



Finance Committee

Date: TUESDAY, 24 JULY 2018

Time: 1.45 pm

Venue: COMMITTEE ROOMS - COMMITTEE ROOMS

Members:

Jeremy Mayhew (Chairman)	Tim Levene
Deputy Jamie Ingham Clark (Deputy Chairman)	Oliver Lodge
Randall Anderson	Paul Martinelli
Nicholas Bensted-Smith	Deputy Robert Merrett
Chris Boden	Hugh Morris
Deputy Roger Chadwick	Alderman Andrew Parmley
Dominic Christian	Susan Pearson
Karina Dostalova	William Pimlott
Simon Duckworth	Deputy Henry Pollard
Sophie Anne Fernandes	Alderman Matthew Richardson
John Fletcher	James de Sausmarez
Christopher Hayward	Ian Seaton
Deputy Tom Hoffman	Sir Michael Snyder
Alderman Robert Howard	Deputy James Thomson
Michael Hudson	James Tumbridge
Deputy Wendy Hyde	Deputy Philip Woodhouse
Deputy Clare James	Deputy Catherine McGuinness (Ex- Officio Member)
Alderman Alastair King	Andrew McMurtrie (Ex-Officio Member)
Gregory Lawrence	Deputy Alastair Moss (Ex-Officio Member)

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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 of the meeting held on 5 June 2018.
For Decision
(Pages 1 - 8)
4. **REPORT OF THE WORK OF THE SUB-COMMITTEES**
Report of the Town Clerk.
For Information
(Pages 9 - 10)
5. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - QUARTERLY REPORT**
Report of the Chamberlain.
For Information
(Pages 11 - 22)
6. **2017/18 CITY FUND AND PENSION FUND FINANCIAL STATEMENTS**
Report of the Chamberlain
For Decision
(Pages 23 - 28)
7. **PROVISIONAL OUTTURN 2017/18**
Report of the Chamberlain
For Information
(Pages 29 - 38)
8. **COMMITTEE AND MEMBERS SERVICES TEAM - REQUEST FOR ADDITIONAL RESOURCES**
Report of the Town Clerk
For Decision
(Pages 39 - 54)
9. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 55 - 60)
10. **FSD QUARTERLY UPDATE REPORT**
Report of the Chamberlain
To Follow
For Information

11. **Q1 2018/19 BUDGET MONITORING REPORT**

Report of the Chamberlain

To Follow

For Information

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

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

14. **EXCLUSION OF THE PUBLIC**

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

For Decision

Part 2 - Non-Public Agenda

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

To agree the non-public minutes of the meeting held on 5th June 2018.

For Decision

(Pages 61 - 66)

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

Report of the Town Clerk.

For Information

(Pages 67 - 68)

17. **CITY OF LONDON CORPORATION & CITY OF LONDON POLICE - IT STRATEGY
- INITIAL FUNDING REQUEST**

Joint Report of the Chamberlain and the Commissioner of City of London Police

For Decision

(Pages 69 - 74)

18. **DELEGATION REQUEST - ACQUISITION OF 70 FLEET STREET EC4 &
SIMULTANEOUS DISPOSAL OF EDEN HOUSE, SPITAL SQUARE, E1**

Report of the City Surveyor

For Decision

(Pages 75 - 78)

19. **NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF APPLICATION**

Report of the Chamberlain

For Decision

(Pages 79 - 84)

20. **ARREARS WRITE OFF - CITY FUND**

Report of the City Surveyor

For Decision

(Pages 85 - 90)

21. **ADMITTED BODY STATUS FOR THE INTERIM SUPPLIER FOR THE POLICE
FLEET MAINTENANCE SERVICES**

Joint Report of the Chamberlain and the Comptroller and City Solicitor

To Follow

For Decision

22. **SUMMARY REPORT ON NON-COMPLIANT WAIVERS OVER £50K FROM APRIL
2018 - JUNE 2018.**

Report of the Chamberlain

For Information
(Pages 91 - 94)

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

Report of the Town Clerk.

For Information
(Pages 95 - 98)

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

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

FINANCE COMMITTEE

Tuesday, 5 June 2018

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 5 June 2018 at 1.45 pm

Present

Members:

Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy Chairman)
Randall Anderson
Nicholas Bensted-Smith
Deputy Roger Chadwick
Dominic Christian
Simon Duckworth
John Fletcher
Deputy Tom Hoffman
Michael Hudson
Deputy Wendy Hyde

Deputy Clare James
Oliver Lodge
Paul Martinelli
Deputy Robert Merrett
Susan Pearson
William Pimlott
James de Sausmarez
Deputy James Thomson
Deputy Philip Woodhouse
Deputy Catherine McGuinness (Ex-Officio Member)

Officers:

Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Martin O'Regan	- City of London Police
Sean Green	- Chamberlain's Department
Alistair Sutherland	- Assistant Commissioner, City of London Police
Colin Buttery	- Director of Open Spaces
Paul Beckett	- Department of the Built Environment
Damian Nussbaum	- Director of Economic Development
Peter Young	- City Surveyor's Department
Charlie Morrison	- Inspector, CoLP
Peter O'Doherty	- City of London Police

1. APOLOGIES

Apologies for absence were received from Karina Dostalova, Christopher Hayward, Alderman Alastair King, Gregory Lawrence, Tim Levene, Alderman Sir Andrew Parmley, Deputy Henry Pollard and Ian Seaton.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 8 May 2018 be approved and signed as a correct record, subject to an amendment to item 2, to note Deputy Hyde's declaration of interest in item 29 of that agenda as trustee of a charity that is a lessee in the building.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

RECEIVED.

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

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

In respect of the Efficiency and Performance Sub Committee, Members noted the Chairman's verbal update that the City Surveyor would return to the Sub-Committee in July to provide an update on the departmental SBR savings.

On the Information Technology Sub Committee, the Chairman of the Sub Committee said that the real benefits of the transformation programme were still to be seen. On GDPR, he stated that a briefing was awaited from Mazars, although no 'red flags' were expected.

RECEIVED.

6. **FURTHER APPOINTMENTS TO THE FINANCE COMMITTEE AND THE FINANCE SUB-COMMITTEES**

The Committee considered the report by the Town Clerk on further appointments. Arising from discussions, and Members having put themselves forward to serve, it was

RESOLVED – That

(a) Members note the current vacancy created by Caroline Haines stepping down from the Finance Committee; and

(b) The following appointments to Sub Committees be approved:-

Finance Grants Oversight and Performance Sub Committee

Mark Wheatley

Information Technology Sub Committee

Rehana Ameer

Hugh Morris

Alderman Sir Andrew Parmley

7. NEW PROCUREMENT SUB-COMMITTEE

The Committee considered the joint report by the Chamberlain and the Town Clerk on the establishment of a new Procurement Sub Committee. It was noted that compliant waivers would be considered by the Sub Committee, with non-compliant waivers to continue to be referred to the Grand Committee. Arising from discussions, and as well as Members having put themselves forward to serve, it was

RESOLVED – That

(a) The establishment of a Procurement Sub Committees be approved, with the terms of reference as set out below:-

- To scrutinise and be responsible for value for money on all City of London Corporation and City of London Police procurement contracts above £2m (total contract value, as per the current threshold) at key stages, including initial tender strategy to final contract award sign off.
- To consider and recommend all procurement contracts above £4m to the Court of Common Council
- To consider the details of compliant waivers
- To invite representative(s) from the relevant Spending Committee to attend meetings
- To provide officers with advice focused specifically on value for money, and consider lessons learned when major contracts are coming to an end (i.e. before the (re)tender process begins)
- To work with the Grand Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.
- The quorum for Procurement Sub-Committee meetings is three;

(b) the composition of the Procurement Sub Committee shall be:-

- Chairman – to be proposed by the Chairman of the Finance Committee (if the Chairman of the Finance Committee does not intend to take up the position)

- Deputy Chairman – to be proposed by the Chairman of the Finance Committee (if the Deputy Chairman of the Finance Committee does not intend to take up the position)
 - Chairman of the Finance Committee
 - Deputy Chairman of the Finance Committee
 - Between five and eight additional Members of the Finance Committee;
- (c) meetings would be scheduled monthly (excluding August) to reflect the average 1 or 2 procurement contracts reaching key stages each month (see appendix 1 for provisional schedule). The Sub Committee meetings would be confirmed in the calendar but could be cancelled if there wasn't business to discuss. (in practice, it is unlikely we would hold 11 meetings per year);
- (d) the membership of the Procurement Sub Committee for the ensuing year shall be;-
- Hugh Morris (Chairman)
 - Deputy Robert Merrett (Deputy Chairman)
 - Randall Anderson
 - John Fletcher
 - Michael Hudson
 - Deputy Clare James
 - Susan Pearson

8. **CYBER SECURITY STRATEGY**

Members considered the joint report by the Commissioner of the City of London Police and the Director of Economic Development on the Cyber Security Strategy.

The following matters were raised:-

- Noted that the report would be considered by the Policy and Resources Committee on 7 June and then the Court of Common Council on 21 June (not Resource Allocation Sub Committee).
- Temporary Commander O'Doherty introduced the paper and the 'Cyber Griffin Initiative' which aimed to provide a proportionate response to enhance the protection of the City's financial and professional services industry against possible future cyber attack. The strategy would be developed through a City Police and Economic Development Office partnership.

- A Member said that 'demonstrable results' were required from the project.
- The Chamberlain confirmed that he was supportive of the funding proposal.
- The Chairman asked officers to report back in 12 months on project progress, ahead of a request for additional future funding.

RESOLVED – That an uplift of £870k for the City of London Police budget and £55k for the EDO's budget for 2018/19 for the 'Cyber Griffin Initiative' be approved.

9. FUNDING REQUEST FOR FLOOD RISK AND OTHER ENVIRONMENTAL RESILIENCE WORK DURING 2018/19 AND 2019/20

The Committee had before them the report by the Director of the Built Environment on the funding request for flood risk and other environmental resilience work during 2018/19 and 2019/20.

Following discussion, the Chairman put forward the view that, notwithstanding grant funding availability, it would be appropriate for the Director of Built Environment to carry out the work, managed within the local risk budget. He said that if it was clear later in the year that costs could not be contained within the existing departmental budget, the Committee would consider approving a funding request from Finance contingency. The Chairman emphasised the requirement to maintain tight financial discipline.

RESOLVED – (a) That the works be carried out by the Director of Built Environment from within the local risk budget.

(b) If costs could not be contained within the existing departmental budget, the Committee could consider a later funding request from Finance contingency.

10. CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - MONTHLY REPORT

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

The following matters were raised:-

- On Information Security, the Chamberlain confirmed that expected actions should reduce the risk score to amber status by the end of June.
- On Police funding, work continued along with other appropriate officers, to mitigate the red risk going forward.

RECEIVED.

11. **CENTRAL CONTINGENCIES**

The Committee considered a report of the Chamberlain on central contingencies.

RECEIVED.

