

## **FINANCE COMMITTEE**

**Tuesday, 21 May 2019**

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 21 May 2019 at 1.45 pm

### **Present**

#### **Members:**

Rehana Ameer	Paul Martinelli
Randall Anderson	Deputy Robert Merrett
Nicholas Bensted-Smith	Deputy Hugh Morris
Deputy Roger Chadwick	Benjamin Murphy
John Fletcher	Susan Pearson
Michael Hudson	Deputy Henry Pollard
Deputy Wendy Hyde	James de Sausmarez
Deputy Clare James	Ian Seaton
Alderman Gregory Jones QC	Deputy Philip Woodhouse
Alderman Alastair King	Deputy Catherine McGuinness (Ex-Officio Member)
Alderman Nicholas Lyons	Simon Duckworth (Ex-Officio Member)

#### **Officers:**

John Cater	-
Simon Latham	- Town Clerk's Department
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

### **1. APOLOGIES**

Apologies for absence were received from Dominic Christian, Gregory Lawrence, Tim Levene, Oliver Lodge, Andrew McMurtrie, Alderman Sir Andrew Parmley, William Pimlott, John Scott, Graeme Smith, Sir Michael Snyder, Simon Duckworth and Tom Sleight.

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

There were no declarations of interest.

### **3. ORDER OF THE COURT OF COMMON COUNCIL**

The Committee received the Order of the Court of Common Council from Thursday, 25<sup>th</sup> April 2019 appointing the Finance Committee until the first meeting of the Court in April 2020.

4. **ELECTION OF THE CHAIRMAN**

In accordance with Standing Order 29, Jeremy Mayhew was elected Chairman of the Finance Committee for the ensuing year.

The Chairman thanked Members for their support.

He also expressed his thanks to Kevin Everett, Sophie Fernandes, Christopher Hayward, Chris Hill, Tom Hoffman, Alderman Howard, Alistair Moss and James Tumbridge all of whom had departed the Committee.

He welcomed Rehana Ameer, Alderman Gregory Jones, Alderman Nicholas Lyons, Benjamin Murphy, James de Sausmarez, John Scott, Tom Sleigh and Graeme Smith, all of whom had joined the Committee for the year ensuing.

In addition, the Chairman gave a brief statement: "This year will mark the beginning of a critical period for the Corporation: as central government funding of local government falls and as we begin to see some of our major projects further developed, the pressures on the City's finances will inevitably, grow – thus, the forthcoming Fundamental Review. Our collective actions and performance will shape the City's ability to continue to make a vital and positive impact, both locally and nationally."

5. **ELECTION OF THE DEPUTY CHAIRMAN**

In accordance with Standing Order 30, Deputy Jamie Ingham Clark was elected Deputy Chairman of the Finance Committee for the ensuing year.

6. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes of the meeting held on 9<sup>th</sup> April be approved as an accurate record.

7. **FINANCE COMMITTEE'S FORWARD PLAN**

The Committee received a Report of the Chamberlain concerning the Committee's forward workplan.

After discussions at Finance Committee's call over, the Chamberlain tabled an amended copy of the forward plan for review. The Deputy Chairman asked officers to ensure that future iterations included reference to the Capital Funding Account.

**RESOLVED** – that the Committee noted the Report.

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

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

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

- a) **Draft public minutes of the Finance Grants Oversight and Performance Sub-Committee held on 9 April 2019**

**RESOLVED** – That the public minutes of the Finance Grants Oversight and Performance Sub-Committee meeting held on 9<sup>th</sup> April be noted.

9. **APPOINTMENT OF SUB-COMMITTEES AND REPRESENTATIVES ON OTHER COMMITTEES**

The Committee considered a Report of the Town Clerk concerning the appointment of the Committee's Sub Committees for 2019/20, to approve their composition and Terms of Reference and to appoint representatives to a number of other City Corporation positions.

