



Finance Committee

Date: TUESDAY, 12 DECEMBER 2017

Time: 1.45 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:

| | |
|--|---|
| Jeremy Mayhew (Chairman) | Gregory Lawrence |
| Deputy Jamie Ingham Clark (Deputy Chairman) | Tim Levene |
| Randall Anderson | Oliver Lodge |
| Alderman Nick Anstee | Paul Martinelli |
| Nicholas Bensted-Smith | Deputy Robert Merrett |
| Chris Boden | Hugh Morris |
| Mark Bostock | Deputy Henry Pollard |
| Deputy Roger Chadwick | William Pimlott |
| Dominic Christian | Alderman Matthew Richardson |
| Karina Dostalova | Alderman William Russell |
| Simon Duckworth | James de Sausmarez |
| Alderman Peter Estlin | Ian Seaton |
| Sophie Anne Fernandes | Sir Michael Snyder |
| Sheriff & Alderman Timothy Hailes | Deputy James Thomson |
| Caroline Haines | Deputy Philip Woodhouse |
| Christopher Hayward | Sir Mark Boleat (Ex-Officio Member) |
| Deputy Tom Hoffman | Deputy Catherine McGuinness (Ex-Officio Member) |
| Michael Hudson | Andrew McMurtrie (Ex-Officio Member) |
| Deputy Wendy Hyde | Deputy Alastair Moss (Ex-Officio Member) |
| Deputy Clare James | |

Enquiries: John Cater
Tel no: 020 7332 1407
john.cater@cityoflondon.gov.uk

Lunch will be served for Members in Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio 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 21st November 2017.

For Decision
(Pages 1 - 8)

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Report of the Town Clerk.

For Information
(Pages 9 - 10)

5. **COMMITTEE'S TERMS OF REFERENCE**

Report of the Town Clerk.

For Decision
(Pages 11 - 14)

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

Report of the Town Clerk.

For Information
(Pages 15 - 16)

7. **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 15 November 2017 (Pages 17 - 22)

b) Draft public minutes of the Finance Grants Sub-Committee held on 21 November 2017

To Follow

c) Draft public minutes of the Corporate Asset Sub-Committee held on 22 November 2017 (Pages 23 - 28)

d) Draft public minutes of the Information Technology Sub-Committee held on 24 November 2017 (Pages 29 - 34)

8. **CHAMBERLAIN'S DEPARTMENT - DRAFT DEPARTMENTAL BUSINESS PLAN 2018/19**
Report of the Chamberlain.
For Information
(Pages 35 - 40)
9. **RISK MANAGEMENT - TOP RISKS**
Report of the Chamberlain.
For Information
(Pages 41 - 42)
10. **CITY PROCUREMENT QUARTERLY PROGRESS**
Report of the Chamberlain.
For Information
(Pages 43 - 48)
11. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 49 - 50)
12. **PILOT SCHEME FOR BUSINESS RATES DEVOLUTION IN LONDON**
Joint Report of the Chamberlain and the Remembrancer.
To Follow.
For Decision
13. **THE KENLEY FUND**
Report of the Superintendent of The Commons.
For Decision
(Pages 51 - 54)
14. **AUTUMN BUDGET 2017**
Report of the Chamberlain.
For Information
(Pages 55 - 58)
15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
17. **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

18. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 21 November 2017.
For Decision
(Pages 59 - 66)
19. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 67 - 68)
20. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
Report of the Town Clerk.
For Information
(Pages 69 - 70)
21. **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 15 November 2017 (Pages 71 - 74)
 - b) Draft non-public minutes of the Finance Grants Sub-Committee held on 21 November 2017
To Follow
 - c) Draft non-public minutes of the Corporate Asset Sub-Committee held on 22 November 2017 (Pages 75 - 82)
 - d) Draft non-public minutes of the Information Technology Sub-Committee held on 24 November 2017 (Pages 83 - 86)
22. **REVENUE AND CAPITAL BUDGETS - OPERATIONAL SERVICES 2018-19**
Report of the Chamberlain.
To Follow.
For Information
23. **ACTION AND KNOW FRAUD CENTRE - CONTRACT SERVICE BUDGET**
Report of the Commissioner of the City of London Police.
For Decision
(Pages 87 - 96)
24. **WASTE COLLECTION, STREET CLEANSING AND ANCILLARY SERVICES - PROCUREMENT STAGE 1**
Joint Report of the Chamberlain and the Director of the Built Environment.
For Decision
(Pages 97 - 102)

25. **BARBICAN WRITE OFF**
Report of the Director of Community and Children's Services.
For Decision
(Pages 103 - 104)
26. **CARE COSTS WRITE OFF**
Report of the Director of Community and Children's Services.
For Decision
(Pages 105 - 108)
27. **DEPARTMENTAL RESPONSE TO CHIEF OFFICER PURCHASE CARDS**
Report of the Chamberlain.
For Decision
(Pages 109 - 114)
28. **AGILISYS CONTRACT EXTENSION RECOMMENDATIONS**
Report of the Chamberlain.
For Decision
(Pages 115 - 118)
29. **CITY OF LONDON FREEMEN'S SCHOOL - 2016 MASTERPLAN PROGRAMME & PROGRESS**
Report of the Headmaster, City of London Freemen's School and the City Surveyor.
For Decision
(Pages 119 - 126)
30. **CITY FUND & CITY'S ESTATE HIGHWAY DISPOSAL - 22 BISHOPSGATE**
Report of the City Surveyor.
For Decision
(Pages 127 - 132)
31. **BRIDGE HOUSE ESTATES, 2 KENNINGTON ROAD, LONDON SE1 - FREEHOLD DISPOSAL**
Report of the City Surveyor.
For Decision
(Pages 133 - 136)
32. **GLA ROADS - LAND DISPUTE WITH TRANSPORT FOR LONDON**
Joint Report of the Comptroller and the City Solicitor and the City Surveyor.
For Information
(Pages 137 - 144)
33. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
34. **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, 21 November 2017

Draft Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 21 November 2017 at 1.45 pm

Present

Members:

| | |
|---|---|
| Jeremy Mayhew (Chairman) | Deputy Clare James |
| Deputy Jamie Ingham Clark (Deputy Chairman) | Paul Martinelli |
| Randall Anderson | Deputy Robert Merrett |
| Alderman Nick Anstee | Hugh Morris |
| Nicholas Bensted-Smith | Deputy Henry Pollard |
| Mark Bostock | William Pimlott |
| Dominic Christian | James de Sausmarez |
| Simon Duckworth | Deputy Philip Woodhouse |
| Caroline Haines | Sir Mark Boleat (Ex-Officio Member) |
| Deputy Tom Hoffman | Deputy Catherine McGuinness (Ex-Officio Member) |
| Deputy Wendy Hyde | |

Officers:

| | | |
|---------------------|---|--------------------------------|
| Peter Lisle | - | Assistant Town Clerk |
| Peter Kane | - | Chamberlain |
| Michael Cogher | - | Comptroller and City Solicitor |
| Paul Wilkinson | - | City Surveyor |
| Caroline Al-Beyerty | - | Chamberlain's Department |
| Christopher Bell | - | Chamberlain's Department |
| Philip Gregory | - | Chamberlain's Department |
| Carla-Maria Heath | - | Chamberlain's Department |
| Sean Green | - | Chamberlain's Department |
| Kate Limna | - | Chamberlain's Department |

1. APOLOGIES

Apologies for absence were received from Deputy Roger Chadwick, Alderman Peter Estlin, Sophie Anne Fernandes, Christopher Hayward, Michael Hudson, Oliver Lodge, Alderman William Russell and Deputy James Thomson.

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

Jamie Ingham Clark declared a non-pecuniary interest in respect of item 33 due to him being a Church Warden for St Lawrence Jewry.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes of the meeting held on 12 September be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Members received a report of the Town Clerk which set out outstanding actions from previous meetings of the Committee. The following point was made.

The Chairman was keen to see progress on item 1, a report was due to be brought before Members at today's Committee and he hoped that further delays could be avoided.

RESOLVED – That members noted the report.

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

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

RESOLVED – that Members noted the report.

6. **MINUTES OF SUB-COMMITTEES**

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

- Corporate Asset Sub-Committee held on 5th October 2017 (Draft);
- Efficiency and Performance Sub-Committee held on 26th September 2017; and
- Information Technology Sub-Committee held on 18th September 2017 (Draft).

a) **Draft public minutes of the Information Technology Sub-Committee held on 18 September 2017**

RESOLVED – That the draft public minutes of the Information Technology Sub-Committee meeting held on 18 September 2017 were noted.

b) **Public minutes of the Efficiency and Performance Sub-Committee held on 26 September 2017**

RESOLVED – That the public minutes of the Efficiency & Performance Sub-Committee meeting held on 26 September 2017 were noted.

c) **Draft public minutes of the Corporate Asset Sub-Committee held on 5 October 2017**

RESOLVED – That the draft public minutes of the Corporate Assets Sub-Committee meeting held on 5th October 2017 were noted.

7. **CITY'S CASH FINANCIAL STATEMENTS - 2016/17**

Members received a Report of the Chamberlain on City Cash's Financial Statements for 2016/17. The following points were made.

A Member asked whether City Re could be located in London, but it was explained that the re-insurance expertise was located in the Channel Islands and was not available in London.

Separately, concerns were raised about the impact of Brexit on the rental property income stream (roughly 50% of total income). Officers reassured members that, so far, no noticeable drop had been detected, current analysis indicates a worst case estimate of a 15% drop.

RESOLVED – that Members;

- Considered the contents of the Audit Management Report issued by Moore Stephens LLP;
- Approved the City's Cash Financial Statements for the year ended 31 March 2017, taking account of any observations from the Audit and Risk Management Committee; and
- Agreed that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

8. **BUSINESS PLAN HALF YEAR UPDATE**

Members received a Report of the Chamberlain on the Chamberlain's department Business Plan 2017/18.

RESOLVED – that Members noted the Report.

9. **HALF-YEARLY BUDGET MONITORING REPORT**

Members received a Report of the Chamberlain on budget monitoring for quarter two. The following points were made.

The Chamberlain highlighted the two key causes of the deterioration of the year end forecast – the Police budget deficit and unexpected costs borne by the City Surveyor.

