



Finance Committee

Date: TUESDAY, 18 JUNE 2019

Time: 1.45 pm

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

Members:

Jeremy Mayhew (Chairman)	Paul Martinelli
Deputy Jamie Ingham Clark (Deputy Chairman)	Andrew McMurtrie
Rehana Ameer	Deputy Robert Merrett
Randall Anderson	Deputy Hugh Morris
Nicholas Bensted-Smith	Benjamin Murphy
Chris Boden	Alderman Sir Andrew Parmley
Deputy Roger Chadwick	Susan Pearson
Dominic Christian	William Pimlott
John Fletcher	Deputy Henry Pollard
Caroline Haines	James de Sausmarez
Michael Hudson	John Scott
Deputy Wendy Hyde	Ian Seaton
Deputy Clare James	Graeme Smith
Alderman Gregory Jones QC	Sir Michael Snyder
Alderman Alastair King	Deputy James Thomson
Gregory Lawrence	Deputy Philip Woodhouse
Tim Levene	Deputy Catherine McGuinness (Ex- Officio Member)
Oliver Lodge	Simon Duckworth (Ex-Officio Member)
Alderman Nicholas Lyons	Deputy Tom Sleigh (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 21st May 2019.
For Decision
(Pages 1 - 10)
4. **FINANCE COMMITTEE'S FORWARD PLAN**
Report of the Chamberlain.
For Information
(Pages 11 - 12)
5. **ADDITIONAL APPOINTMENTS TO THE SUB-COMMITTEES**
The Town Clerk to be heard
For Decision
6. **REPORT OF THE WORK OF THE SUB-COMMITTEES**
Report of the Town Clerk.
For Information
(Pages 13 - 16)
7. **DRAFT PUBLIC MINUTES OF SUB-COMMITTEES**
To note the draft minutes of the following Sub-Committee meetings:
For Information
 - a) Draft public minutes of the Digital Services Sub-Committee held on 30 May 2019 (Pages 17 - 20)
8. **RISK MANAGEMENT - TOP RISKS**
Report of the Chamberlain.
For Information
(Pages 21 - 24)
9. **CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 25 - 28)
10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

12. **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

13. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 21st May 2019.
For Decision
(Pages 29 - 34)
14. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 35 - 36)
15. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
Report of the Town Clerk.
For Information
(Pages 37 - 40)
16. **DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**
To note the draft non-public minutes of the following Sub-Committee meetings:
For Information
- a) Draft non-public minutes of the Digital Services Sub-Committee held on 30 May 2019 (Pages 41 - 44)
17. **DISPUTE STRATEGY**
Report of the Chamberlain.
For Information
(Pages 45 - 52)
18. **UPDATE 2019- FOOD STANDARDS AGENCY DEBTOR BALANCE AND WRITE OFF 2016-17**
Report of the Commissioner of the City of London Police
For Decision
(Pages 53 - 56)
19. **2020 IT SERVICES PROGRAMME - PREPARATION OF TENDER**
Report of the Chamberlain
For Decision
(Pages 57 - 64)

20. **BRIDGE HOUSE ESTATES - FREEHOLD PURCHASE OF 4 CHISWELL STREET, LONDON, EC1**
Report of the City Surveyor.
For Decision
(Pages 65 - 76)
21. **BRIDGE HOUSE ESTATES - COLECHURCH HOUSE, SE1 - DISPOSAL OF NEW 150 YEAR LEASE**
Report of the City Surveyor.
For Decision
(Pages 77 - 92)
22. **CITY FUND - 25 CANNON STREET, EC4 - HEADLEASE VARIATIONS**
Report of the City Surveyor.
For Decision
(Pages 93 - 102)
23. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
24. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

25. **CITY'S ESTATE - SECURING VACANT POSSESSION OF SMITHFIELD GENERAL MARKET AND UPDATE**
Report of the City Surveyor.
For Decision

FINANCE COMMITTEE

Tuesday, 21 May 2019

Draft 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	- Town Clerk's Department
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
Kate Smith	- Town Clerk's Department
Sean Green	- Chamberlain's Department
Peter Young	- City Surveyor's Department

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 Sleigh.