12. **IT DIVISION - MEMBER UPDATE**

The Committee had before them the update report by the Chamberlain on the IT Division.

The following matters were raised:-

- The Comptroller and City Solicitor gave an update on GDPR, confirming baseline compliance by 25 May in terms of policies, procedures, etc. It was noted that although a briefing was awaited from Mazars, no 'red flags' were expected. Embedding the good practice and procedures would be an on-going process.
- Noted that email communication with Members was now through official City of London accounts only.

RECEIVED.

13. **CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2018/19**

The Committee considered the report of the Chamberlain on the City procurement efficiency and savings target, 2018/19.

The following matters were raised:-

- A Member raised the matter of yearly calculation of savings target and whether this was achieving less than it could do on procurement and contract reletting.

The Chamberlain confirmed that robust measures were in place to achieve the best value possible, although savings that were 'easier to achieve' had previously been taken by the Corporation. He made the point that many less complex, smaller contracts provided more limited scope to extract additional monetary value. However, other areas may provide a better opportunity for savings to be made. The Member put forward the view that further efficiency in procurement should be possible, and that further information for the Committee would be useful, to determine that there was not an abandonment of the savings strategy.

RECEIVED.

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

There were no questions.

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no urgent items.
16. **EXCLUSION OF THE PUBLIC**
RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the remaining items on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Local Government Act.
17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED – That the non-public minutes of the meeting held on 8 May 2018 be approved and signed as a correct record.
18. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
The Committee noted a report of the Town Clerk which set out outstanding actions from previous non-public minutes of the Committee.
19. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
The Committee noted a report of the Town Clerk and oral updates by Chairmen on non-public sessions at recent meetings of the Committee's Sub-Committees.
- RECEIVED.**
20. **LAND AVAILABLE FOR ACQUISITION AT HAMPSTEAD HEATH**
The Committee considered the report by the Director of Open Spaces (DOS) on land available for acquisition at Hampstead Heath.
21. **PROVISION OF MANAGED PRINT AND DIGITAL CONTRACT - PROCUREMENT STAGE 3**
The Committee considered the report by the Chamberlain on the provision of managed print and digital contract – procurement stage 3.
22. **STRATEGIC REVIEW OF THE CITY'S WHOLESALE MARKETS - APPOINTMENT OF AN ACQUIRING AGENT, PROGRAMME DIRECTOR AND PROJECT ACCOUNTANT**
Members then considered the joint report by the City Surveyor and the Director of Markets and Consumer Protection on the Strategic Review of the City's Wholesale Markets – appointment of an Acquiring Agent, Programme Director and Project Accountant.
23. **WAIVER REPORT - TAXI SERVICES**
Members considered the report by the Chamberlain on Waivers – Taxi Services.
24. **ANNUAL COMPLIANT WAIVERS REPORT 2017/18**
The Committee had before them the report by the Chamberlain on annual compliant waivers 2017/18.

25. **ANNUAL NON-COMPLIANT WAIVERS REPORT 2017/18**
The Committee considered the annual report of the Chamberlain on non-compliant waivers.
26. **PRIORITIES INVESTMENT POT (PIP) UPDATE**
Members considered the report of the Chamberlain on the Priorities Investment Pot (PIP) update.
27. **CITY OF LONDON CORPORATION & CITY OF LONDON POLICE - IT STRATEGY UPDATE**
The Committee considered the report by the Chamberlain on the Corporation's IT Strategy update.
28. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
The Committee noted a report of the Town Clerk detailing non-public decisions taken under delegated authority and urgency procedures since the last meeting.
29. **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.
30. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no items of urgent business.
31. **CITY REVENUES**
Members considered a report by the Chamberlain on City revenues.

The meeting ended at 3.10 pm

Chairman

Contact Officer: Martin Newton
martin.newton@cityoflondon.gov.uk

Committee: Finance Committee	Date: 24 July 2018
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 5th June 2018:

Information Technology Sub Committee – 10th July 2018

Verbal Report of the Chairman

Corporate Asset Sub Committee – 11th July 2018

Verbal Report of the Chairman

Efficiency & Performance Sub Committee – 13th July 2018

Verbal Report of the Chairman

Recommendations

The Committee is asked to note these verbal updates.

John Cater

Senior Committee Services Officer, Town Clerk's Department

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Committee(s)	Dated:
Finance Committee – For Information	24/07/2018
Subject: Chamberlain's Department Risk Management – Quarterly 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 management of risks faced by the Chamberlain's department.

Risk is reviewed regularly by the departmental Senior Leadership Team as part of the ongoing management of the operations of the Chamberlain's department.

The Chamberlain's department currently has three corporate risks and three departmental risks on its risk register. The most significant risks are:

- **CR16 – Information Security** (Current Status: **RED**)
- **CR19 – IT Service Provision** (Current Status: **AMBER**)
- **CR23 – Police Funding** (Current Status: **RED**)

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these risks. The IT risks are due to be reduced to Amber and Green status following agreement from IT Sub Committee in June.

Recommendation(s)

Members are asked to note the report and the actions taken in the Chamberlain's department to monitor and manage risks arising from our operations, which have resulted in the movement in the IT Service Provision risk from Red to Amber.

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.
2. Chamberlain's risk management is reviewed in detail on a quarterly basis at Departmental Senior Leadership Team (SLT) meeting. SLT receives the risk register for review, together with a briefing note highlighting any changes since the previous review. Consideration is also given as to whether there are any emerging risks for inclusion in the risk register within Divisional updates on key issues from

each of the Directors, ensuring that adequate consideration is given to operational risk.

3. Between each SLT quarterly review, risk and control owners are consulted regarding the risks for which they are responsible, with updates captured accordingly. Significant changes to existing risks are escalated to SLT when identified.

Identification of new /emerging risks

4. New and emerging risks are identified directly by the Senior Leadership Team on an on-going basis, with particular attention given as part of the quarterly review process.

Summary of Risks

5. The Chamberlain's department currently has three corporate risks and three departmental risks on its risk register, attached as Appendix 1 to this report, assessed as 1 RED risk, 5 AMBER risks. These are:

CR16 – Information Security (Current Risk: Red – Reducing)

At time of writing, this risk is now recommended to be reduced to amber status to be agreed by IT Sub-Committee on 10th July. This risk has been reduced by using a recognised Cyber security maturity model and with a combination of training, processes and tools being delivered.

CR19 – IT Service Provision (Current Risk: Amber – Reducing)

This risk has now been recommended to be reduced to green status, again, to be agreed by IT Sub-Committee on 10th July. The implementation of the Local Area Network (LAN) has now been completed.

CHB IT 022 Transformation Benefits Realisation (Current Risk: Amber – no change)

A change and engagement strategy is now underway. Now that new technology has been deployed to 2600 users, effort will be focused on developing and implementing a benefits realisation plan. 138 servers have been decommissioned as a consequence of the migration to Office 365 and transformation to cloud services. The net impact on a full financial year will be a c£200k reduction in IaaS charges.

CR23 – Police Funding (Current Risk: Amber – no change)

The current financial outlook is more challenging for the City of London Police than previously anticipated. The 2017/18 year-end “underspend” of £3.5m was not actually an underspend but rather a committed amount but not yet spent. This means that the reserve balance to £7m will reduce back to £3.5m, leaving a larger financial deficit than had previously been forecast for 2019/20. The focus is both on identifying the steps needed to close the future funding gap and on strengthening the financial management capability and oversight.

CHB FS001 – Value for Money (Current Risk: Amber – no change)

The Economy, Efficiency and Effectiveness Health Checks (EEE Health Checks) is a framework that has been designed to achieve better alignment of business plans to the Corporate Plan, the delivery of the 2% year-on-year efficiency and sustainability plan in local risk budgets, and to enable Members to fulfil their duty to periodically reviewing the performance of each Chief Officer in order to promote efficiency and value for money. The departmental EEE Health Checks are now in place and being used as a reporting mechanism to demonstrate good practice, drive continuous improvement and efficiencies, particularly in newer services, and optimise the use of resources. Chief Officers will continue to present their EEE Health Checks reports to Summit Group and Efficiency and Performance Sub Committee over the next year to demonstrate how they are delivering value for money.

CHB FS004 – Management Information Provision (Current Risk: Amber – no change)

Functionality of Management Information is now in place which was used to produce the first corporate wide forecast. Improvements have been made to the upload templates and the team are embedding project manager review of forecasts monthly with more detailed profiling for complex high value projects. Training will commence shortly, reporting to committee in September 2018.

Emerging Risks

Chamberlains SLT have identified some emerging risks which are currently being drafted, further detail will be reported as part of the next update. These include:

- IT Compliant Waivers
- Impact of Projects on support function resources (Finance, Procurement, IT)
- Financial implications of the introduction of the London Ultra Low Emission Zone
- Risk of cost escalation and business continuity within our supply chain due to Brexit

Conclusion

6. Members are asked to note the actions taken to manage these departmental and corporate risks in relation to the operations of the Chamberlain's Department.

Appendices

- Appendix 1 Chamberlain's Department Detailed Risk Register

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk

Hayley Hajduczek

Chamberlain's Department

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CHB Detailed risk register by risk category

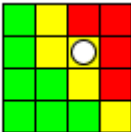
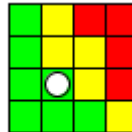

Report Author: Hayley Hajduczek

Generated on: 02 July 2018

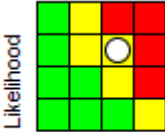
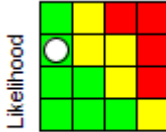



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR16 Information Security <div>Page 15</div> Sep-2014 Peter Kane	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: Cybersecurity attack - unauthorised access to COL IT systems. Loss or mishandling of personal or commercial information. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 1988. Incur a monetary penalty of up to £500,000. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.	<div> <div>Likelihood</div> <div>Impact</div> </div>	16	The risk will be mitigated by the development of a new Data Retention Schedule (DRS) and policy and the scope widened to include IT systems. The status of this risk is now with IT sub committee who are expected to agree at thier July meeting, that this risk status should be reduced to Amber. 02 Jul 2018	<div> <div>Likelihood</div> <div>Impact</div> </div>	8	30-Jun-2018	

Action no, Action owner	Description	Latest Note	Action owner	Latest Note Date	Due Date
CR16i	The Development and implementation of more technical security infrastructure	Using a recognised Cyber security maturity model there is a dashboard being reported that shows via a RAG status 10 areas of focus to mitigate this risk with training, processes and tools being delivered that in combination will bring the risk to Amber by June 2018. Dedicated project manager is supporting the delivery of new Cyber protection solutions for the CoL and CoLP estates.	Sean Green	02-Jul-2018	30-Jun-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR19 IT Service Provision 14-Jul-2015 Sean Green	Cause: The whole Police IT Estate and parts of the Corporation are in need of further investment. Event: For the Corporation, poor performance of IT Service and for the Police critical failure of the Police IT Service. Effect: Loss of communications or operational effectiveness (may also lead to low staff morale). Possible failure of critical Corporation and Policing activities. Reputational damage.	Likelihood  Impact	12	This risk will be mitigated with the implementation of the new Local Area Network and Wi-fi on schedule. The status of the risk is now with IT Sub Committee to agree but the expectation is that the risk will be moved to Green following their July meeting. 02 Jul 2018	Likelihood  Impact	4	30-Jun-2018	