The Chairman stressed that he was most concerned about the variance the Police are forecasting; he appreciated the need to support the Police and recognised the demands under which they operate, but reiterated that the key issue for the Finance Committee was ensuring that CoLP returns robust and reliable forecasts.

The Chairman and Chamberlain will meet with the Police Committee Chairman, and Commissioner soon to discuss these and other issues.

RESOLVED – that Members noted the Report

10. RISK MANAGEMENT - QUARTERLY UPDATE

Members received a report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register.

The Deputy Chairman noted that IT Service Provision was considered a red risk – it was natural caution that delayed the reduction to amber, with the final decommission of aged and vulnerable equipment due at the end of 2017, it was anticipated that the risk would be reduced to amber in early 2018 and green later in the year.

A Member queried the level of security outlook offered with regards to the Committee agenda packs. Other organisations in both the public and private sectors used the Egress data transfer service; this was considered a more secure platform than Outlook and should be examined by officers in both the Town Clerk's and Chamberlain's departments.

RESOLVED – that Members noted the report.

11. FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE

Members received a Report of the Chamberlain providing a quarterly update for the Financial Services Division.

RESOLVED – that Members noted the Report.

12. FINANCE COMMITTEE CONTINGENCIES

Members received a Report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

RESOLVED – that Members noted the report.

13. TENDER FOR EXTERNAL AUDITOR

Members received a Report of the Chamberlain about the procurement process so far followed, and the route to appointing the external auditor for the City Fund and Pension Fund by 31 December 2017. The following point was made.

The Chairman confirmed that a recommendation of an auditor had been made, but its identity remained confidential until Court of Common Council on 7th December.

RESOLVED – that Members noted the Report.

14. DISCRETIONARY COUNCIL TAX DISCOUNTS AND EXEMPTIONS

Members received a Report of the Chamberlain regarding the Discretionary Council Tax discounts and exemptions.

RESOLVED – Members approved the following;

- Agreed that, from the financial year 2017/18, 100% discretionary discounts be awarded to care leavers within the City up to the age of 25 under Section 13A of the Local Government Finance Act 1992, subject to liability considerations;
- Agreed from the financial year 2017/18, to award discretionary discounts under Section 13A of the Local Government Finance Act 1992 to provide Council Tax Support (CTS) in exceptional circumstances as set out in paragraphs 16 to 19;
- Delegated authority to the Chamberlain to administer the discounts.

15. ANNUAL ON-STREET PARKING ACCOUNTS 2016-17 AND RELATED FUNDING OF HIGHWAY IMPROVEMENTS AND SCHEMES

Members received a Report of the Chamberlain about the annual on-street parking accounts 2016/17.

RESOLVED – that Members noted the Report.

16. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered a report of the Town Clerk which provided information of the action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order 41(b). The decision related to the Donation to the British Red Cross – Myanmar Appeal, via the Finance Committee City Cash Contingency Fund, taken under delegated authority.

RESOLVED – That the Committee notes the report.

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

There were no questions.

18. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

19. EXCLUSION OF THE PUBLIC

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

20. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

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

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

Members received a report of the Town Clerk which set out outstanding actions from previous non-public minutes of the Committee.

RESOLVED – that Members noted the Report.

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

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

23. **NON-PUBLIC MINUTES OF SUB-COMMITTEES**

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

- Corporate Asset Sub-Committee held on 5th October 2017 (Draft);
- Efficiency and Performance Sub-Committee held on 26th September 2017; and;
- Information Technology Sub-Committee held on 18th September 2017 (Draft).

a) **Draft non-public minutes of the Information Technology Sub-Committee held on 18 September 2017**

The non-public draft minutes of the Information Technology Sub-Committee meeting held on 18th September were noted.

b) **Non-public minutes of the Efficiency and Performance Sub-Committee held on 26 September 2017**

The non-public minutes of the Efficiency & Performance Sub-Committee meeting held on 26 September were noted.

c) **Draft non-public minutes of the Corporate Asset Sub-Committee held on 5 October 2017**

The non-public draft minutes of the Corporate Asset Sub-Committee meeting held on 5th October were noted.

24. **PROCUREMENT WAIVERS APPROVED SINCE THE LAST MEETING**

Members received a Report of the Chamberlain.

25. **IT NETWORK TRANSFORMATION PROGRAMME - LOCAL AREA NETWORK REFRESH - GATEWAY 5**

Members received a Report of the Chamberlain.

26. **ENERGY BUYING SERVICES**

Members received a Report of the Chamberlain and the City Surveyor.

27. **GUILDHALL COMPLEX - UPDATE FINANCE REPORT**
Members received a Report of the City Surveyor.
28. **WRITE-OFF - EAGLE CARGO SERVICES LTD**
Members received a Report of the Director of Markets and Consumer Protection.
29. **SALE OF 193 FLEET STREET, EC4**
Members received a Report of the City Surveyor.
30. **CIPFA - REQUEST FOR A LOAN**
Members received a late report of the Chamberlain.
31. **CENTRAL LONDON WORK HEALTH PROGRAMME: PROCUREMENT STAGE 3 TENDER REPORT**
Members received a Report of the Chamberlain.
32. **ANNUAL ALLOWANCE - VOLUNTARY SCHEME PAYS OPTION**
Members received a Report of the Chamberlain.
33. **ST LAWRENCE JEWRY CHURCH - REPORT**
Members received a Report of the City Surveyor.
34. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Members received a report of the Town Clerk.
35. **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.
36. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
Members received an item of non-public urgent business relating to 143 New Bond Street.

The meeting ended at 3.30 pm

Chairman

Contact Officer: John Cater
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john.cater@cityoflondon.gov.uk

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Finance Committee – Outstanding Actions

ITEM 4

| Item | Date | Item and Action | Officer responsible | To be completed/ progressed to next stage | Progress Update |
|------|------------------------------------|---|--|---|--|
| 1 | 6 June 2017, item 14 | <p><u>Departments being charged for their use of the Comptroller’s Department’s services</u></p> <p>The Chairman asked for a report to the Committee during Autumn 2017, setting out proposals for an internal charging mechanism for legal services, for implementation in 2018/19, and potentially for other centrally provided services.</p> | Chamberlain and Comptroller and City Solicitor | February 2018 | Work is underway but not yet completed due to competing working priorities to explore possible internal charging mechanisms for central services, using legal services as the pilot area. Findings to be reported to February’s Finance Committee. |
| 2 | 6 th June 2017, Item 11 | <p><u>Agilisys’ Apprenticeship Roles</u></p> <p>The Chamberlain explained that around 50% of this target had been reached. The Committee agreed that a report on this matter should be submitted to the IT Sub-Committee.</p> | Chamberlain | IT Sub Committee – 9 Feb 2018 | Covered at IT Sub-Committee 24 th November - Agilisys are signing up to additional and different corporate social responsibilities. Details of this will be presented to the IT Sub-committee in February 2018. |
| 3 | 31 Jan 2017, Item 12 | <p><u>Corporate Purchase Cards</u></p> <p>A report to be provided in one year’s time to provide an update on progress with reducing the number of rarely-used Purchase Cards and in reducing the use of purchase cards for expenses.</p> | Chamberlain | January 2018 | A report will be provided in January 2018. |

| Item | Date | Item and Action | Officer responsible | To be completed/ progressed to next stage | Progress Update |
|------|--------------|---|---|--|--|
| 4 | 12 September | <u>Pilot Scheme for Business Rates Devolution in London</u> The Chairman asked for a note of the above debate to be included in the Finance Committee's Resolution to the Policy and Resources Committee. | Town Clerk | December 2017 | Report to be submitted to December meetings of Finance, P&R and Court of Common Council. |
| 5 | 21 November | <u>Risk Management</u> A Member queried the level of security Microsoft Outlook offered with regards to the Committee agenda packs. Other organisations, in both the public and private sectors, used the Egress data transfer service, this was considered a more secure platform than Outlook and should be examined by officers in both the Town Clerks' and Chamberlain's departments. | Town Clerk in consultation with the IT Director | December 2017 | Scheduled meeting between senior team representatives within Town Clerk's and IT Director on 11 December to discuss. |

| | |
|--|----------------------------------|
| Committee: Finance Committee | Date: 12 December 2017 |
| Subject: Annual Review of the Committee's Terms of Reference | Public |
| Report of: Town Clerk | For Decision |
| Report author: John Cater, Town Clerk's Department | |

Summary

As part of the post-implementation review of the changes made to the governance arrangements in 2011, it was agreed that all committees should review their terms of reference annually. This enables any proposed changes to be considered in time for the reappointment of Committees by the Court of Common Council.

It is not proposed to make any amendments to the Committee's Terms of Reference. The Terms of Reference of the Finance Committee are attached as an appendix to this report for your consideration.

Recommendation

That the Committee:

- a) subject to any comments and agreement, approves the Terms of Reference of the Finance Committee for submission to the Court, as set out in the appendix 1;
- b) considers the frequency of meetings of the Committee; and
- c) agrees that any changes to the Terms of Reference required in the lead up to the appointment of Committees be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman.

Main Report

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

1. There are no amendments which are proposed to the Committee's Terms of Reference.
2. These proposed amendments are set out within the Terms of Reference set out at Appendix 1.
3. In addition, Members are asked to consider the frequency of meetings for the Committee. Currently meetings of the Committee are scheduled to be held every four weeks. In 2018, eleven meetings of the Committee are scheduled.

Appendices

- Appendix 1 – Finance Committee Terms of Reference

Contact:

John Cater

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Email: John.Cater@cityoflondon.gov.uk

FINANCE COMMITTEE

1. Constitution

A Ward Committee consisting of,

- four Aldermen nominated by the Court of Aldermen
- up to 31 Commoners representing each Ward (two representatives for the Wards with six or more Members regardless of whether the Ward has sides) or Side of Ward
- the Chairman and Deputy Chairman of the Policy & Resources Committee (ex-officio)
- the Chairman and Deputy Chairman of the Investment Committee (ex-officio)

2. Quorum

The quorum consists of any nine Members.

