



## Finance Committee

**Date:** TUESDAY, 19 MAY 2020

**Time:** 1.45 pm

**Venue:** VIRTUAL MEETING (ACCESSIBLE REMOTELY)

<b>Members:</b>	Jeremy Mayhew (Chairman)	Alderman Nicholas Lyons
	Deputy Jamie Ingham Clark (Deputy Chairman)	Paul Martinelli
	Rehana Ameer	Andrew McMurtrie
	Randall Anderson	Deputy Robert Merrett
	Nicholas Bensted-Smith	Andrien Meyers
	Chris Boden	Deputy Hugh Morris
	Deputy Roger Chadwick	Benjamin Murphy
	Dominic Christian	Susan Pearson
	Graeme Doshi-Smith	William Pimlott
	Alderman Sir Peter Estlin	Deputy Henry Pollard
	John Fletcher	James de Sausmarez
	Michael Hudson	John Scott
	Deputy Wendy Hyde	Ian Seaton
	Deputy Clare James	Sir Michael Snyder
	Alderman Gregory Jones QC	Deputy James Thomson
	Alderman Alastair King	Deputy Philip Woodhouse
	Gregory Lawrence	Deputy Catherine McGuinness (Ex- Officio Member)
	Tim Levene	Simon Duckworth (Ex-Officio Member)
	Oliver Lodge	Deputy Tom Sleigh (Ex-Officio Member)

**Enquiries:** John Cater  
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**Accessing the virtual public meeting**  
Members of the public can observe this virtual public meeting at the below link:  
<https://youtu.be/jKKBqk4DzaA>

**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 18<sup>th</sup> February 2020.

**For Decision**  
(Pages 1 - 14)

4. **CENTRAL CONTINGENCIES**

Report of the Chamberlain.

*Appendices in the non-public agenda.*

**For Decision**  
(Pages 15 - 18)

5. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

Report of the Town Clerk.

**For Information**  
(Pages 19 - 20)

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

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

8. **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**

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

To agree the non-public minutes of the meeting held on 18<sup>th</sup> February 2020.

**For Decision**  
(Pages 21 - 26)

10. **BRIEFING 2 - FINANCIAL IMPACT OF COVID 19 ON 2020/21 AS AT MONTH END OF APRIL 2020**

Report of the Chamberlain.

**For Discussion**  
(Pages 27 - 36)

11. **BISHOPSGATE - POLICE STATION, 21 NEW STREET, 6-7 COCK HILL AND 2- 8 VICTORIA AVENUE - FUTURE DISPOSAL AND OPTIONS FOR CONTINUED OCCUPATION BEYOND MARCH 2025**  
Report of the City Surveyor.  

**For Decision**  
(Pages 37 - 48)
12. **PAY AWARD AT THE MUSEUM OF LONDON**  
Report of the Director of the Museum of London.  

**For Decision**  
(Pages 49 - 50)
13. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**  
Report of the Town Clerk.  

**For Information**  
(Pages 51 - 54)
14. **APPENDICES FOR ITEM 4 - CENTRAL CONTINGENCIES**  
Report of the Chamberlain  

**For Information**  
(Pages 55 - 64)
15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
17. **APPOINTMENTS TO SUB-COMMITTEES**  
Report of the Town Clerk  

**For Decision**  
(Pages 65 - 68)

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## FINANCE COMMITTEE

**Tuesday, 18 February 2020**

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

### **Present**

#### **Members:**

Jeremy Mayhew (Chairman)  
Deputy Jamie Ingham Clark (Deputy  
Chairman)  
Rehana Ameer  
Randall Anderson  
Dominic Christian  
John Fletcher  
Michael Hudson  
Deputy Wendy Hyde  
Deputy Clare James  
Alderman Gregory Jones QC  
Alderman Alastair King  
Alderman Nicholas Lyons  
Paul Martinelli

Deputy Robert Merrett  
Andrien Meyers  
Susan Pearson  
William Pimlott  
Deputy Henry Pollard  
James de Sausmarez  
John Scott  
Deputy Catherine McGuinness (Ex-Officio  
Member)

#### **In attendance:**

Alderman Sir Peter Estlin  
Alderman Prem Goyal

#### **Officers:**

Simon Latham	- Head of Town Clerk's and Chief Executive's Office
Julie Mayer	- Town Clerk's
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Deputy Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Karen Atkinson	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Julie Smith	- Chamberlain's Department
Phil Black	- Chamberlain's Department
Niki Cornwell	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Jonathan Poyner	- Barbican Centre

#### **1. APOLOGIES**

Apologies for absence were received from Nicholas Bensted-Smith, Deputy Roger Chadwick, Gregory Lawrence, Tim Levene, Oliver Lodge, Andrew McMurtrie, Deputy Hugh Morris, Alderman Sir Andrew Parmley, Ian Seaton, Graeme Doshi-Smith, and Simon Duckworth.

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

- Paul Martinelli and John Scott declared non-pecuniary interests in respect of item 31, by virtue of being Members of the Board of Governors of the Museum of London.
- Jeremy Mayhew (Chairman) declared a non-pecuniary interest in respect of item 31, by virtue of being a Council Member of the London Chamber of Commerce.

3. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** - That the public minutes and summary of the meeting held on 21<sup>st</sup> January 2020 be approved as an accurate record.

4. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

The Committee considered a report of the Town Clerk in respect of the Annual Review of the Committee's Terms of Reference.

Members noted that there were no proposed changes to the Procurement, Efficiency and Performance Sub Committees. The Corporate Asset Sub Committee had approved an in-year change to incorporate oversight of security issues and this was approved by the Finance Committee in July 2019. The Digital Services Sub Committee would consider its Terms of Reference at the next meeting on 20<sup>th</sup> March 2019

**RESOLVED** - That:

1. The Terms of Reference, as set out in Appendix 1 to the report, be agreed for submission to the Annual Meeting of the Court of Common Council.
2. Any changes required in the lead up to the appointment of committees be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman.

5. **UPDATES TO THE FINANCE GRANTS OVERSIGHT AND PERFORMANCE SUB-COMMITTEE TERMS OF REFERENCE**

The Committee considered a report of the Town Clerk, proposing amendments to the Finance Grants Oversight and Performance Sub Committee's Terms of Reference.

**RESOLVED** - That the proposed changes to the Finance Grants Oversight and Performance Sub-Committee Terms of Reference be amended to include the following:

- a. Strategic oversight of the wider work of the Central Grants Unit;

- b. oversight and scrutiny of the allocations and disbursements of the City of London Corporation's Community Infrastructure Levy Neighbourhood Fund; and,
- c. oversight and scrutiny of the City of London Corporation's use of its facilities as Benefits in Kind to external organisations.

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

The Committee received a report of the Chamberlain which set out the Committee's forward plan, noting that there had been no updates since the January iteration.

**RESOLVED** - that the report be noted.

7. **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 Finance Committee's Sub-Committees. The Chairman and Deputy Chairmen in attendance were invited to provide the following updates:

- The Corporate Asset Sub Committee had considered the Guildhall Management Plan, noting there had been no policy changes, just proposals to make the site easier to manage.
- The Procurement Sub Committee would be monitoring payments to Small Medium Enterprises (SMEs). Members noted the target of payments within 10 working days, although the law required 30.

**RESOLVED** - that the report be noted.

8. **DRAFT PUBLIC MINUTES OF THE JOINT MEETING OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE AND THE RESOURCE ALLOCATION SUB-COMMITTEE HELD ON 23 JANUARY 2020**

**RESOLVED** - that the public minutes and non-public summary of the joint meeting of the Efficiency & Performance Sub-Committee and the Resource Allocation Sub Committee, with Committee Chairmen in attendance, be noted.

9. **CITY FUND BUDGET REPORT AND MEDIUM-TERM FINANCIAL STRATEGY**

The Committee considered a report of the Chamberlain in respect of the City Fund Budget and Medium Term Financial Strategy. The report presented the overall financial position of the City Fund (i.e. the City Corporation's finances relating to Local Government, Police and Port Health services).

Members noted a tabled document from the Chamberlain in respect of the Medium Term Financial Plan. This document explained the change in financial modelling over the five-year horizon and the increasing deficit, in particular for 2023/24. The Chamberlain emphasised that there would be no impact on 2020/21 budget.

The Chamberlain explained that authorities were required to make an annual minimum repayment of debt each year, as opposed to a single re-payment of capital principal at the end of the loan term, and this made the annual financing costs on external borrowing higher in City Fund than City's Cash. Members noted the arrangements in respect of the internal loans to the Police in respect of (1) Action Fraud and (2) Capital Financing; whereby the City of London Corporation was required to borrow on their behalf.

In respect of Council Tax, the Chairman drew Members' attention to the non-public Resolution from the minutes of the Joint Meeting of the Resource Allocation and Performance and Efficiency Sub Committees in January 2020, to which all Committee Chairmen had been invited. Members noted the increases in Council Tax and Adult Social Care were required to help close the City Fund deficit across the medium term. Furthermore, the City Corporation had made a commitment to increase its homelessness and security offers. Members noted the comparisons with the Council Tax of other London Authorities, and that the City Corporation was the third lowest.

Members noted that there had been no dissent at the Business Ratepayers meeting in February and the precept would be spent on security in the City. In responding to a general question about security, Members noted that this related to the City's geographic security and not the Action Fraud initiative, which appeared later on this agenda. Members noted that there might be an announcement on the wider Business Rate Review as part of the forthcoming budget. Members also noted that the forthcoming Spending Review might not favour London and the South East.

The Chamberlain introduced his assessment on the adequacy of reserves, as set out in the recommendations, and explained that the deficit in the Medium Term Financial Forecast was significant. The City of London Corporation would need to consider the medium term financial forecasts and indicate that steps would be taken to close the gaps through a range of mitigations. Members noted the following key factors which would change this impact:

1. Reviewing profile / delaying spend on major projects
2. Reducing the borrowing requirement e.g. by developing alternative financing models on joint ventures such as the Markets Consolidation Project
3. Discussions with Government on financing of major projects including extension of business rate offset
4. Review of funding across City Fund / City's Cash. The Chamberlain explained that whilst this should be approached with some caution, it might be worthwhile for some elements of major projects such as Police Accommodation
5. Further income generation / savings opportunities

Members would receive a detailed analysis of the 10-year forecast for Finance Committee consideration in April.



