



Finance Committee

Date: TUESDAY, 13 DECEMBER 2016
Time: 1.45 pm
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

Jeremy Mayhew (Chairman)	Clare James
Deputy Roger Chadwick (Deputy Chairman)	Gregory Lawrence
Randall Anderson	Alderman Professor Michael Mainelli
Deputy John Barker	Paul Martinelli
Nicholas Bensted-Smith	Deputy Robert Merrett
Chris Boden	Deputy Henry Pollard
Nigel Challis	Sheriff & Alderman William Russell
Dominic Christian	James de Sausmarez
Simon Duckworth	Ian Seaton
Deputy Anthony Eskenzi	Deputy Dr Giles Shilson
Sheriff & Alderman Peter Estlin	Sir Michael Snyder
Sophie Anne Fernandes	David Thompson
John Fletcher	Deputy John Tomlinson
Alderman Timothy Hailes	Philip Woodhouse
Deputy Brian Harris	Vacancy
Christopher Hayward	Mark Boleat (Ex-Officio Member)
Tom Hoffman	Deputy Catherine McGuinness (Ex-Officio Member)
Wendy Hyde	Andrew McMurtrie (Ex-Officio Member)
Deputy Jamie Ingham Clark	Deputy Alastair Moss (Ex-Officio Member)
	Vacancy x2

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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 15 November 2016.

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

For Information
(Pages 9 - 12)
5. **REPORT OF THE WORK OF THE SUB-COMMITTEES**
Report of the Town Clerk.

For Information
(Pages 13 - 16)
6. **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 Finance Grants Oversight and Performance Sub-Committee held on 15 November 2016 (Pages 17 - 20)
 - b) Draft public minutes of the Corporate Asset Sub-Committee held on 18 November 2016 (Pages 21 - 26)
7. **TO APPOINT A MEMBER TO THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**

For Decision
8. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE AND 2017 AGENDA PLAN**
Report of the Town Clerk.

For Decision
(Pages 27 - 34)
9. **AUTUMN STATEMENT 2016**
Report of the Chamberlain.

For Information
(Pages 35 - 46)

10. **COUNCIL TAX REDUCTION SCHEME**
Report of the Chamberlain.
For Decision
(Pages 47 - 50)
11. **FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE**
Report of the Chamberlain.
For Information
(Pages 51 - 56)
12. **APPRENTICESHIPS**
Report of the Director of Community and Children's Services.
For Decision
(Pages 57 - 60)
13. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT – MONTHLY REPORT**
Report of the Chamberlain.
For Information
(Pages 61 - 62)
14. **MEMBERS' FINANCIAL LOSS ALLOWANCE SCHEME - ANNUAL REPORT**
Report of the Town Clerk.
For Information
(Pages 63 - 64)
15. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 65 - 70)
16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
18. **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

19. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 15 November 2016.
For Decision
(Pages 71 - 74)

20. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 75 - 76)
21. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
Report of the Town Clerk.
For Information
(Pages 77 - 82)
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 Finance Grants Oversight and Performance Sub-Committee held on 15 November 2016 (Pages 83 - 84)
- b) Draft non-public minutes of the Corporate Asset Sub-Committee held on 18 November 2016 (Pages 85 - 92)
23. **TACKLING THE REPAIRS AND BACKLOG MAINTENANCE BOW WAVE**
Report of the Chamberlain.
For Information
(Pages 93 - 104)
24. **GUILDHALL SCHOOL - SUSTAINABILITY (OPERATING MODEL REVIEW) BY PA CONSULTING**
Report of the Chamberlain.
For Information
(Pages 105 - 148)
25. **GUILDHALL COMPLEX FUNDING**
Report of the City Surveyor.
For Decision
(Pages 149 - 154)
26. **MANAGED SERVICE FOR TEMPORARY AGENCY WORKERS - CONTRACT AWARD REPORT**
Report of the Chamberlain.
For Decision
(Pages 155 - 164)
27. **PROVISION OF CORPORATE MANAGED SERVICE FOR MULTIFUNCTIONAL DEVICES - PROCUREMENT STAGE 1 REPORT**
Report of the Chamberlain.
For Decision
(Pages 165 - 176)

28. **FUNDING OF THREE ADDITIONAL STAFF TO INVESTMENT PROPERTY GROUP, CITY SURVEYOR'S DEPARTMENT**
Report of the City Surveyor.
For Decision
(Pages 177 - 184)
29. **STRATEGIC PROPERTY ESTATE - UPDATE**
Report of the City Surveyor.
For Information
(Pages 185 - 186)
30. **SUNDIAL COURT, CHISWELL STREET, EC1 - LEASE RENEWAL**
Joint report of the City Surveyor and the Principal of the Guildhall School of Music and Drama.
For Decision
(Pages 187 - 196)
31. **ACTION FRAUD INTERIM SERVICE PROVISION**
Report of the Commissioner of the City Police.
For Decision
(Pages 197 - 202)
32. **ADMITTED BODY STATUS AND THE LOCAL GOVERNMENT PENSION SCHEME: INTERSERVE ENGINEERING SERVICES LTD**
Joint report of the Chamberlain and the Comptroller & City Solicitor.
For Decision
(Pages 203 - 206)
33. **REPORT ON WAIVERS AT £50K AND OVER GRANTED SINCE THE LAST FINANCE COMMITTEE**
Report of the Chamberlain.
For Information
(Pages 207 - 210)
34. **NON-PUBLIC QUESTIONS ON MATTERS 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**

Part 3 - Members Only Agenda

36. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**
To approve the confidential minutes of the previous meeting.
For Decision

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FINANCE COMMITTEE

Tuesday, 15 November 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 Roger Chadwick (Deputy Chairman)	Alderman Alastair King
Randall Anderson	Alderman Professor Michael Mainelli
Deputy John Barker	Paul Martinelli
Nicholas Bensted-Smith	Deputy Robert Merrett
Chris Boden	Deputy Henry Pollard
Nigel Challis	Sheriff & Alderman William Russell
Dominic Christian	James de Sausmarez
Simon Duckworth	Deputy Dr Giles Shilson
Tom Hoffman	David Thompson
Wendy Hyde	Deputy John Tomlinson
Deputy Jamie Ingham Clark	Philip Woodhouse

Officers:

Peter Lisley	-	Assistant Town Clerk
Bob Roberts	-	Director of Communications
Christopher Braithwaite	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Christopher Bell	-	Chamberlain's Department
John James	-	Chamberlain's Department
Steven Reynolds	-	Chamberlain's Department
Simon Woods	-	Chamberlain's Department
Michael Cogher	-	Comptroller and City Solicitor
Paul Wilkinson	-	City Surveyor
Steven Bage	-	City Surveyor's Department
Ian Hughes	-	Department of the Built Environment

1. APOLOGIES

Apologies for absence were received from Mark Boleat, Alderman and Sheriff Peter Estlin, Sophie Fernandes, Deputy Brian Harris, Alderman Tim Hailes, Christopher Hayward, Deputy Catherine McGuinness, Ian Seaton and Sir Michael Snyder.

The Chairman advised the Committee that he intended to vary the order of business to allow the IT Division – Funding report (agenda item 20) to be considered as the first substantive order of business. The Committee agreed that this would be appropriate.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the minutes of the previous meeting held on 18 October 2016 be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Committee noted a report of the Town Clerk which provided an update on outstanding actions from previous meetings.

The Town Clerk explained that there were updates to the due dates for a number of items on the outstanding actions report. Therefore, an updated version of the report had been put around the table at the meeting.

The Chamberlain explained that advice had been sought about whether it would be possible to share the cost of legal advice regarding the admission of the London Collective Investment Vehicle (CIV) staff to the Corporation's Local Government Pension Scheme between all members of the CIV. The Chamberlain explained that, as this advice had been sought to protect the Corporation's interests, it would not be possible to share the cost of this advice with other members of the CIV.

RESOLVED – That the Committee notes the report.

5. **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 next item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 in Part I of Schedule 12A of the Local Government Act.

6. **IT DIVISION - FUNDING**

The Committee considered and approved a report of the Chamberlain which set out proposals for additional funding for the IT Division of the Chamberlain's Department.

7. **ADMITTANCE OF THE PUBLIC**

RESOLVED – That the public be admitted to the meeting.

8. **DRAFT PUBLIC MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE HELD ON 12 OCTOBER 2016**

RESOLVED – That the Committee notes the public minutes of the meeting of the Efficiency & Performance Sub-Committee which was held on 12 October 2016.

9. **2015/16 NON-LOCAL AUTHORITY FINANCIAL STATEMENTS (CITY'S CASH, BRIDGE HOUSE ESTATES, CITY'S CASH TRUST FUNDS AND THE SUNDRY TRUSTS) TOGETHER WITH MOORE STEPHENS REPORT THEREON**

The Committee considered a report of the Chamberlain which set out the Financial Statements for the Corporation's non-Local Authority accounts (City's Cash, Bridge House Estates, City's Cash Trust Funds and Sundry Trusts), together with the auditor's report on these Financial Statements.

The Town Clerk explained that two briefing sessions had been arranged for Members to discuss the Financial Statements and notes, summarising the issues discussed in these sessions, had been put around the table. He also explained that the Financial Statements had been considered by the Audit and Risk Management Committee, which had recommended the Financial Statements to the Finance Committee for approval. Draft minutes from that meeting of the Audit and Risk Management Committee had also been put around the table. The Deputy Chairman of the Audit and Risk Management Committee confirmed that no significant concerns had been expressed by that Committee regarding the Financial Statements.

A Member asked whether, in future years, it would be advisable to provide more information regarding operational risk within the Financial Statements. The Chamberlain agreed to review such risk and include any appropriate information.

RESOLVED – That the Committee

- a) Notes the contents of Moore Stephens LLP's Audit Management Report;
- b) approves the Annual Reports and Financial Statements for City's Cash, Bridge House Estates, City's Cash Trust Funds and the Sundry Trust Funds City's Cash Financial Statements for the year ended 31 March 2016; and
- c) agree that the Financial Statements be signed by the Chairman and Deputy Chairman of the Finance Committee, on behalf of the Court of Common Council.

10. **2016/17 BUDGET MONITORING - HALF YEARLY UPDATE**

The Committee considered a report of the Chamberlain which provided information on the revenue budgets to the end of September 2016. The report set out that the overall forecast year-end position, as at the end of September 2016, was £3.1m better than budget, based on a projected £5.9m positive variance in Central Risk budgets, offset by a projected £2.8m negative variance on Chief Officer budgets.

A Member asked for further information regarding the better-than-expected returns on deposits. The Chamberlain explained that this was due to the Corporation holding £200m more in cash balances than had been expected, as the payment of the Corporation's funding commitment to Crossrail had been delayed. This payment was now expected to be made in February 2017. In

addition, the additional cash balances had allowed the Corporation to achieve better rates than had been expected.

The Chamberlain explained that, following comments made by Members at previous meetings, the report had been presented in a more visual format. Members agreed that this format made the report more user-friendly.

RESOLVED – That the Committee notes the report.

11. THE ESTABLISHMENT OF A PROCUREMENT INVEST TO SAVE FUND

The Committee considered a report of the Chamberlain which set out proposals to establish a Procurement Invest to Save Fund, using a percentage of the annual savings generated by City Procurement to fund bids for continuous improvement procurement projects.

A Member asked why the report sought to limit the annual funding for the Fund to £250k. The Chamberlain explained that this was to allow concept of the Fund to be evidenced. He explained that once the concept was proven, the annual maximum funding level might be increased. He explained that, if opportunities were identified which required a higher level of funding, these could be brought back to the Committee for approval.

