



Finance Committee

Date: TUESDAY, 20 SEPTEMBER 2016
Time: 1.45 pm
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

| | |
|---|---|
| Jeremy Mayhew (Chairman) | Clare James |
| Deputy Roger Chadwick (Deputy Chairman) | Deputy Alastair King |
| Randall Anderson | Gregory Lawrence |
| Deputy John Barker | Alderman Professor Michael Mainelli |
| Nicholas Bensted-Smith | Deputy Robert Merrett |
| Chris Boden | Deputy Henry Pollard |
| Nigel Challis | Alderman William Russell |
| Dominic Christian | James de Sausmarez |
| Simon Duckworth | Ian Seaton |
| Deputy Anthony Eskenzi | Deputy Dr Giles Shilson |
| Alderman Peter Estlin | Sir Michael Snyder |
| Sophie Anne Fernandes | David Thompson |
| John Fletcher | Deputy John Tomlinson |
| Lucy Frew | Philip Woodhouse |
| Alderman Timothy Hailes | Mark Boleat (Ex-Officio Member) |
| Deputy Brian Harris | Deputy Catherine McGuinness (Ex-Officio Member) |
| Christopher Hayward | Andrew McMurtrie (Ex-Officio Member) |
| Tom Hoffman | Deputy Alastair Moss (Ex-Officio Member) |
| Wendy Hyde | Member) |
| Deputy Jamie Ingham Clark | Vacancy x1 |

Enquiries: Chris Braithwaite
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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 19 July 2016.

For Decision
(Pages 1 - 10)
4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.

For Information
(Pages 11 - 12)
5. **REPORT ON THE WORK OF THE SUB-COMMITTEES (TO FOLLOW)**
Report of the Town Clerk.

For Information
(To follow)
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 Efficiency and Performance Sub-Committee held on 6 July 2016 (Pages 13 - 18)
 - b) Draft public minutes of the Corporate Asset Sub-Committee held on 19 July 2016 (Pages 19 - 22)
 - c) Draft public minutes of the Finance Grants Oversight and Performance Sub-Committee held on 21 July 2016 (Pages 23 - 28)
7. **DEVOLUTION OF BUSINESS RATES - RESPONSE TO CONSULTATION (TO FOLLOW)**
Report of the Chamberlain.

For Decision
(To follow)
8. **EFFICIENCY PLAN**
Report of the Chamberlain. This report will also be considered by the Policy and Resources Committee on 6 October 2016 and the Court of Common Council on 13 October 2016.

For Decision
(Pages 29 - 36)

- 9. **FINANCIAL SERVICES DEPARTMENT - QUARTERLY UPDATE**
Report of the Chamberlain.
For Information
(Pages 37 - 42)
- 10. **RISK MANAGEMENT - MONTHLY REPORT**
Report of the Chamberlain.
For Information
(Pages 43 - 44)
- 11. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 45 - 50)
- 12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
- 13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
- 14. **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

- 15. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 19 July 2016.
For Decision
(Pages 51 - 56)
- 16. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 57 - 58)
- 17. **REPORT ON THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC (TO FOLLOW)**
Report of the Town Clerk.
For Information
(To follow)

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

To note the draft non-public minutes of the following Sub-Committee meetings:

For Information

- a) Draft non-public minutes of the Efficiency and Performance Sub-Committee held on 6 July 2016 (Pages 59 - 60)
- b) Draft non-public minutes of the Corporate Asset Sub-Committee held on 19 July 2016 (Pages 61 - 66)
- c) Draft non-public minutes of the Finance Grants Oversight and Performance Sub-Committee held on 21 July 2016 (Pages 67 - 68)

19. **BUILDINGS REPAIRS AND MAINTENANCE - PROCUREMENT STAGE 1**

Joint report of the Chamberlain and the City Surveyor.

For Decision
(Pages 69 - 82)

20. **MINOR WORKS INTERIM CONTRACT - CONTRACT AWARD REPORT**

Joint report of the Chamberlain and the Chairman of the Facilities Services Procurement Category Board.

For Decision
(Pages 83 - 88)

21. **NEW SPITALFIELDS MARKET WASTE COLLECTION - PROCUREMENT STAGE 1 REPORT**

Report of the Chamberlain.

For Decision
(Pages 89 - 94)

22. **INFRASTRUCTURE CCTV MAINTENANCE SERVICES PROCUREMENT - STAGE 1**

Report of the Chamberlain.

For Decision
(Pages 95 - 102)

23. **INSURANCE (DECEMBER PROGRAMME) - PROCUREMENT STAGE 2 REPORT**

Report of the Chamberlain.

For Information
(Pages 103 - 106)

24. **PROVISION OF RECRUITMENT ADVERTISING SERVICES AND PUBLIC NOTICE ADVERTISING - PROCUREMENT STAGE 3 REPORT - REQUEST FOR DELEGATED AUTHORITY**

Report of the Chamberlain.

For Decision
(Pages 107 - 110)

25. **FLEET HOUSE / ST. BRIDE'S TAVERN - SURRENDER OF LEASE (CITY FUND)**
Report of the City Surveyor. This report will be considered by the Property Investment Board on 14 September 2016.

For Decision
(Pages 111 - 118)

26. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk.

For Information
(Pages 119 - 122)

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

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

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FINANCE COMMITTEE

Tuesday, 19 July 2016

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

Present

Members:

| | |
|---|---|
| Jeremy Mayhew (Chairman) | Wendy Hyde |
| Deputy Roger Chadwick (Deputy Chairman) | Deputy Jamie Ingham Clark |
| Randall Anderson | Deputy Alastair King |
| Deputy John Barker | Gregory Lawrence |
| Nicholas Bensted-Smith | Deputy Robert Merrett |
| Chris Boden | James de Sausmarez |
| Nigel Challis | Ian Seaton |
| Dominic Christian | Deputy Dr Giles Shilson |
| Simon Duckworth | Deputy John Tomlinson |
| Alderman Peter Estlin | Philip Woodhouse |
| John Fletcher | Mark Boleat (Ex-Officio Member) |
| Alderman Timothy Hailes | Deputy Catherine McGuinness (Ex-Officio Member) |
| Tom Hoffman | |

Officers:

| | |
|-------------------------|------------------------------------|
| Peter Lisle | - Assistant Town Clerk |
| Christopher Braithwaite | - Town Clerk's Department |
| Bob Roberts | - Director of Communications |
| Damian Nussbaum | - Director of Economic Development |
| Liz Skelcher | - Economic Development Office |
| Peter Kane | - Chamberlain |
| Caroline Al-Beyerty | - Chamberlain's Department |
| Christopher Bell | - Chamberlain's Department |
| Kate Limna | - Chamberlain's Department |
| Steve Telling | - Chamberlain's Department |
| Michael Cogher | - Comptroller and City Solicitor |
| Peter Bennett | - City Surveyor |

1. APOLOGIES

Apologies for absence were received from Sophie Fernandes, Lucy Frew, Deputy Brian Harris, Christopher Hayward, Clare James, Alderman Professor Michael Mainelli, Andrew McMurtrie, Alderman William Russell and David Thompson.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 7 June 2016 be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

RESOLVED – That the Committee notes the report.

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

RESOLVED – That the public minutes and non-public summary of the following meetings be noted:

- Efficiency & Performance Sub-Committee held on 18 May 2016;
- Information Technology Sub-Committee held on 7 June 2016; and
- Corporate Asset Sub-Committee held on 25 May 2016.

6. **CITY FUND AND PENSION FUNDS FINANCIAL STATEMENTS 2015/16**

The Committee considered a report of the Chamberlain which provided Members with the City Fund and Pension Funds Financial Statements for the year ended 31 March 2016 for the Committee's approval.

The Town Clerk advised the Committee that notes had been circulated of the two briefing sessions which had been provided for Members to advise them of the main issues set out within the Financial Statements. The Town Clerk also advised the Committee that the Financial Statements had been considered by the Audit and Risk Management Committee the previous day and that Committee had recommended the Statements to the Finance Committee for approval. Draft minutes from that meeting were circulated at the meeting.

The Chamberlain advised that the external auditors, although still finalising the audit, were likely to issue an unqualified audit opinion.