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, 25th 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 left 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 9th 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 9th 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
- 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 losses 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 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 soon be an appropriate time to increase the Emergency and Disasters Relief Contingency Fund by £25K (to £125K); Members decided to defer this option for now and asked officers to keep them updated about the status of this 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 event that the main fund was fully committed before 31st 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 for much of the year consistently below the target profile. 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 an initiative had been put in place to ensure faster "closing" meetings and actions. The Chamberlain was confident that by the end of 2019/20 the department would achieve better outcomes.

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 9th 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 9th 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

Chairman

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Finance Committee – Work Programme 2019 and 2020

Meeting:	May	June	July	August	September	October	November	December	January	Feb	March
BUDGET SETTING PROCESS & MEDIUM-TERM FINANCIAL PLANNING									Provisional Financial settlement for Local Government and Police	City Fund Budget Report and Medium-Term Financial Strategy	
EFFECTIVE FINANCIAL MANAGEMENT ARRANGEMENTS FOR THE CITY CORPORATION			Provisional Outturn Report Q1 Quarterly Monitoring Report		Capital Outturn Report		Q2 Quarterly Monitoring Report		Q3 Quarterly Budget monitoring		
FINANCIAL STATEMENTS			Draft City Fund and Pension Fund Statement of Accounts		City Fund and Pension Fund – Audit Completion Report		City's Cash Financial Statements City's Cash Trust Funds and Sundry Trust Funds Annual Reports and Financial Statements				
FINANCE COMMITTEE AS A SERVICE COMMITTEE	Business Plan End of Year Update				Finance Committee Revenue Outturn		Risk Management Review		Proposed Revenue and Capital Budgets for Finance Committee Operations		

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Committee: Finance Committee	Date: 18 June 2019
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 21st May 2019:

Corporate Asset Sub-Committee – 5th June 2019

ITEM 9. ADDITIONAL REPAIRS AND MAINTENANCE PROGRAMME 2018/19 QUARTER 4

The City Surveyor reported on the additional repairs and maintenance programme 2018/19 quarter 4, providing an overview of the progress and expenditure of the three-year 2016/17 programme (AWP) at the end of the financial year 2018/19.

The programme for 2016/17 totals 269 projects with a budget of £5.248m over the life of the programme. Total cost of the programme was £4.906m, excluding the £221,550 previously agreed for carry-over into 2019/20.

One project expected to complete in 2018/19 (ornate metalwork in London Central Markets) was not completed because of delays that project suffered due to access restrictions caused by neighbouring construction works being undertaken by Crossrail and Thames Water. Aside from that, and projects the Sub Committee has already agreed will be carried into 2019/20, the programme is complete. While some final accounts remain to be agreed, current figures indicate that savings over the programme total £342,018.

RESOLVED - *The Sub Committee approved the following:*

- provision of £192,300 be approved from the 2016/17 AWP budget into 2019/20 for project C037AW006L, LCM ornate metalwork maintenance finishes;
- provision of £100,000 be approved from the 2016/17 AWP budget into 2019/20 to allow settlement of final accounts when agreed; and
- carry over of savings on this programme into the 2019/20 CWP be approved to fund cyclical works currently on the reserve list.

Digital Services Sub-Committee – 30th May 2019

ITEM 7. CHANGE AND ENGAGEMENT UPDATE

The Sub-Committee received a report of the Chamberlain on the Change and Engagement Update. Members were informed that the IT Transformation has delivered £250,000 in cashable storage savings. To deliver further benefits requires increased adoption of the Office 365 toolset that the City of London has already invested in with Microsoft licence agreement. The reduction of storage is a favourable benefit for the City of London. An example provided was of the Freeman's School who are based in Leatherhead where governor meetings can now be held remotely via Skype for Business video conference with colleagues based at Guildhall.

A Member asked what will happen to the funds saved from the IT Transformation programme. Members were informed that any saving from the programme will go back to the Corporate Funds of the City of London.

Additionally, a Member sought clarification on the benefits of the business case for the programme. Members were told that one of the immediate benefits of the programme was that it was freeing up storage environment. A review will be carried out to explore the additional financial and non-financial benefits of the programme.

RESOLVED - *The Sub-Committee noted the report.*

Procurement Sub-Committee – 30th May 2019

ITEM 5. CITY PROCUREMENT QUARTERLY PROGRESS REPORT - YEAR END FOR 2018/19

The Sub-Committee considered a report of the Chamberlain providing an update on areas of progress measured against Key Performance Indicators (KPIs) for 2018/19.