3. Terms of Reference

To be responsible for:-

Finance

- (a) Ensuring effective arrangements are made for the proper administration of the City Corporation's financial affairs;
- (b) considering the annual budget of the several committees, to ascertain that they are within the resources allocated, are applied to the policies for which those resources were allocated and represent value for money in the achievement of those policies;
- (c) determining annually, with the Resource Allocation Sub-Committee, the appropriate performance return bench marks for the City's and Bridge House Estates;
- (d) obtaining value for money in all aspects of the City of London Corporation's activities;
- (e) monitoring performance against individual Departmental Business Plans and bringing about improvements in performance;
- (f) the effective and sustainable management of the City of London's operational assets, to help deliver strategic priorities and service needs;
- (g) overseeing the City of London Corporation's approved list of contractors and consultants;
- (h) dealing with requests for allowances, expenses, insurance, business travel, treasure trove and Trophy Tax;
- (i) providing strategic oversight and performance management of all grant giving activity by the Corporation, excluding the City Bridge Trust.
- (j) making recommendations to the Court of Common Council in respect of:-
 - (i) the audited accounts, the Annual Budget and to recommend the non-domestic rate and Council Tax to be levied and to present the capital programme and make recommendations as to its financing;
 - (ii) the appointment of the Chamberlain;
- (k) strategies and initiatives in relation to energy;

Information Technology

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

Sub-Committees

- (m) appointing such Sub-Committees as are considered necessary for the better performance of its duties including the following areas:-
 - Efficiency & Performance
 - Finance Grants Oversight and Performance
 - Information Technology
 - Corporate Assets

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| | |
|--|----------------------------------|
| Committee: Finance Committee | Date: 12 December 2017 |
| Subject: Public Report of the work of the Sub-Committees | Public |
| Report of: Town Clerk | For Information |
| Report author: John Cater, Town Clerk's Department | |

Summary

On 19 July 2016, the Finance Committee agreed that, in addition to draft minutes of Sub-Committee meetings, short reports be provided to advise the Committee of the main issues considered by the Sub-Committees at recent meetings. This report sets out some of the main public issues considered by the following Sub Committees since 15 November 2017:

Efficiency & Performance Sub Committee Meeting – 15 November 2017

Corporate & Departmental Business Planning

The Sub-Committee received a report of the Town Clerk on Corporate and Departmental Business Planning. The following points were made.

Officers confirmed that the Corporate Plan and departmental business plans would be aligned. Members would see this in forthcoming committee meetings in the run-up to Christmas. The Chairman stressed that it was important for officers to highlight and communicate to Members what had changed in departmental high-level business plans.

Members were eager to view this as an opportunity to encourage greater collaboration and participation. The Sub-Committee should be enabling people and resources across the Corporation to come together. To generate momentum, it was important to focus on 5 or 6 strategic outcomes that the City wishes to promote, and for officers and Members to work at pace. Once the outcomes were agreed, the “hows” should be devolved, with officers working within a framework providing both accountability, and the flexibility to adjust course if things don't run as anticipated. Bureaucracy should be avoided wherever possible.

Finance Grants Oversight and Performance Sub Committee Meeting – 21 November 2017

Verbal Update

Corporate Asset Sub Committee Meeting – 22 November 2017

Energy Temperature Policy & Sub-Metering Update

Members received a Report of the City Surveyor on the temperature policy and sub-metering. The following points were made.

A Member queried the reasoning behind the target temperature of 21C, asking whether officers had considered a lower target, officers responded that this was a widely held guideline across the industry.

Officers reassured Members that further consultation at local levels would be carried out to ensure implementation, and confirmed that the policy would apply across all major operational buildings.

In terms of the sub-metering study, officers would return in February 2018 with the Gateway 2 report before it goes to Projects Sub Committee.

Information Technology Sub Committee Meeting – 24 November 2017

Broadband Roll Out Update

Members received a Report of the Chamberlain related to the rollout of wired and wireless connectivity across the City.

After a query from a Member, officers confirmed the roll out of fibre to the premises will include all commercial and residential buildings in the City.

Members were keen to see officers utilizing all channels in communicating to residents and businesses the changes taking place, as the majority freeholder, the City is in an ideal position to ensure residents on the major housing estates are kept informed. A Member suggested that an article in the Ward Newsletters should be explored. Officers confirmed that the City has communicated the project via online channels but it was important to keep up the drum beat next year.

A Member queried whether the FTTP rollout would include the older tall residential buildings, in response officers confirmed that these would not pose a problem, and that a fully comprehensive rollout was anticipated.

A Member requested we explore whether we could make provisions for the data sets to be included in the contracts (this hadn't been the case previously). Officers would come back to Members in due course.

Recommendations

The Committee is asked to note the report.

John Cater

Senior Committee Services Officer, Town Clerk's Department

john.cater@cityoflondon.gov.uk

EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Wednesday, 15 November 2017

Draft Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Wednesday, 15 November 2017 at 11.00 am

Present

Members:

Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy Chairman)
Alderman Peter Estlin
Ian Seaton
Deputy Philip Woodhouse

Officers:

| | | |
|------------------|---|--------------------------|
| John Cater | - | Town Clerk's Department |
| Peter Kane | - | Chamberlain |
| Paul Wilkinson | - | City Surveyor |
| Kate Smith | - | Town Clerk's Department |
| Neil Davies | - | Town Clerk's Department |
| Philip Gregory | - | Chamberlain's Department |
| Geoff Parnell | - | Chamberlain's Department |
| Christopher Bell | - | Chamberlain's Department |
| Adam Perry | - | Chamberlain's Department |

1. **APOLOGIES**

Apologies were received from Randall Anderson.

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 of the meeting held on 26 September 2017 be agreed as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

The Town Clerk distributed a renewed outstanding actions sheet.

RESOLVED – that Members noted the Report.

5. **WORK PROGRAMME AND FUTURE REPORTING**

5.1 **Work Programme for future meetings**

The Sub-Committee received a report of the Town Clerk which set out the work plan for future meetings.

The following point was made; Officers queried whether retaining the currently planned cycle of meetings for the first half of 2018 – January, March, April and June would be the most practicable - it was proposed that the January and March session could be merged into a February meeting. The Chairman responded that it was important to retain the January meeting, however, the Town Clerk should investigate whether it was possible to move the meeting (currently scheduled for the 12th) to later in the month.

RESOLVED – That the Sub-Committee notes the report.

5.2 **Departmental Reporting**

The Sub-Committee received a report of the Town Clerk which set out the focus of departmental reporting to the Efficiency & Performance sub-Committee in 2018 and beyond. The following points were made.

Members were keen to explore ways in which they could encourage change and positively reward departments for good performances; the Chairman suggested that there was a range of options the Sub-Committee could pursue, with the Audit and Risk Management Committee providing a useful exemplar of how Members can be both challenging and supportive. The Town Clerk would work with the Chamberlain to develop a revised workplan, including an officer mechanism for reviewing and filtering departmental reports, and agreeing which need to go to the Sub-Committee.

A member queried whether it would be a useful exercise for members to go into departments, both to get an understanding of some of the day-to-day challenges facing officers and as a way of demonstrating the value and reputation of the Sub-Committee in supporting the work of departments across the City Corporation. The Chairman and Deputy Chairman would speak to the Chamberlain about the practicalities of taking this idea forward.

The Town Clerk agreed to revise the work programme and departmental reporting proposal to reflect this discussion.

RESOLVED – that Members noted the Report.

6. **SBR CROSS-CUTTING REVIEWS**

The sub-Committee received a joint report of the Chamberlain and the Town Clerk on SBR Cross-Cutting Reviews. The following point was made.

In response to a Member query relating to paragraph 33, officers confirmed that the City Corporation continued to subsidise means-tested bursaries for Independent Schools.

The Chairman formally thanked Neil Davies for his contribution to the Sub-Committee; Neil's successor would be in place in the middle of January 2018.

RESOLVED – That members noted the report and endorsed the proposal for future reporting to the Sub-Committee.

7. **CORPORATE & DEPARTMENTAL BUSINESS PLANNING**

The Sub-Committee received a report of the Town Clerk on Corporate and Departmental Business Planning. The following points were made.

Officers confirmed that the Corporate Plan and departmental business plans would be aligned. Members would see this in forthcoming committee meetings in the run-up to Christmas. The Chairman stressed that it was important for officers to highlight and communicate to Members what had changed in departmental high-level business plans.

Members were eager to view this as an opportunity to encourage greater collaboration and participation. The Sub-Committee should be enabling people and resources across the Corporation to come together. To generate momentum, it was important to focus on 5 or 6 strategic outcomes that the City wishes to promote, and for officers and Members to work at pace. Once the outcomes were agreed, the "hows" should be devolved, with officers working within a framework providing both accountability, and the flexibility to adjust course if things don't run as anticipated. Bureaucracy should be avoided wherever possible.

RESOLVED – that Members noted the Report.

8. **EFFICIENCY AND SUSTAINABILITY PLAN UPDATE - CENTRAL RISK REVIEW**

The Sub-Committee received a Report of the Chamberlain on the Efficiency and Sustainability Plan – Central Risk Review. The following points were made.

Members expressed unease about underspends. Officers responded that a risk-averse approach, in recent years, had been a problem; however, departments were getting to a better place, but more work was needed. The Chairman was concerned that changes to the policy on material departmental underspends (at end of financial year), should not result in the unintended consequence of departments rushing to spend their remaining budgets in the final few weeks before 31st March - this would be bad practice, and was unlikely to result in longer term benefits.

Officers responded that departments currently had the fall-back options of carry forwards and earmarked reserves. The Chairman stressed that the Chamberlain's Department should be alert to behavioural changes; any

unintended consequences of a shift in policy on underspends needs to be identified quickly.

RESOLVED – That Members note the Report.

9. **CHAMBERLAIN'S DEPARTMENT EFFICIENCY AND SUSTAINABILITY PROPOSALS**

The Sub-Committee received a Report of the Chamberlain on the Chamberlain's Department Efficiency and Sustainability Proposals. The following point was made.

The Corporate Efficiency and Sustainability Plan requires Chief Officers to identify sustainable efficiencies of 2% each year for the three years from 2018/19. For the Chamberlain's department, this equates to approximately £460,000 in the first year.