The Chair of Policy and Resources was invited to comment on the report and expressed concern that a change in the City Fund position was surfacing now, after several meetings on the Fundamental Review. She emphasised the need to close the deficit and urged consideration, in this case, of the possibility of moving assets from one fund to another and ensuring that asset disposals had been fully taken into account. The Chamberlain advised that an analysis of disposals arising from major projects had been included in financial forecasts, but Members were asked to be mindful of the timing of cash flows and Committee reporting cycles. The Chamberlain advised that, once financial modelling was complete, Members would be able to see a range of scenarios and their impact on the Medium Term Plan.

The Policy Chair also supported alternative funding models and prudent borrowing. In respect of the major projects already under way, they were particularly complex, with many moving parts, and there was little benefit in stopping and starting. Whilst accepting that they might need a review at key points, the Policy Chair felt that the City Corporation should stay true to its vision. Members noted that the optimism bias contingencies had been included in major project cost estimates and project spend should be contained within budget.

The Policy Chair stressed that there should be no undue delay to the Fundamental Review and noted some Members' reluctance to offer up savings, which might lead to cross cutting reductions. Members were urged to exercise prudence when serving on Service Committees.

**RESOLVED** - that:

- 1) Following the Finance Committee's consideration of this City Fund report, the Court of Common Council be recommended to:
  - a. Confirm a funding commitment of £5.4m from City Fund for 67 additional police officer posts on the understanding that early progress will be made on shared services and that any underspend will be applied to not delaying the repayment of the Action Fraud loan in 2020/21.
  - b. Agree to fund the rental costs of Middlesex Street carpark on behalf of CoLP (paragraph 29).
  - c. Approve the overall financial framework and the revised Medium-Term Financial Strategy (paragraph 29).
  - d. Approve the Treasury Management Strategy Statement and Annual Investment Strategy for 2020/21 (appendix E).
  - e. Approve the treasury indicators including the operational boundary and authorised limit for external borrowing as stated in the Treasury Management Strategy Statement and Annual Investment Strategy for 2020/21 (paragraph 75).

- f. Approve the City Fund Net Budget Requirement of £137.8m (paragraph 46).
  - g. Approve the increases in base budget detailed in appendix B for 2020/21, included within the City Fund budget requirement.
  - h. Note the forecast includes items already agreed by Policy and Resources Committee detailed in appendix B.
  - i. Note the revenue estimates assume that a Business Rates reset will remove the City's recent business rates growth receipts in 2021/22 (forecast at £35m in 2019/20) and further reforms of Business Rates could further worsen the impact from 2021/22.
  - j. Note the Local Council Tax Reduction Scheme will remain the same as set by the Court of Common Council on 12 January 2017 (paragraph 68).
2. The following key decisions in setting the levels of Council Tax and Non-Domestic rates be recommended to the Court of Common Council;

**a) Council Tax**

- i. An increase of 1.99% in the City of London Corporation element of the Council Tax Demand (paragraph 23 of the report).
- ii. An increase in the Adult Social Care Precept of 2.00% (paragraph 23 of the report).
- iii. To determine the amounts of Council Tax for the three areas of the City (the City, the Middle Temple and the Inner Temple) to which are added the precept of the Greater London Authority (GLA) as set out in appendix A.
- iv. To determine that the relevant (net of local precepts and levies) basic amount of Council Tax for 2020/21 will not be excessive in relation to the requirements for referendum.
- v. To determine, the discount awarded to unoccupied and unfurnished and uninhabitable dwellings is continued at zero (0%) for the financial year 2020/21.
- vi. To determine that the premium levied on long-term empty property for 2020/21 of 100% is continued and that for properties that have been empty for over five years, a premium of 200% is levied.
- vii. Having regard to the government guidance issued, the Chamberlain be given the discretion, delegated to the Head of Revenues, to reduce or waive the long-term empty premium charge in exceptional circumstances.
- viii. To give approval to the cost of highways, street cleansing, waste collection and disposal, drains and sewers, and road safety functions for 2020/21 being treated as special expenses to be borne by the City's residents outside the Temples (appendix A to the report).

**b) Business Rates**

- i. Set a Non Domestic Rate multiplier of 52p and a Small Business Non-Domestic Rate Multiplier Rate of 50.7p for 2020/21, inclusive of a Business Rates Premium increase of 0.2p to 0.8p in the £ (paragraph 50 of the report).
- ii. Note that, in addition, the GLA is levying a Business Rate Supplement in 2020/21 of 2.0p in the £ on properties with a rateable value of £70,000 and above (paragraph 55 of the report).
- iii. Delegate to the Chamberlain the award of discretionary rate reliefs under Section 47 of the Local Government Finance Act 1988 (paragraph 51 of the report).
- iv. The City Corporation will participate in the 2020/21 London Business Rate Pool with the Greater London Authority and the London borough councils.
- v. The City Corporation will act as Lead Authority for the 2020/21 London Business Rate Pool.