In response to questions and comment from Members, Officers advised that in the interests of transparency, a comprehensive list of contracts would be included with formal savings targets. However, it was expected some projects would not deliver savings for a variety of reasons. It was also reported that there was potential for departmental challenge on baseline costs and in the event of costs increasing, departments would have to identify how these additional costs would be met.

RESOLVED – *That the progress report on the key strategic improvement projects and performance for the 2018/19 financial year as set out below be noted.*

- A total savings achievement of £8.4m in 2018-2019 financial year
 - Procurement savings of £6.74m achieved against a target of £6.52m.
 - Commercial Contract Management (CCM) savings of £1.66m against a target of £1.27m.
- Purchase order compliance of 97% (on target).
- 94% of all supplier invoices were paid within 30 days (target of 97%).

- 84% of SME invoices were paid within 10 days (target of 85%).
- Waiver trends:
 - Total number of waivers has reduced by 32% compared to the previous financial year.
 - Non-compliant waivers have decreased by 72% comparing the same periods.
 - A total of 42 Procurement Breach waivers recorded in 2018/19 with a value of £2.5m.

Recommendations

The Committee is asked to note the report.

John Cater

Senior Committee Services Officer, Town Clerk's Department

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DIGITAL SERVICES SUB (FINANCE) COMMITTEE

Thursday, 30 May 2019

Minutes of the meeting of the Digital Services Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm.

Present

Members:

Randall Anderson (Chairman)	Jeremy Mayhew
Deputy Jamie Ingham Clark (Deputy Chairman)	Deputy Hugh Morris
Rehana Ameer	
Deputy Keith Bottomley	

In attendance:

Sylvia Moys
John Chapman

Officers:

Rofikul Islam	- Town's Clerk
Melissa Richardson	- Town's Clerk
Peter Kane	- Chamberlain
Sean Green	- Chamberlain
Samantha Kay	- Chamberlain
Matt Gosden	- Chamberlain
Gary Brailsford-Hart	- City of London Police
Graeme Quarrington-Page	- Chamberlain

1. APOLOGIES

Apologies for absence were received from Tim Levene, James Tumbridge. Jeremy Mayhew will be slightly late to arrive to the meeting.

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

There were no declarations.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED, that the Public Minutes of the meeting held on 5 April 2019 be approved as a correct record.

4. OUTSTANDING ACTIONS

The Sub-Committee received a joint report of the Town Clerk and the Chamberlain which provided updates of outstanding actions from previous meetings. The report also provided information on the Sub-Committee's proposed work plan for forthcoming meetings.

The Chairman expressed an interest to have Sylvia Moys, John Chapman and James Tumbridge co-opted onto the Sub-Committee.

RESOLVED – That the Sub-Committee notes the report.

5. **FORWARD PLAN**

The Sub-Committee received a report of the Chamberlain which provided the Members with a horizon scan of the Sub-Committee's work plan for the ensuing municipal year.

RESOLVED – That the Sub-Committee notes the report.

6. **PRESENTATION FROM THE OPEN SPACES ON THEIR DIGITAL JOURNEY**

In consultation with the Chairman, the item has been deferred to a future meeting.

7. **CHANGE AND ENGAGEMENT UPDATE**

The Sub-Committee received a report of the Chamberlain on the Change and Engagement Update. Members were informed that the IT Transformation has delivered £250,000 in cashable storage savings. To deliver further benefits requires increased adoption of the Office 365 toolset that the City of London has already invested in with Microsoft licence agreement. The reduction of storage is a favourable benefit for the City of London. An example provided was of the Freemen's School who are based in Leatherhead where governor meetings can now be held remotely via Skype for Business video conference with colleagues based at the Guild site.

A Member asked what will happen to the funds saved from the IT Transformation programme. Members were informed that any saving from the programme will go back to the Corporate Funds of the City of London.

Additionally, a Member sought clarification on the benefits of the business case for the programme. Members were told that one of the immediate benefits of the programme was that it was freeing up storage environment. Besides, a review will be carried out to explore the additional financial and non-financial benefits of the programme.

RESOLVED – That the Sub-Committee notes the report.