The Chamberlain drew Members attention to paragraph 9, which provided a menu of efficiency proposals for 2018/19, and stressed the importance of working with other departments. In addition to direct action to reduce the department's own cost base, the Chamberlain's department plays an important role in supporting all other departments in achieving their efficiency plans. Finance teams were embedded within departments, working in partnership to ensure value for money. Similarly, procurement and commercial management teams were working with colleagues across the organisation to secure the most advantageous contract arrangements for the City Corporation.

RESOLVED – that Members noted the Report.

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.

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

RESOLVED - That the non-public minutes of the meeting held on 26th September 2017 be agreed as an accurate record.

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

Members received a Report of the Town Clerk on outstanding actions from the non-public minutes of previous meetings.

RESOLVED – that Members noted the Report

15. **EFFICIENCY AND SUSTAINABILITY PLAN UPDATE - CHIEF OFFICER PEER REVIEW**

Members received a Report of the Chamberlain on the Efficiency & Sustainability Plan Update – Chief Officer Peer Review

RESOLVED – that Members noted the Report.

16. **SBR DEPARTMENTAL SAVINGS**

Members received a joint Report of the Chamberlain and the Town Clerk on the SBR Departmental Savings.

RESOLVED – that Members noted the report.

17. **FACILITIES MANAGEMENT REVIEW**

Members received a joint Report of the Town Clerk, the Chamberlain, and the City Surveyor on the Facilities Management Review.

RESOLVED – that Members noted the Report.

18. **COMMERCIAL CONTRACT MANAGEMENT**

Members received a Report of the Chamberlain on commercial contract management.

RESOLVED – that Members noted the Report.

19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE 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 no other business.

The meeting ended at 1.00 pm

Chairman

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CORPORATE ASSET SUB (FINANCE) COMMITTEE **Wednesday, 22 November 2017**

Draft Minutes of the meeting of the Corporate Asset Sub (Finance) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 22 November 2017 at 1.45 pm

Present

Members:

Nicholas Bensted-Smith (Chairman)
Dominic Christian (Deputy Chairman)
Randall Anderson
Mark Bostock
John Chapman
Alderman Alison Gowman
Deputy Edward Lord
Deputy Jamie Ingham Clark
Jeremy Mayhew
Deputy John Tomlinson
Deputy Philip Woodhouse

Officers:

| | | |
|-----------------|---|--|
| John Cater | - | Town Clerk's Department |
| Paul Wilkinson | - | City Surveyor |
| Peter Young | - | City Surveyor's Department |
| Andrew Crafter | - | City Surveyor's Department |
| Mansi Sehgal | - | City Surveyor's Department |
| Dorian Price | - | City Surveyor's Department |
| Alison Hurley | - | City Surveyor's Department |
| Chris Hartwell | - | City Surveyor's Department |
| Pascale Yart | - | City Surveyor's Department |
| Mike Kettle | - | Community and Children's Services Department |
| Jonathon Poyner | - | Barbican Centre |
| Jim Turner | - | Barbican Centre |
| Hannah Bibbins | - | Guildhall School of Music and Drama |

1. APOLOGIES

Apologies were received from Karina Dostalova and Michael Hudson.

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

Jamie Ingham Clark declared a non-pecuniary interest in respect of item 22 due to him being a Church Warden for St Lawrence Jewry.

3. **MINUTES**

RESOLVED – that the public minutes of the previous meeting held on 5th October were approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Members received a report of the Town Clerk which provided information of outstanding actions from previous meetings.

RESOLVED – that Members noted the report.

5. **CITY SURVEYOR'S DEPARTMENTAL RISK REGISTER QUARTER 2**

Members received a Report of the City Surveyor regarding the Departmental Risk Register. The following point was made.

A Member expressed concern that the July 2017 target date for SMT005 (Recruitment and Retention) and the March 2017 target date for CB003 (Vessel strikes) and CB007 (Tunnelling for the Thames Tideway Tunnel) did not offer a current perspective on these risks. The City Surveyor confirmed that officers would review and come back to Members in early 2018 with an update.

RESOLVED – that Members noted the Report.

6. **ENERGY TEMPERATURE POLICY & SUB-METERING UPDATE**

Members received a Report of the City Surveyor on the temperature policy and sub-metering. The following points were made.

A Member queried the reasoning behind the target temperature of 21C, asking whether officers had considered a lower target, officers responded that this was a widely held guideline across the industry.

Officers reassured Members that further consultation at local levels would be carried out to ensure implementation, and confirmed that the policy would apply across all major operational buildings.

In terms of the sub-metering study, officers would return in February 2018 with the Gateway 2 report before it goes to Projects Sub Committee.

RESOLVED – that Members approved the following:

- Noted the contents of the report;
- Adopted the Temperature policy;
- Supported the recommendation to deliver the sub-metering works, noting a gateway 1/2 report will be prepared to initiate a new project.

7. **BARBICAN - TURRET AND CONTRACTOR'S OFFICE DISPOSAL REPORT**

Members received a report of the Director of Community & Children's Services regarding the declaration of surplus properties on the Barbican Estate.

RESOLVED – that Members approved both the former Contractor’s office at Andrewe’s House and the Turret at John Wesley Highwalk were surplus to the City’s operational requirements.

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

In response to a question about the status of outsourced staff at the City Corporation, the City Surveyor confirmed that all outsourced staff, employed via external contractors were paid the London Living Wage. Officers would, however keep the upcoming legal challenge (University of London’s outsourced staff) monitored.

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

There were no urgent items.

10. **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.

11. **NON-PUBLIC MINUTES**

Members received the non-public minutes of the previous Committee meeting on 5th October.

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

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

13. **CITY SURVEYOR’S BUSINESS PLAN 2017-18 QUARTER 2**

Members received a Report of the City Surveyor.

14. **ADDITIONAL WORKS PROGRAMME PROGRESS REPORT**

Members received a Report of the City Surveyor.

15. **CYCLICAL WORKS PROGRAMME PROGRESS REPORT**

Members received a Report of the City Surveyor.

16. **REVIEW OF FM AND ASSET MANAGEMENT SERVICE BASED REVIEW PROGRESS REPORT**

Members received a Report of the Town Clerk.

17. **ADDITIONAL CAPITAL FUNDS FOR CITY FUND PROPERTIES**

Members received a Report of the City Surveyor.

18. **ACCOMMODATION AND WAYS OF WORKING PROGRAMME - PROGRESS REPORT - VERBAL UPDATE**

Members received a verbal Report of the City Surveyor.

19. **CYCLICAL WORKS PROGRAMME (CWP) - PRIORITISATION OF PROJECTS**
Members received a Report of the City Surveyor.
20. **BARBICAN CENTRE CAPITAL PROJECTS PROGRESS REPORT**
Members received a Report of the Director – Operations and Buildings, Barbican Centre.
21. **GSMD PROJECTS UPDATE**
Members received a Report of the Director – Operations and Buildings, Barbican Centre
22. **ST. LAWRENCE JEWRY CHURCH - ISSUES REPORT**
Members received a Report of the City Surveyor.
23. **BARBICAN TURRET - GATEWAY REPORT**
Members received a Report of the Director of Community and Children's Services.
24. **BARBICAN CONTRACTOR'S OFFICE - GATEWAY REPORT**
Members received a Report of the Director of Community and Children's Services.
25. **30/34 MOORGATE, LONDON EC2 - HIGHWAY DISPOSAL**
Members received a Report of the City Surveyor.
26. **DELEGATED AUTHORITY REQUEST - HIGHWAY DISPOSAL 22 BISHOPSGATE EC2**
Members received a Report of the City Surveyor.
27. **PORT HEALTH TILBURY OFFICE - DISPOSAL**
Members received a Report of the Director – Port Health & Public Protection, Markets and Consumer Protection.
28. **RABBITS ROAD BRIDGE PLOT**
Members received a Report of the City Surveyor.
29. **CHEVENING ROAD DISPOSAL**
Members received a Report of the City Surveyor.
30. **CITIGEN 2016/17 ANNUAL REPORT**
Members received a Report of the City Surveyor.
31. **POLICY ON LANDLORD & TENANT ACT EXCLUSION - VERBAL UPDATE**
Members received a Report of the City Surveyor.
32. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
There were no questions.

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

There were two items of urgent non-public business.

The meeting ended at 3.30 pm

Chairman

Contact Officer: John Cater
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INFORMATION TECHNOLOGY SUB (FINANCE) COMMITTEE

Friday, 24 November 2017

Draft Minutes of the meeting of the Information Technology Sub (Finance) Committee held at Guildhall, EC2 on Friday, 24 November 2017 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Hugh Morris (Deputy Chairman)
Randall Anderson
Deputy Keith Bottomley
John Chapman
Jeremy Mayhew
Deputy Robert Merrett
Sylvia Moys

Officers:

| | | |
|----------------------|---|--|
| John Cater | - | Town Clerk's Department |
| Peter Kane | - | Chamberlain |
| Sean Green | - | Chamberlain's Department |
| Chris Bell | - | Chamberlain's Department |
| Steven Bage | - | Chamberlain's Department |
| Matt Gosden | - | Chamberlain's Department |
| Sam Key | - | Chamberlain's Department |
| Michael Cogher | - | The Comptroller and The City Solicitor |
| Bob Roberts | - | Director of Communications |
| Melissa Richardson | - | Town Clerk's Department |
| Gary Brailsford-Hart | - | City of London Police |

1. **APOLOGIES**

Apologies were received from Tim Levene and James Tumbridge.

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 of the meeting held on 18 September 2017 be approved as an accurate record.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

Members received a joint report of the Chamberlain and the Town Clerk which provided updates of outstanding actions from previous meetings.

RESOLVED – that Members noted the report.

5. **WORK PROGRAMME FOR FUTURE MEETINGS**

Members received a Joint Report of the Chamberlain and the Town Clerk.

RESOLVED – that Members noted the Report.

6. **IT DIVISION UPDATE**

Members received a Report of the Chamberlain regarding the IT Division. The following points were made.

A Member asked for clarity on how long the P2 incident with Vodafone lasted for. Officers responded that after 24 hours, a work around was identified, with the incident closed after 48 hours.

A Member queried the customer satisfaction regime, officers confirmed the rankings were out of 7.