A Member noted that it was intended to delegate approval of schemes from the Fund to the Strategic Resources Group and asked for clarification regarding the role of this Group. The Chamberlain explained that the Strategic Resources Group had been established about nine months ago, as a sub-group of the Summit Group to consider resourcing matters.

A Member asked for clarification regarding how the savings generated by City Procurement were measured. The Chamberlain explained that these savings were only those savings achieved from competitive tender processes, which derived savings against the existing contract values (the baseline). Changes in scope or demand management of a contract were not included. The Chairman explained that a report regarding the calculation of savings achieved by City Procurement had been submitted to the Committee earlier in the year and this could be re-circulated to any Members who wished to receive it.

RESOLVED – That the Committee:

- a) approves the establishment of the Procurement Invest to Save Fund, effective from 1 December 2016; and
- b) agrees that decision-making on funding bids be delegated to the Strategic Resources Group, in consultation with the Chairman and Deputy Chairman of the Efficiency and Performance Sub-Committee.

12. CITY PROCUREMENT QUARTERLY UPDATE - NOVEMBER 2016

The Committee considered a report of the Chamberlain which provided an update regarding the work of City Procurement and key areas of progress since April 2016.

RESOLVED – That the Committee notes the report.

13. ANNUAL ON-STREET PARKING ACCOUNTS 2015/16 AND RELATED FUNDING OF HIGHWAY IMPROVEMENTS AND SCHEMES

The Committee considered a report of the Chamberlain which provided information regarding action taken in response to any surplus or deficit in the Corporation's On-Street Parking Reserve. The report informed the Committee that the surplus of £17.229m would be wholly allocated, over the medium term, towards the funding of various highway improvements and other projects.

RESOLVED – That the Committee notes the report.

14. CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - MONTHLY REPORT

The Committee considered a report of the Chamberlain which provided an update regarding the top risks within the Chamberlain's Departmental Risk Register.

RESOLVED – That the Committee notes the report.

15. CENTRAL CONTINGENCIES

The Committee considered a report of the Chamberlain which provided information regarding the current balance of the Central Contingency Funds.

A Member commented that, given the current balance of the contingencies, it may be advisable either to reduce the amount carried in contingency or not carry forward any remaining balance at the end of the current year. The Chairman commented that this suggestion was certainly worth consideration, but reminded the Committee that the Finance Committee's Contingency Funds were the contingency funds for all Departments of the Corporation.

RESOLVED – That the Committee notes the report.

16. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered a report of the Town Clerk which advised of a decision taken by the Town Clerk under delegated authority. This decision had been to make a donation of £30,000 to the British Red Cross's Hurricane Matthew Emergency Appeal.

A Member commented that he had understood that the established policy was that the Corporation only made donations to emergency appeals launched by the Disaster Emergency Committee (DEC). The Chairman clarified that the Corporation always made a donation when the DEC launched an appeal, but also made donations to other organisations, including the British Red Cross, when emergency appeals were launched.

A Member commented that it may be worthwhile to investigate the administration costs of the organisations to which the Corporation made disaster relief donations, to ensure that donations were made to the most

appropriate organisations and that donations made to emergency appeals were spent on that appeal.

RESOLVED – That the Committee notes the report.

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

There were no questions.

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

There were no urgent items.

19. **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
20-25	3
26	1

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

The Committee approved the minutes of the previous meeting as an accurate record.

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

The Committee noted a report of the Town Clerk which provided information about outstanding actions from previous meetings.

22. **DRAFT NON-PUBLIC MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE HELD ON 12 OCTOBER 2016**

The Committee noted the minutes of the meeting of the Efficiency and Performance Sub-Committee which had been held on 12 October 2016.

23. **WIRELESS CONCESSION CONTRACT (SUPER-FAST CITY)**

The Committee considered and approved a report of the Chamberlain which sought approval to grant the award of the Wireless Concession Contract, which would offer enhanced mobile and wi-fi coverage across the Square Mile.

24. **HIGHWAYS TERM MAINTENANCE CONTRACT EXTENSION**

The Committee considered and approved a report of the Director of the Built Environment and the Property Construction Category Board which sought approval for the extension of the Highways Term Maintenance Contract.

25. **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.

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

There was one item of urgent business, relating to staffing.

The meeting closed at 3.10 pm

Chairman

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Finance Committee – Outstanding Actions

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	15 Nov 2016, Item 9	<u>Financial Statements</u> The Chamberlain to review whether it is advisable to include more information in relation to operational risk within the Financial Statements.	Deputy Chamberlain	June 2017	This will be considered as part of the development of the Financial Statements for the City Fund Accounts for 2016/17.
2.	15 Nov 2016, Item 15	<u>Central Contingencies</u> The Committee to consider the appropriate level for the Committee's Contingencies.	Chamberlain	May 2017	This should be considered by the Committee in May 2017, when the final balance for contingencies for 2016/17 is known.
3	15 Nov 2016, Item 16	<u>Donations to disaster relief appeals</u> The Town Clerk to investigate the administration costs of the organisations to which the Corporation makes donations to disaster relief appeals to ensure that the donations are made to the most appropriate organisations.	Town Clerk	January 2017	It has not been possible to commence this investigation. It is hoped that the investigation can begin during December 2016.

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	a) 19 July 2016, Item 15 b) 18 Oct 2016, Item 10	<u>Information Security</u> a) A report to be submitted during the autumn regarding proposals to develop the Corporation's Information Security Systems. b) The Chamberlain to consider whether the risk in relation to a cyber-security breach should be amended into separate risks for the Corporation and City of London Police.	Chamberlain and IT Director	January 2017	A report was submitted to Summit Group in September which requested additional funding to develop the Corporation's Information Security Systems. However, further financial information was required and this was considered at the November meeting of Summit Group. However, in November, Summit Group agreed that the report needed further development and requested that the report be revised and re-submitted. The report will be submitted to the Finance Committee once it has been approved by Summit Group.
2.	18 Oct 2016, Item 11	<u>Chamberlain's Departmental Business Plan – KPI for Information Technology</u> The Chamberlain to replace the existing IT KPI with a revised KPI which will provide a more accurate measure of performance.	Chamberlain	January 2017	A revised KPI will be developed for inclusion in the next business plan quarterly update.
3.	18 Oct 2016, Item 12	<u>Guildhall Complex – Revenue Outturn</u> A trading account to be created for the use of the Guildhall Complex to ensure that information is accurately demonstrated regarding the costs and revenues of the use of Guildhall.	Deputy Chamberlain	December 2017	A report in relation to the finances of the Guildhall Complex is included within this agenda.

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
4.	18 Oct 2016, Item 13	<u>Corporate Purchase Card Policy</u> The Committee to be provided with a report providing further information regarding the use of P-Cards with a credit limit of over £5k, the controls for the use of P-Cards and the advantages and disadvantages of P-Cards expenditure being charged to the cardholder's personal bank account before being reclaimed.	Head of City Procurement	January 2017	Report will now be provided in January 2017. This will allow an exercise to be completed to consolidate the number of cards and the current credit limits. In addition, a survey of all existing cardholders will be undertaken to understand the usage of cards. Finally, City Procurement will liaise with HR and Payroll to determine whether there is capability to pay expenses outside of standard salary payment dates. These exercises will allow City Procurement to determine the options moving forward around introducing debit cards for expenses and retain credit cards for corporate purchases.
7.	20 Sept 2016, Item 9	<u>Presentation of Management Accounts</u> The Chamberlain to adjust the presentation of Management Accounts to Committees from the start of the new Financial Year.	Deputy Chamberlain	April 2017	As the first stage of this, the Budget Monitoring report included on this agenda has been revised into a new form of presentation.
8.	19 July 2016, Item 6	<u>Triennial Valuation of Pension Fund</u> Clare James to serve as Lead Member for the Triennial Valuation of the Pension Fund, assisted by Randall Anderson and Paul Martinelli	Deputy Chamberlain	January 2017	Report will be presented to Committee in January 2017

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
9.	19 July 2016, Item 7	<p><u>Review of Sub-Committees</u></p> <p>a) Police Committee is requested to create a Special Interest Area (SIA) for Information Technology, with the Member appointed to that SIA being a Member of the IT Sub-Committee.</p> <p>b) Policy and Resources Committee is requested to consider an amendment to the Projects Procedure to provide Corporate Asset Sub-Committee with a strategic role in the Projects Procedure for operational property projects.</p> <p>c) Investment Committee is requested to consider an amendment to its Terms of Reference (and subsequently to Standing Orders) to allow Corporate Asset Sub-Committee to be responsible for the disposal of surplus operational properties which are not suitable as investment properties</p>	Town Clerk	<p>a) Completed</p> <p>b) December 2016</p> <p>c) January 2017</p>	<p>a) Resolution was submitted to the meeting of Police Committee on 22 September 2016. That Committee appointed Doug Barrow as the SIA for IT and Deputy Barrow is now a Member of IT Sub-Committee.</p> <p>b) Resolution was endorsed by to Projects Sub-Committee on 23 November 2016 and will be submitted to Policy and Resources Committee on 15 December 2016</p> <p>c) Resolution was endorsed by Property Investment Board on 11 November 2016 and will be submitted to Investment Committee on 18 January 2017. Following consideration by these Committees, this resolution would also need to be passed to the Policy and Resources Committee (16 February 2017) and Court of Common Council (9 March 2017).</p>

Committee: Finance Committee	Date: 13 December 2016
Subject: Report of the work of the Sub-Committees	Public
Report of: Town Clerk	For Information
Report authors: Chris Braithwaite, Julie Mayer and Fern Aldous, Town Clerk's Department	

Summary

On 19 July 2016, the Finance Committee agreed that, in addition to draft minutes of Sub-Committee meetings, short reports be provided to advise the Committee of the main issues considered by the Sub-Committees at recent meetings.

Since the last meeting of the Finance Committee, the following Sub-Committees have met:

- Finance Grants Oversight and Performance Sub-Committee on 15 November 2016
- Corporate Asset Sub-Committee on 18 November 2016
- Information Technology Sub-Committee on 25 November 2016
- Efficiency and Performance Sub-Committee on 30 November 2016

The main issues considered by these Sub-Committees in public session were as follows:

Finance Grants Oversight and Performance Sub-Committee – 15 November 2016

- Members discussed the importance of communicating how support could be fulfilled to those organisations previously assisted by the Finance Grants Sub Committee and redirected to other sources, where appropriate.
- Members agreed to publish Central Grants data bi-annually, on a discretionary basis, using the 360Giving Standard, which aligned with the requirements of the Local Government Transparency Code.

Corporate Asset Sub-Committee – 15 November 2016

- Members discussed the half-yearly energy usage report. Members were advised that energy usage across the Corporation appeared to be increasing, although this may be related to the more intensive use of assets.

Information Technology Sub-Committee on 25 November 2016

- The development of the IT Strategy had been well received across the organisation. Members discussed the impact of the anticipated changes across a number of reports.
- The Sub-Committee considered a report outlining the lessons learnt from the Oracle project. The risk register would be updated to capture the risk associated with failing to learn lessons from procurement processes.

Efficiency and Performance Sub-Committee on 30 November 2016

- Members received a presentation regarding embedding a culture of continuous improvement in the Corporation. Members welcomed the presentation, agreeing that embedding such a culture would be very beneficial

for the organisation, but noted that this would be a long-term objective and may be challenging to achieve.

