

FINANCE COMMITTEE

Tuesday, 10 May 2016

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

Present

Members:

Randall Anderson	Deputy Jamie Ingham Clark
Deputy John Barker	Clare James
Deputy Roger Chadwick	Deputy Alastair King
Nigel Challis	Gregory Lawrence
Dominic Christian	Alderman Professor Michael Mainelli
Simon Duckworth	Jeremy Mayhew
Deputy Anthony Eskenzi	Deputy Robert Merrett
Alderman Peter Estlin	Deputy Henry Pollard
Sophie Anne Fernandes	Adam Richardson
John Fletcher	Alderman William Russell
Lucy Frew	James de Sausmarez
Alderman Timothy Hailes	Deputy Dr Giles Shilson
Deputy Brian Harris	Sir Michael Snyder
Christopher Hayward	Deputy John Tomlinson
Tom Hoffman	Philip Woodhouse
Wendy Hyde	

In attendance:

Keith Bottomley
Edward Lord
Deputy Joyce Nash

Officers:

Susan Attard	- Deputy Town Clerk
Peter Lisley	- Assistant Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Bob Roberts	- Director of Communications
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Simon Woods	- Chamberlain's Department
Anne Pietsch	- Comptroller and City Solicitor's Department
Peter Bennett	- City Surveyor

Deputy Anthony Eskenzi moved, and the Committee agreed, that Alderman William Russell take the Chair until a Chairman was elected.

Alderman William Russell in the Chair

1. **APOLOGIES**

Apologies for absence were received from Nicholas Bensted-Smith, Ian Seaton and David Thompson.

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

There were no declarations of interest.

3. **ORDER OF THE COURT OF COMMON COUNCIL**

The Committee considered the Order of the Court of Common Council of 21 April 2016 appointing the Committee and approving its terms of reference.

RESOLVED – That the Order of the Court of Common Council of 21 April 2016 be noted.

4. **ELECTION OF CHAIRMAN**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 29. A list of Members eligible to stand was read and Jeremy Mayhew and Deputy John Tomlinson indicated willingness to serve.

A ballot was taken and votes were cast as follows:-

Jeremy Mayhew	-	18 votes
Deputy John Tomlinson	-	13 votes

RESOLVED – That Jeremy Mayhew be elected Chairman in accordance with Standing Order 29 for the year ensuing.

Jeremy Mayhew in the Chair

The Chairman thanked the Committee, stating that he was both honoured and flattered by the Committee's decision.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Committee proceeded to elect a Deputy Chairman pursuant to Standing Order No. 30. Deputy Roger Chadwick, as the immediate past Chairman, in Common Council and willing to serve, was accordingly declared as the Deputy Chairman for the ensuing year.

The Chairman took the opportunity to welcome Alderman Peter Estlin, Alderman Timothy Hailes, Alderman William Russell, Dominic Christian and Sophie Fernandes as new Members of the Committee, and Deputy Dr Giles Shilson as a returning Member of the Committee.

Vote of Thanks to the Past Chairman

Deputy Anthony Eskenzi moved a voted of thanks to Deputy Roger Chadwick, the immediate past Chairman.

RESOLVED UNANIMOUSLY: That the Members of the Finance Committee express their sincere thanks to:

DEPUTY ROGER ARTHUR HOLDEN CHADWICK

for the extremely able, caring and courteous manner in which he has presided over their deliberations and the detailed attention and interest he has shown in all aspects of the work of the Finance Committee for the past five years.

Roger has overseen a challenging time for the Corporation's finances with reductions in Government funding and uncertain times for the British Economy, and has ably overseen the £20m savings programme of the Service Based Review.

Roger has ensured that the Corporation has continued to be a forward-looking organisation, well set for the future. In addition to the appointment of a new Chamberlain, Roger has overseen the re-launching of City Procurement, the restructuring of the finance team to strengthen strategic capability and links with the business, the signing and implementation of the IT contract with Agilisys and the delivery of a very challenging Oracle upgrade.

Despite the challenging economic circumstances, Roger has kept the Committee working with a positive attitude to benefit London and beyond. He has overseen the Corporation's decision to award London Living Wage for all Corporation contracts, made donations totalling £380,000 to assist in disaster relief across the world and overseen grants of over £1m to charitable organisations, including enhancing the Corporation's historic links to Londonderry through the Honourable Irish Society.