Terms of Reference and Composition

- Members agreed the composition and Terms of Reference of the following Sub Committees:

Corporate Asset Sub Committee  
Digital Services Sub Committee  
Efficiency and Performance Sub Committee  
Finance Grants Oversight and Performance Sub Committee  
Procurement Sub-Committee

Appointments

- Members agreed to the following appointments as Chairman and Deputy Chairman of the respective Sub Committees:

Corporate Asset Sub Committee  
Jamie Ingham Clark (Chairman)  
Dominic Christian (Deputy Chairman)

Digital Services Sub Committee  
Randall Anderson (Chairman)  
Jamie Ingham Clark (Deputy Chairman)

Finance Grants Oversight and Performance Sub Committee  
Nick Bensted-Smith (Chairman)  
Philip Woodhouse (Deputy Chairman)

Procurement Sub Committee  
Hugh Morris (Chairman)  
Robert Merrett (Deputy Chairman)

- Members noted that Jeremy Mayhew would serve as Chairman and Jamie Ingham Clark would serve as Deputy Chairman of the Efficiency and Performance Sub Committee.

- Members agreed to the following appointments of Members of the respective Sub Committees:

#### Corporate Asset Sub Committee

Randall Anderson  
Nick Bensted Smith  
Michael Hudson  
Deputy Wendy Hyde  
James de Sausmarez

Members also noted the appointment of the following Members of other Committees to CASC: Marianne Fredericks, Joyce Nash and Philip Woodhouse representing Policy and Resources; Property Investment Board representatives would be confirmed in June.

#### Digital Services Sub Committee

Rehana Ameer  
Roger Chadwick  
Tim Levene  
Hugh Morris  
Ben Murphy

Members also noted the appointment of Keith Bottomley by the Police Committee on 16th May. Mr Bottomley will serve as the Special Interest Area Holder.

#### Efficiency and Performance Sub Committee

Randall Anderson  
Clare James  
Alderman Lyons  
Paul Martinelli  
Hugh Morris  
Henry Pollard  
Deputy Philip Woodhouse

#### Finance Grants Oversight & Performance Sub Committee

Simon Duckworth  
John Fletcher  
Wendy Hyde  
Paul Martinelli  
Ian Seaton

#### Procurement Sub Committee

Randall Anderson  
John Fletcher  
Michael Hudson  
Susan Pearson  
William Pimlott

Appointments of Committee representatives to other Corporation positions

- Members agreed to the following appointments of representatives:

Establishment Committee (1):

Deputy Jamie Ingham Clark

Barbican Centre Board (1):

Deputy Wendy Hyde

Courts Sub (1):

Alderman Jones

Project Sub Committee (2):

Benjamin Murphy and James de Sausmarez

Streets and Walkways Sub Committee (1):

Paul Martinelli

Representative for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances (1):

Philip Woodhouse

- Members also noted that the Chairman and Deputy Chairman would be:

- Members of the Resource Allocation Sub Committee
- Finance Committee Representatives for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty (in addition to Philip Woodhouse) and;

Ex-officio Members of:

- Policy and Resources Committee
- Investment Committee
- Audit and Risk Management Committee
- The Hospitality Working Party (P&R)

- In addition, Members noted that the Chairman will be an ex-officio Member of the:

- Public Relations and Economic Development Sub

Members also agreed that the Committee should continue to meet “every fourth week on Tuesdays” with the exception of recess periods.

#### 10. **CAPITAL FUNDING UPDATE – BIDS FOR REPRIORITISATION AND ANNUAL BID PROCESS DETAILS**

The Committee considered a Report of the Chamberlain concerning capital funding.

**RESOLVED** – that the Committee approved the following:

- allocate up to £15.45m from the general reserves of City's Cash to provide loan funding for the Girls' School expansion project and fees to commence the Wanstead Ponds project.
- Note the scope of central funding sources captured within this review as set out in paragraph 8 and confirm the principle of prioritisation to be adopted when considering funding allocation, in the first instance considering the scheme objectives against agreed corporate priorities, irrespective of the specific source of central funding to be applied
- Note that the case for central support to cover loss experienced by third party funders as a direct result of schemes being deferred or cancelled due to the fundamental review will be considered on a case by case basis.
- Approve the details of the annual bid process set out in paragraph 19.

11. **ADDITIONAL BUDGETARY PROVISIONS - CAPITAL FUNDING -INTERIM REVISED PRIORITISATION AND PROJECT FUNDING**

The Committee considered a Report of the Chamberlain concerning additional budgetary provisions.