- Members also received a presentation regarding the development of the Corporate Plan and Departmental Business Plans. Members noted that further development of this work was required, and that Member involvement and approval was vital.

A further report is available which advises of the discussions which took place during the non-public session of these meetings.

Recommendations

The Committee is asked to note the report.

Main Report

Background

1. On 19 July 2016, the Finance Committee agreed that future meetings of the Committee should be provided with a report highlighting the main issues which were considered at recent meetings of the Sub-Committees, in addition to receiving minutes of those meetings.
2. Since the last meeting of the Committee, the following Sub-Committees have met:
 - Finance Grants Oversight and Performance Sub-Committee on 15 November 2016
 - Corporate Asset Sub-Committee on 18 November 2016
 - Information Technology Sub-Committee on 25 November 2016
 - Efficiency and Performance Sub-Committee on 30 November 2016

Finance Grants Oversight and Performance Sub-Committee on 15 November 2016

3. At this meeting, Members received the Sub Committee's first outstanding actions list, noting particularly the importance of communicating how support could be fulfilled to those organisations previously assisted by the Finance Grants Sub Committee and redirected to other sources, where appropriate.
4. Members also received a report and presentation in respect of 360Giving, which aligned with the minimum requirements of the Local Government Transparency Code. Members noted that the code was not mandatory in respect of the funds being distributed through the Central Grants Unit and within the remit of the Sub Committee (being charitable or from City's Cash only). Therefore, there was no obligation on the City of London Corporation to join the scheme but it demonstrated good practice relating to transparency in the grant-making sector. Publication of relevant information was discretionary and the system allowed for the redaction of any sensitive data. The City Bridge Trust had joined the scheme in September 2016. The Sub Committee therefore agreed to publish its

Central Grants data, bi-annually, on a case by case basis. Officers agreed to share the report with the relevant Service Committees and the Livery Committee, in order to ensure the trustees of the charities that form part of the Central Grant Programme were consulted.

Corporate Asset Sub-Committee on 18 November 2016

5. At this meeting, Members discussed the half-yearly energy usage report. Members were advised that there appeared to be a trend of increasing energy usage across the Corporation, although this may be related to the more intensive use of assets. A further report on this matter is due to be submitted to the Sub-Committee's next meeting. The City Surveyor also advised the Sub-Committee that he would re-establish the Energy Board to ensure issues in relation to energy were addressed.

Information Technology Sub-Committee on 25 November 2016

6. At this meeting, Members discussed on the review of two existing contracts; the managed print service and the Microsoft volume reseller contract. Members felt that the procurement of the former presented an opportunity to address issues related to over use of printing. The link to the wider strategy for departments to be responsible for their IT resources was noted.
7. In relation to the Microsoft Volume reseller contract, Members discussed whether the introduction of Office 365 would present an opportunity to reduce the number of licenses required by staff. Officers confirmed that there would be scope to remove licenses for peripheral products, and for there to be expiration on unused licenses, however, core product licenses would still be required for almost all staff.
8. Members further considered a report which outlined the learning from the Oracle upgrade project. Members noted that although the lessons had been outlined, they had yet to be embedded in practice. It was felt that capturing on the risk register the risk from not learning lessons from previous procurement process would be beneficial. Limited staff development on project management programmes had also contributed to recent difficulties, and training was now in place to address this issue.

Efficiency and Performance Sub-Committee on 30 November 2016

9. At this meeting, Members received a presentation from Sascha Kiess of the Continuous Improvement Institute regarding embedding continuous improvement into the Corporation. Members welcomed the presentation and agreed that embedding a culture of continuous improvement within the Corporation would be extremely beneficial, but would clearly be a challenging and long-term objective. Members noted that to achieve this object, buy-in at all levels of the organisation would be required.

10. Members also received a presentation from the Head of Strategy and Performance regarding the development of the revised Corporate Plan and Departmental Business Plans. This would seek to ensure that all work of the Corporation was focused upon achieving the Corporation's goals as efficiently and effectively as possible.
11. Members noted that this was a significant area of work which needed further development, and which would also need significant Member involvement. Members were informed that the proposals were currently being discussed by Officers before being brought forward to Members. It was intended to provide further information to Members regarding the proposals for the Corporate Plan and Departmental Business Plans in early 2017, and for these Plans to be brought before Committees and Court of Common Council for approval in May 2017.

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FINANCE GRANTS OVERSIGHT AND PERFORMANCE SUB COMMITTEE

Minutes of the meeting of the Finance Grants Oversight and Performance Sub Committee held Guildhall on Tuesday, 15 November 2016 at 3.30 pm

Present

Members:

Simon Duckworth (Chairman)
Philip Woodhouse (Deputy Chairman)
Randall Anderson
Deputy John Barker
Nicholas Bensted-Smith
Nigel Challis
Deputy Jamie Ingham Clark
Alderman Professor Michael Mainelli
Jeremy Mayhew
Sheriff & Alderman William Russell

In Attendance

Officers:

David Farnsworth	-	Chief Grants Officer
Karen Atkinson	-	Head of Charity & Social Investment Finance, Chamberlain's
Steven Reynolds	-	Chamberlain's Department
Anne Pietsch	-	Comptroller and City Solicitor's Department
Emily Rimington	-	Comptroller and City Solicitor's Department
Julie Mayer	-	Town Clerk's
Neil Davies	-	Town Clerk's
Scott Nixon	-	Central Grants Unit, Town Clerk's
Jack Joslin	-	City Bridge Trust, Town Clerk's

1. APOLOGIES

Apologies were received from Roger Chadwick.

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

Mr Jamie Ingham Clark and Mr Simon Duckworth declared general, non-pecuniary interests in respect of agenda items; (12) Analysis of Grants agreed for the five years 2011/12 – 2015/16 and; (13) Benefits in Kind reporting.

3. MINUTES

The public minutes and non-public summary of the meeting held on 21 July 2016 were approved.

Matters arising

Members noted that, as yet, the City of London Corporation had not awarded the £10,000 grant, agreed by the former Finance Grants Sub Committee in respect of the Sylvia Pankhurst statue, as the match funding target had not been met.

4. **OUTSTANDING ACTIONS LIST**

The Sub Committee received its outstanding actions list and noted particularly the importance of communicating how support could be fulfilled to those organisations previously assisted by the Finance Grants Sub Committee and redirected to other sources, where appropriate.

5. **CENTRAL GRANTS PROGRAMME - 360GIVING**

The Sub Committee considered a report of the Chief Grants Officer which provided information on the 360Giving initiative. Members also received an external presentation from Katherine Duerden, Partnerships and Engagement Manager, 360Giving.

During the presentation and questions, the following points were noted:

- The system aligned with the minimum requirements of the Local Government Transparency Code which was not mandatory in respect of the funds being distributed through the Central Grants Unit and within the remit of the Sub Committee (being charitable or from City's Cash only). Therefore, there was no obligation on the City of London Corporation to join the scheme but it demonstrated good practice relating to transparency in the grant-making sector. Publication of relevant information was discretionary and the system allowed for the redaction of any sensitive data; donations to womens' refuges being given as an example by Ms Duerden.
- Ms Duerdin had met with some of the Livery Companies and the Chief Grants Officer agreed to contact all Members of the Livery Committee, which was due to meet before the end of the year.
- Given that the first round of grants were due to be awarded early in the New Year, the Chairman suggested, and Members agreed, that the report be shared with the relevant Service Committees and to ensure the trustees of the charities that form part of the Central Grant Programme were consulted..
- The City Bridge Trust had joined the scheme in September this year and several local authorities have expressed an interest.
- The system had been designed for easy use with spreadsheets, with simple searching tools and could be over-layed with other data sets, such as indices of deprivation. There had been positive feedback from existing users.

- That the Livery Committee be provided with information about the system with a view to drawing this best practice tool to the attention of those Livery Companies which had not yet arranged to meet with 360Giving.

RESOLVED, that - As a matter of policy the Central Grant Programme grants data be published bi-annually on a discretionary basis using the 360Giving Standard subject to any decision not to publish on a case-by-case basis in respect of a grant.

6. CENTRAL GRANTS PROGRAMME

The Sub Committee received a report of the Chief Grants Officer, which provided an update on the Central Grants Programme (CGP). Members noted the outcome of a report submitted to the Policy and Resources Committee in October 2016, at which Members had agreed to (1) a secondment from the City Bridge Trust (CBT) to manage the CPG for a 6 month period; (2) to receive a follow up report in March 2017 to approve resources for 2017/18; and (3) that the CGU could recharge up to £41,000 to manage the CGU over a 6 month period.

RESOLVED, that:

1. The interim staffing and management fee proposal agreed by the Policy and Resources Committee in October 2016 be noted.
2. The update on the CGP be noted.

7. CENTRAL GRANTS PROGRAMME (CGP) WORK PROGRAMME

The Sub Committee received the Central Grants Work Programme and noted the reporting cycle of three times a year in November, February and July.

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

There were no questions.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items of urgent business.

10. EXCLUSION OF THE PUBLIC

RESOLVED, that – under section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 2 and 3 of Part 1, Schedule 12A of the Local Government Act.

Item nos	Paragraph nos
11 -15	2, 3

11. **MINUTES**
The non-public minutes of the meeting held on 21 July 2016 were approved.
12. **ANALYSIS OF GRANTS AGREED FOR THE FIVE YEARS 2011/12 TO 2015/16**
The Committee received a report of the Chamberlain.
13. **BENEFITS IN KIND REPORTING**
The Committee received a report of the Chief Grants Officer.
14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-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 were no items.

The meeting ended at 4pm

Chairman

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CORPORATE ASSET SUB (FINANCE) COMMITTEE

Friday, 18 November 2016

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

Present

Members:

Nicholas Bensted-Smith (Chairman)
Randall Anderson
Chris Boden
Alderman Alison Gowman

Edward Lord
Jeremy Mayhew
Tom Sleigh
Deputy John Tomlinson

Officers:

Christopher Braithwaite	- Town Clerk's Department
Richard Horner	- Town Clerk's Department
Christopher Bell	- Chamberlain's Department
Andrew Little	- Chamberlain's Department
Dianne Merrifield	- Chamberlain's Department
Paul Nagle	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Peter Collinson	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
Alison Hurley	- City Surveyor's Department
Chris Hartwell	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Sue Ireland	- Director of Open Spaces
Nigel Lefton	- Remembrancer's Department
Jim Turner	- Barbican Centre

1. APOLOGIES

Apologies for absence were received from Deputy Brian Harris, Deputy Roger Chadwick and Gregory Jones QC.

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

There were no declarations of interest.

3. MINUTES

RESOLVED – That the minutes of the previous meeting be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The Sub-Committee considered a report of the Town Clerk which provided an update on outstanding actions from previous meetings.

The Town Clerk explained that it was anticipated that an update regarding the update of technology to provide real time information regarding public lift outages may be available at the Sub-Committee's February 2017 meeting.

RESOLVED – That the Sub-Committee notes the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

The Sub-Committee considered a report of the Town Clerk and City Surveyor which provided information regarding the Work Programme for the Sub-Committee's upcoming meetings.

The Town Clerk informed the Sub-Committee that the report regarding Operational Property Capital Projects, which had been withdrawn from the agenda for this meeting, was expected to be provided to the Sub-Committee's February 2017 meeting.

RESOLVED – That the Sub-Committee notes the report.

6. **HALF YEARLY ENERGY PERFORMANCE REPORT (2016/17)**

The Sub-Committee considered a report of the City Surveyor which provided a half-yearly performance update on energy reduction targets set out within the Carbon Descent Plan 2015. The report covered the six-month period for April to September 2016.