AND SO in taking leave of Deputy Roger Chadwick as their Chairman, Members of this Finance Committee wish to thank him for his service and excellent leadership of the Corporation's financial affairs during this challenging period. The Committee gives to him their best wishes for his future health and happiness.

6. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes and summary of the meeting held on 12 April 2016 be approved as an accurate record.

7. 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.

8. APPOINTMENT OF SUB-COMMITTEES AND REPRESENTATIVES ON OTHER COMMITTEES

The Committee considered a report of the Town Clerk regarding the composition and Terms of Reference of the Committee's Sub-Committees for

2016/17, the appointment of Members to those Sub-Committees and the appointment of representatives to a number of other City Corporation positions.

The Chairman commented that he would seek to review the operation of the Sub-Committees to ensure that they were as effective as possible.

RESOLVED – That the Committee:

- a) Agrees the amendment of the constitution of the Corporate Asset Sub-Committee such that the Policy and Resources Committee and Property Investment Board are invited to appoint any three of their Members, rather than their Chairman, Deputy Chairman and one other Member;
- b) Agrees the amendment of the Information Technology Sub-Committee Terms of Reference to add the following:
 - To hold informal workshop meetings to provide an opportunity to give in-depth scrutiny to projects;
 - To receive a report, at least annually, on the status, performance and plans associated with each and any major IT outsourcing arrangements which the corporation has contracted to third parties;
- c) agrees the composition and terms of reference of the Committee's Sub-Committees, notes that the Chairman and Deputy Chairman are appointed as Chairman and Deputy Chairman of each of the Sub-Committees, and agrees the appointment of the following Members to the Sub-Committees:

Efficiency and Performance Sub-Committee

Randall Anderson
Nigel Challis
Deputy Anthony Eskenzi
Alderman Peter Estlin
Deputy Jamie Ingham Clark
Deputy Alastair King
Ian Seaton
Deputy John Tomlinson
Philip Woodhouse

Finance Grants Sub-Committee

Randall Anderson
Deputy John Barker
Nicholas Bensted-Smith
Nigel Challis
Simon Duckworth
Deputy Jamie Ingham Clark
Gregory Lawrence
Alderman Professor Michael Mainelli
Alderman William Russell
Philip Woodhouse

Information Technology Sub-Committee

Randall Anderson
Nigel Challis
Deputy John Chapman
Deputy Jamie Ingham Clark
Hugh Morris
Sylvia Moys
Graham Packham
Chris Punter
Deputy John Tomlinson
James Tumbridge

Corporate Asset Sub-Committee (The Committee agreed to increase the number of Finance Committee representatives by one Member for 2016/17)

Randall Anderson
Deputy Brian Harris
Deputy John Tomlinson

- d) agree the appointments of the following representatives to Committees and Sub-Committees:

Establishment Committee

Deputy Jamie Ingham Clark

Barbican Centre Board

Lucy Frew

Projects Sub (Policy & Resources) Committee

Deputy Roger Chadwick
Deputy John Tomlinson

Streets and Walkways Sub (Planning & Transportation) Committee

Deputy John Barker

- e) agrees the appointments of Jeremy Mayhew, Deputy Roger Chadwick and Deputy Anthony Eskenzi as representatives for informal consultation with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances.
- f) notes that the Chairman and Deputy Chairman will be Members of the Resource Allocation Sub (Policy and Resources) Committee.
- g) notes that the Chairman and Deputy Chairman will be ex-officio Members of the following Committees:
- Policy & Resources Committee
 - Investment Committee
 - Audit and Risk Management Committee
 - Hospitality Working Party (Policy and Resources)

- h) notes that the Chairman (or his nominee) will be an ex-officio Member of the following Committees:
- Social Investment Board
 - Public Relations and Economic Development Sub (Policy and Resources) Committee
- i) agrees that the Committee should continue to meet “every fourth week on Tuesdays” with the exception of recess periods.

9. CITY PROCUREMENT QUARTERLY UPDATE (END OF YEAR REPORT)

The Committee considered a report of the Chamberlain which updated Members on the work of City Procurement and its performance for the year April 2015 to March 2016.