**c) Capital Expenditure**

- i. Note the proposed financing methodology of the capital programme in 2020/21 (paragraph 71 of the report).
- ii. Approve the Capital Strategy (Appendix F to the report).
- iii. Approve the Capital Budgets for City Fund (paragraph 72 to the report).
- iv. Approve the allocation of central funding from the appropriate reserves, to meet the cost of the 2020/21 new bids, together with central funding for the remaining projects previously agreed for progression outside of the Fundamental Review, with the release of funding being subject to approval at the relevant gateway, and specific agreement of the Resource Allocation Sub Committee at gateway 4(a)
- v. Approve the allocation of central funding in 2020/21, to provide internal loan facilities for police and the HRA, currently estimated at £4.2m and £22m respectively.
- vi. Approve the Prudential Code indicators (Appendix D of the report).
- vii. Approve the following resolutions for the purpose of the Local Government Act 2003 (paragraph 73 and Appendix E of the report):
  - o The authorised limit for external debt (which is the maximum the City Fund may have outstanding by way of external borrowing) be £192.1m for 2020/21.
  - o The prudent amount of Minimum Revenue Provision (MRP) for 2020/21 be £0.979m (appendix E of the report).

**Treasury Management Strategy Statement and Investment Strategy Statement 2019/20 (Appendix E)**

Agree to change the limit on the maximum total principal sums invested for periods longer than one year, from £300m to £500m, and the limit on the maximum overall amount of non-specified investments from £300m to £500m.

**Chamberlain's Assessment**

Take account of the Chamberlain's assessment of the robustness of estimates and the adequacy of reserves and contingencies (paragraphs 78-81 and Appendix C of the report).

**10. REVENUE BUDGETS 2019/20 AND 2020/21: CITY'S CASH AND BRIDGE HOUSE ESTATES**

The Committee considered a report of the Chamberlain in respect of the 2020/21 Budget and financial outlook for City's Cash and Bridge House Estates. Members noted that they should consider this report in conjunction with the separate report on this agenda entitled '*City Fund - 2020/21 Budget Report and Medium-Term Financial Strategy*'. In response to a question about the delegated authority under (8) below, members were assured that this was qualified by Members agreeing to (6) below.

**RESOLVED** - that:

1. The latest revenue budgets for 2019/20 (as set out in paragraphs 19 and 26 in the report) be noted.
2. The 2020/21 revenue budgets be approved, including the following measure:
  - City's Cash - Efficiency Savings: Maintain the 2% efficiency saving across all Corporation departments which, together with a pay and inflation uplift of 2% and subject to the outcome of the Pay Review, would result in flat cash budgets (as set out in paragraph 2 of the report).
3. Additional resource requests for City's Cash of £0.7m (as set out in paragraph 16 of the report) be approved.
4. In respect of Bridge House Estates:
  - a. A resource request for £25m further charitable funding in the three years from 2020 be approved, to underpin the celebration of 25 years of CBT (as set out in paragraph 17 of the report).
  - b. Additional funding of £0.17m for an enhanced Charities Team be approved (as set out in paragraph 18 of the report).
5. The 2020/21 Capital and Supplementary Revenue Project Budgets for City's Cash and Bridge House Estates amounting to £27.2m and £7.1m respectively be approved (as set out in paragraph 33 of the report).
6. The allocation of central funding of up to £18.6m for City's Cash and £0.9m for Bridge House Estates be approved, to meet the cost of the 2020/21 new bids, together with central funding of up to £3.5m for the remaining City's Cash projects, previously agreed for progression outside of the fundamental review. *NB. Release of such funding being subject to approval at the relevant gateway and specific agreement of the Resource Allocation Sub-Committee at Gateway 4(a) (as set out in paragraph 35 of the report).*

7. The allocation of central funding to provide an internal loan facility of up to £10.6m be approved, to enable the City of London School to progress its masterplan. *NB. Release of such funding being subject to approval at the relevant gateway and separate approval of the loan terms and conditions (as set out in paragraph 36 of the report).*
  8. Authority be delegated to the Chamberlain to determine the final financing of capital and supplementary revenue project expenditure.
  9. The report be endorsed for onward approval by the Court of Common Council.
11. **PENSION FUND - ACTUARIAL VALUATION AS AT 31 MARCH 2019**  
The Committee considered a report of the Chamberlain in respect of the Pension Fund. The preliminary results of the Pension Fund Actuarial Valuation as at 31 March 2019 were appended to the report. Members noted that a sub group, consisting of Members and the Chamberlain, had met with the Actuary to challenge the assumptions. Members also noted how higher than expected mortality rates had lessened the impact on the Pension Fund and the plan for the deficit recovery period was on track.