The City Surveyor explained that while the report covered a six-month period, longer term trends indicated that energy consumption across the Corporation may be increasing. He explained that further analysis of consumption figures was currently being undertaken and he would seek to submit a further report regarding this information to the Sub-Committee's next meeting. In response to Members' questions regarding this, the City Surveyor explained that there were Energy Managers within each Department, but there was not currently sufficient link between Departmental energy usage and the Corporation's overall consumption targets. This was an area that the City Surveyor was seeking to address.

The City Surveyor advised Members that he would re-establish the Energy Board, with Chief Officers and other senior Officers as Members of the Board. Members suggested that it would be beneficial for Alderman Alison Gowman to attend meetings of this Board to provide a Member perspective.

A Member noted that while reducing energy consumption was important, it may be that consumption was not the most appropriate measure for energy usage, given that it may not factor in a more intensive use of assets. Therefore, he suggested that it may also be beneficial to track efficiency of energy usage, rather than just consumption. The Chairman noted that, in relation to this, there

had been discussion regarding creating a “trading account” for Guildhall events and energy usage would be intrinsically related to this.

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 urgent items.

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 No.

Paragraphs in Schedule 12A

10-27

3

10. **NON-PUBLIC MINUTES**

The Sub-Committee approved the non-public minutes of the previous meeting as an accurate record.

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

The Sub-Committee noted a report of the Town Clerk which provided an update on outstanding actions from previous meetings.

12. **SERVICE BASED REVIEW - STRATEGIC ASSET MANAGEMENT**

The Sub-Committee noted a joint report of the Town Clerk, Chamberlain and City Surveyor which provided information regarding the Strategic Review of Asset Management which had been undertaken as part of the Service Based Review.

13. **BUILDING, REPAIRS AND MAINTENANCE CONTRACT RE-TENDER**

The Sub-Committee noted a report of the City Surveyor which provided an update regarding the procurement of the Building Repairs and Maintenance Contract.

14. **CORPORATE PROPERTY ASSET MANAGEMENT STRATEGY 2012 - 2016 REVIEW**

The Sub-Committee noted a report of the City Surveyor which provided a review of the outcomes of the Corporate Property Asset Management Strategy 2012-2016.

15. **OPERATIONAL PROPERTY PORTFOLIO - CAPITAL PROJECTS 2016/17**

The Town Clerk informed the Sub-Committee that this report was withdrawn.

16. **OPERATIONAL PROPERTY PORTFOLIO - REPAIRS AND MAINTENANCE BOW WAVE UPDATE**

The Sub-Committee received a presentation from the Chamberlain which provided an update regarding the Repairs and Maintenance Bow Wave on the Operational Property Portfolio.

17. **SURPLUS PROPERTIES ON THE WOODREDON AND WARLIES ESTATE TO BE DECLARED SURPLUS TO CITY CORPORATION REQUIREMENTS**

The Sub-Committee considered and approved a report of the City Surveyor which provided an update regarding properties on Woodredon and Warlies Estate and proposed that these properties be declared as subject to the Corporation's Operational Requirements.

18. **DEVELOPING THE PUBLIC EVENTS PROGRAMME FOR GUILDHALL YARD AND PROMOTING USE BY CITY WORKERS**

The Sub-Committee noted a joint report of the City Surveyor and Director of Culture, Heritage and Libraries which provided information regarding proposals to develop the public events programme within the Guildhall Yard to promote the use of the space by City Workers.

19. **CITIGEN RE-NEGOTIATION UPDATE**

The Sub-Committee considered and approved a report of the Chamberlain which provided an update regarding the re-negotiation of the Citigen contractor.

20. **COMBINED HEAT AND POWER SYSTEM - ANNUAL REPORT 2015/16**

The Sub-Committee noted a report of the City Surveyor which provided the Annual Report for the Citigen Combined Heat and Power System for 2015/16.

21. **BUSINESS PLAN PROGRESS 2016-19 - QUARTER 2 2016/17**

The Sub-Committee noted a report of the City Surveyor which provided a progress report on the City Surveyor's Departmental Business Plan for 2016/17.

22. **CITY SURVEYOR'S DEPARTMENTAL QUARTERLY RISK REGISTER UPDATE**

The Sub-Committee noted a report of the City Surveyor which provided information of the City Surveyor's Departmental Risk Register.

23. **ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMMES - PROGRESS REPORT**

The Sub-Committee considered and approved a report of the City Surveyor which provided an update regarding progress and expenditure on the three year Additional Works Programme (AWP) to the end of September 2016.

24. **BARBICAN CENTRE - UPDATE ON CAPITAL WORKS**

The Sub-Committee noted a report of the Managing Director of the Barbican Centre which provided an update on the Barbican Centre Capital Cap programme.

25. REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES SINCE THE LAST MEETING

The Sub-Committee noted a report of the Town Clerk which advised of a decision taken under urgency procedures since the Sub-Committee's last meeting. This decision had been to approve the relocation of Adult Skills and Education Services to the Exchange, West Wing, and therefore allocate this area of property to the Community and Children's Services Department.

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

There were no questions.

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

There were two items of urgent business.

The meeting closed at 3.25 pm

Chairman

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Agenda Item 8

Committee: Finance Committee	Date: 15 December 2015
Subject: Annual Review of the Committee's Terms of Reference and 2017 Agenda Plan	Public
Report of: Town Clerk	For Decision
Report author: Chris Braithwaite, Town Clerk's Department	

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 enables any proposed changes to be considered in time for the reappointment of Committees by the Court of Common Council.

It is not proposed to make any amendments to the Committee's Terms of Reference. 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) considers the frequency of meetings of the Committee; 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.

Main Report

Review of the Committee's Terms of Reference and Frequency of Meetings

1. There are no amendments which are proposed to the Committee's Terms of Reference.
2. These proposed amendments are set out within the Terms of Reference set out at Appendix 1.

3. 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 2016/17, nine meetings of the Committee are scheduled, due to the recess in March and April for the Common Council elections.
4. Members are asked to consider the frequency of meetings for 2015 and beyond.

2017 Forward Plan

5. An agenda plan for the Committee for 2017 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 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 Technology

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

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 Oversight and Performance
 - Information Technology
 - Corporate Assets

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Finance Committee – Agenda Plan 2017

January to May

Date:	<u>31st January 2016</u>	<u>21st February 2016</u>	<u>2nd May 2017</u>
	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Pension Fund - Actuarial Valuation as at 31 March 2016 - Provisional Financial Settlements for Local Government 2016/17, Police and the Mayoral Precept - Chamberlain's Business Plan - 3rd Quarter - Business Rates Devolution <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Revenue and Capital Budgets for Finance Committee Operational Services - Purchasing Cards - Controls and Cards over £5k <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - Bridge House Estates Strategic Review - Annual Update - City Fund Strategy Review - Annual Update - Procurement Stage 1 - Police Uniforms <p><u>Chamberlain's Divisional Update</u></p> <ul style="list-style-type: none"> - IT Division <p><u>Standing Items</u></p> <ul style="list-style-type: none"> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Quarterly Update - Procurement Waivers awarded in the last month 	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Revenue and Capital Budgets 2016/17 and 2017/18 - City Fund 2017/18 Budget Report and Medium Term Financial Strategy <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Quarterly Budget Monitoring Report <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - Non-Domestic Rate Relief - Review of Discretionary Relief - Irrecoverable Non-Domestic Rates and Council Tax - Procurement Stage 1 - Provision of Corporate Print Services <p><u>Chamberlain's Divisional Update</u></p> <ul style="list-style-type: none"> - City Procurement <p><u>Standing Items</u></p> <ul style="list-style-type: none"> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Top risks - Procurement Waivers awarded in the last month 	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Chamberlain's Business Plan - 2015/16 - Year End Update - Chamberlain's Business Plan - 2016/17 <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Order of the Court of Common Council - Election of Chairman and Deputy Chairman, appointment of Sub-Committees - London Living Wage - Annual Update <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - Museum of London Pay Award <p><u>Chamberlain's Divisional Update</u></p> <ul style="list-style-type: none"> - Financial Services Division <p><u>Standing Items</u></p> <ul style="list-style-type: none"> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Quarterly Update - Procurement Waivers awarded in the last month

Finance Committee – Agenda Plan 2017
June to September

Date:	<u>6th June 2017</u>	<u>25th July 2017</u>	<u>12th September 2017</u>
	<p><u>Strategic Reports</u> - Provisional Outturn 2015/16</p> <p><u>Public reports</u> - City Procurement Code Updates 2017 - Risk Register for Charities Pool</p> <p><u>Non-public reports</u> - None</p> <p><u>Chamberlain’s Divisional Update</u> - IT Division</p> <p><u>Standing Items</u> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Top Risks - Procurement Waivers awarded in the last month</p>	<p><u>Strategic Reports</u> - Audited 2016/17 City Fund and Pension Fund Financial Statements - Chamberlain’s Business Plan - Q1 Update</p> <p><u>Public reports</u> - Budget Monitoring - First Quarter Update - City Re Limited - Performance Monitoring - Risk Register for Bridge House Estates</p> <p><u>Non-public reports</u> - Provision for Bad Debts</p> <p><u>Chamberlain’s Divisional Update</u> - City Procurement</p> <p><u>Standing Items</u> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Quarterly Update - Procurement Waivers awarded in the last month</p>	<p><u>Strategic Reports</u> - None at present</p> <p><u>Public reports</u> - None at present</p> <p><u>Non-public reports</u> - None at present</p> <p><u>Chamberlain’s Divisional Update</u> - Financial Services Division</p> <p><u>Standing Items</u> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Top Risks - Procurement Waivers awarded in the last month</p>

Finance Committee – Agenda Plan 2017
October to December

Date:	<u>24th October 2017</u>	<u>21st November 2017</u>	<u>12th December 2017</u>
	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Chamberlain's Business Plan - Half Year Update - Revenue Outturn - Finance Committee Operational Services <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Purchasing Cards Policy - Annual Review <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - None at present <p><u>Chamberlain's Divisional Update</u></p> <ul style="list-style-type: none"> - IT Division <p><u>Standing Items</u></p> <ul style="list-style-type: none"> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Quarterly Update - Procurement Waivers awarded in the last month 	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - City's Cash Financial Statements - 2016/17 - Audited 2016/17 Bridge House Estates and Sundry Trusts Financial Statements <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 <p><u>Non-public reports</u></p> <ul style="list-style-type: none"> - None at present <p><u>Chamberlain's Divisional Update</u></p> <ul style="list-style-type: none"> - City Procurement <p><u>Standing Items</u></p> <ul style="list-style-type: none"> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Monthly Update - Procurement Waivers awarded in the last month 	<p><u>Strategic Reports</u></p> <ul style="list-style-type: none"> - Autumn Treasury Statement - Revenue and Capital Budgets for Finance Committee Operational Services 2017/18 <p><u>Public reports</u></p> <ul style="list-style-type: none"> - Annual Review of the Finance Committee's Terms of Reference - Financial Allowance Loss Scheme - Annual Report <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 <p><u>Chamberlain's Divisional Update</u></p> <ul style="list-style-type: none"> - Financial Services <p><u>Standing Items</u></p> <ul style="list-style-type: none"> - Report on the work of the Sub-Committees - Finance Committee Contingencies - Risk Management – Top risk - Procurement Waivers awarded in the last month

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Committee: Finance Committee	Date: 13 December 2016
Subject: Autumn Statement 2016	Public
Report of: The Chamberlain	For Information
Report author: Caroline Al-Beyerty, Chamberlain's Department	

Summary

This report highlights the key points for the City Corporation from the Chancellor's Autumn Statement on 23 November 2016.

