

## **FINANCE COMMITTEE**

**Tuesday, 13 December 2016**

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

### **Present**

#### **Members:**

Jeremy Mayhew (Chairman)	Clare James
Deputy John Barker	Deputy Robert Merrett
Nicholas Bensted-Smith	Deputy Henry Pollard
Nigel Challis	James de Sausmarez
Dominic Christian	Ian Seaton
Sheriff & Alderman Peter Estlin	David Thompson
Deputy Brian Harris	Deputy John Tomlinson
Christopher Hayward	Philip Woodhouse
Tom Hoffman	Mark Boleat (Ex-Officio Member)
Wendy Hyde	Deputy Catherine McGuinness (Ex-Officio Member)
Deputy Jamie Ingham Clark	Andrew McMurtrie (Ex-Officio Member)

#### **In attendance:**

Vivienne Littlechild

#### **Officers:**

Christopher Braithwaite	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Christopher Bell	-	Chamberlain's Department
Carla-Maria Heath	-	Chamberlain's Department
Paul Nagle	-	Chamberlain's Department
Michael Cogher	-	Comptroller and City Solicitor
Paul Wilkinson	-	City Surveyor
Nigel Lefton	-	Remembrancer's Department
David Drane	-	City of London Police
Professor Barry Ife	-	Principal, Guildhall School of Music and Drama

### **1. APOLOGIES**

Apologies for absence were received from Randall Anderson, Deputy Roger Chadwick, Sophie Fernandes, Alderman Tim Hailes, Gregory Lawrence, Paul Martinelli, Alderman and Sheriff William Russell and Deputy James Thomson.

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

Ian Seaton declared a non-pecuniary interest in respect of item 25 due to being Church Warden of St Lawrence Jewry.

Deputy Jamie Ingham Clark declared a non-pecuniary interest in respect of item 25 due to being a member of the Guild Church Council of St Lawrence Jewry.

**3. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes and summary of the meeting held on 15 November 2016 be approved as an accurate record.

**4. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

The Town Clerk informed the Committee that donations which are made to disaster relief appeals are reserved, by law, for the purpose of emergency appeals. The Town Clerk explained that information was being gathered to provide an analysis of the financial activities of organisations, which would help to inform future decisions regarding disaster relief donations.

The Town Clerk explained that the Chairman and Deputy Chairman had agreed to two donations being made to Disaster Relief Emergency Appeals during the last week. These were:

- a donation of £20,000 to Save The Children's emergency appeal to relieve the famine in North East Nigeria;
- £25,000 to the Disaster Emergency Committee's appeal to relieve the humanitarian crisis in Yemen.

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

**5. REPORT OF THE WORK OF THE SUB-COMMITTEES**

The Committee considered a report of the Town Clerk which advised Members of the key discussions which had taken place during recent meetings of the Committee's Sub-Committees.

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

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

**RESOLVED** – That the Committee notes the draft public minutes and non-public summary of the following Sub-Committee meetings:

- Finance Grants Oversight and Performance Sub-Committee held on 15 November 2016; and
- Corporate Asset Sub-Committee held on 18 November 2016;

**7. TO APPOINT A MEMBER TO THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**

**RESOLVED** – That Dominic Christian be appointed to the Efficiency and Performance Sub-Committee.

**8. ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE AND 2017 AGENDA PLAN**

The Committee considered a report of the Town Clerk which provided the Committee the opportunity to conduct the annual review of its Terms of Reference.

**RESOLVED** – That the Committee

- a) approves the Terms of Reference of the Finance Committee for submission to the Court, as set out in the appendix 1;
- b) agrees that the Committee continue to meet every fourth week, on Tuesdays; and
- c) notes the Forward Plan for 2017 at Appendix 2;
- d) agrees that any changes to the Terms of Reference required in the lead up to the appointment of Committees be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman.

9. **AUTUMN STATEMENT 2016**

The Committee considered a report of the Chamberlain which highlighted the key points for the City Corporation from the Chancellor's Autumn Statement on 23 November 2016.