A Member queried the background of the ANPR outage. In response, officers confirmed that the outage lasted for 3 hours, investigations are continuing, and officers will report back to Members in due course.

Members expressed concern about the P1 incident effecting the Barbican Library network and telephones, officers stressed that these incidents were rare.

A Member queried when the CyberArk PrivateArk deployment would be completed. Officers responded that they would return to Members with an update in due course.

The Deputy Chairman asked for more information about the status of the IT Transformation project, officers clarified that the heavy lifting was done, 80% of the roll out was complete.

RESOLVED – that Members noted the Report.

7. **HIGH CAPACITY HIGH DENSITY WIFI PROVISION FOR EVENTS**

Members received a Report of the Chamberlain regarding Wifi provision across the Guildhall complex.

Members queried the budget allocation for the project, officers confirmed that the costs would be covered for the IT Division's budget, and that the project was on course for completion before the March 2018 *Innovate Conference*.

RESOLVED – that Members noted the Report.

8. **IT DIVISION RISK UPDATE**

Members received a Report of the Chamberlain regarding the IT Division's risks.

A Member queried if the Internal Audit team had sight of these risks, officers confirmed that this was the case, the Chamberlain reiterated that this was a well embedded practice.

RESOLVED – that Members noted the Report.

9. **BROADBAND ROLL OUT UPDATE**

Members received a Report of the Chamberlain related to the rollout of wired and wireless connectivity across the City.

After a query from a Member, officers confirmed the roll out of fibre to the premises will include all commercial and residential buildings in the City.

Members were keen to see officers utilizing all channels in communicating to residents and businesses the changes taking place, as the majority freeholder, the City is in an ideal position to ensure residents on the major housing estates are kept informed. A Member suggested that an article in the Ward Newsletters should be explored. Officers confirmed that the City has communicated the project via online channels but it was important to keep up the drum beat next year.

A Member queried whether the FTTP rollout would include the older tall residential buildings, in response officers confirmed that these would not pose a problem, and that a fully comprehensive rollout was anticipated.

A Member requested we explore whether we could make provisions for the data sets to be included in the contracts (this hadn't been the case previously). Officers would come back to Members in due course.

RESOLVED – that Members noted the Report.

10. **CORPORATE WEBSITE DEVELOPMENT**

Members received a Report of the Town Clerk regarding the design, build, support and hosting for a new website.

The Deputy Chairman raised a concern that given the slow lead up time from design to launch, the current website would be out of date by 2020. Officers responded that a policy was in place to ensure City Corporation satellite websites evolved with technological changes, but to do this for the corporate website would be more challenging. Furthermore, officers confirmed that the website would be cloud based, meaning that material updates would be quicker and more straightforward. The Deputy Chairman reiterated his concern that officers should be cautious about building something that could be obsolete in a few years, and encouraged them to avoid complacency.

RESOLVED – that Members noted the Report.

11. GDPR REPORT

Members received a Report of the Comptroller and the City Solicitor regarding the General Data Protection Regulation (GDPR). The following points were made.

A Member queried which Committee had oversight of data protection reporting, the Comptroller and the City Solicitor confirmed that routine reporting would go to this Sub-Committee and the Audit and Risk Committee, if any serious concerns arose, P&R and Finance would exercise ultimate oversight.

A Member asked about Subject Access Requests. The Chamberlain responded that work was being undertaken to prepare for the extended regime post May 2018. He would return to Members in early 2018 with an update.

A Member queried the current level of breach reporting, the Comptroller and the City Solicitor confirmed that notifications were high, and in a good place from which to build on in the run up to, and after, May 2018.

A Member was concerned with the provision under GDPR of consent – the specific wording and the coverage of requests for user’s consent needed to be fundamentally examined. The Comptroller and the City Solicitor confirmed that work was being carried out and he would continue to update the Sub-Committee of the work undertaken in 2018.

A Member stressed the importance of maintaining robust tracking and reporting within a comprehensive risk register.

Responding to a query from a Member, the Comptroller and the City Solicitor reflected that while ICO enforcement is going up, the ICO are sensible and proportionate, and were more focussed on the carrot, and not the stick approach.

RESOLVED – that Members noted the Report.

12. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE

There were no questions.

13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items of urgent business.

14. 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 the Schedule 12A of the Local Government Act.

15. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED – that Members approved the non-public minutes of the meeting held on 18 September 2017 as an accurate record.
16. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Members received a Joint Report of the Chamberlain and the Town Clerk.
17. **TRANSFORMATION**
 - 17.1 **Transformation Update**
Members received a Report of the Chamberlain.
 - 17.2 **Phase 2 Transformation**
Members received a Report of the Chamberlain.
 - 17.3 **Network Transformation Gateway 5**
Members received a report of the Chamberlain.
18. **IT SECURITY UPDATE**
Members received a Report of the Chief Information Security Officer & Director of Information.
19. **PSN UPDATE**
Members received a Report of the Chamberlain.
20. **PASSWORD POLICY CHANGE**
Members received a Report of the Chamberlain.
21. **AGILISYS CONTRACT NEGOTIATIONS UPDATE**
Members received a Report of the Chamberlain.
22. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**
There were no non-public questions.
23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was no other non-public business.

The meeting ended at 3.40 pm

Chairman
Contact Officer: John Cater
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| | |
|--|------------------------|
| Committee: | Date: |
| Finance Committee – For Information | 12/12/2017 |
| Subject: Chamberlain’s Department - Draft Departmental Business Plan 2018/19 | Public |
| Report of: Chamberlain | For Information |
| Report author: Hayley Hajduczek, Chamberlains Department | |

Summary

This report presents for information the draft high-level business plan for the Chamberlain’s Department for 2018/19. It is presented alongside the departmental estimate report to enable the draft ambitions and objectives to be discussed in conjunction with the draft budget for the forthcoming year.

Recommendation

Members are asked to note the Chamberlain’s Department’s draft high-level business plan for 2018/19 and provide feedback.

Main Report

Background

1. As part of the new framework for corporate and business planning, departments were asked to produce standardised high-level, 2-side business plans for the first time in 2017/18. These were presented as drafts to Service Committees in January/February and as finals for formal approval in May/June. Members generally welcomed these high-level plans for being brief, concise, focused and consistent statements of the key ambitions and objectives for every department.
2. For 2018/19, departments have again been asked to produce high-level plans in draft, this time to be presented to Service Committees alongside the departmental estimate reports, so that draft ambitions can be discussed at the same time as draft budgets. This represents a first step towards integrating budget-setting and priority-setting.
3. Discussions are also taking place on aligning other key corporate processes with the corporate and business plans, such as workforce planning and risk management. Achieving this will represent a significant step towards the City Corporation being able to optimise its use of resources. The next step will be the presentation of the budget alongside the refreshed Corporate Plan at the Court of Common Council in March.

4. With these key documents in place and a new corporate performance management process being brought forward the City Corporation will be able to drive departmental activities to deliver on corporate priorities and allocate its resources in full knowledge of where it can achieve most impact on the issues and opportunities faced by the City, London and the UK.
5. A revised draft of the Corporate Plan has been produced following consultation with Service Committees and Members between April and July, and is being used for staff engagement between September and November. Members should therefore start to see closer alignment between the departmental business plans and the draft outcomes from the Corporate Plan.
6. Work is also taking place on reviewing the content and format of the supporting detail that will sit beneath the high-level business plans. This includes: information about inputs (e.g. IT, workforce, budgets, property and assets); improved links to risk registers; value for money assessments, and schedules of measures and key performance indicators for outputs and outcomes. This will be a key element in the move towards business planning becoming less of a document production process and more of a joined-up service planning process, linked to corporate objectives.

Draft high-level plan

7. This report presents at Appendix 1, the draft high-level plan for 2018/19 for the Chamberlain's Department.

Chamberlain's Department

8. The overall aim, ambitions and top-level objectives in the 2018/19 Chamberlain's draft high level business plan are consistent with the current year plan. Our existing commitment to supporting and enabling service departments aligns with the Corporate Plan. We have included an objective to securing the ongoing 2% efficiencies within our operations.
9. Although not expected to change significantly, the high level plan is a working document that may be subject to variation as we progress through the consultation period and as detailed planning progresses. Key Performance Indicators for the coming year are still to be set.

Corporate & Strategic Implications

10. The business plan identifies how the department's activities and improvement activities will support the aspirations of the organisation, as reflected in the Corporate Plan.

Conclusion

11. This report presents the draft high-level plan for 2018/19 for the Chamberlain's Department in order that Members are able to feed into this plan at an early

stage. A final plan will be presented for approval prior to the start of the 2018/19 financial year.

Appendices

- Appendix 1 – Chamberlain’s Draft high-level business plan 2018/19

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Chamberlains Department

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We aim to support and enable the City of London Corporation and its partner organisations to achieve their aims and aspirations.

Our ambitions are that:

- **The City Corporation’s assets are managed effectively to ensure long term sustainability.**
- **The services we provide enable transformation and promote a culture of continuous improvement.**
- **Responsible Business will be embedded throughout operations to become business as usual.**

What we do is:

Financial Services

Working to sustain and enhance the City’s Financial Resources so as to ensure that they are sufficient to meet its strategic objectives and future service requirements.

Information Technology

Working in partnership with Agilisys to implement appropriate and innovative technology and business processes to support our customers across the Corporation and Police in the delivery of more efficient and more effective services.

Procurement/Commercial

Providing a comprehensive procurement/commercial service to the City of London Corporation, providing effective and sustainable solutions to client departments.

Internal Audit

Providing independent assurance, maintaining the City Corporation’s risk management framework and providing counter fraud services.

Our budget is:

| | £'000 |
|-----------------------------------|---------------|
| Expenditure | |
| FSD and Chamberlain's General | 9,450 |
| Internal Audit | 802 |
| City Procurement | 3,212 |
| IT | 10,246 |
| | 23,710 |
| Income | |
| FSD and Chamberlain's General | (258) |
| City Procurement | (128) |
| IT | (167) |
| | (553) |
| Net Local Risk Expenditure | 23,157 |

Our top line objectives are:

- Sustain focus on value for money and efficiency over the current funding period and beyond.
- To continue to improve underlying IT performance issues and delivering major IT projects (Network Transformation and Telephony).
- Actively seek opportunities for the adoption of smarter, more efficient commercial engagements through our procurement activity.
- Provide assurance to the City and its Partners on their control environments, supporting the risk management framework and promoting an anti-fraud culture.