There is no change in the level of local government funding, so the funding reductions included in our previous financial strategy remain.

We had hoped for comments on fiscal devolution to London and clarity on how the 100% business rate retention system would work. Little was announced on the devolution of further powers to London, only that the Government would "continue discussions". In relation to business rates, the Chancellor confirmed the government's preferred option for transitional relief and announced a new 100% business rate relief for new full-fibre infrastructure, but was otherwise silent on how the 100% rate retention scheme would work and what sort of redistribution mechanisms would be used.

Recommendation

Members are asked to note the report.

Main Report

The Autumn Statement

1. On 23 November 2016, the Chancellor presented his Autumn Statement.
2. The Chancellor said that the UK's vote to leave the European Union and other economic uncertainties meant that Government would no longer seek to deliver a surplus in 2019-20. He explained three new fiscal rules which would be adopted in a new charter for Budget responsibility:
 - Public finances should return to balance as early as possible in the next Parliament and borrowing should be below 2% by the end of this Parliament;
 - Public sector net debt as a share of economy should be falling by the end of this Parliament; and

- On welfare, the Government will deliver savings already identified but has no plans to introduce further welfare saving measures. A new medium term welfare cap will apply to welfare spending in 2021-22, set at £126 billion. The Autumn Statement documents set out a pathway to reaching this, based on spending limits in each of the next four financial years.
3. The Chancellor said that the Treasury's key task is now to make the economy resilient ahead of the UK's exit from the European Union. This would require "fiscal headroom". The centrepiece of the statement was a programme of investment in productivity and innovation with a new £23 billion National Productivity Investment Fund, to be paid for by additional borrowing. Overall borrowing figures were worse than forecast in March by a cumulative £122 billion over five years, of which around £60 billion was attributed to the impact of Brexit.
 4. The Government still intends to identify £3.5 billion of efficiency savings in 2019-20, with potentially £1 billion available for reinvestment in priority areas. The Chancellor said that he wanted "departments to be incentivised to drive efficiencies" and that the Treasury be an "enabler for good, effective spending across government".
 5. From the City of London Corporation's perspective as a local and police authority, the key financial points are:
 - No change to the level of local government funding
 - £3.15bn funding confirmed for affordable housing
 - Increased investment for transport and infrastructure.
 - Business rates - the Government's preferred option for the transitional relief scheme was confirmed, although the increase cap for large businesses in 2017/18 has been reduced from the planned 45% to 42%. This reduction should benefit London businesses by £46 million against business rate increases of around £1 billion. This may benefit some City businesses. The Chancellor also announced a new 100% business rates relief for new full-fibre infrastructure for a five-year period from 1 April 2017. This will not have any immediate impact on the City Corporation. The measure requires primary legislation and will only apply to new networks. We are still preparing our own future deployment of full-fibre broadband through the Network Refresh Programme.
 - On devolution, the Government will transfer to London the budget for the Work and Health Programme (subject to conditions) and the adult education budget to London from 2019-20 (subject to readiness conditions), but no announcement was forthcoming on the devolution of further powers to London, with the Chancellor saying only that "we continue discussions".

- There is a 2% increase in Insurance Premium Tax. This will affect the Corporation as a property holder but the impact is marginal. After allowing for properties where it would be recoverable from tenants, we estimate that in a full year it would cost us circa £50k across all funds.
 - The Government will broaden the scope of the museums and galleries tax relief announced at Budget 2016 to include permanent exhibitions so that it is accessible to a wider range of institutions across the country. This would apply where they are brought into the scope of Corporation tax e.g. where a museum is set up as a charitable company or it sets up as a subsidiary company under the control of a local authority. The Barbican is currently considering setting up a trading company which may be able to take advantage of this.
 - A reduction to the universal credit taper rate.
 - Reform of off-payroll working rules in public sector confirmed from April 2017.
6. There are a few further points of interest:
- Corporation tax to be reduced from 20% to 17% by 2020
 - The National Living Wage will increase by 4.2% from £7.20 to £7.50 from April 2017.
 - Raises in the personal tax allowance
7. We had hoped for clarity on how the 100% business rate retention would work, but no further information was provided. Despite representations from the local government sector, the Chancellor was also silent on how the increasing pressures on adult social care might be financed.
8. More detail is provided in the analysis by London Councils, attached at Appendix 1.
9. The Chancellor's Autumn Statement yesterday will be the last Autumn Statement, as the budget will be moved to the autumn. The March 2017 budget will therefore be the last spring budget. The Government will however continue to respond to the OBR's forecasts in March in a Spring Statement but with a presumption of no fiscal announcements.

Conclusion

10. There is no change in the level of local government funding, so the funding reductions included in our previous financial strategy remain relevant.
11. We had hoped for comments on fiscal devolution to London and clarity on how the 100% business rate retention system would work. Little was

announced on the devolution of further powers to London, only that the Government would “continue discussions”. On business rates the Chancellor confirmed the government’s preferred option for transitional relief and announced a new 100% business rate relief for new full-fibre infrastructure, but was otherwise silent on how the 100% rate retention scheme would work and what sort of redistribution mechanisms would be used.

Appendices

- Appendix 1 – London Councils’ ‘on the day’ briefing

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Autumn Statement 2016

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 23rd November 2016, Chancellor Philip Hammond delivered his first Autumn Statement. In it he made a number of policy announcements including confirmation that the Autumn Statement will be abolished and the Budget will be moved to the autumn. The 2017 Budget (in March) will therefore be the last spring Budget, and there will be a further Budget in the autumn of 2017. The Government will, however, continue to respond to the OBR's economic forecasts in the spring in a "Spring Statement" from 2018.

In addition to the policy announcements, the Chancellor also provided the usual updates on the public finances, and the overall economic outlook. At this stage, it is too early to confirm what the exact impact on local government will be and more detail is likely to emerge over time. The key headlines for London Local government are summarised below.

Key Headlines

- **Overall borrowing figures:** worse than forecast in March Budget by a cumulative £122 billion over 5 years.
- **Housing** - £3.15 billion affordable housing funding confirmed for the GLA.
- **London Devolution deal:**
 - devolution of the Adult Education Budget (subject to readiness conditions) and the Work & Health Programme were confirmed.
 - the government will "continue to work with London to explore further devolution of powers over the coming months".
- **Business rates reliefs:**
 - the preferred option for the Transitional Relief scheme confirmed – with the cap for large businesses reduced from the planned 45% to 43% in 2017-18 (benefiting London businesses by £46 million against rates increases of around £1 billion)
 - new 100% rural rate relief and 100% relief for "fibre optic infrastructure"
- **Local Government funding:** No changes to local government funding. No increase to social care funding as had been anticipated.
- **Local Growth Fund:** previously announced fund worth £1.8 billion to be allocated to LEPs (£492 million for London & South East).
- **Housing Infrastructure Fund:** of £2.3 billion by 2020-21, funded by the National Productivity Investment Fund (NPIF) and allocated to local government on a competitive basis.
- **Reform of offpayroll working rules** in the public sector (IR35) is confirmed from April 2017 – impacting on Local authorities as employers.

Economic Outlook

Alongside the Autumn Statement, the independent Office for Budget Responsibility (OBR) published new forecasts for the economy and the public finances. In addition, the Chancellor announced that the *Charter for Budget Responsibility* will be amended in order to revise the government's three formal fiscal objectives:

- **The new fiscal mandate** will be “a target to reduce cyclically-adjusted public sector net borrowing to below 2% of GDP by 2020-21”¹, replacing the previous requirement to deliver a budget surplus by the end of 2019/20. The government's objective will be to deliver a budget surplus “at the earliest possible date in the next parliament”.
- **The new supplementary target** will be “a target for public sector net debt as a percentage of GDP to be falling in 2020-21”, replacing the previous requirement for net debt as a % GDP to fall in every year of this parliament
- **The new welfare cap** limits a subset of 2021/22 welfare spending at cash levels within “a predetermined cap and margin set by the Treasury at Autumn Statement 2016”. This 2021/22 cap has been set at £126 billion, replacing welfare caps set previously for every year of the current parliament.

The OBR'S “central forecast shows the new targets all being met”, in the context of significant uncertainty over the forecast period. The OBR assesses that the government's three existing fiscal targets “would all be missed by considerable margins”.

Key Economic & Fiscal Indicators

Projected public sector net borrowing has increased by £122.1 billion since the March forecast over the relevant forecast period (2016/17 to 2020/21). Table 1 below outlines the key economic and fiscal indicators underpinning the Autumn Statement. Driven by lower income tax receipts and new policy measures, public sector net borrowing will fall more slowly than anticipated. Reflecting the relaxed fiscal mandate, the budget deficit will fall to £21.9 billion by the end of the Parliament in 2019/20, compared to a forecast surplus of £10.4 billion in the March 2016 forecast. Public sector net debt is forecast to peak at 90.2% in 2017/18 before falling each year to 81.6% in 2021/22.

Table 1 – Key Economic & Fiscal Indicators

	2015	2016	2017	2018	2019	2020	2021
Gross domestic product (GDP) (%)	2.2	2.1	1.4	1.7	2.1	2.1	2.0
Public sector net borrowing (£bn)	76.0	68.2	59.0	46.5	21.9	20.7	17.2
Public sector net borrowing (deficit % of GDP)	4.0	3.5	2.9	2.2	1.0	0.9	0.7
Public sector net debt (% of GDP)	84.2	87.3	90.2	89.7	88.0	84.8	81.6
LFS unemployment (% rate)	5.4	5.0	5.2	5.5	5.4	5.4	5.4
Employment (millions)	31.3	31.7	31.8	31.9	32.0	32.2	32.3
CPI Inflation (%)	0.0	0.7	2.3	2.5	2.1	2.0	2.0

Source: HMT – Autumn Statement 2016; OBR - Economic & Fiscal Outlook, November 2016

¹ Charter for Budget Responsibility: autumn 2016 update (HMT) - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571443/charter_for_budget_responsibility_autumn_2016_web.pdf

Wednesday 23 November 2016

Autumn Statement 2016

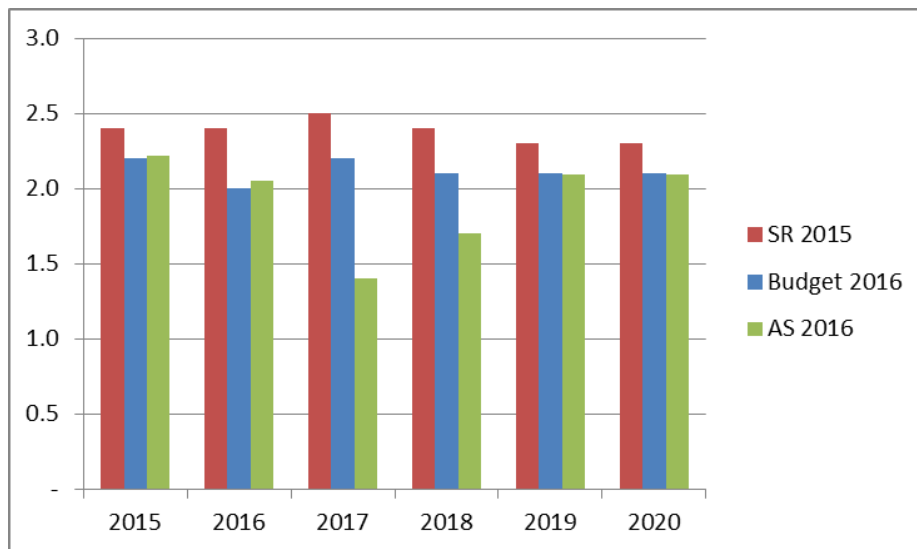
London Councils

Primarily driven by the knock-on effect on import prices from a weaker pound, the CPI measure of inflation is forecast to rise to 2.3% in 2017, higher than the 0.7% forecast in March 2016. Slower than anticipated GDP growth has led to an upwards revision of the forecast unemployment rate, which is now expected to peak at 5.5% in 2018 before levelling off at 5.4% in subsequent years.

