

18. DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES

a) Draft non-public minutes of the Efficiency and Performance Sub-Committee held on 7 March 2016

The draft non-public minutes of the Efficiency & Performance Sub-Committee meeting held on 7 March 2016 were noted.

b) Draft non-public minutes of the Information Technology Sub-Committee held on 9 March 2016

The non-public minutes of the Information Systems Sub-Committee meeting held on 9 March 2016 were noted.

c) Draft non-public minutes of the Corporate Asset Sub-Committee held on 11 March 2016

The non-public minutes of the Corporate Asset Sub-Committee meeting held on 11 March 2016 were noted.

19. PAY AWARD AT THE MUSEUM OF LONDON

The Committee considered and approved a report of the Director of the Museum of London seeking endorsement from the Finance Committee for the approval by the Court of Common Council for the Museum of London's 2016 pay award.

20. SUPPORT FOR THE RESETTLEMENT OF SYRIAN REFUGEES - REQUEST FOR CONTRACT WAIVER

The Committee considered and approved a report of the Director of Community and Children's Services which set out the case for a request for a waiver under section 25 of the City of London Procurement Code. Approval of a waiver was requested to enable essential services to be procured to support the resettlement of Syrian refugees.

21. CITY RE LIMITED - PROPERTY INSURANCE RISK RETENTION

The Committee noted a report of the Chamberlain which provided information of City Re Limited's Review of claims limit and retained premiums.

22. INSURANCE (DECEMBER PROGRAMME) PROCUREMENT UPDATE

The Committee considered and approved a report of the Chamberlain which set out the strategy for procuring Insurance (December programme) for the City of London in 2016/17 and sought Member approval for the recommended evaluation criteria to be used in the selection of a preferred supplier(s). This report was required as the estimated contract value exceeded £2,000,000 as per Section 16.3 of the Procurement Code Part One.

23. CITY ARTS TRUST/CITY OF LONDON FESTIVAL

The Committee considered and approved a report of the Director of Culture, Heritage and Libraries regarding the funding of the City Arts Trust and the City of London Festival.

24. 5-7 GILTSPUR STREET, LONDON, EC1- RECEIPT OF DEVELOPMENT OVERAGE PREMIUM

The Committee considered and approved a report of the City Surveyor which sought approval to agree the level of overage premium payable by the head lessee City and Guilds of London Institute on the practical completion (PC) of its development at 5-7 Giltspur Street under the terms of a development agreement.

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

The Committee noted a report of the Town Clerk which advised the Committee of action taken under delegated authority or urgency procedures since the Committee's last meeting.

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

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

27. 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 ended at 3.10 pm

Chairman

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