



Finance Committee

Date: TUESDAY, 11 DECEMBER 2018

Time: 1.45 pm

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

Members:	Jeremy Mayhew (Chairman) Deputy Jamie Ingham Clark (Deputy Chairman) Randall Anderson Nicholas Bensted-Smith Chris Boden Deputy Roger Chadwick Dominic Christian Simon Duckworth Deputy Kevin Everett Sophie Anne Fernandes John Fletcher Christopher Hayward Christopher Hill Deputy Tom Hoffman Alderman Robert Howard Michael Hudson Deputy Wendy Hyde Deputy Clare James Alderman Alastair King	Gregory Lawrence Tim Levene Oliver Lodge Paul Martinelli Deputy Robert Merrett Hugh Morris Alderman Andrew Parmley Susan Pearson William Pimlott Deputy Henry Pollard Alderman Matthew Richardson Ian Seaton Sir Michael Snyder Deputy James Thomson James Tumbridge Deputy Philip Woodhouse Deputy Catherine McGuinness (Ex- Officio Member) Andrew McMurtrie (Ex-Officio Member) Deputy Alastair Moss (Ex-Officio Member)
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Enquiries: John Cater
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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 and non-public summary of the meeting held on 13th November 2018.
For Decision
(Pages 1 - 12)

- 4. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**
Report of the Town Clerk.
For Information
(Pages 13 - 16)

- 5. FINANCE COMMITTEE - WORK PROGRAMME 2018 AND 2019**
Report of the Chamberlain.
For Information
(Pages 17 - 18)

- 6. REPORT OF THE WORK OF THE SUB-COMMITTEES**
Report of the Town Clerk.
For Information
(Pages 19 - 20)
 - a) Draft public minutes of the Finance Grants Sub-Committee held on 13 November 2018 (Pages 21 - 24)

- 7. RISK MANAGEMENT - TOP RISKS**
Report of the Chamberlain.
For Information
(Pages 25 - 28)

- 8. CENTRAL CONTINGENCIES**
Report of the Chamberlain.
For Information
(Pages 29 - 30)

- 9. OVERVIEW OF CENTRAL RISK BUDGETS AND RELATIONSHIP TO CONTINGENCIES**
Report of the Chamberlain
For Decision
(Pages 31 - 36)

10. **PROPOSED 2019/20 REVENUE BUDGETS FOR OPERATIONAL SERVICES**
Report of the Chamberlain.
To Follow **For Decision**
11. **FINANCIAL REGULATIONS UPDATE**
Report of the Chamberlain **For Decision**
(Pages 37 - 40)
12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
14. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act. **For Decision**
- Part 2 - Non-Public Agenda
15. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 13th November 2018. **For Decision**
(Pages 41 - 46)
16. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
Report of the Town Clerk. **For Information**
(Pages 47 - 48)
- a) Draft non-public minutes of the Finance Grants Sub-Committee held on 13 November 2018 (Pages 49 - 50)
17. **ACTION AND KNOW FRAUD CENTRE -CONTRACT**
Report of the Commissioner of the City of London Police. **For Decision**
(Pages 51 - 68)
18. **MAJOR PROJECTS FINANCING**
Report of the Chamberlain. **For Decision**
(Pages 69 - 76)

19. **BRIDGE HOUSE ESTATES STRATEGIC REVIEW - UPDATE**
Joint Report of the Town Clerk & Chief Executive and the Chief Grants Officer & Director of City Bridge Trust.

For Decision
(Pages 77 - 88)

20. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk.

For Information
(Pages 89 - 90)

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

22. **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

23. **EMPLOYMENT MATTERS**
Report of the Chamberlain

For Decision

Agenda Item 3

FINANCE COMMITTEE

Tuesday, 13 November 2018

Draft Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on
Tuesday, 13 November 2018 at 1.45 pm

Present

Members:

Jeremy Mayhew (Chairman)	Deputy Clare James
Deputy Jamie Ingham Clark (Deputy Chairman)	Alderman Alastair King
Randall Anderson	Oliver Lodge
Nicholas Bensted-Smith	Deputy Robert Merrett
Chris Boden	Hugh Morris
Deputy Roger Chadwick	Susan Pearson
Simon Duckworth	William Pimlott
John Fletcher	Deputy Henry Pollard
Christopher Hill	Ian Seaton
Deputy Tom Hoffman	Deputy James Thomson
Alderman Robert Howard	James Tumbridge
Michael Hudson	Deputy Philip Woodhouse
Deputy Wendy Hyde	

Officers:

John Cater	- Committee Clerk
Peter Lisley	- Assistant Town Clerk
Simon Latham	- Town Clerk's Department
Peter Kane	- Chamberlain
Paul Wilkinson	- City Surveyor
Ian Dyson	- Commissioner of the City of London Police
Michael Cogher	- Comptroller and City Solicitor
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
John James	- Chamberlain's Department
Mike Saunders	- Community and Children's Services Department
Sean Green	- Chamberlain's Department
Kate Smith	- Town Clerk's Department
Alison Bunn	- City Surveyor's Department

1. APOLOGIES

Apologies for absence were received from Christopher Hayward, Tim Levene, Paul Martinelli and Alderman Andrew Parmley.