A Member asked for clarification regarding whether the usable reserves stated within the Financial Statements were marked for specific purposes. The Chamberlain advised that earmarked reserves were set out at page 55 of the Financial Statements.

Members discussed the triennial valuation of the Pensions Deficit, which was currently being conducted and would advise the Committee of the proposals for the future rate of employee contributions to the Pensions Fund. The Chairman explained that he would seek to draw upon Members' expertise to evaluate the findings of the triennial valuation prior to a recommendation being brought before the Committee in early 2017.

RESOLVED – That the Committee:

- a) notes the resolution from the Audit and Risk Management Committee and approve the City Fund and Pension Funds Financial Statements for the year ended 31 March 2016; and
- b) delegates to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by BDO - which is expected to be by the end of August or early September.

7. REVIEW OF SUB-COMMITTEES

The Committee considered a report of the Town Clerk which set out the findings of a review which had been conducted of the Finance Committee's Sub-Committees, following the request for such a review by the Chairman of the Committee.

The Chairman explained that, further to his announcement at the last Committee meeting, he wished for other Members of the Finance Committee to be appointed as Chairmen or Deputy Chairmen of some of the Sub-Committee, rather all of these roles being filled by the Chairman and Deputy Chairman of the Grand Committee. He informed the Sub-Committee that he wished for the Chairmanship and Deputy Chairmanship of the Sub-Committees to be as follows:

Corporate Asset Sub-Committee

Chairman: Nick Bensted-Smith

Deputy Chairman: Deputy Brian Harris

Efficiency and Performance Sub-Committee

Chairman: Jeremy Mayhew

Deputy Chairman: Deputy Roger Chadwick

Finance Grants Sub-Committee

Chairman: Simon Duckworth

Deputy Chairman: Philip Woodhouse

Information Technology Sub-Committee

Chairman: Deputy Jamie Ingham Clark

Deputy Chairman: Deputy Roger Chadwick

RESOLVED – That the Committee:

- a) Appoints the following Members as Chairman and Deputy Chairman of the following Sub-Committees:
Corporate Asset Sub-Committee
Chairman: Nick Bensted-Smith
Deputy Chairman: Deputy Brian Harris

Efficiency and Performance Sub-Committee

Chairman: Jeremy Mayhew

Deputy Chairman: Deputy Roger Chadwick

Finance Grants Sub-Committee

Chairman: Simon Duckworth

Deputy Chairman: Philip Woodhouse

Information Technology Sub-Committee

Chairman: Deputy Jamie Ingham Clark

Deputy Chairman: Deputy Roger Chadwick

- b) Approves the amended Terms of Reference of the Finance Committee's Sub-Committees set out within Appendices B, C, D and E.
 - c) That there be flexibility with regard to the size of the Sub-Committees, with a total of up to 15 Members being able to sit on any particular Sub-Committee.
 - d) Requests that the Police Committee create a Special Interest Area (SIA) for Information Technology, with the Member appointed to that SIA being a Member of the IT Sub-Committee.
 - e) Requests that the Policy and Resources Committee 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, as set out later in the report.
 - f) Requests that the Investment Committee considers 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.
 - g) Notes that the Grand Committee's Terms of Reference will be reviewed in December 2016.
8. **TO APPOINT TWO MEMBERS OF THE COURT TO THE CORPORATE ASSET SUB-COMMITTEE**
RESOLVED – That:
- a) The composition of the Corporate Asset Sub-Committee be extended by one Member for the remainder of 2016/17; and
 - b) Nick Bensted-Smith, Alderman Alison Gowman and Gregory Jones QC be appointed to the Corporate Asset Sub-Committee.
9. **TO APPOINT A MEMBER TO THE CENTRAL CRIMINAL COURT SUB (POLICY AND RESOURCES) COMMITTEE**
RESOLVED – That Nick Bensted-Smith be appointed to the Central Criminal Court Sub (Policy and Resources) Committee.

10. **EFFICIENCY PLAN**

The Committee considered a report of the Chamberlain which provided Members with information regarding proposals to publish an Efficiency and Sustainability Plan to ensure that there was certainty regarding the Local Government Funding Settlement for 2016/17 to 2019/20).

Members asked for clarification regarding whether Efficiency Plans would require approval by the Department for Communities and Local Government (DCLG) and asked whether further information would be provided within the Efficiency Plan regarding the incentive for Departments to retain an element of their efficiency savings.

The Chamberlain explained that there was no requirement for Efficiency Plans to be approved by DCLG. He explained that it was not intended to provide further information regarding incentives in the Efficiency Plan, as this would be a matter for the Corporation's internal planning, rather than external publication, at this point.

RESOLVED – That the Committee notes the milestones for the review and approval of the published Efficiency and Sustainability Plan

11. **LAND VALUE TAX FOR LONDON**

The Committee considered a report of the Chamberlain which advised of a paper which had been published by the Greater London Authority (GLA) exploring the potential benefits of Land Value Tax (LVT) replacing Business Rates and Council Tax in London. The GLA's report had proposed that a feasibility study be undertaken and LVT trialled in London if there is a positive conclusion.

The Chamberlain advised that the GLA's report had been published prior to the Government's announcement of proposals to pilot devolution of greater devolution of Business Rates in London. Therefore, it was likely that the proposals regarding LVT may not be explored.

The Chamberlain advised the Committee that a report providing the Corporation's proposed response to the consultation on the devolution of Business Rates would be submitted to the Committee's next meeting.

RESOLVED – That the Committee notes the report.

12. **CENTRAL LONDON WORK & HEALTH PROGRAMME**

The Committee considered a report of the Director of Economic Development concerning the commissioning of the Work and Health Programme (WHP). The report also dealt with the City of London Corporation becoming the accountable body for the Programme and a co-financing organisation, in order to facilitate access to monies from the European Social Fund (ESF) to assist with the funding of the Programme.

The Chairman explained that he would not be content to approve the letting of this contract until it was clearly confirmed that liabilities were shared across all

authorities involved, rather than the Corporation being alone in taking on additional liabilities. The Director of Economic Development confirmed that assurance would be provided of appropriate liability-sharing arrangements between the partners to limit disproportionate liability being placed upon the Corporation.

RESOLVED – That the Committee delegates approval the first stage of the standard contract lettings procedure in the Procurement Code to the Town Clerk, in consultation with its Chairman and Deputy Chairman, to agree the high-level evaluation criteria to be applied in the selection process of a provider to deliver the WHP.

13. **BUDGET MONITORING - FIRST QUARTER UPDATE**

The Committee considered a report of the Chamberlain which provided an update to the end of the first quarter for the Corporation's budgets.

The Chamberlain explained that there was a budget pressure in relation to the Police and Corporation IT services, regarding which a further report would be submitted to the Committee's next meeting.

RESOLVED – That the Committee notes the report.

14. **CHAMBERLAIN'S BUSINESS PLAN - FIRST QUARTER UPDATE**

The Committee considered a report of the Chamberlain which provided Members with a brief update of assurance that the Chamberlain's department was making good progress in the delivery of the 2015/16 Departmental Business Plan.

RESOLVED – That the Committee notes the report.

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

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

In relation to IT Service Provision, the Chamberlain explained that a number of Members of the IT Sub-Committee were being consulted regarding proposals to extend the Agilisys IT Service Provision contract. He explained that he had concluded that further resources would be required for the Corporation's and Police's IT provision and a report in relation to this would be brought to the Committee's next meeting.

In relation to Information Security, the Chamberlain advised that a report setting out proposals to develop the Corporation's Information Security systems and processes would be brought before the Committee during the Autumn.

In relation to Brexit, the Chamberlain advised that it was not anticipated that there would be a significant short-term impact on the Corporation's finances or funding, but the longer term outlook was more uncertain.

The Chamberlain also advised the Committee that Steve Telling would be retiring as Deputy Financial Services Director and Chief Accountant. The Committee expressed their gratitude to Mr Telling for his sterling work over the last 30 years with the Corporation's finances.

RESOLVED – That the Committee notes the report and the actions taken in the Chamberlain's department to monitor and effectively manage risks arising from our operations.

16. CITY RE LIMITED - PERFORMANCE MONITORING

The Committee considered a report of the Chamberlain which provided information on the claims experience and Underwriting Profit and Loss Account for the fourth accounting period of the City Re Limited, from 1 April 2015 to 31 March 2016. The report advised that a retained profit of £140,984 had been achieved.