The Chamberlain confirmed that, as a result of the publishing the Efficiency and Sustainability Plan, the Corporation would receive certainty of the level of the Local Government Financial Settlement which would be received for the next four years. It was expected that the amount of the Financial Settlement would be confirmed later in the current week.

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

10. **COUNCIL TAX REDUCTION SCHEME**

The Committee considered a report of the Chamberlain which sought approval for the continuation of the current Council Tax Reduction Scheme, following national benefit upratings.

**RESOLVED** – That the Committee endorses the continuation of the current Council Tax Reduction Scheme, following national benefit upratings (increases/decreases) for onward approval by the Court of Common Council.

11. **FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE**

The Committee considered a report of the Chamberlain which provided an update on the work of the Financial Services Division over the previous quarter.

The Chamberlain explained that the revaluation of Business Rates had led to an average increase in Business Rates of 30% for City businesses. Members commented that this was a serious issue for City businesses, especially Small and Medium-sized Enterprises and the Corporation should work to support these businesses on this issue.

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

**12. APPRENTICESHIPS**

The Committee considered a report of the Director of Community and Children's Services which sought approval for an allocation from the Finance Committee's Contingency Fund to meet the short term costs of setting up the Corporation's apprenticeship service in the current financial year.

**RESOLVED** – That the Committee approves the allocation of £61,000 from the Finance Committee's Contingency Fund to cover the set up and initial running costs of the City of London Corporation's Apprenticeship Service.

**13. CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT – MONTHLY REPORT**

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

The Chamberlain explained that the IT Strategy was currently being developed and it was anticipated that this would be presented to the IT Sub-Committee and the Finance Committee in January 2017.

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

**14. MEMBERS' FINANCIAL LOSS ALLOWANCE SCHEME - ANNUAL REPORT**

The Committee considered a report of the Town Clerk which provided information regarding the use of the Members' Financial Loss Allowance Scheme during 2015/16.

The Chairman commented that the Scheme not being used in the previous year may indicate that the Scheme needed to be reviewed to ensure that it was appropriate. The Chairman also commented that, if the Scheme was not appropriate, it may exclude otherwise eligible candidates from standing for election to the Court. The Chairman of the Policy and Resources Committee agreed that it may be appropriate for that Committee to review the Scheme following the 2017 Common Council elections.

**RESOLVED** – That the Committee:

- a) notes the report;
- b) requests that the Policy and Resources Committee review the Members' Financial Loss Allowance Scheme following the 2017 Common Council elections.

**15. CENTRAL CONTINGENCIES**

The Committee considered a report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

The Town Clerk informed that Committee that the Chairman had noted that, as part of the Review of Grants which had been completed earlier in the year, the

Finance Committee Chairman's Discretionary Fund had been abolished. The Town Clerk explained that this Fund had typically been used to make small donations at Christmas to charities based around London, up to a total of £10,000. The Town Clerk explained that the Chairman had requested that Officers explore methods which would allow these donations to be made for Christmas 2016, with a permanent solution to be determined for future years.

The Town Clerk explained that the options were:

- to not make the grants for Christmas 2016, and advise the Charities which may have hoped for funding to make applications to the Stronger Communities Theme of the Central Grants Programme in January 2017;
- to allocate £10,000 from the Finance Committee's Contingency Fund for Christmas Donations; or
- to request that the Policy and Resources Committee, as an item of urgent business at their meeting later in the week, approve that a proportion of the Disaster Relief Fund be diverted for contributions to UK appeals.

In response to a question from a Member, the Town Clerk confirmed that it was intended that any decision taken by the Finance Committee would be for the purpose of funding donations for Christmas 2016 and a permanent solution would be proposed to the relevant Committee (likely to be the Policy and Resources Committee) during 2017.

A Member commented that, as the Lord Mayor's appeal this year sought to promote the Corporation's work outside of the London area, the Chairman and Deputy Chairman may wish to consider donations to charities across the UK. The Chairman agreed that he would consider this.

**RESOLVED** – That the Committee:

- a) notes the report;
- b) approves the allocation of £10,000 from the Finance Committee's City's Cash contingency for charitable donations to be made at Christmas 2016; the donations to be approved by the Town Clerk, in consultation with the Chairman and Deputy Chairman.