The report highlighted the following achievements over the previous year:

- Annual savings of £8.48M achieved against 2015/16 target of £8.27M
- PO Compliance average of 94% for 2015/16
- 12 month average of 96% supplier payments happened within 30 days during 2015/16
- 12 month average of 86% of SME supplier payments happened within 10 days during 2015/16
- 24% of 2015/16 annual spend was with SME suppliers (Value of £116M)
- 13 Continuous Improvement projects under the strategic theme of Operational Excellence delivered with the 2015/16 period.

A Member asked whether there were more detailed data management metrics which supported the statistics set out within the report. The Chamberlain confirmed that there were such metrics, and agreed that information of performance within these metrics could be brought to the Efficiency and Performance Sub-Committee over the next year.

RESOLVED – That the Committee notes report.

10. LONDON LIVING WAGE - UPDATE

The Committee considered a report of the Chamberlain which set out progress to achieve the target of implementing the London Living Wage across all eligible contracts by 1 April 2016 and the current overall position with regards the Living Wage across our contract portfolio. The report confirmed that the Corporation had now fully implemented London Living Wage across all services with the exception of a 12 residential care home services contracts (due to legal and operational complexities in transitioning to London Living Wage) and one grazing contract (due to wider performance issues in the contract).

The Chamberlain confirmed that the report referred to the London Living Wage, which was in excess of the Living Wage announced by the Chancellor of the Exchequer in the March 2016 Budget.

RESOLVED – That the Committee notes the report.

11. **CENTRAL CRIMINAL COURT - REPORTING LINES**

The Committee considered a report of the Deputy Town Clerk which provided Members with an opportunity to review the Committee reporting arrangements for the Central Criminal Court (CCC). The report advised that the CCC currently reported to the Corporate Asset Sub (Finance) Committee (CASC). The report explained that the CCC did not currently fit naturally within the existing workload of CASC or any other existing Committee, and therefore proposed that a new Committee be created to oversee all aspects of the CCC, for a period of five years. The report advised that this was a particularly important time for the CCC and would, therefore, be an area that would benefit from greater coordination and dedicated attention in terms of Member support and oversight.

The Chairman commented that he agreed that CASC was not appropriate as the main Service Committee for the CCC, and commented that he agreed that there was not currently an entirely relevant Committee to oversee the operations of the CCC. The Committee agreed that this was the case.

The Chairman commented that CASC would continue to have a role in relation to the CCC in scrutinising repairs and maintenance projects, similar to that which CASC currently played for departments such as the Barbican Centre, Guildhall School of Music and Drama and the City of London Police.

The Chairman also commented that he believed that it was not appropriate for the new Committee to be a Grand Committee, and that it would be more appropriately formed as a Sub-Committee of the Policy and Resources Committee or the Finance Committee. Members agreed that this would be an appropriate approach, and agreed that this should be suggested to the Policy and Resources Committee.

RESOLVED – That the Committee:

- a) Notes the report;
- b) Endorses the proposal for the establishment of a new stand-alone Committee for a period of five years, with the composition set out within the report, and asks the Policy Committee to consider whether this Committee should be a Sub-Committee of either Policy and Resources Committee or Finance Committee.

12. **RISK MANAGEMENT - TOP RISKS**

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

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

There were no questions.

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

There were no urgent items.

16. **EXCLUSION OF THE PUBLIC**

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

Item No.

Paragraphs in Schedule 12A

17-22

3

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

The non-public minutes of the meeting held on 12 April 2016 were approved as an accurate record.

18. **MINOR WORKS INTERIM CONTRACT**

The Committee considered and approved a report of the Chamberlain which sought the Committee's approval for the recommended procurement strategy and evaluation criteria to be used in the selection of preferred supplier(s) for the Minor Works Interim contract.

19. **SALISBURY HOUSE, 150-186 LONDON WALL, EC2 - HEAD LEASE EXTENSION IN EXCHANGE FOR PREMIUM PAYMENT**

The Committee considered and approved a report of the City Surveyor which proposed the extension of the Head Lease at Salisbury House, 150-186 London Wall EC2 in exchange for a premium payment.

20. **CENTRAL CRIMINAL COURT - PLANT REPLACEMENT PROJECT - PHASE 2 - GATEWAY 4C DETAILED OPTIONS APPRAISAL**

The Committee noted a report of the City Surveyor regarding phase 2 of the Central Criminal Court Plant Replacement project.

21. **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.

22. **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 2.30 pm

Chairman

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