The report also provided information on the governance arrangements for the captive and of various matters discussed at the last Board meeting on 20 June 2016, including the adoption of the accounts, the dividend policy with regard to the retained profit and the receipt of the auditors' Management Letter and Compliance Reports.

RESOLVED – That the Committee notes the report.

17. CENTRAL CONTINGENCIES

Consideration was given to a report of the Chamberlain which provided the Committee with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

RESOLVED – That the Committee notes the report.

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

There were no questions.

19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

20. 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 |
|-----------------|-----------------------------------|
| 21-24, 26-33 | 3 |
| 25 | 1, 3 |

21. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
The non-public minutes of the meeting held on 7 June 2016 were approved as an accurate record.
22. **DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**
The non-public minutes of the following meetings were noted:
- Efficiency & Performance Sub-Committee held on 18 May 2016;
 - Information Technology Sub-Committee held on 7 June 2016; and
 - Corporate Asset Sub-Committee held on 25 May 2016.
23. **PROVISION FOR BAD DEBTS**
The Committee noted a report of the Chamberlain which advised of the provision for bad and doubtful debts as at 31 March 2016.
24. **NEXT STEPS IN STRENGTHENING THE CITY OF LONDON CORPORATION'S SUPPORT AND PROMOTION OF THE CITY**
The Committee considered and approved a report of the Town Clerk which advised of proposals to strengthen the Corporation's activities in supporting and promoting the City, which had been approved by the General Purposes Committee of Aldermen, the Resource Allocation Sub-Committee, and the Policy and Resources Committee. In order to allow this work to be commenced during the current year, approval was sought for a budget increase of £1.7m to cover the remainder of the current financial year. This would be funded from City's Cash reserves.
25. **CITY PROCUREMENT RESTRUCTURE TO INCORPORATE NEW COMMERCIAL CONTRACT MANAGEMENT TEAM**
The Committee considered and approved a report of the Chamberlain which proposed the creation of a new team within City Procurement.
26. **JOINT NETWORK REFRESH PROGRAMME - WIDE AREA NETWORK - PROCUREMENT STAGE 3 (CONTRACT AWARD) REPORT**
The Committee considered and approved a report of the Chamberlain which sought approval to award the contract for the provision of a Wide Area Network for the City of London Police and City of London Corporation, following the completion of the procurement process.
27. **RECRUITMENT ADVERTISING AND PUBLIC NOTICE ADVERTISING - PROCUREMENT STAGE 1 (PROCUREMENT STRATEGY AND EVALUATION CRITERIA)**
The Committee considered and approved a report of the Chamberlain which sought approval for the recommended procurement strategy and evaluation criteria to be used in the selection of a supplier for the provision of the corporate Recruitment Advertising and Public Notice Advertising Services contract.

28. **MANAGED SERVICE OF TEMPORARY AGENCY RESOURCE PROCUREMENT STAGE 1 REPORT (PROCUREMENT STRATEGY AND EVALUATION CRITERIA)**

The Committee considered and approved a report of the Chamberlain on behalf of the Corporate Resources Procurement Category Board which sought approval for the recommended evaluation criteria to be used in the selection of a preferred supplier and the supplier shortlist for the provision of a Temporary Agency Resource for the City of London Corporation and the City of London Police.

29. **SMITHFIELD MARKET - TRANSPORT FOR LONDON LEASE TO CITY, SMITHFIELD PLANT ROOM (LINDSEY STREET)**

The Committee considered and approved a joint report of the City Surveyor and the Director of Markets and Consumer Protection regarding the leasing to the City of London Corporation of the Plant Room at Lindsey Street, Smithfield from Transport for London. The facilities had been constructed by Crossrail for the new station at Lindsey Street, Smithfield, but the land was still required in connection with the continued operation of Smithfield Market.

30. **RISK REGISTER FOR BRIDGE HOUSE ESTATES**

The Sub-Committee considered a report of the Chamberlain which provided this Committee's section of the key risks register for Bridge House Estates (BHE) for review.

The Sub-Committee agreed that this item should be considered in public session.

RESOLVED – That the Committee:

- a) Confirms that appropriate control measures are in place regarding the one risk currently on the register for this committee, IT service outage; and
- b) confirms that there are no other risks relating to the services overseen by the Finance Committee which should be added to the BHE risk register.

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

The Committee noted a report of the Town Clerk detailing non-public decisions taken under delegated authority and urgency procedures since the last meeting.

32. **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.

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

The Committee considered two items of urgent business relating to property transactions.

The meeting closed at 2.55 pm

Chairman

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christopher.braithwaite@cityoflondon.gov.uk

Finance Committee – Outstanding Actions

| Item | Date | Item and Action | Officer responsible | To be completed/ progressed to next stage | Progress Update |
|------|----------------------|--|---------------------|---|---|
| 1. | 19 July 2016, Item 6 | <u>Triennial Valuation of Pension Fund</u> Members with relevant expertise to be consulted in the evaluation of the Triennial Valuation of the Pension Fund, prior to recommendations being brought before the Committee. | Chamberlain | November 2016 | The Chamberlain, Financial Services Director and Corporate Treasurer, along with Clare James, met with the actuary in September 2016 to discuss preliminary results and interrogate assumptions. A further meeting will be scheduled in November 2016. |
| 2. | 19 July 2016, Item 7 | <u>Review of Sub-Committees</u> 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. 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. 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. | Town Clerk | September 2016 | a) Resolution will be submitted to the meeting of Police Committee on 22 September 2016. b) Resolution will be submitted to Projects Sub-Committee on 11 October 2016 and to Policy and Resources Committee on 17 November 2016 c) Resolution will be submitted to Property Investment Board on 19 October 2016 and to Investment Committee on 18 January 2017. |

| Item | Date | Item and Action | Officer responsible | To be completed/ progressed to next stage | Progress Update |
|------|---|---|--------------------------|---|---|
| 3. | 19 July 2016, Item 11 | <u>Business Rates Devolution Consultation</u> A report providing the Corporation's proposed response to the consultation on the devolution of Business Rates to be provided to the next meeting. | Chamberlain | September 2016 | An item is included within the agenda (report marked "to follow"). |
| 4. | 19 July 2016, Item 13 | <u>IT Service Provision</u> A report to be submitted to the next meeting regarding the budget pressure in relation to the Police and Corporation IT services. | Chamberlain | September 2016 | Report will now be submitted to Committee in October 2016. |
| 5. | 19 July 2016, Item 15 | <u>Information Security</u> A report to be submitted during the autumn regarding proposals to develop the Corporation's Information Security Systems. | Chamberlain | October 2016 | Report will be submitted in October or November 2016. |
| 6. | a) 22 September 2015, Item 9 b) 7 June 2016, Item 13 | <u>Purchasing Card Policy</u> a) The Purchasing Card (P-Card) Policy to be reviewed on an annual basis. b) The Committee to be provided with information regarding the holders of P-Cards with a credit level of over £5,000. | Head of City Procurement | October 2016 | The review of the P-Card Policy will be conducted in September 2016 and a report provided to the Committee in October. The report will provide the information requested at b) as part of this. |

EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 6 July 2016

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

Present

Members:

Jeremy Mayhew (Chairman)
Deputy Roger Chadwick (Deputy
Chairman)
Randall Anderson
Nigel Challis
Deputy Anthony Eskenzi
Alderman Peter Estlin

Deputy Jamie Ingham Clark
Deputy Alastair King
Ian Seaton
Deputy John Tomlinson
Philip Woodhouse

Officers:

| | |
|-------------------------|---|
| Susan Attard | - Deputy Town Clerk |
| Christopher Braithwaite | - Town Clerk's Department |
| Neil Davies | - Town Clerk's Department |
| Peter Kane | - Chamberlain |
| Caroline Al-Beyerty | - Chamberlain's Department |
| Christopher Bell | - Chamberlain's Department |
| Paul Nagle | - Chamberlain's Department |
| Geoff Parnell | - Chamberlain's Department |
| David Smith | - Director of Markets & Consumer Protection |
| Peter Bennett | - City Surveyor |

1. **APOLOGIES**

No apologies were received.