Action no, Action owner	Description	Latest Note		Action owner	Latest Note Date	Due Date
CR19e	This is the first phase of the revised project to fully replace ageing unsupportable networking hardware from the City and City Police's infrastructure.	Implementation continues and will be completed between May-October 2018.		Sean Green	13-Jun-2018	31-Oct-2018
CR19f	The full delivery of a new network for the Corporation and city Police.	The WAN work continues. Remediation of IT communications rooms complete. LAN design completed. LAN implementation now underway for CoL and CoLP.		Sean Green	13-Jun-2018	30-Jun-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB IT 022 Transformation - Benefits Realisation 25-Jan-2018 Kevin Mulcahy	Cause : The principles and new ways of working including the internal Target Operating Model, 3rd party Service Operating Model and new Policies, as defined by the Transformation Programme, are not embedded into BAU processes within the internal and outsourced operating models. Event : CoL will not realise the benefits including savings from contracts and storage and a more effective service to the business with a focus on service management Effect <ul style="list-style-type: none"> Increased Revenue costs Degradation of service End user frustration Unmanageable application estate Failure to meet the business expectations from the £12m investment Significant cost to bring the redesigned Technology Stack back to “as built” 	 Likelihood Impact	12	Change and Engagement strategy is underway and will ensure that these tangible benefits are realised <ul style="list-style-type: none"> Increased Revenue costs Degradation of service End user frustration Unmanageable application estate Failure to meet the business expectations from the £12m investment Significant cost to bring the redesigned Technology Stack back to “as built” 02 Jul 2018	 Likelihood Impact	3	31-Dec-2018	

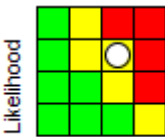
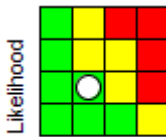

Action no, Action owner	Description	Latest Note		Action owner	Latest Note Date	Due Date
CHB IT 022c	Citrix is for remote access for third party IT Suppliers and for Line of Business Applications. No reviewing number of users requiring access and applications that need supporting with remote access to help reduce the number of servers in the Citrix estate.	The new Citrix environment is built and undergoing testing - on track for 30th June IT confirming with business future numbers, once confirmed and tested the old environment will be switched off		Sean Green	02-Jul-2018	30-Jun-2018

Risk no, title,	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current
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creation date, owner								Risk score change indicator
CR23 Police Funding <								

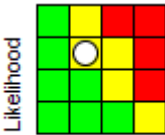
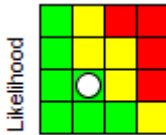

Action no, Action owner	Description	Latest Note	Action owner	Latest Note Date	Due Date
CR23a	Deliver the savings programme for currently identified savings in 2018/19.	COLP has a plan in place to deliver on £1.2m savings for 2018/19 and continues to explore opportunities for continual improvement, both internally and through wider collaboration with the City Corporation. The details of the planned savings were reported to Efficiency and Performance Sub Committee in March. Further work is being done to explore the profile of the achievement of the savings and quantify to extent of ongoing savings in future years.	Alistair Sutherland	02-Jul-2018	31-Mar-2019
CR23b	Medium Term Financial Plan	The assumptions in the Medium Term Financial Plan are being revisited for July, but a broader piece of work is being initiated by Chamberlains and Police. The broader piece of work will be informed by early outputs from the costing of services from the Transformation Board as it builds the new operating model. We will also be reviewing in detail the income assumptions, especially around the Economic Crime Academy and the Domestic/International Training agenda. We expect to report back in the autumn in time for 2019/20 budget setting.	Philip Gregory; Michelle King	02-Jul-2018	31-Mar-2019
CR23c	A Transformation Programme is underway to develop a revised Target Operating Model for CoLP to deliver greater effectiveness and financial stability. The Programme comprises eight work strands.	The Deloitte short term recommendations or 'quick wins' have been realised and are funding the core transformation project team. The Transformation Board met in April and provided positive progress updates as follows: <ul style="list-style-type: none"> • City of London Police 'As is' Services listed/catalogued to identify duplication • Prioritisation of key areas for Design efficiency 	Jane Gyford	02-Jul-2018	31-Mar-2019

		<ul style="list-style-type: none"> • Community Policing • Financial Investigation • Performance + Data Management • Resolution Centre linked to Demand Reduction + Management • Protective Security • Immediate savings • Transform savings contributions towards £1.2m identified so far within Police Staff departments and supplies budgets. 			
CR23d	Consider increase in the business rates premium in future periods	Consider contribution levels from City Fund/ City's Cash as part of financial planning and budget setting for 2019/20, measures could include increasing the business rate premium, ongoing support for capital project shortfalls, or direct contribution from City Fund or City's Cash to support additional Policing service demands.	Caroline Al-Beyerty	02-Jul-2018	31-Mar-2019

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB FS001 Value for Money (VFM) 21-Nov-2016 Caroline Al-Beyerty; Peter Kane	Cause: The City Corporation needs to be able to demonstrate it is achieving value for money in all its areas of expenditure. Event: Reduced funding available to the City Corporation emphasises the need to use funds in a way that achieves value for money. Effect: City Corporation will be unable to demonstrably achieve progress on obtaining value for money, significantly impacting on both service delivery levels and reputation.	 Likelihood Impact	12	VFM challenge is now embedded in the business planning process with an annual self assessment of performance on VFM from service departments. Feedback from the pilot in DCCS will be used to provide guidance to support the process. The EEE health checks have been done by departments and are being reported by Chief Officers to Summit Group and Efficiency and Performance Sub-Committee. 02 Jul 2018	 Likelihood Impact	4	31-Dec-2018	

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Action no, Action owner	Description	Latest Note	Action owner	Latest Note Date	Due Date
CHB FS001c	Detailed post-SBR Efficiency Plan to be drafted and implemented, including a framework that would incorporate continuous improvement savings and a rolling review programme to secure more radical changes in efficiency and effectiveness.	The Economy, Efficiency and Effectiveness Health Checks (EEE Health Checks) is a framework that has been designed to achieve better alignment of business plans to the Corporate Plan, the delivery of the 2% year-on-year efficiency and sustainability plan in local risk budgets, and to enable Members to fulfil their duty to periodically reviewing the performance of each Chief Officer in order to promote efficiency and value for money. The departmental EEE Health Checks are now in place and being used as a reporting mechanism to demonstrate good practice, drive continuous improvement and efficiencies, particularly in newer services, and optimise the use of resources. Chief Officers will continue to present their EEE Health Checks reports to Summit Group and Efficiency and Performance Sub Committee over the next year to demonstrate how they are delivering value for money.	Geoff Parnell	02-Jul-2018	31-Jul-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB FS004 Management Information Provision 13-Jun-2017 Philip Gregory	Cause: Lack of relevant management information to Members, Chief Officers and budget holders results in delays to decision making or poor decision making. Knock on impact results in resources not being correctly prioritised. Event: Systems are not in place to support effective financial forecasting of revenue budgets and capital projects. Effect: processes for financial management fail to direct resources appropriately to priorities.	 Likelihood Impact	6	The initial project is now largely complete and transitioning to BAU. Work on improving the management information practices is on hold during the final accounts production; and we are working with colleagues in Town Clerks' and IT on how to improve management information for decision making corporately. 02 Jul 2018	 Likelihood Impact	4	30-Sep-2018	

Action no, Action owner	Description	Latest Note		Action owner	Latest Note Date	Due Date
CHB FS004b	Phased roll-out of PA (Projects) forecasting with finance teams taking the lead in providing training and support for project managers.	Functionality in place and we have used to produce the first corporate wide forecast <ul style="list-style-type: none"> • Improvements made to the upload templates • Embedding project manager review of forecasts monthly with more detailed profiling for complex high value projects • Training about to commence • Reporting in Sept 2018 		Julie Smith	02-Jul-2018	30-Sep-2018
CHB FS004e	Establish mechanisms to ensure that departmental management information practises are up to date and in line with current best practice.	Research on current best practice and the art of the possible is underway with an aim of ensuring that departmental management information practices and techniques are up to date. and fit for purpose. Work in this area is currently on hold during the final accounts process.		Simon Whelan	02-Jul-2018	30-Sep-2018

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Committee(s): Audit and Risk Management – for decision Finance – for decision	Date(s): 17/06/2018 24/06/2018
Subject: City Fund and Pension Funds Financial Statements 2017/18	Public
Report of: The Chamberlin	For Decision
Report author: Philip Gregory, Chamberlin's Department	

Summary

Attached to this report are the City Fund and Pension Fund Financial Statements for the year ended 31 March 2018.

The key points are:

- The Statement of Accounts were published and submitted to our external auditors on 31 May, meeting the new earlier statutory deadline for completion.
- An overall better than budget position of £25.7m was achieved.
- Total net assets of £1,343.8m, an increase of £89.3m since last year.
- The net asset position of £1,343.8m is after having deducted total pension funds liabilities of £1,260.7m (an increase in liabilities of £40.4m on the previous year).
- The net asset position is reflected in usable reserves of £188.5m and unusable reserves of £1,155.3m.
- Usable reserves have increase by £25.9m from a year earlier. These are relatively liquid reserves that can be applied to fund expenditure or reduce local taxation.
- Unusable reserves have increased by £63.4m from a year earlier. These reserves hold unrealised gains and losses and differences between the accounting basis and statutory requirements for local authorities.
- BDO commenced its audit on 5 June. At the time of writing this report the audit was still underway. To date no significant issues have been raised and it is anticipated that the audit will be concluded satisfactorily to enable BDO to issue unqualified opinions. Representatives of the auditors will be in attendance at the Audit and Risk Management Committee to present their progress reports.

Recommendation(s)

The Audit and Risk Management Committee is requested to:-

- consider the contents of BDO's progress reports (to follow);
- recommend approval of the City Fund and Pension Fund Financial Statements for the year ended 31 March 2018 to the Finance Committee; and
- delegate to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by BDO - which is expected to be by the end of July.

The Finance Committee is requested to:-

- consider the resolution from the Audit and Risk Management Committee and, if appropriate, approve the City Fund and Pension Fund Financial Statements for the year ended 31 March 2018; and
- delegate to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by BDO - which is expected to be by the end of July.