What we’ll measure:

IT Service Availability

- P1 fixed within SLA (2 hrs) 98%
- P1 fixed within SLA (8 hrs) 99.5%
- P2 fixed within SLA (6 hrs) 98%
- P2 fixed within SLA (10 hrs) 99%
- Application availability 99%
- Telephony Availability 99.5%
- Datacentre LAN Availability 99.9%
- Corporate Network Availability 99.5%

Efficiency

Delivery of SBR savings and efficiency savings secured across CoL.

Deliverables in relation to departmental / service programmes and projects

- Help Departments to achieve their efficiency savings through finance and commercial support.
- Deliver our own 2% savings as per our departmental efficiency plan.
- Further development of improved processes for closure of accounts to meet earlier closure deadlines.
- IT Transformation: Increase network capacity and resilience, upgrade the telephony system through Unified Communications and Information Management System.
- Adoption of e-billing for accounts receivable and tax, reducing the cost of print and invoice distribution, increased process efficiency and customer satisfaction.

Deliverables within corporate programmes and projects

- Work of Strategic Resources Group – ensuring that corporate resources are aligned to priorities and maintaining oversight of the delivery of crosscutting projects.
- Better support to project managers for financial management through the Project Accounting tool set.
- Strategic Asset Management – project management support
- Transformation Fund – administering the Transformation fund on behalf of the Town Clerk
- Provide expert IT, Procurement and Financial direction to corporate programmes and projects.

What we'll measure:

Internal Audit Performance

Audit plan delivered 95% by the end of the year

Accounts Payable

97% invoices to be paid within 30 days

88% SME invoices to be paid within 10 days

97% invoices to be received electronically

Procurement Savings

£x million of savings to be achieved throughout the year

Collection rates

98% of commercial rent collected

99.75% of business rates collected

We will also use where appropriate the following benchmarking tools:

CIPFA VFM

CIPFA FM

Procurement Standards

SOCITM Standards

How we plan to develop our capabilities this year

- Delivery of an in-house programme of training, supporting continuous professional development – coordinated by the Departmental Training Group. This will include a variety of different training options including CIPS, AAT, lunch time learning sessions or other external training opportunities.
- Operation the CIPFA Training programme and offering a diverse range of secondment and apprenticeship opportunities, building future capability.
- Engage with our customers to better understand their business requirements and continue to develop our processes and services, services and IT Solutions.

What we're planning to do in the future:

- Continuously improve financial reporting capability through improved management information and Faster Closing of Accounts.
- Deliver enhanced IT network and desktop capabilities to ensure that we have a stable and sustainable IT platform that will allow us to meet current and future requirements.
- Develop and embed a stronger commercial focus through the work of the new Commercial team.

| | |
|--|------------------------|
| Committee(s) | Dated: |
| Finance Committee – For Information | 12/12/2017 |
| Subject: Chamberlain’s Department Risk Management – Monthly Report | Public |
| Report of: Chamberlain | For Information |
| Report author: Hayley Hajduczek, Chamberlain’s Department | |

Summary

This report has been produced to provide Finance Committee with an update on the most significant risks faced by the Chamberlain’s department.

There are currently no RED risks on the departmental risk register and two RED risks on the Corporate Risk Register within the responsibility of Chamberlain’s Department:

- **CR16 – Information Security**
- **CR19 – IT Service Provision**

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these risks. The IT Sub Committee agreed that the IT Service Provision risk should reduce to Amber by the end of December 2017, given the progress on the Transformation Project.

Recommendation(s)

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 are currently two RED risks on the Corporate Risk Register for which the Chamberlain’s Department are responsible and no RED risks on the departmental Risk Register:

CR16 – Information Security (Current Risk: Red – no change)

The IT team have installed security patches across all desktop PCs and laptops within the organisation throughout November. This was completed following a penetration test by an external company. Work continues to decommission aged equipment, this is to be completed by the end of the calendar year.

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

The team's primary focus remains on the stabilisation and transformation of the IT service. Remedial work continues to improve the stability of service before the new solution is put into place. The team have awarded the Local Area Network contract following which, work will move to full delivery of a new network for the City Corporation and City of London Police. The IT Sub Committee agreed that this work should reduce the risk to Amber by the end of December 2017 followed by steady progress to Green in the following months.

Conclusion

4. Members are asked to note the actions taken by Chamberlain's Department to manage the IT provision and Information Security risks.

Appendices

- None

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk
Report to Finance Committee 21 November 2017: Finance Committee Risk –
Quarterly Report.

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| Committee(s) | Dated: |
| Finance Committee | 12 December 2017 |
| Subject: City Procurement Quarterly Progress Report (December 2017) | Public |
| Report of: The Chamberlain | For Information |
| Report author: Chris Bell, Commercial Director, Chamberlain's | |

Summary

The report updates Members on the work of City Procurement and the key areas of progress since our last report in July 2017.

Members are asked to:

Note the progress report on key strategic improvement projects and performance:

- i. Procurement savings at end of October 17 of £4.06m achieved against cumulative target of £3.97m.
- ii. Projecting year-end procurement savings of £6.89m against target of £6.47m.
- iii. Additionally, achieved Commercial Contract Management savings to date of £214k against the 2017/18 savings target of £550k.
- iv. Purchase Order Compliance is at 97% for FY17/18 to date
- v. During quarter two, 96% of all supplier payments are happening within 30 days whilst 84% of SME supplier payments are happening within 10 days
- vi. Finally, 92% of invoices are currently received electronically

Main Report

Background

1. City Procurement has four main functions, Category Management/Sourcing, Commercial Contract Management, Accounts Payable and Policy and Compliance. This report updates on progress and current performance of delivery against the service KPIs set in the Chamberlain's Business Plan in April 2017.

Efficiency and Savings

2. City Procurement is set an annual savings target at the start of each year based on the contracts to be let during the financial year that have the

potential to make efficiency or cost savings and contracts let in previous years that are generating guaranteed savings in the current year. Each contract is reviewed by the relevant Category Board to set the targets: each contract target considers historic spend, scope changes, complexity, risk and industry benchmarks. The 2017/18 City Procurement target is £6.47m.

The Annual Savings Target elements

3. The 2017/18 annual savings target was set using two types of in-year savings:
 - a. **Previously let contracts generating savings (known as run-rate)** – Savings already guaranteed for the current financial year from contracts let in previous years. This is for contracts that span different financial years and is typically for service contracts that are let for a 2-7 year period when the savings are spread across the contract life.
 - b. **New contracts let generating savings** – Savings targeted to be generated from new contracts let during the current financial year.
4. The savings targets are for competitive price savings and are not inclusive of scope changes/service downgrades or other operation decisions which are treated as local department savings.

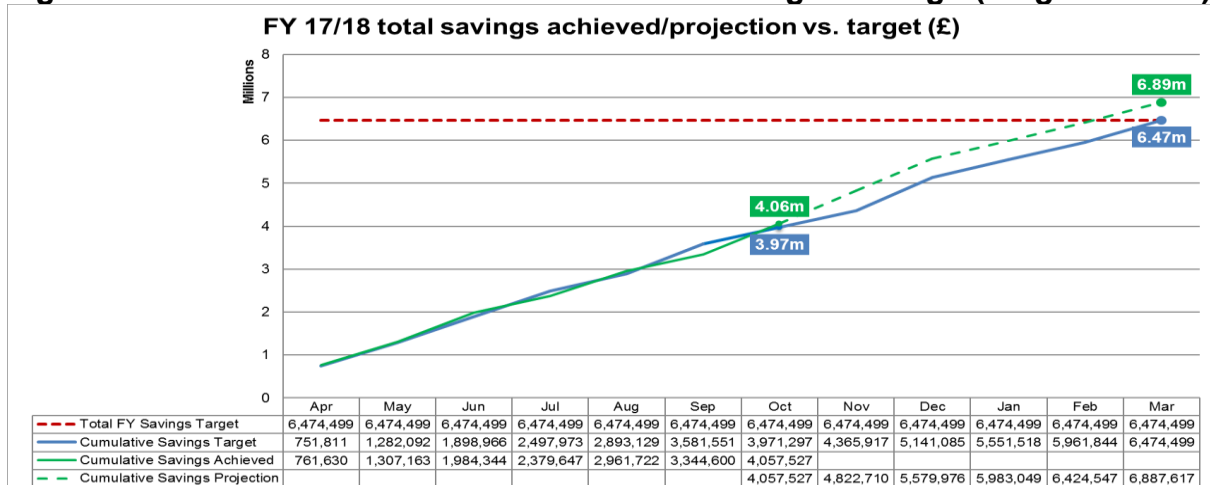
Commercial Contract Management savings target (NEW)

5. In addition to the City Procurement annual target, a savings target for the new Commercial Contract Management has been set for 2017/2018. This relates to efficiencies and savings delivered within the duration of a contract. The target for Commercial Contract Management is £550k which is a cost recovery figure set given this is a start-up area of business for City Procurement.

2017/2018 efficiencies and savings progress as at 31 October 2017

6. City Procurement to date has achieved £4.06m compared to the cumulative target of £3.97m for this period. In terms of the annual position, City Procurement is projecting a positive end of year position of realised savings totalling £6.89m against the target of £6.47m as illustrated in the Figure A below. Of the projected £6.89m total savings, it is projected that £6.02m will be budget impact savings (£1.15m cashable in year).
7. Additionally, Commercial Contract Management efficiencies and savings have already been achieved this year. As a result, a total savings of £214k have contributed to the 2017/18 target of £550k. A regular update on Commercial Contract Management efficiencies and savings initiatives are reported at Efficiency and Performance Sub-Committee.

Figure A – FY 2017/18 Procurement Actual Vs. Target savings (Target £6.47M)



Accounts Payable Performance - PO Compliance/No PO No Pay

8. The Corporation’s No PO No Pay Policy is now fully embedded and we continue to achieve high levels of compliance with every month so far achieving or beating our target for FY17/18 of 96% compliance, achieving 97% compliance on average.