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

There were no declarations.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and non-public summary of the meeting held on 18 May 2016 be agreed as an accurate record.

4. **OUTSTANDING ACTIONS**

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

RESOLVED – That the Committee notes the report.

5. **EFFICIENCY PLAN**

The Sub-Committee considered a report of the Chamberlain which provided Members with information regarding proposals to publish an Efficiency and Sustainability Plan to ensure that there was certainty regarding the Local Government Funding Settlement for 2016/17 to 2019/20.

The Chairman commented that the proposals for efficiency savings (as set out within the report) were appropriate, but the challenge would be to ensure that these were achieved.

Members discussed whether Brexit would have any implications on the efficiency proposals. The Chairman commented that the requirement to achieve efficiency savings would be present regardless of the impact of Brexit. Members noted that there may be an impact on rental income and property values in the medium term, but it was difficult to quantify the extent of this impact at this stage. The City Surveyor advised Members that the majority of the Corporation's rental property was rented on the basis on relatively long leases. Therefore, short term rental income was fairly secure.

A Member asked for clarification regarding whether the removal of the assumed 1% budget increase for pay and prices indicated an intention to reduce or remove pay rises in future. The Member commented that he would wish for the Corporation to ensure that it remained an attractive employer. The Chamberlain explained that this measure would focus upon achieving reductions in prices. He explained that the Establishment Committee was conducting a review of pay and grading within the organisation.

RESOLVED – That the Sub-Committee notes the milestones for the review and approval of the published Efficiency and Sustainability Plan

6. **UPDATE ON VALUE FOR MONEY**

The Sub-Committee considered a report of the Chamberlain which updated Members on progress in improving the value for money monitoring regime.

The Chairman commented that ensuring value for money across the Corporation was one of the key priorities for the Sub-Committee. A Member commented that, similar to the previous report, the intentions set out within the report were appropriate, but the challenge would be ensuring that these were implemented.

RESOLVED – That the Sub-Committee notes the report.

7. **FUTURE WORK PROGRAMME**

The Sub-Committee considered a report of the Town Clerk which set out the work programme for future meetings. The Work Programme sought to provide a strategic overview of the work of the Sub-Committee and a clear indication of how that work fulfilled the duties set out within the Sub-Committee's Terms of Reference.

RESOLVED – That the Sub-Committee notes the report.

8. CITY PROCUREMENT - ACCOUNTS PAYABLE REVIEW – FINANCIAL YEAR 2015/16

The Sub-Committee considered a presentation from the Chamberlain which provided information regarding the work of the Accounts Payable Team within City Procurement. The presentation highlighted the key achievements from the Accounts Payable Team in the previous year and the main challenges and objectives for the subsequent year.

In response to questions from Members, the Chamberlain advised that:

- City Procurement had identified specific areas where savings could be realised through the Oracle system. It was particularly noted that savings should be realised in staff time through automation features offered through Oracle;
- The organisation-wide communications in the No PO No Pay campaign had been complimented by Investors in People assessors as an excellent campaign. Members were also advised that City Procurement actively worked with departments to support them in their specific needs. This support had been particularly targeted towards lower performing departments;
- Members could be provided with information regarding the data storage implications of e-invoicing following the meeting;
- Further reports on performance of the Accounts Payable Team could be provided to the Sub-Committee on a six-monthly basis.

RESOLVED – That the Sub-Committee notes the presentation.

9. ENERGY TARGETS UPDATE - ANNUAL REVIEW 2015/16

The Sub-Committee considered a report of the City Surveyor which provided an annual performance update on the energy reduction targets set out in the Carbon Descent Plan 2015 (CDP-15) and energy spend. The performance update covered the 12-month period from April 2015 to March 2016 and included changes in the reporting methodology (weather correction) and introduction to performance benchmarking.

The Chairman advised the Sub-Committee that consideration was being given to moving responsibility for energy matters to the Corporate Asset Sub-Committee as this sat more comfortably within that Sub-Committee's asset management remit. He explained that if this was agreed by the Finance Committee, this report should be submitted to a future meeting of the Corporate Asset Sub-Committee for consideration.

Members commented that the report provided more appropriate information than had been provided in previous iterations of this report, but it now required more detailed information regarding the actions which would be taken to improve performance against the energy targets. Members also commented that any future extension of the existing LASER contract would need to have a more thorough value for money assessment.

RESOLVED – That the Sub-Committee:

- Notes the contents of this report.
- Supports various departments in taking positive actions related to energy reductions.
- Supports the progress towards an Energy Strategy and a more cohesive approach to its implementation.

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

There were no questions.

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

There were no items of urgent business.

12. **EXCLUSION OF THE PUBLIC**

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

Item(s)

13-17

Paragraph(s)

3

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

The non-public minutes of the meeting held on 18 May 2016 were agreed as an accurate record.

14. **MARKETS & CONSUMER PROTECTION DEPARTMENT - SERVICE BASED REVIEW PROGRESS REPORT**

The Sub-Committee noted a report of the Director of Markets and Consumer Protection which provided information regarding progress in achieving the Service Based Review savings targets in the Department of Markets and Consumer Protection.

15. **SERVICE BASED REVIEW - ROADMAP AND FINANCIAL MONITORING**

The Sub-Committee considered and approved a joint report of the Chamberlain and the Deputy Town Clerk which presented Members with an update on the Service Based Review cross-cutting reviews, key departmental projects, and the financial savings from the Service Based Review.

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

There were no questions.

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

There was no other business.

The meeting closed at 3.00 pm

Chairman

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CORPORATE ASSET SUB (FINANCE) COMMITTEE

Tuesday, 19 July 2016

Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at the Guildhall EC2 at 3.15 pm

Present

Members:

Nicholas Bensted-Smith (Chairman)
Randall Anderson
Chris Boden
Edward Lord

Jeremy Mayhew
Deputy Alastair Moss
Deputy John Tomlinson

Officers:

| | |
|-------------------------|------------------------------|
| Peter Lisle | - Assistant Town Clerk |
| Christopher Braithwaite | - Town Clerk's Department |
| Robin Newman | - Town Clerk's Department |
| Dianne Merrifield | - Chamberlain's Department |
| Peter Bennett | - City Surveyor |
| Chris Hartwell | - City Surveyor's Department |
| Paul Nagle | - Chamberlain's Department |
| Sean Power | - City Surveyor's |
| Peter Young | - City Surveyor's Department |
| Sam Cook | - Remembrancer's Department |
| Jim Turner | - Barbican Centre |

1. **APOLOGIES**

The Town Clerk advised the Sub-Committee that the Finance Committee had agreed to appoint Nick Bensted-Smith, Alderman Alison Gowman and Gregory Jones to the Sub-Committee.

Apologies were received from Deputy Brian Harris and Deputy Roger Chadwick.

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

No declarations of interest were made.

3. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the previous meeting held on 25 May 2016 are approved as an accurate record.

4. **OUTSTANDING ACTIONS**

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

RESOLVED – That the Committee notes the report.

5. HOUSING AND PLANNING ACT

The Sub-Committee considered a report of the Remembrancer which advised Members of the enactment of the Housing and Planning Act, the Bill for which had previously been reported to the Committee. The report advised that the Act included measures to encourage land held in the public sector to be made available for housing development. These measures were:

- a duty for Government departments (and potentially other public authorities) to engage with other public authorities when developing proposals to dispose of land;
- a duty for public authorities to prepare and publish annual reports about surplus land-holdings;
- a power to set broader criteria for the Secretary of State to direct the disposal of public sector land;
- a duty for local authorities to prepare and publish annual assessments of the sustainability and efficiency of the property estate.

The report also advised that during the passing of the act, a ministerial statement had been obtained during the passage of the Bill which confirmed that the Act would apply only to City Fund properties.

The City Surveyor explained that at the next meeting the Sub-Committee would be provided with details of the annual reports which it would receive to fulfil the duties within the Act.

RESOLVED – That the Committee notes the report, in particular:-

- the actions taken to support the City Corporation's interests during the passage of the Bill for the Act; and
- the need to implement, in relation to City Fund properties, the new reporting duties in relation to surplus land and the sustainability and efficiency of buildings.