Main Report

Background

1. The City Fund and Pension Funds Financial Statements for 2017/18 are set out in Annex 1.
2. The Accounts and Audit Regulations 2015 require the approval and publication of the City Fund and Pension Funds Financial Statements for the year to 31 March 2018 to take place as soon as reasonably practicable, and in any event by 31 July 2018. The 2017/18 Financial Statements are the first to be compiled and audited under the earlier statutory deadlines, which has brought forward the initial submission deadline from 30 June to 31 May and completion of the final audited statements from 30 September to 31 July.
3. Approval of each year's financial statements has been delegated by the Court of Common Council to the Finance Committee

Summary of City Fund Accounts 2017/18

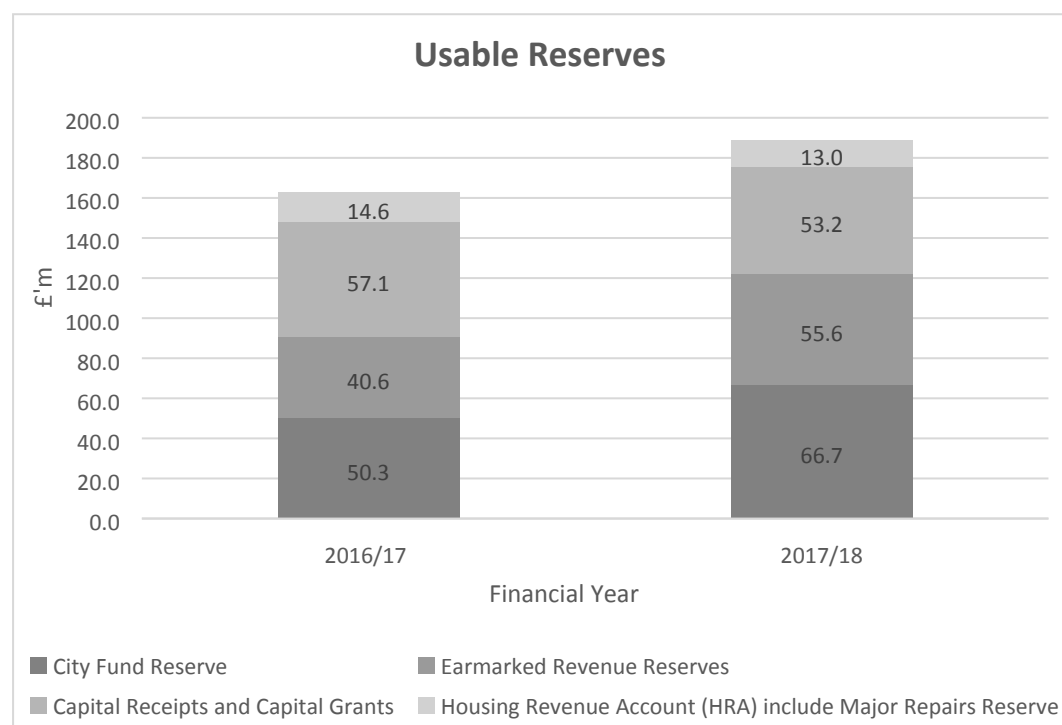
Revenue

4. There is no change to the provisional net expenditure outturn position of £25.7m better than budget. More detailed analyses of the outturn compared to budget are currently being submitted to spending committees.

5. In accordance with the City's budget management arrangements, requests for the carry forward of City Fund resources totalling £2.1m have been approved by the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee. This will increase the call on the City Fund General Reserve in 2018/19. In addition, £1.7m of projects and works programmes have slipped and/or been re-phased to 2018/19.

Balance Sheet

6. The Consolidated Balance Sheet indicates that the City Fund's total net assets increased by £89.3m (or 7.1%) to £1,343.8m from £1,254.5m a year earlier.
7. The increase in net assets of £89.3m is reflected in an increase in usable reserves of £25.9m and unusable reserves of £63.4m.
8. Usable reserves are those relatively liquid reserves that can be applied to fund expenditure or reduce local taxation. They are required over the medium term for the funding of the capital programme and also include sums earmarked, either by statute or as agreed by Members, for specific purposes such as spend on Highways, the Housing Revenue Account and the Police.
9. The £25.9m year on year increase in usable reserves from £162.6m to £188.5m mainly relates to funds set aside in earmarked reserve for future expenditure in Highways and the Police along with the overall underspend in City Fund activity, which has been added to the City Fund Reserve. The year on year movement in usable reserves is summarised in the chart below.

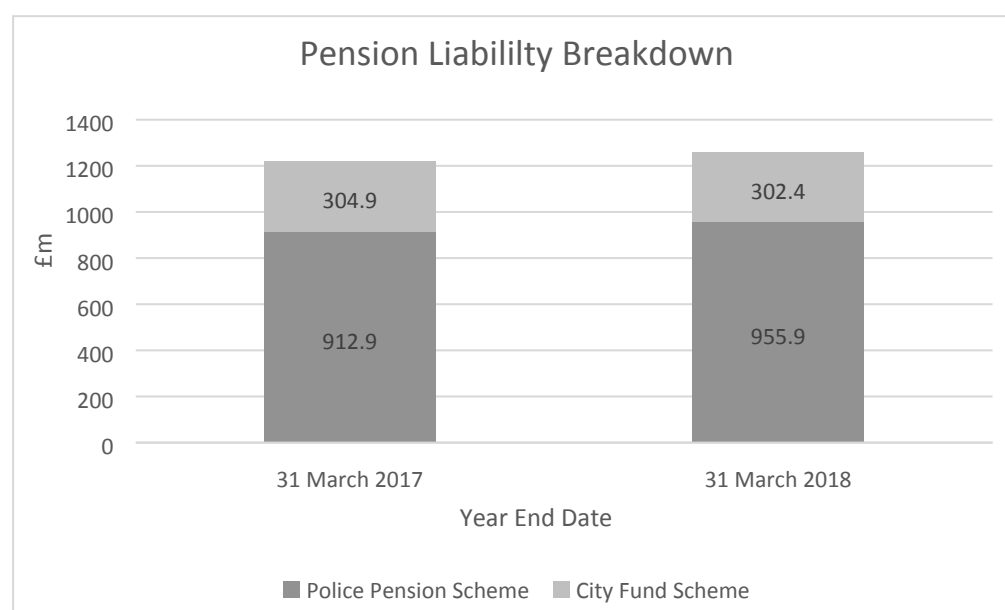


10. Unusable reserves hold unrealised gains and losses and differences between the accounting basis and statutory basis for preparing local authority financial statements. The £63.4m year on year increase in unusable reserves from

£1,091.9m to £1,155.3m is analysed further in note 28 to the City Fund financial statements. The most significant items contributing to this increase was the increase in investment (£69.2m) and operational property valuations (£27.5m). These increases were offset by an increase of £40.4m in the negative pension reserve to match the increase in estimated pension liabilities.

Pension Liabilities

11. The City Fund's total net assets of £1,343.8m are after having deducted net pension liabilities totalling £1260.7m. The comparator for 31 March 2017 is £1,220.3m. The liabilities arise from applying the requirements of International Accounting Standard (IAS) 19. This accounting standard is complex but is based on the principle that an organisation should recognise liabilities for pension benefits as they are earned, even if the payment of such benefits will be many years into the future. The estimated net liabilities are calculated by independent actuaries, Barnett Waddingham.
12. The liabilities are mainly in relation to the City Fund share of the City of London Pension Scheme and the Police Pension Schemes (see chart below).



City of London Pension Scheme

13. City of London staff, excluding police officers, teachers and judges are eligible to join the Local Government Pension Scheme – a statutory scheme administered in accordance with Government regulations.
14. Although the Pension Fund net deficit cannot be attributed precisely between the City Fund, City's Cash and Bridge House Estates, an apportionment of that deficit and inclusion in the respective balance sheets presents a fairer view of the funds' financial positions than if the deficit were excluded. Accordingly, an apportionment has been made which is based on employer's annual contributions to the fund.

15. The total net deficit in the City of London Pension Fund was £592.6m at 31 March 2018 (31 March 2017: £597.9m). The City Fund's estimated proportion of this deficit is £302.4m or 51% (31 March 2017: £304.9m or 51%).
16. Pension fund deficits (or surpluses) are relatively sensitive to movements in the underlying assumptions. Whilst there have been changes in these assumptions from the previous year, these have been offsetting and the overall deficit has remained similar to last year. Details of these changes can be found in note 44 of the accounts.
17. It should be noted that the employer's pension contribution rate is a separate issue from the IAS19 calculations. It is considered and determined by the Finance Committee following each triennial valuation (updated by any subsequent interim valuations). The triennial valuation considers the period over which the pension deficit should be recovered through employer's contributions and the City Corporation is consulted on the assumptions used by the actuary for these valuations. Following the triennial valuation as at 31 March 2016 the Finance Committee agreed to increase the employer's contribution rate from 17.5% to 21% for the years 2017/18 to 2019/20 in order to recover the pension fund deficit over a period of 17 years.

City Police Pension Scheme

18. The Police Pension Scheme is a statutory scheme as specified by police regulations. The scheme is unfunded (i.e. the scheme has no assets - unlike the Local Government Pension Fund which has both assets and liabilities). The main reasons for the increase in the deficit is the decrease in the discount rate used to value liabilities and a small increase in mortality assumption. This has led to an increase in the liability of £43m from £912.9m to £955.9m.
19. The City of London Corporation in its capacity as Police Authority pays an employer's contribution of 21.3% of pensionable pay for all serving police officers into the Police Pension Fund Account. If there is insufficient money in the Police Pension Fund Account to meet all expenditure commitments in any particular year, the Home Office will fund the deficit. In practice therefore, the significant balance sheet liability of £955.9m relating to benefits earned but to be paid in the future, will be covered by future contributions (employees' and employer's) and receipt of Home Office grant monies.

Audit Progress Update

20. BDO commenced its audit on 5 June 2018. At the time of writing this report the audit was still underway. To date no significant issues have been raised and it is anticipated that the audit will be concluded satisfactorily to enable BDO to issue unqualified opinions. Representatives from BDO will be in attendance at the Audit and Risk Management Committee to present their progress reports and to clarify any points or issues

Conclusion

21. BDO is expecting to sign its audit opinion by the end of July. Should any material adjustments to the financial statements be required before that position is reached, it is recommended that authority to approve such amendments should be delegated to the Chamberlain in consultation with the Chairmen and Deputy Chairmen of the Audit and Risk Management and Finance Committees.
22. As soon as reasonably possible after the conclusion of the audit, and in any event by 31 July 2018, the City is required to publish the 2017/18 City Fund and Pension Fund Financial Statements including the Audit Opinion on its website. Copies of the published statements will be placed in the Members' Reading Room. The final management letters from BDO on its audit will be presented to the Court of Common Council for information.

Appendices

Annex 1: Statement of Accounts for the City Fund and the Pension Funds

Annex 2: BDO's City Fund Progress Report (to follow)

Annex 3: BDO's Pension Fund Progress Report (to follow)

Philip Gregory

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Committee:	Date:
Finance Committee	24 July 2018
Subject: Provisional Outturn 2017/18	Public
Report of: The Chamberlain	For Information
Report author: Philip Gregory, Deputy Director, Financial Services	

Summary

The 2017/18 provisional net expenditure outturn position of £144.1m represents a better than budget position of £48.9m comprising £25.7m, £13.1m and £10.1m respectively for City Fund, City's Cash and Bridge House Estates. Further detailed analyses and explanations will be included in revenue outturn reports to the relevant service committees.