Growth

Gross domestic product (GDP) is expected to grow by 1.4% and 1.7% in 2017 and 2018 respectively, revised downwards from forecasts of 2.2% and 2.1% in March 2016. The downwards revision has primarily been driven by a weaker outlook for investment and productivity growth. Forecast growth of 2.1% in both 2019 and 2020 remains unchanged since March.

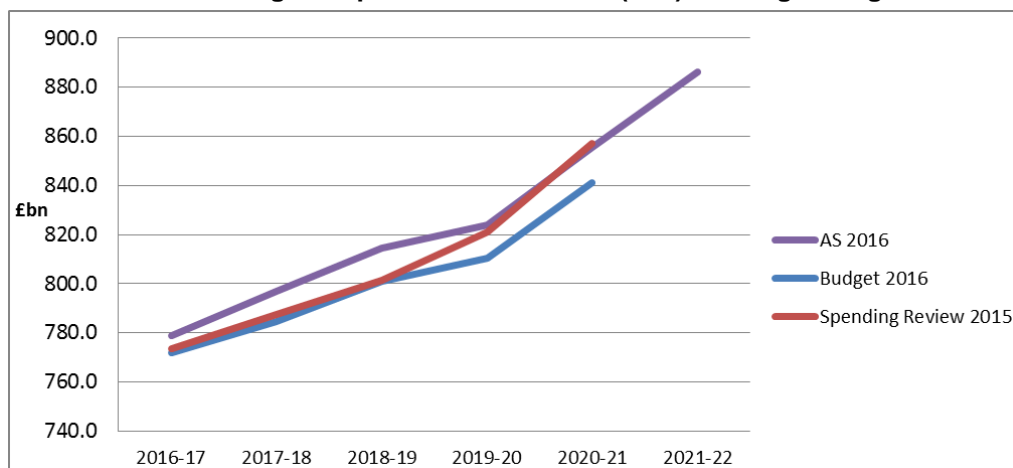
Chart 1 - Change in GDP growth forecasts since Spending Review 2015



Source: Office for Budget Responsibility; Economic and Fiscal Outlooks

Key Announcements

Chart 2 – Total Managed Expenditure Forecasts (£bn) – change Budget 2016 to Autumn Statement 2016



Note: Figures are outturn rather than real terms

Public Spending

- Overall public spending - **Total Managed Expenditure** - will be **£14.5 billion per annum higher than previously forecast in Budget 2016** by 2020-21 (see Chart 2).
- As announced at Budget 2016, the government intends to identify **£3.5 billion of efficiency savings** in 2019-20. £1 billion of these savings will be reinvested to “priority areas” (no further detail).
- Government will report on progress in autumn 2017.

Business Rates

- The preferred option for the **Transitional Relief scheme** has been confirmed – with the cap for large businesses being reduced from 45% to 42% in 2017-18 and from 50% to 32% in 2018-19 (compared with the government’s original preferred option). This benefits London businesses by £46 million in 2017-18 and £33 million in 2018-19 (against aggregate increases of around £1.1 billion a year).
- **100% relief announced for new full-fibre infrastructure** for a 5 year period from 1 April 2017.
- **Rural rate relief will double to 100%** from 1 April 2017.
- Government reconfirmed the **Business tax road map** – including reducing business rates by £6.7 billion over the next 5 years (previously announced at Budget 2016).

Devolution

- There was no specific announcement relating to fiscal devolution for London, however the government did confirm it will “**continue to work with London to explore further devolution of powers over the coming months**”.
- The budget for the **Work and Health Programme will transfer to London**, and to Greater Manchester, subject to the two areas meeting certain conditions, including on co-funding.
- **Affordable housing settlement** - The government confirmed the **GLA’s affordable housing settlement be £3.15 billion**, to deliver over 90,000 housing starts by 2020-21.
- **Devolution of the Adult Education Budget to London** from 2019-20 (subject to readiness conditions) – this is estimated to be around £400 million.
- Work continues on a second devolution deal with the West Midlands Combined Authority and talks to begin on future transport funding with Greater Manchester.

Housing

- **Local Housing Allowance (LHA) rates in social housing** – the implementation of the cap on Housing Benefit and LHA rates in the social rented sector will be delayed by 1 year, to April 2019. The cap will be applied to all supported housing tenancies from April 2019, and the government will provide additional funding to Local Authorities, so that they can meet the additional costs of supported housing in their area. For general needs housing, the cap will now apply from April 2019 for all tenants on Universal Credit, and to Housing Benefit tenants whose tenancies began or were renewed since April 2016.
- **Social rent downrating** – refugees, almshouses, Community Land Trusts and co-operatives will be exempt from the policy to reduce social sector rents by 1% a year for 4 years from 2016-17.
- **Affordable homes** – the government will relax restrictions on grant funding to allow providers to deliver a mix of homes for affordable rent and low cost ownership.
- **Housing Infrastructure Fund** – £2.3 billion by 2020-21, funded by the National Productivity Investment Fund (NPIF) – see below for full details of NPIF - and allocated to local government on a competitive basis, to provide infrastructure targeted at unlocking new private house building in the areas where housing need is greatest. The NPIF will provide an additional £1.4 billion to deliver an additional 40,000 affordable housing starts by 2020-21
- **Infrastructure spending** - The government will examine options to ensure that other non NPIF government transport funding better supports housing growth.

- **Accelerated construction** – the government will invest £1.7 billion by 2020-21 through the NPIF to speed up house building on public sector land in England.
- **Right to Buy** – The government will fund a regional pilot of the Right to Buy for housing association tenants enabling over 3,000 tenants to access discounts (worth £250 million over 5 years). There has been no further detail about the disposal of high value assets which is supposed to fund the wider roll out of this policy.
- **Pay to Stay** – As announced by DCLG on 21 November 2016, the government has decided not to implement Pay to Stay, but intends to ensure that social housing is occupied by those who need it most through other measures including fixed term tenancies.
- **Housing White Paper** – This is to be published “shortly”.

Transport & infrastructure

- **National Productivity Investment Fund (NPIF)** - £23 billion from 2017-18 to 2021-22, to support high-value investment, principally four areas considered critical for productivity: transport, digital communications, R&D and housing. (A number of detailed announcements within this £23 billion fund are set out below).
- **Strategic Infrastructure** - The fiscal remit invites the National Infrastructure Commission (NIC) to set out recommendations on the assumption that spending on infrastructure will lie between 1% and 1.2% of GDP each year from 2020 to 2050.
- **Investment** - Annual central government investment in economic infrastructure (transport, energy, flood defences, water, waste, and digital communications) will increase by almost 60% from £14 billion in 2016-17 to £22 billion in 2020-21. (Includes NPIF)
- **Local roads and transport** – The NPIF will provide an additional £1.1 billion by 2020-21 in new funding to relieve congestion and deliver upgrades on local roads and public transport networks.
- **Strategic roads** - an extra £220 million will be invested to tackle key pinch-points. The government will recommit to the National Roads Fund announced at Summer Budget 2015.
- **Future transport** – The NPIF will invest a further £390 million by 2020-21 to support ultra-low emission vehicles (ULEVs), renewable fuels, and connected and autonomous vehicles (CAVs). This includes £80 million for ULEV charging infrastructure, and £150 million in support for low emission buses and taxis.
- **Rail:** From 2018-19 to 2020-21, the NPIF will allocate an additional £450 million to trial digital signalling technology, to expand capacity, and improve reliability, and “is looking forward to receiving a business case for Crossrail 2”.
- **Local Enterprise Partnerships (LEPs)** - The government will award £1.8 billion to LEPs across England through a third round of Growth Deals, including **£492 million to London and the South East**. Awards to individual LEPs will be announced in the coming months.
- **Infrastructure lending:** The government will also consult on lending local authorities up to £1 billion at a new local infrastructure rate of gilts + 60 basis points for three years to support infrastructure projects that are high value for money.
- **Infrastructure lending:** The government will give mayoral combined authorities powers to borrow for their new functions, which will allow them to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury.
- **Digital communications:** the government will invest over £1 billion by 2020-21, including £740 million through the NPIF, targeted at supporting the market to roll out full-fibre connections and future 5G communications.
- **Flood defence and resilience:** The government will invest £170 million in flood defence and resilience measures.

Employers

- **Insurance Premium Tax (IPT)** – The standard rate of IPT will rise to 12% from 1 June 2017. IPT is a tax on insurers and so any impact on premiums depends on insurers' commercial decisions. This will raise around £4 billion over 5 years.
- **National living wage:** the government will **increase the National Living Wage (NLW)** by 4.2% from £7.20 to £7.50 from April 2017.
- **Off-payroll working rules:** the government has confirmed it will **reform the offpayroll working rules in the public sector from April 2017** by moving responsibility for operating them, and paying the correct tax, to the body paying the worker's company. The 5% tax-free allowance will be removed for those working in the public sector, reflecting the fact that workers no longer bear the administrative burden of deciding whether the rules apply.

Education & children's services

- **Grammar schools:** £50 million a year will be made available from 2017/18 to introduce a new **grammar school capital fund** to support the expansion of existing grammar schools.
- **Tax-free childcare:** will be introduced gradually from early 2017, with full roll-out taking place at the end of a trial period.

Welfare

- The government will deliver welfare savings already identified **but has no plans to introduce further welfare savings measures in this Parliament beyond those already announced.**
- **Welfare Cap:** To maintain control of welfare spending the government is introducing **a new medium-term welfare cap** and will apply to welfare spending in 2021-22. Performance against the cap will be formally assessed by the OBR in 2020-21. In the interim years, progress towards the cap will be managed internally, based on the OBR's monitoring of forecasts of welfare spending.
- **Universal Credit taper** – From April 2017, the taper rate that applies in Universal Credit will be reduced from 65% to 63%. The government estimates that 3 million households will benefit from this change.
- **Universal Credit roll out** – The Autumn Statement provides funding for the welfare announcement made by the Secretary of State for the Department for Work and Pensions (DWP) on 20 July 2016, which included policy changes and revisions to the Universal Credit roll out schedule.
- **Personal Independence Payment (PIP)** – The Autumn Statement accounts for the government's previously announced decision not to go ahead with changes proposed at Budget 2016 to PIP.
- **Support for refugees** – refugees and their family members will be exempted from the Past Presence Test, meaning that they will no longer have to be resident in the UK for 2 years before they can receive disability benefits.

Appendix A – Public Spending Figures

Overarching figures have been updated since Budget 2016 (see Table A1 below). It is estimated that TME will fall from 39.9% of GDP in 2016-17 to 37.8% of GDP by 2021-22. Under the current plans, Resource AME continues to rise (from £370.2 billion in 2016-17 to £439.8 billion in 2021-22). Overall Government Resource DEL² will increase from £329.6 billion in 2016-17 to £340.4 billion in 2021-22 in cash terms.