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

There were no questions.

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

There were no urgent items.

**18. 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**

19-31, 33-35 3  
32, 36 2

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

The non-public minutes of the meeting held on 15 November 2016 were approved as an accurate record.

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

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

21. **GUILDHALL SCHOOL - SUSTAINABILITY (OPERATING MODEL REVIEW) BY PA CONSULTING**

The Sub-Committee noted a joint report of the Chamberlain and Town Clerk which provided information of the review, conducted by PA Consulting, of the Guildhall School of Music and Drama's Operating Model Review.

22. **SUNDIAL COURT, CHISWELL STREET, EC1 - LEASE RENEWAL**

The Committee considered and approved a joint report of the City Surveyor and the Principal of the Guildhall School of Music and Drama which sought approval for the renewal of the lease of Sundial Court, Chiswell Street EC1.

23. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**

The Committee noted a report of the Town Clerk which advised Members of the key discussions which had taken place during non-public session at recent meetings of the Committee's Sub-Committees.

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

The Committee noted the draft non-public minutes of the following Sub-Committee meetings:

- Finance Grants Oversight and Performance Sub-Committee held on 15 November 2016; and
- Corporate Asset Sub-Committee held on 18 November 2016.

25. **TACKLING THE REPAIRS AND BACKLOG MAINTENANCE BOW WAVE**

The Committee noted a report of the Chamberlain which provided an update on work in progress and challenges ahead to tackle the 'bow wave' of unfunded maintenance costs on the Corporation's operational property assets.

26. **GUILDHALL COMPLEX FUNDING**

The Committee considered a report of the City Surveyor which sought funding from the Finance Committee's Contingency Fund for the Guildhall Administration budget.

27. **MANAGED SERVICE FOR TEMPORARY AGENCY WORKERS - CONTRACT AWARD REPORT**

The Committee considered and approved a joint report of the Chamberlain and the Director of Human Resources which sought approval for the award of a four-year contract for Managed Service Temporary Labour Resource.

**28. PROVISION OF CORPORATE MANAGED SERVICE FOR MULTIFUNCTIONAL DEVICES - PROCUREMENT STAGE 1 REPORT**

The Committee considered and approved a report of the Chamberlain which sought approval for the recommended evaluation criteria to be used in the selection of a preferred supplier for the provision of a Corporate Managed Service for Multi-Functional Devices).

**29. FUNDING OF THREE ADDITIONAL STAFF TO INVESTMENT PROPERTY GROUP, CITY SURVEYOR'S DEPARTMENT**

The Committee considered and approved a report of the City Surveyor which sought funding from the Finance Committee Contingency Fund for the recruitment of three additional staff within the Investment Property Group of the City Surveyor's Department.

**30. STRATEGIC PROPERTY ESTATE - UPDATE**

The Committee noted a report of the City Surveyor which provided an update of the progress made over the previous year in respect of the Strategic Property Estate.

**31. ACTION FRAUD INTERIM SERVICE PROVISION**

The Committee considered and approved a report of the Commissioner of the City of London Police which sought approval for the continued appointment of the existing provider of the Action Fraud National Fraud and Cyber Reporting Centre until the new Managed Service went live at the end of May 2017.

**32. ADMITTED BODY STATUS AND THE LOCAL GOVERNMENT PENSION SCHEME: INTERSERVE ENGINEERING SERVICES LTD**

The Committee considered and approved a report of the Chamberlain and Comptroller and City Solicitor which sought approval to allow Interserve Engineering Services Ltd to become an Admitted Body to the City of London Corporation's Local Government Pension Board to allow staff pensions rights to be protected.

**33. REPORT ON WAIVERS AT £50K AND OVER GRANTED SINCE THE LAST FINANCE COMMITTEE**

The Committee noted a report of the Chamberlain which updated Members on non-urgent waivers over £50,000 which had been approved by the relevant Spending Committee, in accordance with the Waiver Approval Process set out within the Corporation's Procurement Code.

**34. 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.

**35. 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.

**36. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

The Committee considered and approved the confidential minutes of the last meeting.

**The meeting closed at 2.55 pm**

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Chairman

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