Payment Performance

9. The Corporation’s 30-day invoice paid on time performance is currently 96% (target 97%).

10. Our 10-day SME invoice payment performance for Q2 2017/18 is 84% (target 88%). Unfortunately, the 10-day paid on time figure is just falling short of the target, however compared with the Q1 figure of 58% this is increased significantly and back where we want to be following the backlog of invoices in Q1. Due to this backlog it is highly unlikely that we will achieve the annual target set for FY 2017/18, however City Procurement will strive to achieve 88% each month.

Figure B – 30 Day Payment Performance trend report (Target 97%)

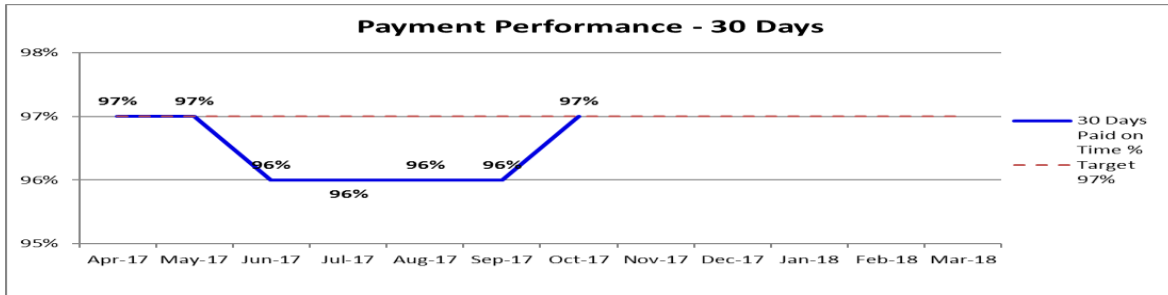
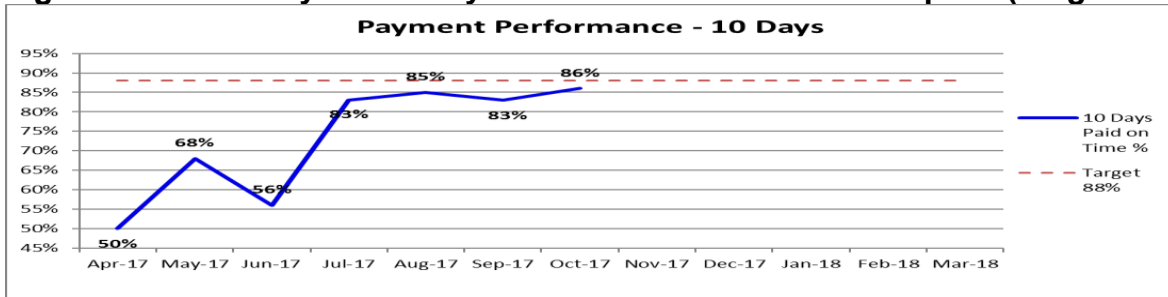


Figure C – 10 Day SME Payment Performance trend report (Target 88%)



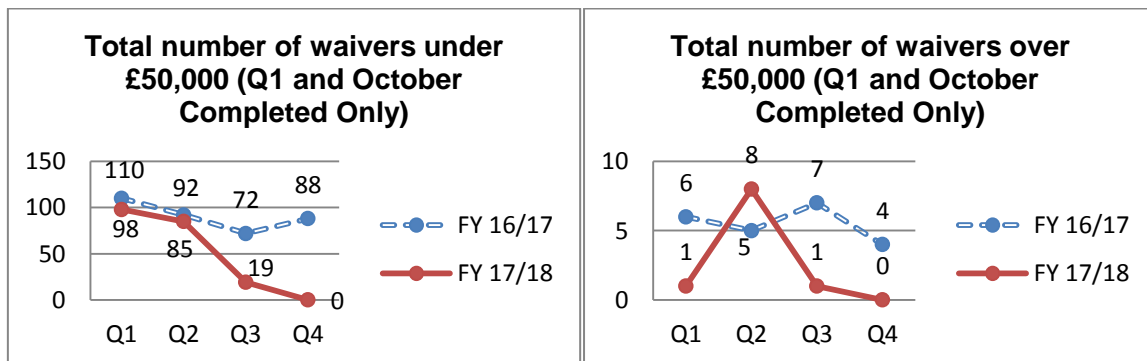
Electronic Invoices Received

11. The percentage of electronic invoices being received in Q2 2017/18 is 92%. There has been no movement in comparison to Q1 where 92% was also achieved.

Current Waiver performance

12. This part of the report sets out the quarterly trend update on the approval of waivers. The following graphs compare the trend of number of waivers from Q1 2016/17 and Q1 2017/18 (and October). Waivers under £50k require a Chief Officer approval, with those above requiring the approval of the appropriate spend Committee.

Figure D - Waivers under and over £50,000 trend reports



13. The number of under £50k waivers in the first half of 2017/18 continues to show a declining trend. There has also been an overall decrease in the number of over £50k waivers in comparison to 16/17. However, despite the decline in the number of waivers overall, there has been a significant increase of £1.5m in the total value of waivers processed in comparison to last year with a total of £2.9m approved to date. The spike in waiver value is mainly attributed to the need to continue the legacy running costs of the Police Action Fraud service whilst the new service launch continues to be delayed.

Freedom of Information Requests

14. City Procurement have responded to 11 FOIs during the period of July to October 17 totalling 24 hours of officer time.

Conclusion

15. City Procurement continues to achieve consistent performance, attaining the majority of its KPIs so this financial year to date. The 10-day payment target remains challenging due to our low performance in quarter 1 and our reliance on the business to goods receipt promptly, otherwise we are on track to achieve our service KPI's and over-achieve on Procurement Savings.

Report Author

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|--|-----------------------------------|
| Committee: Finance Committee | Dated: 12 December 2017 |
| Subject: Central Contingencies | Public |
| Report of: Chamberlain | For Information |
| Report author: Philip Gregory | |

Main Report

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 of £100,00 to support humanitarian disaster relief efforts both nationally and internationally. This contingency has been fully committed for 2017/18.
3. The uncommitted balances that are currently available are set out in the table below. At the time of preparing this report there are no requests for funding elsewhere on the agenda.

| 2017/18 Contingencies – Uncommitted Balances at 22 November 2017 | | | | |
|--|-------------------------|-----------------------|-------------------------------------|----------------|
| | City's Cash £'000 | City Fund £'000 | Bridge House Estates £'000 | Total £'000 |
| General Contingencies | 409 | 103 | 22 | 534 |
| National and International Disasters | 0 | 0 | 0 | 0 |
| Uncommitted Balances | 409 | 103 | 22 | 534 |
| Requests for contingency allocations | 0 | 0 | 0 | 0 |
| Balances pending approval | 409 | 103 | 22 | 534 |

4. The sums which the Committee has previously allocated from the 2017/18 contingencies are listed in Appendix 1.
5. Appendix 2 provides the outturn position of the City Fund Contingency for the financial years 2014/15 to 2016/17.

Recommendation

6. Members are asked to note the contents of this report.

Appendices

- Appendix 1 – Allocations from 2017/18 contingencies
- Appendix 2 – City Fund Contingency outturn position for previous years

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| Committee(s): | Date(s): |
| Finance Committee Epping Forest and Commons Committee | For decision For decision 12 Dec 2017 15 Jan 2017 |
| Subject: The Kenley Fund | Public |
| Report of: The Superintendent of The Commons | For Decision |
| Summary | |
| <p>A fundraising appeal was organised jointly by the Kenley Airfield Friends Group and the City Corporation in 2005 to raise funds for the Coulsdon and Other Commons Charity to acquire the World War II Officer's Mess site that adjoins Kenley Common (the Kenley Fund).</p> <p>The local community donated generously to the appeal, but the bid to acquire the site was unsuccessful. Some money was subsequently returned to the donors, but many people wanted their donation kept by the Coulsdon and Other Commons charity for ongoing work on Kenley Common.</p> <p>The Kenley Fund has not been used at all in the intervening period. Gift Aid was claimed to enhance some donations by 28%, but interest has never been paid on the balance.</p> | |
| Recommendation(s) | |
| <p>Members of the Finance Committee are asked to:</p> <ul style="list-style-type: none"> • Agree that interest on cash balances held in the Kenley Fund should be credited to the Kenley Fund. <p>Members of the Epping Forest and Commons Committee are asked to:</p> <ul style="list-style-type: none"> • Agree to credit to the Kenley Fund the interest that would have been accrued to date, debiting the West Wickham and Coulsdon Commons local risk budget by the amount that the City could have attained for this fund, namely £3,315.03 to 31 March 2017. • Instruct the Superintendent of The Commons to seek a suitable project (or projects) to be funded by the Kenley Fund, in consultation with the Kenley Airfield Friends Group. | |

Main Report

Background

1. The Superintendent of West Wickham and Coulsdon Commons presented a report to the Epping Forest and Commons Committee on 8 November 2004 in which he recommended:
Setting up Kenley Common (and Farthing Downs) Heritage Funds under the Coulsdon and Other Commons Charity, to appeal for funding on an ongoing basis for heritage projects and potential land acquisitions, including in support of applications to the Heritage Lottery Fund.
2. The intention was to generate sufficient funds to bid for approximately 11ha of land adjoining Kenley Common that contains many important historic structures associated with Kenley Airfield, including the Grade II listed Officer's Mess, a 1920's airfield building, an air raid shelter and a squash court. This land was put on the market in 2005.
3. On 22 June 2005 the Superintendent hosted the inaugural meeting of a group that was then called the Friends of Kenley Aerodrome. At this meeting he presented the agenda item 'Introduction of the City of London Fundraiser'. Subsequently (30 June 2005) a procedure was issued explaining that the Friends' Treasurer would work with the City's Business Manager to collect and process donations.
4. The Friends of Kenley Airfield (as they became) produced a leaflet in their name, with their logo on the front cover, to appeal for funds to 'help extend Kenley Common'. However, the leaflet made it clear that the funds were being donated to the Coulsdon and Other Commons Charity. Gift Aid was claimed for those contributors who signed to say they were UK taxpayers, and this enhanced their donation by 28%. Contributors could sign a box to say if they wanted their donation to be returned to them if the bid to acquire the land and buildings was unsuccessful, or if they wanted it to be retained 'for ongoing work on Kenley Common'.
5. In December 2005 the Chairman of the Friends of Kenley Airfield wrote to those who had donated money to the appeal to report that over £40,000 had been raised.
6. On 8 May 2006 the Superintendent reported to the Epping Forest and Commons Committee that the bid to purchase the former Officer's Mess site had been unsuccessful. A private developer, Comer Homes, succeeded in acquiring the land instead.
7. Individual donations were duly returned to those contributors who had requested this, amounting to c. £13,000. The City Corporation retains a list of all the donations received and refunds made.
8. Since 2006 all the people who originally organised and administered the fundraising appeal on behalf of both the Kenley Airfield Friends Group (as they are now) and the City Corporation have either died or have otherwise left their respective organisations.
9. The Kenley Fund has not accrued interest. It has been held as a sundry deposit on the balance sheet pending a decision being made as to what it

should be used for. It is believed that at one time it was thought that the Kenley Fund might be used for an alternative land acquisition, and this is why it has not been used to defray the general expenses of the Coulsdon and Other Commons charity.