Table A1 – Total Managed Expenditure – 2016-17 to 2021-22

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Resource AME	370.2	386.9	400.3	407.2	421.1	439.8
Resource DEL excl. dep	309.0	304.2	306.3	305.6	311.5	317.6
Depreciation	20.6	21.9	22.8	23.3	21.9	22.8
RDEL incl. depreciation	329.6	326.1	329.1	328.9	333.4	340.4
Public sector current expenditure	699.8	713.0	729.4	736.2	754.5	780.1
Capital AME	26.6	26.7	25.8	27.3	30.4	32.0
Capital DEL	52.3	57.2	59.2	60.2	70.6	74.2
Public sector gross investment	79.0	84.0	85.1	87.5	101.1	106.3
TOTAL MANAGED EXPENDITURE	778.8	797.0	814.5	823.7	855.6	886.4
TME as % GDP	39.9%	39.8%	39.1%	38.0%	38.0%	37.8%

Source: Autumn Statement 2016 (Table 1.5) p.17

Potential impact on local government funding

It is not expected that the policy changes announced will impact in local government funding. The final 2016-17 Local Government finance settlement set out four year funding allocations for local government in February. The £3.5 billion of additional public spending reductions from the “departmental efficiency review” announced in the Sending Review will report in 2018. The government has indicated that £1 billion of this will be reinvested to support “priority areas”, but this will not impact local government funding.

² Includes depreciation

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Committee:	Date:
Finance Committee	13 December 2016
Subject:	Public
Council Tax Reduction Scheme	
Report of:	For Decision
The Chamberlain	
Report author:	
Carla-Maria Heath, Chamberlain's Department	

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. To protect residents on low incomes, the City Corporation adopted the Government's default scheme for the financial years 2013/14 to 2015/16 and kept the CTRS in line with Government increases of benefits generally.

Following changes to national benefits in the July 2015 budget, it was not possible to maintain the same scheme for the financial year 2016/17. In January 2016 following a consultation exercise the City Corporation decided to make adjustments to the scheme to 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.

There is no proposal to alter the scheme for 2017/18 other than to apply any annual uprating of applicable amounts in line with housing benefit applicable amounts.

The detailed report gives greater technical information about the issue and recommends that the current CTRS is continued for 2017/18.

Recommendation

Members are asked to endorse the continuation of the current Council Tax Reduction Scheme, following national benefit upratings (increases/decreases) 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 Corporation'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 four 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 were 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).
6. In January 2016 following a consultation exercise the City Corporation decided to make adjustments to the CTRS to 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.

Current Position

7. In January 2016 the City decided to amend the CTRS scheme for the current financial year 2016/17 as follows:

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.

Proposals

8. The City must set a CTRS by resolution of the Court of Common Council in January 2017 to be effective for the following year.
9. There is no proposal to alter the scheme for 2017/18 other than to apply any annual uprating of applicable amounts in line with housing benefit applicable amounts
10. It is proposed therefore that the annual uprating (increases/decreases) of applicable amounts, premiums, disregarded income, or capital in relation to the Local Council Tax Reduction Scheme 2017-2018 as it applies to working age claimants, be in accordance with the uprating to be applied under the Housing Benefit Regulations which take effect from 1 April each year and the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014; and the annual uprating of non-dependent income and deductions, and income levels relating to Alternative Council Tax Reduction, or any other uprating as it applies to working age claimants, shall be adjusted in line with inflation levels by reference to relevant annual uprating in the Housing Benefit Scheme or The Prescribed Council Tax Reduction Scheme for Pensioners.

Financial Implications

11. The current CTRS caseload consists of 292 households, around 5% of all council tax dwellings of whom 133 are pensioners and 159 are working age.
12. The exact amount of CTRS discount payable for 2017/18 will depend on the number of claimants at that time and their individual personal circumstances but based on current caseload the amount of CTRS discount is estimated to be £200,000. Historically, the cost of CTRS had been around £250,000 but has declined in recent years.
13. The estimated amount of CTRS discount will be taken into account as part of the council tax setting procedure in February 2017.

Conclusion

14. It is concluded that there should be no changes to the City's Council Tax Reduction Scheme for the financial year 2017/18 other than the annual uprating (increases/decreases) of applicable amounts, premiums, disregarded income, or capital in relation to the Local Council Tax Reduction Scheme 2017-2018 as it applies to working age claimants, be in accordance with the uprating to be applied under the Housing Benefit Regulations which take effect from 1 April each year and the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014; and the annual uprating of non-dependent income and deductions, and income levels relating to Alternative Council Tax Reduction, or any other uprating as it applies to working age claimants, shall be adjusted in line with inflation levels by reference to relevant annual uprating in the Housing Benefit Scheme or The Prescribed Council Tax Reduction Scheme for Pensioners and that the Court of Common Council should be requested to set the CTRS for 2017/18 in January 2017.

Appendices

None

Background Papers:

None

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Committee: Finance Committee	Date: 13 December 2016
Subject: Financial Services Division – Quarterly Update	Public
Report of: The Chamberlain	For Information
Report author: Caroline Al-Beyerty	

Summary

Over the last quarter the key areas of work have been:

- Production of the 2015/16 financial statements
- Asset Management & Facilities Management work streams.
- Developing the detailed framework to implement the Efficiency Plan
- Review of the Guildhall School's operating model.
- Medium term financial planning.
- Improving management information to committee
- Responding to the government's consultation on rating revaluation.

On the division's key performance indicators, there is one amber indicator. The number of freedoms in the July – September quarter represents a decrease of 85 applicants on the same period in 2015. However, retail sales continue to grow, an improvement of £1,680 on the same period's performance last year.

Recommendation

Members are asked to note the report.

Main Report

Key Performance Indicators

1. The main areas of work covered by Financial Services Division are set out in Appendix 1. The key performance indicators in the Chamberlain's business plan for the division relevant for the last quarter (July - September) are set out on the following page.

FSD KPI's Balanced Scorecard 2016/17

				Quarterly update			
	Measure	2015/16 performance	2016/17 target	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Business Rates collection	% collected (cumulative)	99%	99.75%	30.35% (target 25%)	59.33% (target 50%)	(target 75%)	(target 99.75%)
Commercial Rent collection	% collected	97%	98%	98.03%	98.51%		
Implementation of 2016/17 FSD SBR savings							Status: Complete
Publication of City Fund Accounts within Statutory Deadline							Status: Complete
Delivery of a balanced budget and Medium Term Financial Plan for City Fund, approved by Court of Common Council by 31 March							Status: On track
PO Compliant Invoices	Percentage	95%	95%	95%	96%		
Income from Chamberlains Court : Freedoms	Number of freedoms/period compared to same period in previous years (cumulative)	1,937	>15/16	457 (target 485)	857 (target 969)	(target 1,454)	(target 1,938)
Professionally qualified accountancy staff as a % of total finance staff undertaking reporting, controls and decision support processes (measured annually)	CIPFA Indicator FS1	25.7%	25%				Annually
Provide a high quality service to our customers (measured annually)	Annual customer survey – Average lowest score	7.15	7.5				Annually
Increased staff engagement (measured annually)	Percentage of positive responses to Staff Survey Q5: "I understand how my work helps the Chamberlain's Department to achieve its objectives"	89%	92%				Annually

- The one amber area relates to income from freedom ceremonies. The target is to exceed the number of freedoms in the same period on the previous year. Between July and September 2016, a total of 400 people were admitted to the freedom, this is a decrease of 85 on the same period in 2015 (485). Freedom figures can be quite volatile, so we are reviewing whether the decrease is part of an emerging trend and what action could be taken.

Other key areas of work

- A few key areas to draw out from the division's work over the last quarter:

4. On the **Service Based Review Cross Departmental Workstreams**, implementing the **operational property review** continues to be an on-going focus, taking individual property opportunities through service committees and analysing the progress made in addressing the cyclical maintenance bow wave. Work has also started on the Asset Management Review in developing the overall approach and commencing the 'as-is' data capture. Our work on developing an effective operating model for **facilities management (FM)** is now focused on multiple streams of work, supporting the implementation of actions agreed from the FM review of the Central Criminal Court, developing recommended actions from the detailed data analysis on the Guildhall FM review and undertaking the detailed analysis work for the Barbican Centre FM Review.
5. On the **income generation** workstream, we have been reviewing progress made by Departments in taking forward individual initiatives and continuing with the on-going review of our fees and charges.
6. Following the agreement and publishing of the **Efficiency and Sustainability Plan** in October, we are now developing the detailed framework to implement the plan.
7. The review of the **Guildhall School's operating model** by PA Consulting has been completed and is now being reported to Members in November and December. The detailed action plan will be developed in conjunction with the new Principal when she takes up post from the 1st February.
8. **Medium Term Financial Planning:** we had started the budget estimates process for 2017/18 and medium term financial planning. A key focus is on the police position which remains challenging with deficits forecast across the period and reserves exhausted during 2017/18. Options to address the financial gap will be presented to members in December.
9. **Oracle:** The first stage of a pilot project for forecasting project spend has been completed on individual projects. Following initial feedback improvements have been made to the functionality and reports and further piloting is taking place in December.
10. **Management Information:** A project has been initiated to deliver improved reporting of management and performance information, specifically, looking for more effective ways to present complex data to a range of audiences including management teams and Committees. This project will ensure a consistent approach to those areas in scope, focusing on financial and property management information.
11. The December **insurance renewals** are being progressed with the Court of Common Council due to agree the award of the property insurance on 8 December.
12. **Business Rates Revaluation:** The Valuation Office Agency, part of HMRC, has undertaken a full rating revaluation effective from 1st April 2017. The last

revaluation was in 2010. Revaluations should take place every 5 years but the 2015 revaluation was postponed to 2017. There are significant increases in London and the average increase in rateable value (RV) in the City is 30% with the rateable value overall increasing from £1,969m to £2,563m. The draft Rating List has been loaded into the live rates system and fully reconciled.

13. There will be a transitional scheme to protect ratepayers facing large increases. There was a consultation on the transitional scheme to which the City responded; like others in central London, we were concerned about the exceptionally high transition thresholds. Following the consultation, the Government has recently announced that the highest threshold of 45% for large properties will actually be 42% and for 2018/19 and 2019/20 has reduced the proposed threshold for these properties from 50% to 32%.
14. We have started modelling what the impact of the revaluation will be. Although there are considerable increases in rateable value, the City will not see the equivalent increase in rates retained (other than the City premium) as tariffs and top ups will be adjusted by central Government as appropriate.

Conclusion

15. The division is delivering all its core objectives. The key challenges over the next quarter will be the production of the Medium Term Financial Plan, setting the 2017/18 budget and improving management information.

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Deputy Chamberlain

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There are six main areas of work in Financial Service Division:

- Corporate Finance, providing a range of financial and management services including: stewardship of the City's finances and assets, budget setting, forecasting and monitoring; strategic financial advice to members, departments and the Corporation as a whole;
- City Revenues; responsible for the collection of most income due to the City of London Corporation: Council Tax, Business Rates, Commercial Rents, Residential Service Charges and Sundry Debts;
- Payments and Support Services, covering pensions administration, payroll, supporting our financial system- Oracle and administrative support to the department;
- Corporate Treasury, covering a range of services from investment securities portfolios and treasury management of cash balances to tax advice, financial appraisals, insurance and research;
- Service Department facing Finance Units, promoting stewardship of the City's finances and assets as well as being active business partners, providing strategic financial advice and supporting departments as an integral part of their management teams; and
- Chamberlain's Court, which carries out the ceremonial duties of the Chamberlain.