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

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

8. 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 |
|-----------------|-----------------------------------|
| 9-14, 16-20 | 3 |
| 15 | 5 |

9. **NON-PUBLIC MINUTES**

The non-public minutes of the previous meeting held on 25 May 2016 were approved as an accurate record.

10. **OUTSTANDING ACTIONS**

The Committee noted a report of the Town Clerk which provided information of outstanding actions from the non-public section of previous meetings.

11. **OPERATIONAL PROPERTY REVIEW - PROGRESS REPORT**

The Sub-Committee noted a report of the City Surveyor which outlined the achievements to date in the Operational Property Review, work which was in progress and the challenges ahead to tackle the 'bow wave' of maintenance costs.

12. **CITY SURVEYOR'S BUSINESS PLAN PROGRESS 2015-18 - QUARTER 4 2015/16**

The Sub-Committee noted a report of the City Surveyor which detailed progress in Quarter 4 2015/16 against the City Surveyor's 2015-18 Business Plan. The report also included an update on the commercial property market, and a financial statement.

13. **CITY SURVEYOR'S DEPARTMENT RISK REGISTER**

The Sub-Committee noted a report of the City Surveyor which provided an update on the management of risks within The City Surveyor's Department.

14. **65 AND 65A BASINGHALL STREET**

The Sub-Committee considered and approved a report of the City Surveyor which provided an update regarding the project to consider the potential redevelopment of 65 & 65a Basinghall Street due to the inefficient use of the property's footprint.

15. **COMMUNITY SAFETY/MULTI AGENCY RESOURCE**

The Sub-Committee noted a report of the Town Clerk which advised of a potential location for a community safety/multi agency resource in a property which had previously been designated as surplus to operational requirements.

16. **CITY OF LONDON WIRELESS CONCESSION - REPORT SEEKING DELEGATED AUTHORITY**

The Sub-Committee considered and approved a report of the City Surveyor which sought approval to delegate authority to the Town Clerk to include selected buildings within the City of London Corporation's Corporate Property portfolio for the housing of mobile equipment on rooftops as part of the Wireless Concession to offer improved 3G, 4G and WiFi covering across the City.

17. **BARBICAN CENTRE CAPITAL CAP PROGRAMME - ANNUAL REPORT (2016)**

The Sub-Committee considered and approved a report of the Managing Director of the Barbican Centre which advised the Sub-Committee of the final outturn position for the third year (2015/16) of the Barbican Centre Capital

Cap, provided a revised project programme and expenditure plans for the final year of Cap 3 (2016/17) and provided explanations of Individual Project Budgetary variances of £50k and above.

18. ADDITIONAL WORKS PROGRAMME 2014/15, 2015/16 AND 2016/17 - PROGRESS REPORT

The Sub-Committee noted a report of the City Surveyor which provided an overview of the progress and expenditure of the Additional Works Programmes.

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

There were no questions.

20. 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.

The meeting closed at 4.30 pm

Chairman

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FINANCE GRANTS OVERSIGHT AND PERFORMANCE SUB COMMITTEE

Thursday, 21 July 2016

Minutes of the meeting of the Finance Grants Oversight and Performance Sub Committee held at Guildhall on Thursday, 21 July 2016 at 10.00 am

Present

Members:

Simon Duckworth (Chairman)
Philip Woodhouse (Deputy Chairman)
Randall Anderson
Nicholas Bensted-Smith
Nigel Challis
Deputy Jamie Ingham Clark
Alderman Prof. Michael Mainelli
Jeremy Mayhew
Alderman William Russell

In Attendance

Alderman Alison Gowman - Chairman of the City Bridge Trust

Officers:

Steven Reynolds - Chamberlain' Department
Neil Davies - Town Clerk's Department
David Farnsworth - Chief Grants Officer
Scott Nixon - Town Clerk's Department
Emily Rimington - Comptroller and City Solicitor's Department

Before commencing the business on the agenda, the Chairman advised Members that the Finance Committee had met on 19 July 2016 and agreed to change the name of the former Finance Grants Sub Committee to the '*Finance Grants Oversight and Performance Sub Committee*'.

The Finance Committee had also appointed Mr Simon Duckworth as Chairman and Mr Philip Woodhouse as Deputy Chairman.

1. APOLOGIES

Apologies were received from Deputy John Barker, Deputy Roger Chadwick and Greg Lawrence.

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

There were no declarations.

3. **MINUTES**

The minutes and non-public summary of the former Finance Grants Sub Committee held on 17 November 2015 were approved.

Members noted that the new Chairman had not been in attendance but some of those Members present today had been.

Matters arising

- Further to a recent article in 'The Observer', in respect of the Sylvia Pankhurst Statue, Members were reminded that a grant of £10,000 would be awarded once the remaining £90,000 had been confirmed.
- There was an update in respect of the delegated decision in the non-public agenda and in the non-public minutes.
- The additional information requested from an applicant had since been received.

4. **UPDATE ON ENGAGEMENT WITH PREVIOUS FINANCE GRANTS SUB-COMMITTEE GRANTEES**

The Committee received a report of the Chief Grants Officer in respect of the engagement with previous Finance Grants Sub-Committee grantees. Members noted that this would be the last piece of work undertaken by Mrs Barbara Riddell. The Town Clerk would be writing to Mrs Riddell to thank her for many years' service to the Finance Grants Sub Committee. The new Finance Grants Oversight and Performance Sub Committee also asked for their thanks and best wishes to go on record.

During the discussion, the following matters were raised/noted:

- Of the twelve entities listed in paragraph 10 of the report, one 'funder-to-funder' organisation was flagged. Having regard to concerns about funding gaps, the Chief Grants Officer agreed to contact the organisation separately to discuss the Central Grants Programme and the City Bridge Trust 'Investing in Londoners' Grants Programme. The Chief Grants Officer agreed to check the eligibility of livery companies.
- The Corporate Grants Review had aimed to take the good practice of The City Bridge Trust, from the past 20 years, and apply it to the former Finance Grants Sub Committee, which had become somewhat fragmented. The review had rationalised the Sub Committee and implemented a more strategic programme.
- Further to the decision of the Finance Committee to agree interim staffing to support the Central Grants Programme, the process of appointing a Senior Grants officer had started. This officer would attend all the new grant-giving Committees.

- There was now a dedicated web page in place, with email and telephone contact details provided for the Central Grants Unit. The Chief Grants Officer agreed to email the link to the webpage and details of the new contact to Members of the Sub Committee.
- As a result of the review, only one funding window had been missed but, going forward, there would be greater efficiency and transparency. Furthermore, the Town Clerk advised that there would be a continuum at today's meeting, arising from the receipt of the monitoring reports under agenda item 14, and the subsequent release of second/third phases of grants. The new Central Grants Programme would be open for business from 15th August 2016.
- It was noted that the Central Grants Programme would not follow the City Bridge Trust's historic practice of 'fallow years' in grant giving and this would allow grant giving under the Central Grants Programme to be more flexible. Members noted that the Education Board, which was due to meet later today, was the final grant-giving Committee to consider and agree the eligibility criteria specific to their funding theme.
- Pending this decision, and the decision of the Policy and Resources Committee on 8th September, in respect of the management fee and the decision in respect of the carry forward of any unspent Finance Grants Sub-Committee grants budget, the Sub Committee would receive a summary report. Members noted that this report would show the breakdown of funding between the new grant themes, including minimum and maximum grants, where these had been set by the relevant grant-giving Committee. The Chief Grants Officer advised that the four grant-giving Committees would not receive equal funding allocations.
- It was noted that, where grants were made from charitable funds, the grants must be made in accordance with the objectives of that particular charity.
- The Chairman of the City Bridge Trust was in attendance and welcomed the report and approach.

RESOLVED, that – the outcomes of the engagement work undertaken by the Grants Management Consultant be noted.

5. **CENTRAL GRANTS PROGRAMME**

The Sub Committee received two reports of the Chief Grants Officer in respect of the Central Grants Programme:

- a) The Grant Management Process; and
- b) The Performance Management Framework.

The Chairman suggested that these items be taken together.

In respect of the new Terms of Reference of the Finance Grants Oversight and Performance Sub Committee, Members agreed that the appointment of Chairman and Deputy Chairman would need to be amended to say: *‘to be nominated by the Chairman and approved by the Finance Committee.’* The first point in the Terms of Reference should be explicit in that - *‘for all grants’*, should be followed with - *‘excluding the City Bridge Trust’*.