**RESOLVED** - that:

1. The Pension Fund deficit recovery period be set at 14 years from 2020/21.
  2. The employers' overall contribution rate remain at 20.7% with the City of London Corporation's contribution rate remaining at 21.0% for the financial years 2020/21, 2021/22 and 2022/23.
12. **BUSINESS RATES UPDATE**  
The Committee received a report of the Chamberlain which provided a general update on a number of current issues relating to Business Rates and their potential impact on the City.

RESOLVED, That – the report be noted.

13. **IRRECOVERABLE NON-DOMESTIC RATES**  
The Committee considered a report of the Chamberlain in respect of irrecoverable non-domestic rates. The report noted that all available recovery procedures had been exercised in trying to recover the sums but without success.

**RESOLVED** - that the write-off of irrecoverable non-domestic rates in the sum of £1,793,299.67 be approved, noting that £570,550.81 will be met by the City Corporation and £16,017.44 borne from the proceeds of the City Premium.  
*NB. The debt relates to 11 companies dating back to 2011.*

**14. CHANGES TO PROCUREMENT CODE PART 1**

Members considered a report of the Chamberlain in respect of the Procurement Code. Members noted that this year's revisions supported the aims and vision of the City Procurement Strategy 2020 – 2024 and recommendations submitted as part of the Fundamental Review.

Members noted that the Procurement Sub Committee would retain oversight of the delegations, all operational changes would be monitored at departmental level and there would be an annual review. The Chamberlain advised that the changes would be consistent with the City Corporation's Standing Orders and discussions were underway in respect of alignment with the Projects Sub Gateway reports.

**RESOLVED** - that the changes to the Procurement Code, as set out in the report, be effective from 1<sup>st</sup> April 2020, noting that the main changes related to:

- Procurement Thresholds and Processes (Rule 15); ie £10,000 to £15,000
- Contracts Lettings Thresholds (Rule 16);
- the Waiver Process (Rule 25);
- rules relating to contract changes (Rules 30-33),
- Payment Policy (Rule 43),
- Responsible Procurement Policy (rule 46), and
- the Social Value Panel (rule 48).

**15. FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE**

Members received a report of the Chamberlain which provided a quarterly update on the work of the Financial Services Division.

**RESOLVED** - that the report be noted.

**16. RISK MANAGEMENT - TOP RISKS**

The Committee considered a report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register. The Chairman advised that the position on City of London Police funding had improved in the shorter term.

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

**17. 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.

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

**18. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee received a report of the Town Clerk which provided information of the action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with

Standing Orders 41(a) and 41(b). The decision related to a donation of £15,000 from the International Disasters Fund, via the British Red Cross, to support the Australian Red Cross in providing relief to those affected by the bushfires in the short and long term. Members noted that early media were plans in place, which would be confirmed shortly.

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

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

There were no questions.

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

Members noted the following items of urgent business were noted:

- City Procurement had received the Global Capital Private Placement Award and had received a nomination for the Corporate Treasurers Award. Members congratulated Kate Limna, Corporate Treasurer and her team.
- The meeting scheduled for 24 March 2020 had been cancelled and the next meeting of the Committee would take place on 21 April 2020 at 1.45 pm.
- Members noted that the Committee Dinner would take place on 17<sup>th</sup> March 2020 and the Chairman was pleased to report a high level of acceptance.

**21. EXCLUSION OF THE PUBLIC**

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

**Item No.**  
22-35

**Paragraphs in Schedule 12A**  
3

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

**RESOLVED** – That the non-public minutes of the meeting held on 21<sup>st</sup> January 2020 were approved as an accurate record

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

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

**RESOLVED** - that the report be noted.

24. **DRAFT NON-PUBLIC MINUTES OF THE JOINT MEETING OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE AND THE RESOURCE ALLOCATION SUB-COMMITTEE HELD ON 23 JANUARY 2020**  
**RESOLVED** - that the non-public minutes of the Joint meeting of the Resource Allocation Sub and Efficiency & Performance Sub Committees (with Committee Chairmen) held on 23<sup>rd</sup> January 2020 be noted.
25. **DISPUTE UPDATE**  
The Committee received a report of the Chamberlain.
26. **BARBICAN BACKSTAGE ISSUES**  
The Committee received a report of the Managing Director of the Barbican Centre.
27. **BRIDGE HOUSE ESTATES (BHE): RESERVES POLICY AND ALLOCATION OF FUNDING FOR 'BRIDGING DIVIDES' ACTIVITIES**  
The Committee received a report of the Chamberlain in respect of the next two items on the agenda.
28. **BRIDGE HOUSE ESTATES (BHE) - CHARITY NO 1035628) - RESERVES POLICY**  
Members considered and approved a report of the Chamberlain.
29. **BRIDGE HOUSE ESTATES (BHE): ALLOCATION OF FUNDING FOR 'BRIDGING DIVIDES' ACTIVITIES - CHARITY NO 1035628**  
The Committee considered and approved a report of the Chamberlain.
30. **WRITE-OFF OF OUTSTANDING DEBT - TFL SURFACE TRANSPORT**  
The Committee considered and approved a report of the Chamberlain.
31. **NON-DOMESTIC RATES - REVIEW OF DISCRETIONARY RATE RELIEF**  
The Committee considered and approved a report of the Chamberlain.
32. **CITY'S ESTATE - LEASE RESTRUCTURE FOR A CAPITAL PREMIUM & LEASEHOLD ACQUISITION (REQUEST FOR DELEGATED AUTHORITY)**  
The Committee considered and approved a report of the City Surveyor.
33. **CONTINGENCIES APPENDIX**  
Members received an appendix in respect of agenda item 17.
34. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There was one non-public questions relating to the work of the Committee.
35. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There were no items of urgent business.