10. In October 2015 work commenced on the delivery of the £1.1m Kenley Revival Project. This project, funded mainly by the Heritage Lottery Fund, will be completed by the spring of 2019. This project is closely aligned to the purposes for which the Kenley Fund was first accumulated, being concerned with the preservation, protection and celebration of elements of the historic airfield. During the early development stage however a decision was made not to include the Kenley Fund as part of the financial arrangements for this project. Again, this might be because the then Chairman of the Friends of Kenley Airfield felt that there was still a chance that the fund could be used to support a land acquisition.

Current Position

11. Currently the balance of the Kenley Fund is £26,855.23. The Kenley Airfield Friends Group has recently expressed dismay that the fund is not earning any interest. If interest had been apportioned to the Kenley Fund the amount of interest the fund would have accrued to date is either £1,043.67 if the bank rate is used, or £3,315.03 using the rate that the City accessed over the same period.
12. The change in personnel within the Friends of Kenley Airfield and the City Corporation means that memories of the fund, its intended purpose, administration and ownership had become clouded. There is a perception amongst some members of the local community that the Kenley Fund is ring-fenced for purposes related to the historic airfield.

Proposals

13. As an act of goodwill to the original donors, it is proposed to supplement the Kenley Fund by an amount equivalent to the interest that would have been earned to date. This money will have to come from the local risk budget associated with the Coulsdon and Other Commons charity, so in effect the charity would be no better or worse off, but doing this would reassure contributors that their donations are being held appropriately.
14. It is also recommended that the City pay interest on the fund to the Coulsdon and Other Commons charity in the future.
15. It is proposed that the Kenley Fund is retained until a suitable project on Kenley Common is identified for its use i.e. one that promotes the objects of the Coulsdon and Other Commons charity whilst also being in the spirit of the original Kenley Fund appeal.
16. It is also recommended that the decision on the suitability of a proposed project (or projects) is made in consultation with the Kenley Airfield Friends Group, reflecting their prominent fundraising role during the original appeal.

Corporate & Strategic Implications

17. The recommendations of this report support the departmental Business Plan with particular reference to the inclusion value:

Involve communities and partners in developing a sense of place through the care and management of our sites

Implications

18. This report proposes a way in which £26,855.23, the current balance of the Kenley Fund, can be accessed for projects that will benefit Kenley Common. The allocation of interest will have a minor impact on the local risk budget, but essentially this is just a transfer within the Coulsdon and Other Commons Charity so there is no overall loss.
19. The Charity Commission advises that cash deposits held by charities should be in an interest bearing account, unless trustees plan to use the money on deposit in the short term or invest it elsewhere for the longer term.
20. The Open Spaces Charities are deficit funded by City's Cash. They would not normally be expected to have any reserves which would be held for any length of time. Any interest obtained on cash balances on the Open Spaces Charities is usually credited to City's Cash and as such goes towards the funding given to the Charities. There are two long term deposits, the Epping Forest Capital Fund and the fund that was given by South Buckinghamshire District Council in respect of the acquisition of Stoke Common where it has been agreed that interest should be credited to the individual Charities. Using the City's interest on cash balances rate for 2016/17 the Kenley Fund would earn £181.13 per annum.

Conclusion

21. A fundraising appeal was organised jointly by the Kenley Airfield Friends Group and the City Corporation in 2005 to raise funds for the Coulsdon and Other Commons Charity to acquire heritage assets and to facilitate heritage projects. Although the campaign was unsuccessful in its primary goal to buy and protect land and buildings associated with Kenley Airfields World War II past, a balance of £26,855.23 remains in the fund to be used for ongoing work on Kenley Common. This report recommends that the City Corporation works with the Kenley Airfield Friends Group to identify suitable projects for the fund.
22. Further, this report proposes that interest is paid on the balance and that this is credited to the Kenley Fund.

Appendices

None

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| Committee(s) | Dated: |
| Finance Committee – For information | 12 Dec 2017 |
| Subject: Autumn Budget 2017 | Public |
| Report of: The Chamberlain | For Information |
| Report author: Caroline Al-Beyerty, Chamberlain’s Department | |

Summary

This report highlights the key points for the City Corporation from the Chancellor’s Autumn Budget on 22 November 2017.

The Chancellor announced that growth projections have been reduced as a result of significant downgrades to the OBR’s productivity assumptions over the next five years. Borrowing figures are better than forecast in March for 2017/18 and 2018/19 but the borrowing forecast has increased in subsequent years. This has extended closing the deficit by another year, which will have implications for the public expenditure outlook. For now, no changes were made to local government or police funding in the Budget and no further announcement was made on public sector pay.

A London business rates retention pilot was agreed which will pilot 100% retention of business rates during 2018/19. This will allow the 32 London boroughs, the City of London and the GLA to keep additional business rates income raised locally, which in 2018/19 is forecast to be in the region of £240m. The City of London share of this income is forecast to be £8.2m.

The Chancellor announced that the move to change Business Rates Indexation from RPI to CPI will happen two years earlier than planned from 2018/19 and proposed that Business Rates revaluations would move to a three year cycle rather than the current five year cycle from 2022. Local Government will be fully compensated for these changes.

The HRA borrowing cap will be lifted for those areas which can demonstrate the highest affordability pressure although this will not be available until 2019/20, last two years only, limited to £1 billion nationally and will be subject to a bidding process.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

The Autumn Statement

1. The Chancellor of the Exchequer presented his Autumn Budget to Parliament on 22 November 2017.
2. The Chancellor announced that growth projections have been reduced as a result of significant downgrades to the OBR's productivity assumptions over the next five years. Borrowing figures are better than forecast in March for 2017/18 and 2018/19 however the borrowing forecast has increased in subsequent years. Public sector net borrowing is forecast to decrease from 2.4% of GDP in 2017 to 1.1% of GDP by 2022. CPI inflation is forecast to peak at 2.7% in 2017 reducing to 2.0% by 2019.
3. The Chancellor said the central mission of the Treasury is to raise productivity by using some of the headroom created by the fiscal rules. The National Productivity Investment Fund was expanded from £23 billion to £31 billion and extended for a further year.
4. The Chancellor announced a further £3 billion to support Brexit preparations over the next two years.
5. From the City of London Corporation's perspective as a local and police authority, the key financial points are:
 - No change to the level of local government formula funding and no additional funding for adult social care, children's services or public sector pay;
 - The introduction of a London pilot for 100% business rates retention for 2018/19. This will allow the 32 London boroughs, the City of London Corporation and the GLA to keep additional business rates income raised locally, which in 2018/19 is forecast to be in the region of £240m. The City of London Corporation share of this income is forecast to be £8.2m;
 - Business rates: the planned switch from RPI to CPI inflation will be brought forward by two years to 2018/19 for which local authorities will be fully compensated. The £1,000 discount for public houses will be extended into 2018/19. The Chancellor also announced that the frequency of revaluations will increase by moving revaluation to every three years from 2022. This will require ratepayers to provide regular information on who is responsible for business rates, the use of the property and any rent paid;
 - Council tax: local authorities will be able to increase the empty homes premium to 100%;
 - £15.3 billion additional funding available for housing over the next five years with confirmation of £2 billion in funding for the Affordable Homes Programme;
 - Housing Revenue Account borrowing caps for local authorities in areas of high affordability pressure will be increased so they can build more council homes. Local authorities will be invited to bid for increases in their caps from 2019/20, last two years only, up to a total of £1 billion by the end of

2021/22. Any increase in the borrowing cap will be welcomed. The Corporation currently has a £25m cap on HRA borrowing which will be used to finance:

- i. the 5 year asset management plan; and
 - ii. 700 new HRA homes.
- An expectation that local authorities will bring forward 20% of their housing supply as small sites to speed up the building of new homes and a strengthening of the Housing Delivery Test with tougher consequences where planned homes are not being built;
 - Increased investment in transport and infrastructure to support the new Industrial Strategy. A £220 million Clean Air Fund was announced allowing local authorities with the most challenging air pollution problems to help individuals and businesses adapt; and
 - Increased focus on public sector productivity by introducing a new Public Value Framework, a tool that will be used by government to measure how effectively public spending delivers results that improve people's lives.

6. There are a few other points of interest:

- The National Living Wage will increase from £7.50/hour to £7.83/hour (4.4%);
- The personal tax allowance will increase from £11,000 to £11,850 (7.7%);
- Stamp Duty for first time buyers for properties under £300k was removed; and
- A further £36 million of banking fines was committed to support Armed Forces and Emergency Services charities.

Conclusion

7. There is no change in the level of local government funding with no reference to adult social care or children's services pressures. However, the London business rates pilot will provide the ability to retain growth in business rates during 2018/19. This is forecast to yield £8.2 million for the Corporation.
8. Other changes to business rates were announced including accelerating the switch from RPI indexation to CPI indexation from 2018/19 and increasing the frequency of revaluations to every three years from 2022.
9. There will be the potential to bid for an increase in the HRA borrowing cap from 2019/20 which will be limited to £1 billion nationally.

Appendices

- None

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