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Committee: Finance Committee	Date: 13 December 2016
Subject: Apprenticeships	Public
Report of: Director of Community and Children's Services	For Decision
Report author: Simon Cribbens, Community and Children's Services	

Summary

The City of London Corporation is committed to an expanded and enhanced apprenticeship programme that will deliver 100 apprenticeships across its Departments in 2017/18. An in-house apprenticeship provider service will be delivered to support this commitment, expanding on the existing service provided by the Department of Community and Children's Services.

The delivery of new apprentice roles will begin from April 2017. To ensure that the service is able to deliver this commitment it will be necessary to undertake a range of additional activity in the current financial year.

A full report proposing additional roles in the apprenticeship service to deliver this expanded and enhanced service will be taken to Establishment Committee and Community and Children's Services Committee in January 2017, and will include on-going funding requirements. This report seeks approval for an allocation from the Finance Committee's Contingency Fund to meet the short term costs of setting up this service in the current financial year.

Recommendation

Members are asked to approve 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.

Main Report

Background

- 1 The City of London Corporation has set an ambition to be an exemplar in the recruitment, training and development of apprentices. To fulfil this ambition the City Corporation has agreed to expand its apprenticeship programme to employ 100 apprentices within the organisation from 2017/18 onwards. The Establishment Committee has also agreed in principle to resource an enhanced apprenticeship provider service within the Department of Community and Children's Services in order to provide outstanding support, quality and opportunity to our apprentices.
- 2 This programme will be delivered against the context of changes to government policy. These changes will impose an "apprenticeship levy" of 0.5 per cent of the City Corporation's gross pay bill from April 2017, and a requirement to ensure

apprentices make up more than 2.3 per cent of the public sector workforce (which for the City Corporation equates to approximately 70 apprentices).

Current Position

- 3 The commitment to a future apprenticeship programme of 100 apprentices has the approval of Chief Officers and has been agreed by the Establishment Committee. It has been further agreed that apprentice pay should be brought in line with the London Living Wage, fulfilling the City Corporation's wider commitment to being, and accreditation as, a London Living Wage employer. Proposals to fund the salary costs of individual apprenticeships are incorporated within budget setting for 2017/18.
- 4 The Establishment Committee agreed in principle to provide additional resources of £251,000 in 2017/18 for the City Corporation's Apprenticeship Service to fund an enhanced level of support and service delivery. This resource will provide central services to City Corporation departments and apprentices such as recruitment, pastoral support, outreach work, additional human resources capacity and post apprenticeship employment support.
- 5 Details of the additional structure and resources to deliver the service, including their full year cost, will be brought back to Establishment Committee, Community and Children's Services Committee and Resource Allocation Sub (Policy and Resources) Committee for final decision in January 2017.

Proposals

- 6 The implementation of the apprenticeship programme proposes that apprentices will be recruited in four cohorts across the year, with the first cohort joining in April 2017. This staged approach will allow the programme to respond flexibly to departmental business needs, and ensure a planned and managed implementation across the year.
- 7 In order to deliver the City Corporation's commitment, including securing the first cohort of apprentices in April 2017, it will be necessary to resource additional capacity in the Apprenticeship Service in the current financial year prior to 2017/18.
- 8 This resourcing will allow for:
 - project management
 - outreach and promotion activity (local communities; local, academy and independent schools)
 - candidate assessment and selection
 - additional human resources capacity
 - administrative support
 - brokering of all initial training and education placements and services
 - training session for supervisors and line managers

- 9 These elements will be delivered through the early and/or temporary recruitment of key delivery roles necessary to secure the start of the first cohort of apprentices in April 2017.
- 10 To enable this activity in the period January to March 2017, Members are asked to approve the allocation of £61,000 from the Finance Committee's contingency fund to the Department of Community and Children's Services to cover set up and running costs of the Apprenticeship Service up to 31st March 2017.

Corporate & Strategic Implications

- 11 The delivery of the proposed apprenticeships programme supports the priorities and delivery of the *Corporate Plan*, *Education Strategy* and *Children and Young People's Plan*. It is also integral to the forthcoming Employability Framework and delivers to the commitments set out in the recently published document *The City's Business*. It also ensures the City Corporation complies with its statutory obligations.

Implications

- 12 Without this initial funding, it will not be possible to begin work on creating the new apprenticeship provider service until April 2017. Such a delay would place delivery of the City Corporation's apprenticeship ambition at significant risk.

Conclusion

- 13 A commitment to quality of provision and support and the achievement of high-level outcomes will help ensure the City Corporation is an employer that attracts talent from schools, including our academies, independent and local schools, and from our surrounding communities. Delivering this as part of an outstanding Apprenticeship Service will require funding for additional services that cannot be funded by the apprenticeship levy alone. However, such funding will provide for a better service, better outcomes and a clear demonstration of the City's published commitment to be an exemplar.

Appendices

- None

Background papers

New Apprenticeship Scheme and Paid Work Experience; Establishment Committee
26 October 2016

Simon Cribbens

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Committee:	Date:
Finance Committee	13 December 2016
Subject: Chamberlain’s Department Risk Management – Monthly Report	Public
Report of: Chamberlain	For Information
Report author: Hayley Hajduczek, Chamberlain’s Department	

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 within the responsibility of Chamberlain’s Department:

- **CR19 - IT Service Provision**

The Senior Leadership Team continues to monitor closely the progress being made to mitigate this risk. Additional funding has been approved to support and strengthen the IT service in the longer term.

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.
3. There is currently one RED risk on the Corporate Risk Register for which the Chamberlain’s Department is responsible and no RED risks on the departmental Risk Register:

CR19 – IT Service Provision (Current Risk: Red – no change)

The primary focus of the team is on stabilisation, a more robust approach to managing change is in operation, reducing the likelihood of service interruption. The team level approach to risk management is aligned fully to the top level approach as set out in the City Corporation's Risk Management framework. IT Division has secured a £2.8m budget uplift to implement sustainable mitigations and long term service improvements. The risk is expected to reduce to Amber by December 2017 followed by steady progress to Green in the subsequent 12 months. The team are working on a number of operational risks to help towards managing this higher level strategic risk.

Other Material Changes since the Previous Review

4. CR14 – Funding Reduction (Current status : Green)

The risk position is currently being reviewed; while the risk to City of London Corporation is reducing, the risk in relation to City of London Police funding remains. Two new risks are in preparation to reflect this, with a revised focus on value for money across all funds captured as a new risk and a separate risk for City of London Police funding. This information will be reflected in the next quarterly update to Finance Committee.

Conclusion

5. Members are asked to note the actions taken to manage the IT provision risk in relation to the operations of the Chamberlain's Department.

Appendices

- None

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Chamberlain's Department

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Committee: Finance Committee	Date: 13 December 2016
Subject: Members' Financial Loss Allowance Scheme – Annual Report	Public
Report of: Town Clerk	For Information
Report author: Chris Braithwaite, Town Clerk's Department	

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 2015/16

5. Between April 2015 and December 2016, no claims were made to the Scheme.

Conclusion

6. 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.

Recommendations

7. The Committee is recommended to note the report.

Contact:

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Agenda Item 15

Committee: Finance Committee	Date: 13 December 2016
Subject: Central Contingencies	Public
Report of: Chamberlain	For Information
Report author: John James, Interim Deputy Financial Services Director	

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 to support humanitarian disaster relief efforts both nationally and internationally. The available balance of £100,000 on this contingency includes funds brought forward from 2015/16.
3. The uncommitted balances that are currently available are set out in the table below. At the time of preparing this report there are three requests from contingencies, with reports included elsewhere on the agenda. These are:
 - A request for £61,000 funding from City Fund contingency to cover the set up and initial running costs of the Corporation's Apprenticeship Scheme.
 - A request within non-public session for funding from City's Cash contingency towards the Guildhall Administration budgetary 2016/17 overspend;
 - A request within non-public session for funding from City's Cash contingency to fund additional members of staff in the Investment Property Group.

2016/17 Contingencies – Uncommitted Balances at 1 December 2016				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
General Contingencies	856	794	50	1,700
National and International Disasters	100	0	0	100
Uncommitted Balances	956	794	50	1,800
Requests for contingency allocations	455	0	0	455
Balances pending approval	501	794	50	1,345

4. The sums which the Committee has previously allocated from the 2016/17 contingencies are listed in Appendix 1.

Recommendations

5. Members are asked to note the report.

John James

Interim Deputy Financial Services Director

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Appendix 1 2016/17 Contingencies

2016/17 General Contingency – City's Cash

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2016/17 Provision			950,000
	2015/16 Provision brought forward to fund allocations agreed in previous years			310,000
	Total Provision			1,260,000
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	60,000	
17 Feb 2015	Grant funding for The Honourable The Irish Society (£25,000 p.a. for 2014/15 and 2015/16) with payment of the grant conditional upon the purchase of the land in question for development.	TC	50,000	
15 Dec 2015	£150,000 to fund emergency repair works to the glass panels of the Guildhall West wing staircase.	CS	150,000	
15 Dec 2015	£50,000 to the Police Arboretum Memorial Trust in support of its project to create a new national memorial to pay tribute to the UK's Police Service.	TC	50,000	
11 July 2016	£18,600 to fund the staffing of the Central Grants Unit for a total of 3 months.	TC	18,600	
01 Aug 2016 (Urgency)	Additional £75,000 to fund emergency repair works to the glass panels of the Guildhall West wing staircase.	CS	75,000	
	Total allocations agreed to date			403,600
	Balance remaining prior to any requests that may be made to this meeting			856,400

Appendix 1 2016/17 Contingencies

2016/17 General Contingency – City Fund

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2016/17 Provision			800,000
	2015/16 Provision brought forward to fund allocations agreed in previous years			118,000
	Total Provision			918,000
17 Feb 2015	£142,000 (£84,000 in 2014/15 and £58,000 in 2015/16) towards an appeal regarding Greater London Authority Roads. In 2015/16 £20,000 of the allocation was spent therefore the balance of £38,000 was brought forward into 2016/17.	C&CS/CS	38,000	
19 Jan 2016	£80,000 increase in the allocation towards the Greater London Authority Roads appeal.	C&CS/CS	80,000	
18 Oct 2016	£6,250 to fund legal fees in relation to the admittance of the London Collective Investment Vehicle (CIV) into the Corporations Local Government Pensions Scheme.	CHB/C&CS	6,250	
	Total allocations agreed to date			124,250
	Balance remaining prior to any requests that may be made to this meeting			793,750

2016/17 General Contingency – Bridge House Estates

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2016/17 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 2016/17 Contingencies

2016/17 National & International Disasters Contingency – City’s Cash

Committee Date	Description	Responsible Officer	Allocation £	Contingency Balance £
	2016/17 Provision			100,000
	2015/16 Unspent provision brought forward			80,000
	Total Provision			180,000
12 Apr 2016	£50,000 grant to UK Community Foundations to benefit children who are refugees/seeking asylums	TC	50,000	
10 Oct 2016 (Urgency)	£30,000 donation to Red Cross’s Hurricane Matthew Appeal	TC	30,000	
	Total allocations agreed to date			80,000
	Balance remaining prior to any requests that may be made to this meeting			100,000

Key to Responsible Officers:

CS: City Surveyor

TC: Town Clerk

C&CS: Comptroller and City Solicitor

CHB: Chamberlain

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