Of the £48.9m, some £23.1m (47%) relates to timing differences – mainly the costs of projects/initiatives that have been re-phased into 2018/19. The final benefit to s will be the £25.8m balance. This includes budgets agreed for carry forward following assessment by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee. Requests for carry forward totalling £3.6m have been approved.

The 2017/18 provisional outturn position shows caution being exercised in the budget setting and forecasting of some income budgets. There are also a number of projects that are funded centrally that have suffered from slippage from one financial year into the next. The on-going implications of 2017/18 variances will be taken into account in future financial planning and the development of the medium term financial plan; in particular the budget position of the City of London Police.

Investments in improved systems and processes to facilitate improved budget monitoring and project expenditure forecasting are already underway and should result in identifying budget variations sooner so that mitigating actions can be taken. This is a corporate project that will require collaboration and partnership working across the Corporation to succeed.

The outturn detailed in this report is subject to external audit by BDO (City Fund and Pension Fund) and Moore Stephens (City's Cash, Bridge House Estates and various trusts). BDO commenced their audits on 6 June and Moore Stephens on 16 July. The final audited City Fund and Pension Fund financial statements will be presented to the Audit and Risk Management and Finance Committees in July. The final audited City's Cash, Bridge House Estates and various Trusts financial statements will be presented to those committees in November.

Recommendation

Members are asked to:

- Note the provisional revenue outturn for the year ended 31 March 2018.

Main Report

Background

1. The original revenue budget was set by Court of Common Council and has been monitored throughout the year. The final approved budget for 2017/18 following carry forward requests and in-year budget adjustments was £193.0m.
2. Further detailed analyses and explanations of the outturn position will be included in revenue outturn reports to the relevant service committees. This report summarises the overall revenue budget outturn for the Corporation as a whole.

Current Position

3. The net expenditure outturn position of £144.1m represents a better than budget position of £48.9m, a 25.3% variance on the final budget of £193.0m. This is summarised in Table 1 below comparing the net budget and provisional outturn for City Fund, City's Cash and Bridge House Estates.
4. The outturn detailed in this report is still subject to external audit by BDO (City Fund and Pension Fund) and Moore Stephens (City's Cash, Bridge House Estates and various trusts). BDO commenced their audits on 6 June and Moore Stephens on 16 July. The final audited City Fund and Pension Fund financial statements will be presented to the Audit and Risk Management and Finance Committees in July. The final audited City's Cash, Bridge House Estates and various Trusts financial statements will be presented to those committees in November.

Table 1: City of London Corporation summary outturn 2017/18

2017/18 Budget v Outturn - By Fund					
Net Expenditure (Income)					
	Budget Net	Provisional Outturn	Variation Better/(Worse)		
			Total	Local Risk	Central Risk/ Support Services
	£m	£m	£m	£m	£m
City Fund	(143.4)	(117.7)	25.7	10.1	15.6
City's Cash	(32.4)	(19.3)	13.1	1.8	11.3
Bridge House Estates	(17.2)	(7.1)	10.1	0.5	9.6
Total	(193.0)	(144.1)	48.9	12.4	36.5

5. Within the £48.9m budget variation are the costs of projects and schemes that have been re-phased into 2018/19 and other items over and above service related underspends. Eliminating these items from the provisional outturn results in a £25.8m balance which will be a benefit to reserves (compared to £13.9m last year). This is illustrated in the table below.

Table 2: Identification of underlying underspend in outturn position

Provisional outturn	48.9
Supplementary Revenue Projects	(12.9)
Central contingencies not required	(6.6)
Approved Carry Forward requests	(3.6)
Underlying underspend	25.8

6. The underlying underspend position above includes budgets agreed for carry forward following assessment by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee. Requests for carry forward totalling £3.6m (£2.1m local risk and £1.5m central risk) were approved.
7. Throughout the year forecast expenditure is monitored by Chief Officers to ensure that expenditure and income received is in line with budget and to highlight variances as they occur. The outturn position for the cash limited budget for each department by fund is shown at Appendix 1.
8. The provisional outturn has been compared to the forecast as at 31 Dec 2017. This shows significant movements between the forecast produced in December and the final outturn shown in the table below.

Table 3: Variance in forecast between Dec 2017 and Outturn

Chief Officer	Variance between December forecast and Outturn	% of total final budget
Chamberlain	721	3.0%
City Surveyor*	(7,034)	17.2%
Commissioner of Police**	4,560	6.9%
Comptroller and City Solicitor	147	4.2%
Director of the Built Environment	(321)	1.9%
Director of Community & Children's Services	(195)	1.8%
Director of Markets & Consumer Protection	144	3.6%
Director of Open Spaces	816	8.0%
Head, City of London School	25	2.7%
Headmaster, City of London Freeman's School	143	2,042.9%
Headmistress, City of London School for Girls	231	151.0%
Managing Director, Barbican Centre	1,368	7.7%
Principal, Guildhall School of Music & Drama	(1,072)	16.8%
Private Secretary & Chief of Staff to the Lord Mayor	(255)	7.6%
Remembrancer	253	28.6%
Town Clerk	405	1.8%

*includes £4m relating to the Additional Works Programme which is monitored by the Corporate Asset Sub-committee. The £4m is subject to separate carry forward arrangements.

** before transfers to the Police Reserve of £3.5m

9. There are steps that are being taken to improve the quality of financial management information across the Corporation. Additional modules have been implemented in the Oracle system during 2017/18 to facilitate more efficient data collection and reporting. This support from the Chamberlain will require cooperation from each department to ensure that realistic forecasts are produced on a regular basis throughout 2018/19, supported by budget holder training as appropriate.
10. Where budget lines perform consistently better or worse than budget on a year on year basis budget holders will be challenged to amend these as part of the 2019/20 budget setting process. Whilst it is recognised that some budget lines can be volatile, for example trading income, a balance must be struck between prudence and ambition. Service budgets should not include an element of contingency as contingency funds are available from Finance committee should they be required during the year.
11. The following tables show each fund in turn and compare net budget with outturn by committee, with summaries of the main variances set out below each table. More detailed analyses and explanations will be included in outturn reports to the various service committees.

City Fund

Table 4: City Fund summary outturn 2017/18 by Committee

2017/18 Budget v Outturn - City Fund Summary by Committee					
Net Expenditure (Income)	Budget Net	Provisional Outturn	Variation Better/(Worse)		
			Total	Local Risk	Central Risk/ Support Services
	£m	£m	£m	£m	£m
Barbican Centre	(27.6)	(25.2)	2.4	2.1	0.4
Barbican Residential	(2.8)	(2.9)	(0.1)	0.0	(0.1)
Community and Children's Services	(12.8)	(12.8)	0.0	0.1	(0.1)
Culture Heritage and Libraries	(27.7)	(25.8)	1.9	0.2	1.6
Finance	2.1	16.0	13.9	1.3	12.6
Licensing	(0.1)	(0.1)	0.0	0.0	0.0
Markets	1.3	1.1	(0.2)	0.0	(0.2)
Open Spaces	(1.7)	(1.8)	(0.1)	0.0	(0.1)
Planning and Transportation	(16.0)	(16.1)	(0.1)	(0.2)	0.1
Police	(76.0)	(72.5)	3.5	5.1	(1.6)
Policy and Resources	(6.9)	(6.4)	0.5	0.2	0.3
Port Health and Environmental Services	(14.4)	(13.9)	0.5	0.8	(0.3)
Property Investment Board	39.2	42.7	3.5	0.5	3.0
City Fund requirement to be met from government grants, local taxation and transfers to/(from) reserves.	(143.4)	(117.7)	25.7	10.1	15.6

12. The net better than budget position of £25.7m includes the following significant variances:

	£m	Driver
• Cash limited local risk budgets:		
○ Reduction in operating costs across services, including employee costs	3.6	Non-spend
○ Increased income in Port Health from Cemetery & Crematorium	0.4	Higher Income
○ Customer receipts (Barbican)	3.1	Higher Income
• City of London Police – the forecast position of an overspend has not materialised and the call on the police reserve is now a significant contribution to reserves. There remains a significant challenge to achieve a balanced budget over the medium term. Details of the outturn will be presented to the Police Committee in July.	3.5	Non-spend
• Central recharges as a result of lower central costs	0.9	Non-spend
• Central Contingencies not required in 2017/18	4.0	Non-spend
• Lower recharges as central costs have reduced	0.9	Non-spend
• Capital and Supplementary Revenue Projects provision held by Finance Committee and allocated to projects as expenditure occurs (re-phased into 2018/19).	11.0	Slippage
• Property Investment Board income	2.5	Higher Income
• On-Street Parking Income	4.3	Higher Income

13. Where the driver above is non-spend this may be indicative of careful management throughout the year. An underspend on operating costs representing 2% of the total City Fund budget demonstrates that services are being managed prudently.

14. The central recharges budget within Finance committee has benefitted from reduced insurance premiums, lower operational building running costs and IT underspends (which are subject to a carry forward request).

15. Income budgets require a focus on more realistic forecasting and a more optimistic view being taken. It is clear that budgets are set with prudence in mind although care should be taken to ensure that the assumptions are not over-cautious in the forthcoming year. Central risk budgets have been reviewed and challenged to be more realistic in 2018/19.

City's Cash

Table 5: City's Cash summary outturn 2017/18 by Committee

2017/18 Budget v Outturn - City's Cash Summary by Committee					
Net Expenditure (Income)	Budget Net	Outturn	Variation Better/(Worse)		
			Total	Local Risk	Central Risk/ Support Services
	£m	£m	£m	£m	£m
Culture, Heritage & Libraries	(0.4)	(0.4)	0.0	0.0	0.0
Education Board	(1.3)	(1.3)	0.0	0.0	0.0
Finance	(23.4)	(15.2)	8.2	0.4	7.8
G. P. Committee of Aldermen	(3.8)	(3.5)	0.3	0.4	(0.1)
Guildhall School of Music and Drama	(11.3)	(11.2)	0.1	0.0	0.1
Markets	(0.6)	(0.2)	0.4	0.4	0.0
Open Spaces :-					
Open Spaces Directorate	0.0	0.0	0.0	0.1	(0.1)
Epping Forest and Commons	(7.4)	(7.6)	(0.2)	0.0	(0.2)
Hampstead, Queen's Park and Highgate	(7.9)	(7.6)	0.3	0.4	(0.1)
Bunhill Fields	(0.4)	(0.3)	0.1	0.1	0.0
West Ham Park	(1.2)	(1.2)	0.0	0.0	0.0
Policy and Resources	(16.0)	(14.9)	1.1	0.0	1.1
Property Investment Board	46.6	49.0	2.4	(0.2)	2.6
Schools :-					
City of London School	(1.6)	(1.6)	0.0	0.0	0.0
City of London Freeman's School	(1.8)	(1.5)	0.3	0.1	0.2
City of London School for Girls	(1.9)	(1.8)	0.1	0.1	0.0
Deficit (Surplus) from (to) reserves	(32.4)	(19.3)	13.1	1.8	11.3

16. The net better than budget position of £13.1m includes the following significant variances:

	£m	Driver
• Cash limited local risk budgets:		
o Reduction in operating costs across services	2.9	Non-spend
o GSMD income – Additional income from hire of facilities and government grants totalling £3.1m better than budget offset by additional costs of £0.7m resulting in a net surplus.	2.4	Higher Income
o Mansion House additional income from increased hire of facilities	0.2	Higher Income
• Supplementary revenue projects provision held by Finance Committee and allocated to projects as expenditure occurs (re-phased into 2018/19).	3.3	Slippage
• Central contingencies not required in 2017/18	2.6	Non-spend
• Lower recharges as central costs have reduced	2.2	Non-spend
• PIB Property Investment Board –mainly due to an overachievement of rent on Investment Estate	2.0	Higher Income

17. Slippage related to project expenditure represents 25% of the total underspend position above. Further analysis is being carried out to understand variances by service to identify reasons for particular reasons for the slippage occurring.
18. Income budgets have performed better than expected in 2017/18 and as a result forecasts during 2018/19 and budgets for 2019/20 will be assessed to ensure that these are not over-cautious and amended where appropriate.