8. **CITY OF LONDON CORPORATION INFORMATION MANAGEMENT EXECUTIVE SUMMARY**

The Sub-Committee received a report of the Chamberlain on the City of London Corporation on the Information Management Executive Summary. Members of the Sub-Committee were asked to champion the case across the City of London. The City of London aspires to ensure a good standard as a benchmark across the organisation. Members were further told that there is a communications campaign planned to get the message amplified across the City of London for Autumn of 2019.

Members were assured that a revised paper on the City of London Corporation Information Management Executive Summary will be tabled to the Sub-Committee for approval at the next committee meeting.

RESOLVED – That the Sub-Committee notes the report.

9. **IT DIVISION - IT SERVICE DELIVERY SUMMARY**

The Sub-Committee received a report of the Chamberlain on the IT Division – IT Service Delivery Summary.

A Member asked how the organisation responds to the issues detailed in the report that arise. Officers updated the Members that the City of London has dedicated staff who work with stakeholders to resolve any issues.

RESOLVED – That the Sub-Committee notes the report.

10. **IT DIVISION RISK UPDATE**

The Sub-Committee received a report of the Chamberlain on the IT Division on the IT Division Risk Update. IT currently holds 2 risks on the Corporate Risk Register, whilst feeding into the GDPR Corporate risk which is owned by Comptrollers. There was a discussion around removing the CR16 the IT Security risk from the Corporate Risk Register however it was agreed that for the interim the risks should stay on the Corporate Risk Register.

It was further suggested that all IT Departmental Risks should be brought to the Committee as a regular item.

RESOLVED – That the Sub-Committee notes the report.

11. **IT DIVISION - IT DISASTER RECOVERY SUMMARY**

The Sub-Committee received a report of the Chamberlain on the IT Division – IT Disaster Recovery. There was a discussion on widening the Disaster Recovery. The wider test is planned for once the transformation programme is completed. A Member enquired when the next Disaster Recovery test is planned and why the annual test was missed. Officers explained that it was unfortunate that the annual test was missed, due to technical issues but every effort is being made to address this for as soon as possible. A member also requested that the Deputy IT Director consider how we can simulate a Disaster Recovery/Business Continuity exercise with a Denial of Service Scenario. This will be reported back at the next DSSC.

Members asked for a future report on the Disaster Recovery test.

RESOLVED – That the Sub-Committee notes the report and another report provided to a future committee meeting.

12. **CR 16 INFORMATION SECURITY RISK**

The Sub-Committee received a report of the Chamberlain on the CR 16 Information Security Risk. Officers informed Members that they are exploring ways to understand how the new Cyber Board toolkit can be adopted by the DSSC.

RESOLVED – That the Sub-Committee;

- Note the report.
- Consider the use of the Cyber Security Board Toolkit.

- Agree the recommendation to adopt the National Cyber Security Toolkit and a deep dive workshop run by the IT Security Director to customise the toolkit for the City of London Corporation.

13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**
There were no questions.

14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no items of urgent business.

15. **EXCLUSION OF THE PUBLIC**

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

The meeting closed at 3.18.

Chairman

Contact Officer: Rofikul Islam
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Committee(s)	Dated:
Finance Committee – For Information	18/06/2019
Subject: Chamberlain’s Department Risk Management – Monthly Report	Public
Report of: Chamberlain	For Information
Report author: Matt Lock, Chamberlain’s Department	

Summary

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

There is currently one RED risk on the Corporate Risk Register within the responsibility of Chamberlain’s Department and none on the departmental risk register:

- **CR23 – Police Funding**

The Chamberlain’s Senior Leadership Team continues to monitor closely the progress being made to mitigate this risk, working closely with the Town Clerk and City of London Police colleagues.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The Risk Management Framework of the City of London Corporation requires each Chief Officer to report regularly to Committee the key risks faced in their department. Finance Committee has determined that it will receive the Chamberlain’s risk register on a quarterly basis with update reports on RED rated risks and any other Brexit risks at the intervening Committee meetings.

Current Position

2. This report provides an update on the current RED risks that exist in relation to the operations of the Chamberlain’s department and, therefore, Finance Committee.
3. There is currently one RED risk on the Corporate Risk Register for which the Chamberlain’s Department is responsible and none on the departmental Risk Register, there are two Amber rated Brexit Risks. In addition, the Chamberlain, is working closely with the City of London Police to manage a commercially sensitive Corporate Risk which is not covered in a non-public appendix to this report.