**The meeting ended at 15.40**

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Chairman

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<b>Committee:</b> Finance Committee	<b>Date:</b> 19 May 2020
<b>Subject:</b> Central Contingencies	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Decision</b>
<b>Report author:</b> Laura Yeo, Senior Accountant, Financial Services	

## Summary

This report has been produced to provide Members with an anticipated year-end position for 2019/20 Contingencies and an update on the uncommitted balances for 2020/21 Contingencies.

Of the previous allocations agreed by Committee, sums of £24,000 from City's Cash Contingency and £593,002 from City Fund Contingency will be required in future years. Therefore, it is proposed that these sums are carried forward from 2019/20 to 2020/21, thereby ensuring that a full year's contingency provision is available during 2020/21.

As previously agreed by this Committee, a sum of £25,000 from the £35,000 unspent balance of 2019/20 National and International Disaster Fund will be carried forward, giving a total of £125,000 available in 2020/21.

## Recommendation(s)

Members are asked to agree to carry forward sufficient resources of £617,002 to meet existing allocations and thereby providing a full year's Central Contingency for funding requirements that may arise during 2020/21. The sum of £125,000 will be made available in 2020/21 for the National and International Disaster Fund.

## 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

### 2019/20 Contingency Balances

3. The year-end position of the 2019/20 Central Contingencies and National and International Disaster Fund are set out in Tables 1 and 2 respectively. Appendix 1 provides details of the sums the Committee has previously allocated from the 2019/20 Contingencies

Table 1: 2019/20 Central Contingencies				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
2019/20 Provision	950	800	50	1,800
2018/19 Provision brought forward to fund allocations agreed in previous financial years	25	25	0	50
Total Provision	975	825	50	1,850
Less Allocations				
2019/20 financial year	(432)	(38)	0	(470)
For future financial years to be carried forward	(24)	(593)	0	(617)
Total Allocations	(456)	(631)	0	(1,087)
<b>Uncommitted Balances</b>	<b>519</b>	<b>194</b>	<b>50</b>	<b>763</b>

Table 2: 2019/20 National and International Disaster Fund	
	City's Cash £'000
2019/20 Provision	100
2018/19 Unspent provision brought forward	0
Less Allocations	
2019/20 financial year	(65)
For future financial years to be carried forward	(25)
<b>Uncommitted Balances</b>	<b>10</b>

4. Of the previous allocations agreed by Committee, a sum of £617,002 as listed below will be required in future years. Therefore, it is proposed that these sums are carried forward from 2019/20 to 2020/21, thereby ensuring that a full year's contingency provision is available during 2020/21.
  - £10,000 joint funding towards restoration priority works within Gresham Music Collection from City Fund Contingency
  - £48,000 towards commercial negotiations with Citigen from City's Cash and City Fund Contingencies
  - £159,000 towards an appeal regarding GLA roads from City Fund Contingency
  - £400,002 towards additional rent payable at Wood Street Police Station starting 10<sup>th</sup> December 2020 from City Fund Contingency
5. In assessing the adequacy of Central Contingencies, the provision of funds for 2019/20 has been more than sufficient resulting in an uncommitted balance for each contingency at year-end. On this basis the existing contingency provision will remain unchanged for 2020/21.
6. As previously agreed by this Committee, a sum of £25,000 from the £35,000 unspent balance for 2019/20 National and International Disaster Fund will be carried forward, giving a total of £125,000 available in 2020/21.

#### 2020/21 Contingency Balances

7. If the proposed sums to be carried forward are agreed, the uncommitted balances that are available for 2020/21 Contingencies are set out in the table below.

Table 3: 2020/21 Contingencies				
	City's Cash	City Fund	Bridge House Estates	Total
	£'000	£'000	£'000	£'000
<b>General Contingencies</b>				
2020/21 Provision	950	800	50	1,800
2019/20 Brought forward	24	593	0	617
<b>Total Provision</b>	<b>974</b>	<b>1,393</b>	<b>50</b>	<b>2,417</b>
Previously agreed allocations	(24)	(593)	0	(617)
<b>Uncommitted Balance</b>	<b>950</b>	<b>800</b>	<b>50</b>	<b>1,800</b>
<b>National and International Disasters</b>				
2020/21 Provision	100	0	0	100
2019/20 Brought forward	25	0	0	25
<b>Total Provision</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>125</b>
Previously agreed allocations	0	0	0	0
<b>Uncommitted Balance</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>125</b>

## **Conclusion**

8. Members are asked to agree to carry forward sufficient resources of £617,002 to meet existing allocations and thereby provide a full year's Central Contingency provision for funding requirements that may arise during 2020/21. The sum of £125,000 will be made available in 2020/21 for the National and International Disaster Fund.