In respect of performance assessment, it was suggested that this be made more explicit in terms of impact assessment, output tracking and monitoring processes and include statistical analysis. Members also noted The City Bridge Trust’s good practice in using ‘secret shoppers’. Furthermore, the Chief Grants Officer advised that he had been working with Trust for London and would track the longer term impacts. In addition, each grant-giving Committee would be asked to produce impact reports and they would be reported to this Sub-Committee. Members noted that this additional information would be included as part of the 2018 Review of Grants (which will align with City Bridge Trust’s next quinquennial review).

The Finance Grants Oversight and Performance Sub Committee would also receive a gap analysis on those grants not conforming with current eligibility criteria, in order to inform future grant eligibility.

Members noted that the Sub Committee would receive updates on the City Bridge Trust’s Quinquennial Review, including an executive summary of the research and the market analysis, in order to support its strategic oversight of the Central Grants Programme. Future meetings of the Sub Committee would also include consideration of performance management reports.

A Member offered to provide details of work he had done elsewhere in tracking the impact of grants.

Finally, the Chief Grants Officer highlighted the key milestones to be achieved between June and September. The Chairman suggested that the timeline for meetings over the current year be December 2016; April and July 2017.

RESOLVED, that -

1. The processes to be implemented by the Central Grants Unit be noted.
2. A note of the new Central Grants Programme be sent to Members of the Sub Committee, summarising the funding available and decisions made by the new grant-giving Committees.
3. The key milestones leading to the launch of the Central Grants Programme be noted.
4. The Central Grants Programme Performance Management Framework be approved subject to the comments set out above.
5. The proposed annual reporting cycle be approved, subject to the timeline variation set out above for an initial period.

6. **BENEFITS IN KIND REPORTING**
The Sub Committee considered and approved a report of the Chief Grants Officer, noting a non-public appendix at agenda item 11.
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no items of urgent business.
9. **EXCLUSION OF THE PUBLIC**
RESOLVED – that, under Section 100 (A) of the Local Government Act 1972, the public be excluded from the following items on the grounds that they may involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

| Item No | Paragraph no |
|---------|--------------|
| 10-15 | 3 |
10. **NON PUBLIC MINUTES**
The non-public minutes of the meeting held on 17th November 2015 were approved, subject to an amendment.
11. **BENEFITS IN KIND REPORTING**
The Sub Committee received a report of the Chamberlain.
12. **REPORTS OF GRANTS RECIPIENTS**
The Sub Committee considered and approved a report of the Town Clerk.
13. **REPORT OF ACTION TAKEN BETWEEN MEETINGS**
The Sub Committee considered and approved a report of the Town Clerk.
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 of urgent business.

The meeting ended at 11.10 pm

Chairman
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| | |
|--|---|
| Committee: Finance Committee Policy and Resources Committee | Date: 20 September 2016 6 October 2016 |
| Subject: Efficiency Plan | Public |
| Report of: Chamberlain | For Decision |
| Report author: Paul Nagle, Chamberlain's Department | |

Summary

The Court of Common Council agreed at its 3rd March 2016 meeting that an efficiency plan be published subject to an assessment of any detailed requirements set by the Department for Communities and Local Government (DCLG).

The Efficiency and Performance Sub-Committee, Finance Committee, Resource Allocation Sub-Committee were consulted on the proposed efficiency framework and draft Efficiency Plan at Committee meetings in July.

The Efficiency Plan focuses on the existing Service Based Review programme and other agreed transformation initiatives, along with the framework that currently exists and is being developed for continuous efficiency improvement for 2017/18 and later years. The link through to sustainability and medium term financial strategy is a key context in the plans being developed by Local Authority bodies and therefore this has been reflected in the drafting and labelling of the City of London Corporation's plan. Although the City of London Corporation's non-local authority services are not covered by the DCLG requirements, it is intended that this plan will apply to all public facing non-police services.

Approval for the final version of the plan will be sought from the Court of Common Council on the 13th October 2016 prior to publishing on the 14th October 2016. Detailed internal plans for driving forward efficiency initiatives that will be developed then considered and monitored by the Efficiency and Performance Sub-Committee.

Recommendations

Members are asked to agree the draft Efficiency and Sustainability Plan

Main Report

Background

1. The Local Government provisional funding settlement includes figures for four years (2016/17 to 2019/20). The Government presented this as an 'offer' to local government with the proviso in the consultation being that any Council accepting the offer will have to publish an efficiency plan by the 14th October 2016.
2. The Court of Common Council agreed at its 3rd March 2016 meeting that an efficiency plan be published subject to an assessment of any detailed

requirements set by the DCLG. In the absence of onerous conditions, we have proceeded on the production of an Efficiency Plan, which will cover the period through to 2019/20.

3. No specific guidance has been provided on the nature of these efficiency plans other than that they should be published, and recognition that efficiency targets should already be reflected in the Medium Term Financial Strategy for Councils. The link through to sustainability and medium term financial strategy is a key context in the plans being developed by Local Authority bodies and therefore this has been reflected in the drafting and labelling of the plan.
4. Although the City of London Corporation's non-local authority services are not covered by the DCLG requirements, it is intended that this plan will apply to all public facing non-police services. Separate discussions are taking place with the Police Commissioner on the development of a further efficiency and change programme to ensure the Force is sustainable.

Financial Context

5. For non-Police services, the Local Government Settlement in autumn 2015 was challenging but fell within the prudent assumptions included with the City of London Corporation's financial forecast. Subject to there being no significant adverse changes in financial planning assumptions across the period, forecasts indicate a small surplus in each of the next financial years moving close to breakeven by 2019/20. However, the economic outlook has deteriorated since the announcement of the local government settlement and the public finances have become more uncertain. Following the Brexit decision it is too early to predict what the impact on public services might be.
6. The City of London Corporation therefore needs to take steps now to manage this external financial risk. We also need to recognise that any organisation should be expecting to deliver annual continuous savings as a result of being smarter in the way that business as usual activity is conducted. This is consistent with the specific duty on local authorities to secure best value in the use of public money and resources. We also have a number of financial pressures which are not currently factored into the medium term financial plan.

Efficiency Plan Framework

7. The Plan sets out a framework that incorporates continuous improvement savings, with a rolling programme of departmental peer reviews to help secure more radical changes in efficiency and effectiveness, alongside a limited number of cross cutting reviews. The key aspects are:-
 - An across the board light touch continuous improvement target reducing departmental budgets by 1 – 2 % from 2018-19, with an incentive element adopted - in which a share of the savings could be re-invested in new priorities in the subsequent year as part of a revised carry-forward process.
 - A rolling programme of departmental peer reviews to help identify more radical effectiveness and efficiency improvements, most likely to impact from 2018-19 onwards (but with pilots starting in earlier years).

- Further cross cutting reviews, including prevention/demand management, when the current reviews have been implemented.
8. The approach to the plan has drawn on the lessons from the Service Based Review (SBR) process and current workload pressures on departments.
 9. To sum up, developing an Efficiency Plan, which builds on the SBR savings, should enable us to:
 - respond to possible future funding gaps / risks;
 - reduce the bow wave of deferred maintenance works on our operational property, and
 - support new priorities/pressures – e.g. cultural hub, housing, education, work generated by the outcome of the referendum vote.
 10. The Efficiency and Performance Sub-Committee, Finance Committee, Policy & Resources Committee and Resource Allocation Sub-Committee were consulted on the proposed efficiency framework and draft Efficiency Plan at Committee meetings in July.

Publishing an Efficiency Plan

11. This is intended to be a high level plan, focusing on the existing Service Based Review programme and other agreed transformation initiatives, along with the framework that currently exists and is being developed for continuous efficiency improvement for 2017/18 and later years. It does not set out specific details of new individual efficiency initiatives.
12. Detailed internal plans for driving forward efficiency initiatives that will be developed then considered and monitored by the Efficiency and Performance Sub-Committee.

Corporate & Strategic Implications

13. The review supports Key Policy Priority 2 in the Corporate Plan 2015-19: “Improving the value for money of our services within the constraints of reduced resources”.