Bridge House Estates

Table 6: Bridge House Estates summary outturn 2017/18 by Committee

2017/18 Budget v Outturn - Bridge House Estates Summary by Committee					
Net Expenditure (Income)	Budget Net	Provisional Outturn	Variation Better/(Worse)		
			Total	Local Risk	Central Risk/ Support Services
	£m	£m	£m	£m	£m
The City Bridge Trust	(27.0)	(25.6)	1.4	0.1	1.3
Culture, Heritage and Libraries	0.9	1.3	0.4	0.4	0.0
Finance	(3.1)	0.8	3.9	0.0	3.9
Planning and Transportation	(4.7)	(4.8)	(0.1)	0.0	(0.1)
Property Investment Board	(16.7)	(21.2)	4.5	0.0	4.5
Deficit (Surplus) from (to) reserves	(17.2)	(7.1)	10.1	0.5	9.6

19. The net better than budget position of £10.1m includes the following significant variances:

	£m	Driver
• Cash limited local risk budgets:		
o Reduction in operating costs	0.9	Non-spend
o Tower Bridge income	0.1	Higher Income
• CBT Grants to be allocated	1.2	Slippage
• Investment income	1.0	Higher Income
• Property Investment Board –mainly due to an overachievement of rent on the Bridge House Investment Estate	4.7	Higher Income

20. The City Bridge Trust has been increasing the strategic approach to its grant making including more longer-term, proactive grants. The Bridging Divides scheme launched during 2017/18 and will be awarding grants in the following three programmes: connecting the capital, positive transitions and advice & support.
21. Income budgets have performed better than expected in 2017/18 and as a result forecasts during 2018/19 and budgets for 2019/20 will be assessed to ensure that these are not over-cautious and amended where appropriate.

Conclusion

22. The 2017/18 provisional outturn position shows particular caution being exercised in the budget setting and forecasting of some income budgets. There are also a

number of projects that are funded centrally that have suffered from slippage from one financial year into the next.

23. Investments in improved systems and processes to facilitate improved budget monitoring and project expenditure forecasting are already underway and should result in identifying budget variations sooner so that mitigating actions can be taken. This is a corporate project that will require collaboration and partnership working across the Corporation to succeed.
24. The Police budget has been subject to a great deal of scrutiny due to the identified shortfall in funding over the medium term. The achievement of a balanced outturn position in 2018/19 will require drawdown from reserve balances. The Transform programme will inform where efficiencies can be identified to mitigate the forecast funding deficit. The Chamberlain and Commissioner require more assurance about the robustness of the assumptions underpinning the future plans. A joint task group led by the Deputy Chamberlain, will be established to review the key assumptions and establish the quantum of the underlying budget deficit with a rebasing of the MTFP during Autumn 2018.
25. Any on-going implications of 2017/18 variances will be taken into account in future financial planning and the development of the medium term financial plan. Further scrutiny of the areas where significant variances have been identified will take place as part of the 2018/19 business planning and budget setting process.

Appendices

- Appendix 1: Outturn position by department

Philip Gregory

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Original Budget £'000	Chief Officer Cash Limited Budgets	Final Budget £'000	Provisional Outturn £'000
	City Fund		
(1,753)	Chamberlain	(1,881)	(1,673)
(9,816)	City Surveyor	(9,670)	(7,867)
(15,405)	Director of the Built Environmental	(16,518)	(16,382)
(8,190)	Director of Community and Children's Services	(10,582)	(10,419)
(1,966)	Director of Markets and Consumer Protection	(2,595)	(2,391)
753	Director of Open Spaces	540	1,046
(15,851)	Managing Director Barbican Centre	(17,800)	(15,970)
(13,058)	Town Clerk	(13,884)	(13,643)
(65,286)	Total City Fund (excluding Police)	(72,390)	(67,299)
	City's Cash		
(70)	Chamberlain	(77)	(95)
(20,380)	City Surveyor	(20,607)	(19,631)
(500)	Director of Community and Children's Services	(504)	(486)
(1,214)	Director of Markets and Consumer Protection	(1,419)	(1,296)
(10,473)	Director of Open Spaces	(10,812)	(10,854)
(881)	Headmaster of the City of London Boys School	(921)	(908)
45	Headmaster City of London Freeman's School	(7)	138
(113)	Headmistress City of London School for Girls	(153)	(53)
(5,366)	Principal Guildhall School of Music and Drama	(6,363)	(6,363)
(2,567)	Private Secretary to the Lord Mayor	(3,345)	(2,938)
(1,166)	Remembrancer	(1,203)	(1,225)
(568)	Town Clerk	(63)	(44)
(43,253)	Total City's Cash	(45,474)	(43,755)
	Bridge House Estates		
(2,441)	City Surveyor	(2,567)	(2,567)
(257)	Director of the Built Environmental	(257)	(274)
14	Director of Open Spaces	31	525
(1,472)	Town Clerk	(1,593)	(1,512)
(4,156)	Total Bridge House Estates	(4,386)	(3,828)
	Guildhall Admin		
(21,138)	Chamberlain	(21,765)	(21,011)
(9,566)	City Surveyor	(8,089)	(8,004)
(2,981)	Comptroller and City Solicitor	(3,488)	(3,343)
384	Remembrancer	319	919
(6,298)	Town Clerk	(6,724)	(6,619)
(39,599)	Total Guildhall Administration	(39,747)	(38,058)
(152,294)	Grand Totals (excluding Police)	(161,997)	(152,940)
(58,984)	Commissioner of Police	(66,169)	(61,091)
(211,278)	Grand Totals	(228,166)	(214,031)

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Agenda Item 8

Committees: Establishment Finance Resource Allocation Sub-Committee Policy and Resources	Date: 9 July 2018 23 July 2018 Urgency Urgency
Subject: Committee and Members Services Team – Request for Additional Resources	Public
Report of: Town Clerk Report author: Angela Roach, Assistant Town Clerk and Director of Members Services Manager	For Decision

Summary

1. The purpose of this report is to seek support for increased staff resources within the Committee & Member Services Section of the Town Clerk's Department.
2. This request reflects a) changes within the structure of the Section following the appointment of the new Assistant Town Clerk and Director of Members Services, and b) an increase in the level of Committee and Members Services work overall. Attached at Appendix B is a diagram showing the current staffing structure within the Committee & Member Services Section of the Town Clerk's Department.
3. There were three Principal Committee & Senior Manager posts within the section, each at grade G. Following the recent review of the staffing structure, prompted by the promotion of one of the post holders to the position of Assistant Town Clerk, three senior manager posts are no longer considered necessary for the effective management of the work and the vacant post will be deleted. The costs associated with the deleted grade G post will contribute to the 2% departmental savings that have to be achieved. As a consequence, an existing grade D post will be re-graded to an E to reflect a limited revised distribution of responsibilities.
4. The work of the section has, however, increased significantly over recent months. Since December 2017, an additional eight new Member groups (ie; new committees, sub-committees or working parties) have been created together with increased activity from existing working parties and sub-committees. The section now supports the management of approximately 115 active Member groups or decision-making bodies as well as a range of other duties. The Member Development Programme has also been enhanced to meet modern-day expectations.
5. In order to maintain a) the level of service expected by Members, b) agreed performance standards, c) compliance with relevant legislation and, importantly, d) capacity and resilience, the section needs some further staffing resource. To keep pace with demand and maintain standards, it is proposed that an additional three permanent full-time posts should be created (two at grade D and one at grade E), together with a part-time post (pro-rata grade F), based on 1-2 days of work each week. This latter post is targeted at supporting the work of the Livery Committee, following a request from that Committee for dedicated resources. Further explanation of the need for these additional posts is contained in the main report.

6. There is no funding available within the Town Clerk's local risk budget to meet the additional costs involved which are estimated to be in the order of £190k at the maximum of the grades together with on-costs.

Recommendations

It is recommended that:-

- a) The Establishment Committee support the creation of three further full-time posts within the Town Clerk's Committee & Member Services Section (two at grade D and one at grade E), together with a part-time post (pro-rata grade F), based on 1-2 days of work each week, to support the work of the Livery Committee;
- b) The Finance Committee approve the provision of £111k this year to fund the posts as set in (a) above from its 2018/19 contingency; and
- c) The Resource Allocation Sub-Committee and Policy and Resources Committee approve an increase of £190k in the Town Clerk's local risk budget from 2019/20 thereafter to meet the additional expenditure.

Main Report

Background and Current Position

1. The purpose of this report is to seek support for increased staff resources within the Committee & Member Services Section of the Town Clerk's Department. Attached at Appendix B is a diagram showing the current staffing structure within the Committee & Member Services Section of the Town Clerk's Department.
2. Following the retirement of the former Assistant Town Clerk, the opportunity has been taken to review the current structure of the section to ensure that it is fit for purpose. There were three Principal Committee & Senior Manager posts within the section, each at grade G. Three senior manager posts are, however, no longer considered necessary for the effective management of the work and, bearing in mind that one of those posts is currently vacant (following the promotion of the post-holder), it will be deleted. The costs associated with the deleted grade G post will contribute to the 2% departmental savings that have to be achieved.
3. As a consequence of this change, an existing grade D post will be re-graded to an E to reflect a limited revised distribution of responsibilities.

Additional Resource

4. The work of the section has, however, increased significantly over recent months. Since December 2017, an additional eight new Member groups (i.e. new committees, sub-committees or working parties) have been created together with increased activity from existing working parties and sub-committees such as the Gresham Working Party and Local Plans Sub-Committee. The section now

supports the management of approximately 115 active Member groups or decision-making bodies together with a range of other activities, such as facilitating an increasing number of Member development sessions/events and awaydays and regulatory hearings such as those held under the Standards regime and licensing.