## **Appendices**

- Non- Public Appendix 1 – 2019/20 Contingencies
- Appendix 2 – 2020/21 Contingencies

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<b>Committee:</b>	<b>Date:</b>
Finance Committee	19 May 2020
<b>Subject:</b> Report of Action Taken – Public Decisions taken under Delegated Authority/Urgency procedures since the last formal meeting of the Committee	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Information</b>
<b>Report author:</b> John Cater, Town Clerk's Department	

## Summary

This report advises Members of urgent and/or delegated public action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Orders No. 41(a) and 41(b).

## Recommendation

Members are asked to note the report.

## Main report

### **1. Subject: Emergency Relief – National and London specific Response to COVID-19 (Delegated Authority) - 22<sup>nd</sup> April 2020**

#### **Background**

The coronavirus outbreak is an unfolding global health emergency that is affecting the way every one of us goes about our daily lives. Charitable organisations in the UK are navigating in uncertain times and having to adapt services to deal with the complex situation of the lockdown. A short analysis has been provided of several causes that are working tirelessly to support the vulnerable and coordinate with the NHS to mitigate against the impact of the virus. The CGU has received several requests for support and has shortlisted two campaigns where this fund may make a real difference. Outlined below are both a National and London campaign that should be considered for support:

#### **British Red Cross (BRC)**

The BRC is a longstanding partner and member of the DEC. At a National level they are well placed to respond to the emerging needs of the Coronavirus Pandemic. The BRC is imbedded in every community across the UK and has adapted its services to deal with the impact of the virus on the most vulnerable in society. The BRC is supporting the NHS, coordinating in communities to ensure the most vulnerable receive food packages and providing tailored to support vulnerable groups who are considered 'Off-Grid'. The BRC has a long-standing relationship with this IDF and is a trusted partner of the DEC. A donation to the BRC should be made to the National campaign.

## **Team Rubicon (TR)**

TR UK is a registered charity in England & Wales (1163214), registered in August 2015 following discussions between UK volunteers and TR Global. Initial funding of £2.5m came from a grant from the UK Treasury Department, spread over a 5-year period. Its UK mission is to “unite the skills and experiences of military veterans with first responders to rapidly deploy emergency response teams to disasters in the UK and overseas in order to immediately improve the quality of life of the people who are affected. It is affiliated to TR Global.

TR UK is assisting with the coordinated response to the Coronavirus Pandemic in London. They are supporting Guys and St Thomas’s NHS Trust to support with logistics, assisting with the opening and delivery of the NHS Nightingale Hospital at the Excel Centre and doing mortuary tasks in Westminster. Utilising their experience working in disaster zones they are applying logistical support in a time of regional and national need.

TR UK are not a delivery partner of the DEC but have been supported by the IDF in response to the Bahamas Hurricane in September 2019. The Charity is carrying out essential work in London now in response to the Coronavirus Pandemic and require immediate funding to ensure this work can continue to be delivered. This work is essential currently but difficult to fundraise for. TR are working in collaboration with the London Strategic Coordination Group in its multi-agency delivery efforts across London. As the Charity have been assessed and supported through this fund in the last 12 months Members can be confident that they are a trusted partner.

## **RESOLVED – That approval was given to:**

Agree a donation of £20,000 to The British Red Cross to support its work nationally and £20,000 to Team Rubicon to assist in its aid efforts tackling the Coronavirus outbreak in London.

### **Contact:**

John Cater

Senior Committee and Member Services Manager, Town Clerk’s Department

020 7332 1407



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<b>Committees:</b>	<b>Date:</b>
Finance Committee	19 May 2020
<b>Subject:</b> Appointments to Sub-Committees	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Decision</b>
<b>Report author:</b> John Cater, Town Clerk's Department	

## Summary

The purpose of this report is to consider:

- a) appointments of new Deputy Chairmen to the Corporate Asset Sub-Committee and Digital Services Sub-Committee respectively.
- b) the appointments of Dominic Christian and Alderman Sir Peter Estlin to the Efficiency & Performance Sub-Committee, Rehana Ameer, Andrien Meyers and Henry Pollard to the Corporate Asset Sub-Committee, and any other Members who are interested in serving on any of the FC Sub-Committees for the remainder of the 2019/20 civic year.