Conclusion

14. The development of the Efficiency and Sustainability Plan for the City of London Corporation will provide a framework to consider how the City of London Corporation will continually review its priorities and operations and seek further efficiency and performance improvements. Savings made as a consequence of further efficiency initiatives can then be positively applied to addressing funding gaps, enhancing services and pursuing new priorities.

Appendices

Appendix 1 - Draft Published Efficiency and Sustainability Plan

Background Papers

City Fund 2016/17 Budget Report and Medium Term Financial Strategy

Paul Nagle

Head of Finance - Projects

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Efficiency and Sustainability Plan – Draft v6.2

The City Corporation has a long-standing and in-built culture of maximising returns from its resources and seeking value for money. It assesses the scope for improvements in efficiency /value for money at a corporate and service level by a variety of means, including improvement priorities set by the Policy and Resources Committee through the annual resource allocation process, and internal examination and review by the Efficiency and Performance Sub Committee.

The Local Government provisional funding settlement in December 2015 included an 'offer' to local government of a 4 year funding settlement, as opposed to an annual settlement, to provide more funding certainty and an ability to plan changes over the medium-term. The condition of this offer was that each Local Authority would prepare and publish an efficiency plan by the 14th October 2016. The City of London Corporation has decided to accept this offer in relation to its Local Authority functions, and has also decided to include within the Efficiency and Sustainability Plan the full range of services it provides that promote financial, professional and business services and support the City, Capital and Country as a whole.

The City Corporation has a number of procedures in place to ensure that its policies and the principles that underpin them are implemented economically, efficiently and effectively. This framework includes:

- Financial Strategy. This provides a common base for guiding the City Corporation's approach to managing financial resources and includes the pursuit of budget policies that seek to achieve a sustainable level of revenue spending and create headroom for capital investment and policy initiatives;
- Budget policy. The key policy is to balance current expenditure and current income over the medium term. Both blanket pressure and targeted reviews are applied to encourage Chief Officers to continuously seek improved efficiency;
- Annual resource allocation process. This is the framework within which the City Corporation makes judgements on adjustments to resource levels and ensures that these are properly implemented;
- Corporate Property Asset Management Strategy. This aims to ensure that the City Corporation's operational assets are managed effectively, efficiently and sustainably, in support of the organisation's strategic priorities and business needs;
- Capital project evaluation, management and monitoring. The City Corporation has a comprehensive system of controls covering the entire life cycle of capital and major revenue projects;
- Treasury Management and Investment Strategies. Setting out the arrangements for the management of the City Corporation's investments, cash flows, banking and money market transactions; and
- Risk and Performance management. The effective control of risks and the pursuit of optimum performance consistent with those risks.

Consideration is given to efficiency during the development and approval stages of all major projects, with expected efficiency gains quantified within reports to Members. The performance of the City Corporation's financial and property investments are monitored and benchmarked regularly, both in-house and independently, through experts in the field.

The City Corporation's project management and procurement arrangements provide a consistent approach to project management and co-ordination of the portfolio of projects across the organisation. The Projects Sub Committee meets monthly to ensure that projects align with corporate objectives and strategy, and provide value for money.

The City Corporation has introduced a centralised procurement team over the last three years which has made its procurement to pay process increasingly efficient, with procurement savings of £8m per year now being achieved.

Fees and Charges and income generated from services are regularly benchmarked and further opportunities for commercial income generation are being pursued.

Financial Challenges and Outlook

In 2014, the City Corporation estimated that due to cuts in government funding, the City Fund would be facing deficits approaching £11m by 2017/18, so it had to deal with this by scrutinising all its activities in what was called the Service Based Review. Proposals totalling £20m have been identified and are being implemented over a 4 year programme which will be substantially implemented by 2017/18. These efficiency proposals include reducing costs through more effective working, increasing income, departmental and also corporate cross-cutting reviews. The cross-cutting reviews which are now in implementation phases cover Strategic Asset Management (including Operational Property Reviews, Facilities Management, Contract Management, and Project Management), Income Generation and Effectiveness of Grants.

The City Corporation could have just made efficiencies in those areas paid out of public funds, where it has a duty of Best Value under the Local Government Act 1999 to secure continuous improvement having regard to a combination of economy, efficiency and effectiveness. But it was decided that it was not fair or equitable to ask some parts of the organisation to be more efficient and not others. This is because the City Corporation has a duty to ensure the most effective and efficient use of resources, and it has a growing cost pressure to address the maintenance and renewal costs of its IT equipment and some of its deteriorating properties. Finally, by being efficient and effective, it can enhance existing services and pursue new priorities for the benefit of the City, Capital and Country as a whole.

For non-Police services, the local government settlement in autumn 2015 was challenging but fell within the prudent assumptions included with the City Corporation's financial forecast. Subject to there being no significant adverse changes in financial planning assumptions across the period, forecasts indicate a small surplus in each of the next financial years moving close to breakeven by 2019/20. However, the economic outlook has deteriorated since the announcement of the local government settlement and the public finances have become more uncertain. Following the Brexit decision it is too early to predict what the impact on public services might be.

Securing Future Financial Sustainability and Improving Effectiveness

Beyond 2017/18 when the current Service Based Review programme will be substantially complete, an annual continuous efficiency target reducing net budgets by 1 – 2 % will be introduced for each department. It is projected that this will deliver sufficient efficiencies

across the City Corporation funds per year from 2018/19, sustaining these budgets over the medium term and allowing for planned investment in our services.

In addition to these continuous improvement targets, further Corporate Efficiency and Effectiveness reviews are planned for when the current cross-cutting programmes are completed. The role member Committees have in oversight of VFM is currently being developed and enhanced.

The City Corporation is currently reviewing its Business Planning and Performance Framework; this will support widespread service improvement and transformation based on a new business planning and performance monitoring framework. The new framework will introduce a standard way of planning over a longer timeframe with stronger links to resource planning (including HR, IT, and Asset Management) and a more consistent approach to measuring VFM. In addition the City Corporation is implementing a major Accommodation and Ways of Working change programme. This programme aims to: modernise working practices, based around the needs of our internal and external customers; optimise our buildings and facilities to provide focus for improvements to our business processes, skills and assets; and positively enhance the wellbeing of our staff.

The City Corporation will continue to evaluate opportunities for shared services and partnerships with other organisations. The City Corporation currently provides shared services to London Councils and the Museum of London, jointly commissions Public Health services with the London Borough of Hackney and has recently established a joint IT provision with the City of London Police. Greater use of peer review and benchmarking of services will increasingly assist in the generation of more transformational/long-term change options, concentrating on effectiveness and different ways of delivering services.

The City Corporation maintains close links to the general public and business users of its services. Performance is communicated to Council Tax and Business Rate payers through the City-wide residents' meetings, the annual business ratepayers' consultation meeting and regular electronic and written publications, including an annual summary of the accounts. These existing consultation and other service specific mechanisms will be used and developed in seeking stakeholders' views as the City develops its services, prioritises resources and seeks to implement services which are more efficient and effective and meet the needs of its customers.

City of London Police

The Court of Common Council is defined as the police authority for the City of London Police area. The role of police authority is to ensure that the City of London Police runs an effective and efficient service by holding the Commissioner to account; and to ensure value for money in the way the police is run. This function is primarily delivered on behalf of Common Council through a Police Committee consisting of Aldermen, Common Councillors and two independent members.

The Police Performance and Resource Management Sub Committee's responsibilities include overseeing the Force's resource management in order to maximise the efficient and effective use of resources to deliver its strategic priorities and ensuring that the Force delivers value for money.

The City of London Police manages its budget on a ring-fenced basis. The Court of Common Council has agreed to increase the Business Rates Premium from April 2016 (the first increase for ten years) with the additional income, estimated at £1.6m a year, being allocated to the Force to cover emerging cost pressures relating to security. Nevertheless, the underlying financial position remains challenging with deficits forecast across the period and reserves exhausted during 2017/18. This is despite implementing a savings plan and previous budget reductions resulting in a 22% decrease in the number of police officers and £20.2m removed from the budget. A further efficiency and change programme is being developed to ensure the Force is sustainable.