5. At the request of Members, the Member Development Programme has been enhanced in recent years to meet modern-day expectations. A schedule setting out the details of all the Member-level bodies currently supported by the Committee and Members Services Team, will follow in a separate document as Appendix D.
6. The new bodies which have been created since December are as follows:-
 - The Procurement Sub-Committee of the Finance Committee
 - The Homelessness & Rough Sleepers Sub-Committee of the Community & Children's Services Committee
 - The Members Diversity Working Party of the Policy & Resources Committee
 - The Financial Assistance Working Party of the Policy & Resources Committee
 - The Capital Buildings Committee
 - The Relocation of the Markets Working Party
 - The Livery Strategy Working Party
 - The Housing Programme Delivery Working Party
7. The degree of work in respect of each group or committee will vary, but it will include all the necessary preparation for meetings, agenda preparation and production of minutes etc. It may also require further and more significant input. For example, over a period of time, the work associated with Capital Buildings will involve a greater contribution as will the work on diversity.
8. A typical example of the work and responsibilities of a grade E post holder within the section is set out in Appendix A.
9. In addition, the post-holder will cover licensing appeals, staff appeals, contribute to Member Development and Members' Services generally, has management responsibilities for two members of staff and is expected to undertake ad hoc project work when necessary. The total number of committee meetings for which agendas, minutes, advice etc are required from this post amounted to 58 in the past year. This excludes those committees which had to be covered during periods of annual leave, sickness absence and recruitment.
10. Understandably, Members expect Committee staff to have read and sense-checked committee reports, ensured corporate/policy aspects have been incorporated within them and that written reports and minutes generally are of a high standard. The level of activity currently allocated to individual members of staff is such that there is insufficient capacity within the section to deliver work consistently and to the required standard and it does not allow for any resilience to be built in. At present, staff within the section find themselves adopting a

reactive approach to the work rather than being pro-active and the introduction of three new permanent full-time posts will help to address this.

11. In order to maintain, a) the level of service expected by Members, b) agreed performance standards, c) compliance with relevant legislation and, importantly, d) capacity and resilience, the section needs some further staffing resource. To keep pace with demand and maintain standards, it is proposed that an additional three permanent full-time posts should be created (two at grade D and one at grade E).

Livery Committee Support

12. The work of the Livery Committee, which is appointed by and answerable to Common Hall, has developed over recent years. Its primary objective, as agreed by Common Hall, is to assist Livery companies in their support for the Mayoralty and the City of London Corporation. It also has the specific responsibility of overseeing the arrangements for Liverymen voting at Common Hall. The Committee's constitution and terms of reference (ToR) is attached at Appendix C.
13. The work of the Committee, in pursuance of its ToR, has become more wide-ranging over time and it now has a number of sub-groups looking at different aspects, including the Livery Communications Working Group, Livery Companies Working Group and the Livery Strategy Working Group.
14. In addition, the Committee holds regular briefings for liverymen, clerks and Masters and Wardens and a written briefing on matters of common interest is produced regularly by the Committee & Member Services Section and circulated to Clerks for wider distribution.
15. The Committee is also keen to develop an existing website about its role and information about the Livery generally.
16. The Livery Committee is currently reviewing its strategic approach and overall objectives. This is being undertaken in tandem with a pan-Livery initiative co-ordinated by the Mercers' Company to bring Livery companies closer together with a greater focus. The Committee has no funding other than an allocation for its annual dinner and it has approached the City Corporation for some additional resource for example, to develop the website. This request will be considered at a separate time.
17. The administration of the Committee has, for many years, been undertaken by the Committee and Members Services Section but the level of activity currently in-hand, means that this support from existing staff resources is no longer feasible. It currently requires a commitment of up to 2 days each week. This report seeks approval to the funding of a dedicated staff resource on a part-time basis at grade F (currently support is provided by an officer at grade G, but a reduction to grade F is considered appropriate). This arrangement will be reviewed after one year.

Financial Implications

18. Based on the top of the scale of the relevant grades together with on-costs, the overall sum required is £190k. This can be broken down as follows:-
- 2 X Grade D Posts - £103k
 - 1 X Grade E Post - £58k
 - 1 X Grade F Post (part-time) - £28k
19. Assuming a start date of 1 Sept 2018 a sum of £111k would be required to fund these posts in 2018/19. Insufficient funds exist within the Policy and Resources Committee's contingency to meet this cost (it currently has a balance of £78K). A request will, therefore, be made to the Finance Committee for the provision of the required funds from its 2018/19 contingency. A base budget uplift of £190k will be required from 2019/20 thereafter and, subject to approval, will be included in the Town Clerk's budget report in the autumn.

Conclusion

20. If the Committee and Member Services Section is to maintain the level of service expected by Members, and ensure that there is sufficient capacity and resilience, the Section needs some further staffing resource. To keep pace with demand and maintain standards, it is proposed that an additional three permanent full-time posts should be created (two at grade D and one at grade E) together with a part-time post (pro-rata grade F), based on 1-2 days of work each week, to support the work of the Livery Committee.

Contact:

Angela Roach

Tel: 020 7332 3685

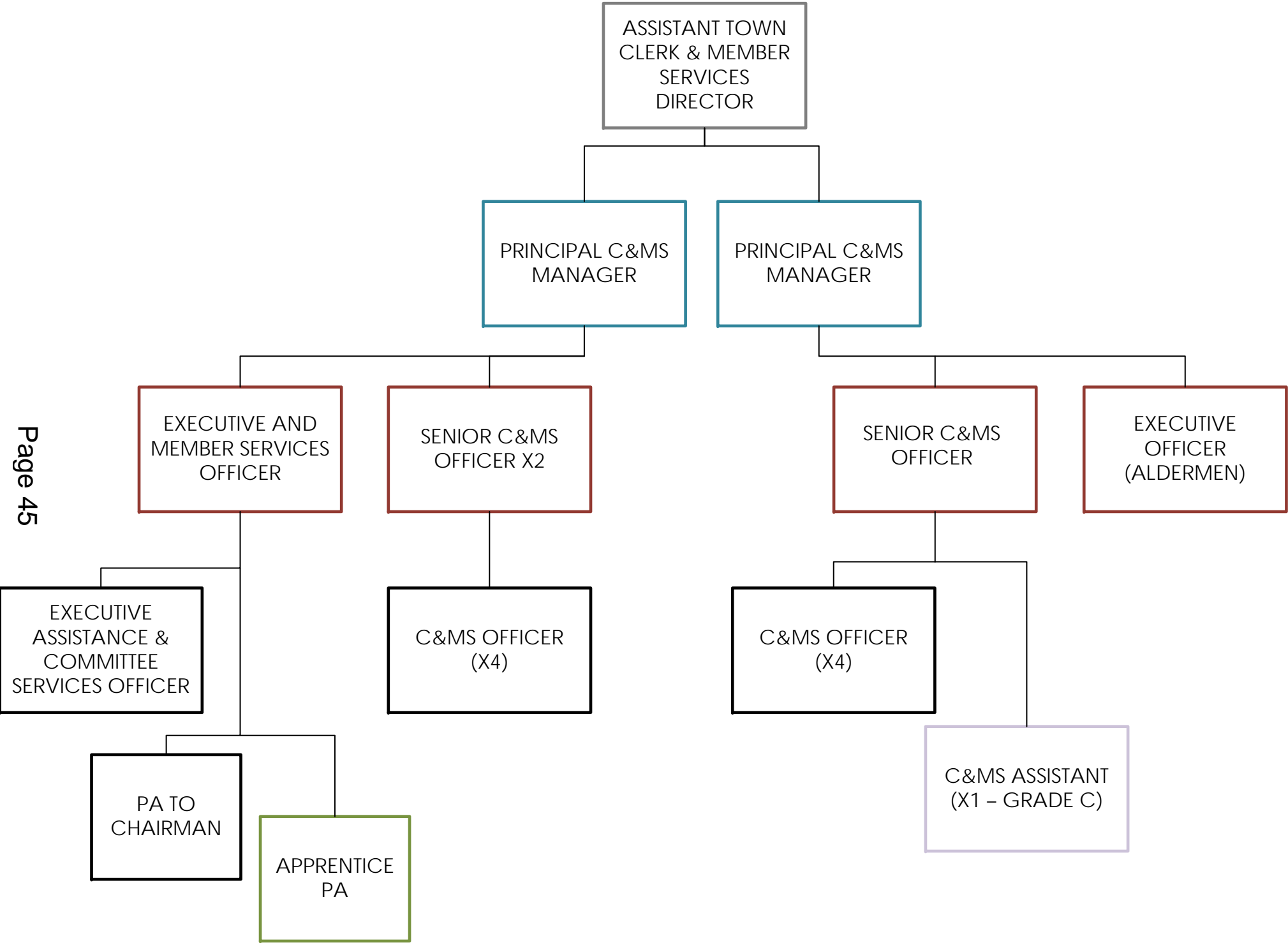
Email: angela.roach@cityoflondon.gov.uk

APPENDIX A

Example of the work and responsibilities of a grade E Senior Committee and Members Services Officer Post

- **Clerk to the Board of Governors of the City of London Freeman's School;**
 - Clerking the Board's Academic & Personnel Committee
 - Clerking the Board's Finance, General Purposes and Estates Committee
 - Clerking the Board's Bursary Committee
- **Clerk to the Education Board**
 - Clerking the Board's Nominations Committee
 - Clerking the Board's Education Charity Committee
- **Clerk to the Board of Governors of the City of London School**
 - Clerking the Board's Academic & Education Committee
 - Clerking the Board's Finance, General Purposes and Estates Committee
 - Clerking the Board's Bursary Committee
- **Projects Sub-Committee**
- **West Wickham, Spring park and Coulsdon Common Consultative Committee**
- **City of London Academies Trust**
 - Clerking the Trust's Standards and Accountability Committee
 - Clerking the Trust's Finance and Audit & Risk Committee

NB: This excludes, line management responsibilities, wider Member Services activities such as Member Development Work, ad hoc projects etc.,



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LIVERY COMMITTEE: CONSTITUTION AND TERMS OF REFERENCE

(Approved by Common Hall on 24 June 2002, 24 June 2004, 24 June 2005 and 24 June 2009)

CONSTITUTION

Title

The Committee shall be called the Livery Committee.

Membership

The Livery Committee shall be appointed annually by Common Hall at the June meeting. The membership shall comprise:

- Two liverymen, who are aldermen, nominated by the Court of Aldermen.
- Six liverymen, who are common councilmen, nominated by the Court of Common Council.
- Six liverymen, not aldermen, common councilmen or clerks, nominated by the livery companies, one through the Clerks of the Great Twelve livery companies, one through the Clerks Association and four through the Fellowship of Clerks.
- Six livery company clerks, nominated by the three clerks associations, two by each association, or as mutually agreed between them.

Together with such other persons as the committee shall co-opt from time to time (maximum 4).

Quorum

The quorum shall consist of any seven members of the committee.