## Recommendations

Members are asked to:

- a) Agree that **James de Sausmarez** succeeds Dominic Christian as Deputy Chairman of the **Corporate Asset Sub-Committee**
- b) Agree that **Sir Peter Estlin** succeeds Jamie Ingham Clark as Deputy Chairman of the **Digital Services Sub-Committee**
- c) Agree that **Dominic Christian** and **Sir Peter Estlin** are appointed to the **Efficiency & Performance Sub-Committee**
- d) Agree that **Rehana Ameer**, **Andrien Meyers** and **Henry Pollard** are appointed to the Corporate Asset Sub Committee
- e) Agree to the **appointment of any other Members who** express an interest in serving on any of the FC Sub-Committees for the remainder of the 2019/20 civic year. The maximum allocations of FC Members, as stipulated in the respective Terms of Reference, are outlined in appendix 1.
- f) Note the current memberships of the Finance Committee's Sub-Committees (appendix 1)

## Main Report

Due to restrictions imposed by Covid-19, the Corporation has had to rethink the usual procedures for the appointment of Grand and Sub-Committees.

The composition and indeed the Chairmanships of the Corporation's Grand Committees will remain, for now, the status quo - effectively extending the 2019/20 civic year for the foreseeable future.

Additionally, the full, formal reappointments of Sub-Committees, which by convention takes place at the May or June meetings of their parent Grand Committees, will be, this year, notably different; as we don't have provision for issuing paper ballots, the preference is, broadly, to retain the current compositions, until such a time that the "normal" formal reappointment process, including ballots, can be administered effectively; this is likely to be in the autumn.

However, the Chairman of Finance Committee is **keen to encourage Members to volunteer to serve on at least one of the five Finance Sub-Committees**, as they do much of the "heavy lifting" on behalf of the Grand Committee; providing both scrutiny and accountability.

Dominic Christian and Sir Peter Estlin have expressed an interest in serving on Efficiency & Performance Sub-Committee and Rehana Ameer, Andrien Meyers and Henry Pollard wish to join Corporate Asset Sub – approval is now sought from the Finance Committee for their respective appointments.

In addition, Members should not feel compelled to continue to serve for longer if they wish or are unable not to and should alert the respective Chairman and the Committee clerk if that is the case.

Furthermore, **the Chairman of the Finance Committee seeks the Committee's endorsement of his proposed changes to two of the Deputy Chairmanships**, namely, the Corporate Asset Sub-Committee, where James de Sausmarez will succeed Dominic Christian, and the Digital Services Sub-Committee, where Sir Peter Estlin will succeed Jamie Ingham Clark.

Appendix 1 - Memberships of the FC Sub-Committees (including proposed changes to CASC, DSSC and E&P in *italics*) as of 18 May 2020.

**Corporate Asset Sub-Committee (Composition: 9 Members of FC)**

1. Chairman: Jamie Ingham Clark
  2. *Deputy Chairman: James de Sausmarez*
  3. Jeremy Mayhew
  4. *Rehana Ameer*
  5. Randall Anderson
  6. Dominic Christian
  7. Michael Hudson
  8. *Andrien Meyers*
  9. *Henry Pollard*
- Marianne Fredericks (appointed by P&R)  
Joyce Nash (P&R)  
Philip Woodhouse (P&R)  
John Chapman (appointed by PIB)

Alderman Alison Gowman (PIB)  
Edward Lord (PIB)

**Digital Services Sub-Committee (Composition: Maximum of 14 Members of FC and the Court of Common Council).**

1. Chairman: Randall Anderson
  2. *Deputy Chairman: Alderman Sir Peter Estlin*
  3. Jeremy Mayhew
  4. Rehana Ameer
  5. Roger Chadwick
  6. Jamie Ingham Clark
  7. Tim Levene
  8. Hugh Morris
  9. Ben Murphy
  10. John Chapman (appointed by Court)
  11. Sylvia Moys (Court)
  12. Barbara Newman (Court)
  13. James Tumbridge (Court)
  14. Vacancy
- Keith Bottomley (appointed by Police Authority Board)

**Efficiency & Performance Sub-Committee (Composition: Maximum of 13 Members of FC)**

1. Chairman: Jeremy Mayhew
2. Deputy Chairman: Jamie Ingham Clark
3. Randall Anderson
4. *Dominic Christian*
5. *Alderman Sir Peter Estlin*
6. Clare James
7. Alderman Nicholas Lyons
8. Paul Martinelli
9. Hugh Morris
10. Philip Woodhouse
11. Vacancy
12. Vacancy
13. Vacancy

**Finance Grants Oversight and Performance Sub-Committee (Composition: Maximum of 13 Members of FC)**

1. Chairman: Nick Bensted-Smith
2. Deputy Chairman: Philip Woodhouse
3. Jeremy Mayhew
4. Simon Duckworth
5. John Fletcher
6. Jamie Ingham Clark
7. Paul Martinelli
8. Ian Seaton
9. Vacancy (Composition Minimum)
10. Vacancy
11. Vacancy

12. Vacancy
13. Vacancy

**Procurement Sub-Committee**

1. Chairman: Hugh Morris
2. Deputy Chairman: Robert Merrett
3. Jeremy Mayhew
4. Randall Anderson
5. John Fletcher
6. Michael Hudson
7. Jamie Ingham Clark
8. Alderman Gregory Jones
9. Susan Pearson
10. William Pimlott
11. Vacancy
12. Vacancy

**John Cater**

Town Clerk's Department

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