The Force are taking steps to ensure the budget is balanced over the period to 2018/19, which includes provision for a minimum general reserve balance for unforeseen or exceptional operational requirements. The Force and the City Corporation are also investigating areas for greater collaboration, including the development of a Joint Contact and Control Room as part of the One Safe City programme.

| | |
|---|-----------------------------------|
| Committees: Finance Committee | Date: 20 September 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
- Service based review workstreams
- Responding to the government's consultation document seeking views on issues that should be considered when designing the 100% business rates retention system.
- Oracle project, delivering new functionality in the financial system
- Reducing outstanding debt

On the division's key performance indicators, there is one amber indicator. The number of freedoms in the April-June quarter represents a slight decrease of 15 applicants on the same period in 2015. However, retail sales income is now growing nicely and compensates for being £1,500 under target on freedom income.

Recommendation

Members are asked to note the report.

Main Report

Key Performance Indicators

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

FSD KPIs 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% | | | |
| Commercial Rent collection | % collected | 97% | 98% | 98.03% | | | |
| Implementation of 2016/17 FSD SBR savings | | | | Status: | | | On track |
| Publication of City Fund Accounts within Statutory Deadline | | | | Status: | | | On track |
| 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% | | | |
| Income from Chamberlains Court : Freedoms | Number of freedoms/period compared to same period in previous years (cumulative) | 1,937 | >15/16 | 457 | | | |
| 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 April and June 2016 a total of 457 people were admitted to the freedom, a slight decrease of 15 on the same period in 2015 (472). The

increase in the fee to £100 with effect from 1 April 2015 seems to have very little impact on the numbers applying and being admitted.

3. On **Chamberlain's Court** retail sales – In terms of merchandise sales between April and July 2015 the gross sales for the Chamberlain's Court were in the order of £27,157 of which £6,597 was profit. The same period in 2016 yielded gross sales in the region of £25,428 of which £12,432 was profit. The increase in profits is the result of the introduction of new merchandise, more economic procurement of stock and keener pricing structures. A total of 394 frames were purchased, so 86% of people attending ceremonies purchased one. These remain our best seller and yield our largest profit. We are also seeking to expand our range of merchandise for female freemen and an attractive ladies enamel brooch was launched in late August.

Other key areas of work

4. A few key areas to draw out from the division's work over the last quarter:
5. On the **Service Based Review Cross Departmental Workstreams**, implementing the **operational property review** continues to be a main focus, prioritising the new Cyclical Works Programme bid for 2017/18 and taking individual property opportunities through Service Committees. 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 and undertaking detailed data analysis on the Guildhall FM review and preparatory work for the Barbican Centre FM Review.
6. On the **income generation** workstream, we have been working with the Chief Planning Officer on proposals for introducing Planning Performance Agreements and we are reviewing our fees and charges.
7. We have been continuing work in refining the **Efficiency Plan** following consultation with Committees. The proposed plan will be presented to Finance Committee and Policy & Resources Committee for approval in September 2016 (included within this agenda). The four year funding settlement (2016/17 to 2019/20) is on the proviso of the publication of an efficiency plan by 14 October 2016. The key proposals include:
 - Annual savings target of 1-2% across all departments from 2018/19.
 - Cross cutting theme reviews.
 - Making a step change from making cost savings to transformation.
8. Work supporting the review of the Guildhall School's operating model by PA Consulting has been on-going over the last quarter, with emerging findings and recommendations now being considered.
9. The **underlying financial position for the Police** remains challenging with deficits forecast across the period and reserves exhausted during 2017/18. This is despite implementing a challenging savings plan and previous budget reductions resulting in a 22% decrease in the number of police officers and

£20.2m removed from the budget. Support is being provided to the Police in developing a further efficiency and change programme to ensure the force is sustainable.

10. **Debt management:** We continue to work with colleagues on reducing outstanding debt from investment property tenants. Another key focus has been tackling and reducing outstanding debt over the corporate target of 120 days for services provided to other local authorities for hazardous waste disposal and animal health services. With the City of London having local authority functions, this limits the level of debt recovery action one local authority can take against another. By writing directly to the Head of Finance/Chief Executive we have received some £48,000 of the outstanding debt and have identified key contacts at each of the local authorities to enable quicker payments in the future. When we began this campaign at the end of May 2016 there was just under £53,000 of debt falling into this category. The debts in excess of 120 days in respect of local authorities currently stands at just under £12,000 of which £4,900 remains outstanding from May. This targeted approach was also successfully applied to debts owed by Utilities securing payment of a further £17,550 of some £18,000 long outstanding debt. The current debt level for Utilities stands at just under £6,000 of which £450 remains unpaid for May.
11. **Consultation responses:** The Department for Communities and Local Government has issued a consultation document seeking views on issues that should be considered when designing the 100% business rates retention system. We have been working on the response, which is included within the agenda for this Committee.
12. **Oracle:** Profiling of revenue budgets is now operational and automated year end forecasting will be fully functioning from 2017/18. A pilot project has commenced for forecasting project spend on individual projects. Following initial feedback improvements are being made to the functionality and reports before full implementation in the New Year.
13. **Corporate Treasury.** The June insurance renewals have all been placed. Tender documents are out for property (renewal due in December). The Fine Art specification being is currently being finalised (also due for renewal in December). Transition from one UK equity fund manager to two UK equity fund managers completed in June.

Conclusion

14. The division is delivering all its core objectives. The key challenges over the next quarter will be the production of the City's Cash and Bridge House Estates financial statements, developing the reporting from the oracle system and setting the budget.

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Appendix 1

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: 20 September 2016 |
| Subject: Risk Management – Monthly Report | Public |
| Report of: The Chamberlain | For Information |
| Report author: Matt Lock, 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:

- **CR19 - IT Service Provision**

This risk remains RED and is expected to reduce to AMBER by 31 December 2016 with steady progress to GREEN in the following months. Stabilisation remains a primary focus of the IT Division; a more robust approach to managing change has been adopted, reducing the risk of service interruption.

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 Status: RED – no change)

Initial work has been completed to identify the key components of the IT infrastructure and core business applications that will reach end of life or need re-procurement over the next 5 years. This process has identified a bow wave of investment that will need to be evaluated against risk, business need and affordability. This work will be shared with key stakeholders and will form the basis of a refreshed IT Roadmap.

Initial scoping of the Joint Network Refresh Programme is complete; this has highlighted weakness in the original design and planning assumptions in that the proposed work did not offer an end to end solution that would eliminate the risks in the current infrastructure. Further work is being commissioned to establish a comprehensive baseline and to re-plan the project addressing the issues around resilience. A fully costed high level solution design will be completed by December 2016, with implementation scheduled after that point.

Allocation of new IT equipment under the Joint End User Device Renewal Project is progressing well, with new devices issued to users of the oldest desktop equipment. This has reduced the risk of PCs and laptops failing unexpectedly and, correspondingly the number of urgent IT service calls has reduced.

Conclusion

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

Matt Lock

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| | |
|--|------------------------------|
| Committee: Finance Committee | Date: 20 Sept 2016 |
| Subject: Central Contingencies | Public |
| Report of: Chamberlain | For Information |
| Report author: Stephen Telling, Chamberlain's Department | |

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 £130,000 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.

| 2016/17 Contingencies – Uncommitted Balances at 07 September 2016 | | | | |
|---|-------------------------|-----------------------|-------------------------------------|----------------|
| | City's Cash £'000 | City Fund £'000 | Bridge House Estates £'000 | Total £'000 |
| General Contingencies | 858 | 800 | 50 | 1,708 |
| National and International Disasters | 130 | 0 | 0 | 130 |
| Uncommitted Balances | 988 | 800 | 50 | 1,838 |

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

5. Recommendations

Members are asked to note the report.

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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 | £16,800 to fund the staffing of the Central Grants Unit for a total of 3 months. | TC | 16,800 | |
| 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 | | | 401,800 |
| | Balance remaining prior to any requests that may be made to this meeting | | | 858,200 |

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 | |
| | Total allocations agreed to date | | | 118,000 |
| | Balance remaining prior to any requests that may be made to this meeting | | | 800,000 |

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 | |
| | Total allocations agreed to date | | | 50,000 |
| | Balance remaining prior to any requests that may be made to this meeting | | | 130,000 |

Key to Responsible Officers

CS: City Surveyor

TC: Town Clerk

C&CS: Comptroller and City Solicitor

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