Term of Office

The Term of Office of members of the Committee shall be three years. Members shall serve for a maximum of two terms. The Committee shall be authorised to arrange to fill casual vacancies that arise by co-option. The name of any co-opted members shall be submitted to the next meeting of Common Hall, with the appointment, if confirmed, being deemed to be effective from the date of the June Common Hall.

NB: Time served as Chairman or Deputy Chairman is not included in this calculation, i.e. should a Member serve three years each as Chairman and Deputy Chairman, they are entitled to a total of 12 years.

Chairmanship

Both the Chairman and Deputy Chairman shall be liverymen and shall be elected annually by the Livery Committee at the September meeting. The Chairman shall serve for a period of three years as Chairman. In exceptional circumstances, and only with the agreement of at least two thirds of all Livery Committee members present and voting, a Chairman may serve for a fourth year as chairman.

The chairman and/or the deputy chairman shall be a member of the Court of Common Council. No co-opted members shall be eligible to vote in the election of the chairman or deputy chairman.

TERMS OF REFERENCE

The objects of the Livery Committee shall be to undertake initiatives:

- (a) intended to assist livery companies in their support of the mayoralty and the City of London Corporation, and;
- (b) aimed at creating an awareness amongst liverymen and the general public, especially opinion formers, of the work of the livery companies in their trade, professions, educational, community support programmes and charitable activities, and;
- (c) to undertake such other tasks which are intended to be in the best interests of the general body of the livery.

The key tasks shall be:

- (i) Overseeing the arrangements for liverymen voting at Common Hall;
- (ii) Maintaining a close liaison with Mansion House officers on matters affecting livery companies generally;
- (iii) Reporting to Common Hall on any matters referred to it, or that are considered to be of interest;
- (iv) Researching and advising livery companies on current practices and to develop best practice generally;
- (v) Acting as a forum to which livery companies can bring matters of concern for discussion;
- (vi) Maintaining liaison with the Chamberlain of London on general regulations governing the freedom;
- (vii) Any other matter, which in the opinion of the committee might affect the interests of the general body of the livery.

Dates of Meetings

The committee shall normally meet on the second Wednesday in February, June and September and additionally as necessary.

Appendix D to Item No.8

City of London Corporation - Committee structure as at June 2018

Primary decision-making bodies

- Court of Aldermen
- Court of Common Council

Committees

- Audit and Risk Management Committee and Risk Challenge Sessions
- Barbican Centre Board
- Barbican Residential Committee
- Board of Governors of the City of London Freeman's School
- Board of Governors of the City of London School
- Board of Governors of the City of London School for Girls
- Board of Governors of the Guildhall School of Music and Drama
- Capital Buildings Committee
- Community & Children's Services Committee
- Culture, Heritage and Libraries Committee
- Education Board
- Epping Forest & Commons Committee
- Establishment Committee
- Finance Committee
- Freedom Applications Committee
- Gresham (City Side) Committee
- Hampstead Heath, Highgate Wood and Queen's Park Committee
- Health and Wellbeing Board
- Investment Committee
- Licensing Committee
- Livery Committee
- Local Government Pensions Board
- Markets Committee
- Open Spaces and City Gardens
- Planning and Transportation Committee
- Police Committee
- Policy and Resources Committee

- Port Health & Environmental Services Committee
- Standards Appeals Committee
- Standards Committee
- The City Bridge Trust Committee
- West Ham Park Committee

Sub Committees

- Academic and Education Sub-Committee of the Board of Governors of the City of London School
- Academic and Personnel Sub Committee of the Board of Governors of the City of London Freeman's School
- Assessment Sub (Standards) Committee
- Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music & Drama
- Benefices Sub (Culture, Heritage & Libraries) Committee
- Bursary Committee of the Board of Governors of the City of London Freeman's School
- Bursary Committee of the Board of Governors of the City of London School
- Bursary Committee of the Board of Governors of the City of London School for Girls
- Corporate Asset Sub (Finance) Committee
- Courts Sub (Policy and Resources) Committee
- Dispensations Sub (Standards) Committee
- Economic Crime Board of the Police Committee
- Education Charity Sub (Education Board) Committee
- Efficiency and Performance Sub (Finance) Committee
- Finance & Estates Sub-Committee of the Board of Governors of the City of London School
- Finance and Resources Committee of the Board of Governors of the Guildhall School of Music & Drama
- Finance Committee of the Barbican Centre Board
- Finance Grants Oversight and Performance Sub Committee
- Finance, General Purposes and Estates Sub-Committee of the Board of Governors of the City of London Freeman's School
- Financial Investment Board
- Governance and Effectiveness Committee of the Board of Governors of the Guildhall School of Music & Drama
- Hearing Sub (Standards) Committee
- Homelessness and Rough Sleepers Sub Committee

- Housing Management and Almshouses Sub (Community and Children's Services) Committee
- Information Technology Sub (Finance) Committee
- Integrated Commissioning Sub Committee
- Licensing (Hearing) Sub Committee
- Local Plans Sub (Planning and Transportation) Committee
- Members Privileges Sub (Policy and Resources) Committee
- Nominations Committee of the Barbican Centre Board
- Nominations Committee of the Board of Governors of the Guildhall School of Music & Drama
- Nominations Sub Committee of the Audit and Risk Management Committee
- Nominations Sub (Education Board) Committee
- Outside Bodies Sub (Policy and Resources) Committee
- Performance and Resource Management Sub (Police) Committee
- Police Pensions Board
- Procurement Sub-Committee
- Professional Standards and Integrity Sub (Police) Committee
- Projects Sub (Policy and Resources) Committee
- Property Investment Board
- Public Relations and Economic Development Sub (Policy & Resources) Committee
- Remuneration Committee of the Board of Governors of the Guildhall School of Music & Drama
- Resource Allocation Sub (Policy and Resources) Committee
- Risk Committee of the Barbican Centre Board
- Safeguarding Sub (Community & Children's Services) Committee
- Social Investment Board
- Streets and Walkways Sub (Planning and Transportation) Committee
- Taught Degree Awarding Powers Sub Committee of the Board of Governors of the Guildhall School of Music & Drama

Overview and Scrutiny

- Crime and Disorder Scrutiny Committee
- Health and Social Care Scrutiny Committee
- Inner North East London Joint Health Overview and Scrutiny Committee

Consultative Committees

- Ashtead Common Consultation Group
- Barbican Estate Residents Consultation Committee
- Burnham Beeches and Stoke Common Consultation Group
- Epping Forest Consultative Committee
- Epping Forest Joint Consultative Committee
- Hampstead Heath Consultative Committee
- Highgate Wood Consultative Group
- Joint Consultative Committee (Establishment)
- Keats House Consultative Committee
- Queen's Park Consultative Group
- West Wickham, Spring Park and Coulsdon Commons Consultation Group

Working Parties

- Gresham Working Party
- Wanstead Park Working Party
- Members' Diversity Working Party
- Car Parking Charges Working Party
- Financial Assistance Working Party
- Relocation of the Markets Working Party
- Finsbury Circus Reinstatement Working Party
- Housing Programme Delivery Working Party
- Cultural Mile Working Party
- Parking Charges Working Party

Other Bodies

- Committee of Aldermanic Almoners, Common Council Governors and Donation Governors of Christ's Hospital
- The Lord Mayor's Show Ltd
- Member Development Steering Group
- Safeguarding Inter-Board Chairmen's Meeting
- Safer City Partnership Strategy Group
- Privileges Committee of the Court of Aldermen
- Aldermanic Joint Deputation (Court of Aldermen, Finance Committee and Policy & Resources Committee)
- Mayoralty Visits Advisory Committee (MVAC)

- Independent Custody Visits (ICV) Panel
- House Committee of the Guildhall Club
- Management Committee of the Corporation Benevolent Association
- The Committee of Aldermen to Administer the Sir William Coxen Trust Fund
- Clerking and Governor support for the City of London Academy Trust (COLAT)
- Livery Working Groups (x3)

Other Bodies in the Pipeline

- Dispensations Working Party of the Standards Committee
- Billingsgate Consultative Advisory Committee

NB: please note that this list excludes staff appeal hearings and a number of Officer-level Steering Groups serviced by the Committee and Members Services Team

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Committee:	Dated:
Finance Committee	24 July 2018
Subject:	Public
Central Contingencies	
Report of:	For Information
Chamberlain	
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 £100,000 to support humanitarian disaster relief efforts both nationally and internationally.
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.

2018/19 Contingencies – Uncommitted Balances at 04 July 2018				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
General Contingencies	881	535	50	1,466
National and International Disasters	100	0	0	100
Uncommitted Balances	981	535	50	1,566
Requests for contingency allocations	0	0	0	0
Balances pending approval	981	535	50	1,566

4. The sums which the Committee has previously allocated from the 2018/19 contingencies are listed in Appendix 1.

Recommendation

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

Appendices

- Appendix 1 - Allocations from 2018/19 contingencies

Philip Gregory

Deputy Financial Services Director

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2018/19 General Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			950,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			109,000
	Total Provision			1,059,000
21 Oct 2014	Up to £98,000 in phased match funding (in partnership with the Mercers' Company) for a biography of Sir Thomas Gresham (transferred £29,000 in 2014/15, £9,000 in 2015/16 and £1,000 in 2017/18)	TC	59,000	
12 Mar 2018 (Urgency)	Funding of £49,500 towards the replacement of a servery counter for the third floor Guildhall Club servery kitchen which will take place in 2018/19	CS	50,000	
8 May 2018	Joint funding of £18,477 towards the immediate work of restoring the priority works within the Gresham Music Collection	TC	19,000	
8 May 2018	Joint funding of £49,500 towards 2.5 additional posts and IT related equipment at Gresham College	TC	50,000	
	Total allocations agreed to date			178,000
	Balance remaining prior to any requests that may be made to this meeting			881,000

2018/19 General Contingency – City Fund

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			800,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			60,000
	Total Provision			860,000
17 Feb 2015 and 19 Jan 2016	Funding of £142,000 and an additional sum of £80,000 towards an ongoing appeal regarding Greater London Authority Roads (transferred £84,000 in 2014/15, £20,000 in 2015/16, £23,000 in 2016/17 and £35,000 in 2017/18)	C&CS/CS	60,000	
6 April 2018	Funding of £80,000 towards a building fire survey and cost of interim Fire Safety Advisor at the Central Criminal Court	TC	80,000	
8 May 2018	Funding of £185,000 towards an item only for Members attention	TC	185,000	
	Total allocations agreed to date			325,000
	Balance remaining prior to any requests that may be made to this meeting			535,000

2018/19 General Contingency – Bridge House Estates

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			50,000
	2017/18 Provision brought forward to fund allocations agreed in previous years			0
	Total Provision			50,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			50,000

2018/19 National & International Disasters Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2018/19 Provision			100,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			100,000

Key to Responsible Officers:

CS – City Surveyor

TC – Town Clerk

C&CS – Comptroller and City Solicitor

OS – Director of Open Spaces

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