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

4. Following approval of the Force’s growth bid at RASC on 2 May, a balanced budget has been agreed for 2019/20 but will need careful monitoring and management. A number of significant challenges and uncertainties remain for 2020/21 and beyond. As previously reported, proposals for a sustainable medium-term financial settlement will be brought forward to the Autumn Committee cycle, following scrutiny by the Police Authority Board and informed by the RASC informal away day in July.

CHB CP001 – Brexit risk to City Corporation procurement and supply chains (Current Risk: Amber – no change)

5. There is no further update in relation to this risk, as previously reported, regulations will stay as current until details of a revised transition period are announced. An approach to key suppliers to request their mitigation plans in relation to Brexit will be conducted at the appropriate time and as further information regarding exit arrangements becomes available.

CHB FS005 – Brexit impact on City Corporation income streams (Current Risk: Amber – no change)

6. The primary element of this risk is a potential drop in investment property income. However, there is no current indication of a fall in occupation levels or demand for City office and retail space. This will continue to be monitored.

Conclusion

7. Members are asked to note the actions taken by Chamberlain’s Department to manage the Police Funding and Brexit risks.

Appendices

- Appendix 1 – Risk Register Extract (Non-Public)

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk
Report to Finance Committee 10 April 2019: Finance Committee Risk – Quarterly Report

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of the Local Government Act 1972.

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Committee: Finance Committee	Date: 18 June 2019
Subject: Central Contingencies 2019/20	Public
Report of: Chamberlain	For Information
Report author: Philip Gregory, Financial Services Division	

Summary

This report has been produced to provide Members with an update on the Central Contingencies uncommitted balances.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

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.

Current Position

3. The uncommitted balances that are currently available for 2019/20 are set out in the table below. At the time of preparing this report there are no requests for funding elsewhere on the agenda.

2019/20 Contingencies – Uncommitted Balances and requests at 28 May 2019				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
General Contingencies	950	650	50	1,650
National and International Disasters	100	0	0	100
Uncommitted Balances	1,050	650	50	1,750
Requests for contingency allocations	0	0	0	0
Balances pending approval	1,050	650	50	1,750

4. The sums which the Committee has previously allocated from the 2019/20 contingencies are listed in Appendix 1.

Conclusion

5. Members are asked to note the Central Contingencies uncommitted balances.

Appendices

- Appendix 1 – Allocations from 2019/20 contingencies

Philip Gregory

Deputy Financial Services Director

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2019/20 General Contingency – City’s Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2019/20 Provision			950,000
	2019/20 Provision brought forward to fund allocations agreed in previous years			50,000
	Total Provision			1,000,000
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, £1,000 in 2017/18 and £34,000 in 2018/19)	TC	25,000	
27 Nov 2018 and 22 Jan 2018 (Urgency)	Funding of £230k which comprises £130k towards securing a short-term bank loan facility (Rothschild £60k and Solicitors £70k) and £100k for Solicitors for the private placement of debt raising requirement.	CHB	25,000	
	Total allocations agreed to date			50,000
	Balance remaining prior to any requests that may be made to this meeting			950,000

2019/20 National & International Disasters Contingency – City’s Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2019/20 Provision			100,000
	2018/19 Provision brought forward to fund allocations agreed in previous years			0
	Total Provision			100,000
	Total allocations agreed to date			0
	Balance remaining prior to any requests that may be made to this meeting			100,000

2019/20 General Contingency – City Fund

Date	Description	Responsible Officer	Allocation £	Balance £
	2019/20 Provision			800,000
	2018/19 Provision brought forward to fund allocations agreed in previous years			15,000
	Total Provision			815,000
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, £35,000 in 2017/18 and £45,000 in 2018/19)	C&CS/CS	15,000	
19 Feb 2019	Funding of £300,000 towards an ongoing appeal regarding Greater London Authority Roads equally split from the 2018/19 and 2019/20 contingencies	C&CS/CS	150,000	
	Total allocations agreed to date			165,000
	Balance remaining prior to any requests that may be made to this meeting			650,000

2019/20 General Contingency – Bridge House Estates

Date	Description	Responsible Officer	Allocation £	Balance £
	2019/20 Provision			50,000
	2018/19 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

Key to Responsible Officers:

CS – City Surveyor

TC – Town Clerk

C&CS – Comptroller and City Solicitor

CHB - Chamberlain

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