**RESOLVED** – that the Committee approved the following:

- Approve additional budgetary provisions of up to £21.818m to provide internal loan funding (as detailed above) to be drawn from the general reserves of City Fund and City's Cash.
- Agree that these loan facilities will be available from 2019/20 onwards, to be drawn down as required over the life of the projects subject to other relevant approvals.
- Recommend approval of these budget increases by the Court of Common Council.

12. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT - TOP RISKS**

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

**RESOLVED** – that the Committee noted the Report.

13. **CENTRAL CONTINGENCIES**

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

The Chairman suggested that it may now be an appropriate time to increase the Emergency and Disasters Relief Contingency Fund by £25K (to £125K); Members decided to defer the option for now and asked officers to keep them updated about the status of the fund throughout the year. The Chamberlain confirmed that the Committee hadn't exhausted the fund across any previous financial year, but it would be helpful to be able to access a discretionary extra £25K from reserves in the unlikely event that the main fund was fully committed before 31<sup>st</sup> March. Members were sympathetic to this proposal.

In response to a query, the Chairman clarified that officers from City Bridge Trust advise the Chairman and Deputy Chairman when emergency appeals are announced. Approvals are under delegated authority as this is the most expeditious way to ensure that, when crises occur, funds are deployed swiftly.

**RESOLVED** – that the Committee noted the report.

14. **CHAMBERLAIN'S BUSINESS PLAN - END OF YEAR UPDATE**

The Committee received a Report of the Chamberlain concerning the departmental business plan.

The Chamberlain briefly introduced the Report. Progress was good, with most key milestones met according to anticipated timescales.

Key achievements in 2018/19 include:

- Development of the Medium-Term Financial Plan against the challenging backdrop of financing the major projects
- Annual procurement savings secured totalling £6.74m.
- 95% completion of the IT Network Transformation.

The Chamberlain added that the department aimed to improve the Internal Audit Plan this year. The target for delivery for 2018/19 had been almost achieved (92% against a target of 96%), despite earlier challenges and delivery consistently below the target profile for much of the year. In response, the Chamberlain informed Members that a new Head of Audit & Risk Management would be in place from the summer, the benefits of IT investment in this area was beginning to bear fruit, and a initiative had been put in place to ensure faster "closing" meetings and actions. The Chamberlain was confident that the department would achieve better outcomes by the end of 2019/20.

The Deputy Chairman asked officers to ensure that Capital Budgets was added to the Key Departmental Scorecard.

The Chamberlain confirmed that the department did not undertake its own staff survey in 2018/19 in light of the Corporate Staff Engagement survey.

Members asked the Commercial Director to ensure that all procurement savings and costs are included in Reports going forward. Whilst the savings over the course of 2018/19 were commendable it was important that Members also had sight of where costs had increased (e.g. the street cleansing contract)

**RESOLVED** – that the Committee noted the Report.

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

There were no questions.

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

There were no urgent items.

**17. EXCLUSION OF THE PUBLIC**

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

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

The non-public minutes of the meeting held on 9<sup>th</sup> April 2019 were approved as an accurate record.

**a) Draft non-public minutes of the Finance Grants Oversight and Performance Sub-Committee held on 9 April 2019**

The non-public minutes of the Finance Grants Sub-Committee meeting held on 9<sup>th</sup> April 2019 were noted.

**19. INTEREST RATES ON INTERNAL LOAN REQUESTS - UPDATE AND REVIEW**

The Committee considered a Report of the Chamberlain concerning Interest Rates for Loan Facilities.

**20. ADMITTED BODY STATUS FOR THE SUPPLIER FOR THE GUILDHALL PLANT SERVICES TEAM**

The Committee received a joint Report of the Chamberlain and the City Surveyor.

21. **BORROWING - UPDATE**

The Committee considered a Report of the Chamberlain concerning progress on the private placement.

22. **CITY FUND & CITY'S ESTATE HIGHWAY DISPOSAL - 22 BISHOPSGATE, EC2**

The Committee considered a Report of the City Surveyor concerning 22 Bishopsgate.

23. **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/or urgency procedures since the last meeting.

24. **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.

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

The Committee considered an item of urgent business relating to Action Know Fraud.

**The meeting ended at 3.15 pm**

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Chairman

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