The Chairman thanked Karina Dostalova and James De Sausmarez for their contribution to the Committee, both stepped down last month. He welcomed Christopher Hill and Kevin Everett to the Committee in their stead.

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

Alderman Howard and Alderman King declared a non-pecuniary interest in respect of item 32 due to their position as Aldermen.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes and summary of the meeting held on 18th September be approved as an accurate record.

4. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS

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

Mansion House

Officers confirmed that they had been in discussions with the Chairman of the Finance Committee about him presenting an update to Members at December's Court of Common Council. Officers added that conservationists had suggested the frequency of stone cleaning at Mansion House should be every 30 plus years.

Business Plans

The Town Clerk provided an update on the business planning process; to provide opportunities for Members to scrutinise the thinking put into the drafting of departmental Business Plans and to enable good links between strategy and the allocation of resources, several meetings are being arranged.

The plan is, first, to have a pre-Court of Common Council 'Business Plan Surgery' where Members can ask questions to inform discussions with their Chairmen and Deputy Chairmen. Next, Chairmen and Deputy Chairmen of the relevant Committees will be invited to attend meetings to discuss four clusters of Business Plans – Corporate, Services, Culture and City. Finally, a themed summary of the four cluster discussions will be sent to Chief Officers, Chairmen and Deputy Chairmen to help shape a useful discussion at Committees in February and March where Business Plans will be presented for approval.

Contingency Funding Strategy

The Chairman expressed his disappointment that the Report had yet to reach Members and stressed that he would like to see the draft of the Report, before it is submitted to December Finance Committee.

Reporting schedule

In response to concerns about the format of this Report, the Chairman and Deputy Chairman requested that officers should mirror the forward plan that goes to Efficiency and Performance Sub-Committee.

RESOLVED – that Members noted the report.

5. REPORT OF THE WORK OF THE SUB-COMMITTEES

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

Corporate Asset Sub-Committee

The Chairman of the Sub-Committee informed Members that the Sub-Committee had received a Report of the City Surveyor concerning Guildhall yard.

The City Surveyor informed Members that temporary solutions had been implemented to help mitigate flood risk.

A Member queried whether the Corporation's insurance would cover flooding to the Guildhall Art Gallery basement, where much of the Corporation's art collection was stored.

The City Surveyor and the Chamberlain would follow up with the insurance team and update the Sub-Committee in January.

Efficiency and Performance Sub-Committee

The Chairman recapped on the comments from the Town Clerk in Item 4 concerning business planning. He reiterated the importance of this endeavour, and encouraged officers and Members to work as one, to ensure the Business plans are robust and given the attention they deserve.

Information Technology Sub-Committee

The Chairman of the Sub-Committee spoke about the digital declaration. The declaration publicly commits the City to embrace and develop digital ways of working, digital citizen and business engagement, and skills development. There was also an expectation that organisations signing the declaration agree they will collaborate on digital projects sharing skills and knowledge.

In addition, the Chairman asked Members to endorse a change of name to the Sub-Committee; Members agreed that henceforth the name of the Sub would be the Digital Services Sub-Committee.

Procurement Sub-Committee

The Chairman of the Sub-Committee updated Members on the City Procurement Quarterly Progress Report, the action Plan to improve 10-day payment performance, and the London Living Wage Accreditation.

RESOLVED – that Members notes the report.

6. REPORTING TIMETABLE

The Committee received a Report of the Chamberlain concerning the reporting timetable for the Chamberlain's department.

The Chairman and Deputy Chairman reiterated that officers should mirror the forward plan that goes to Efficiency and Performance Sub-Committee.

RESOLVED – that Members noted the Report.

7. CITY'S CASH FINANCIAL STATEMENTS 2017/18

The Committee considered a Report of the City Surveyor concerning City's Cash Financial Statements.

The Chairman suggested that, with the delays to Crossrail, the City should hold back from paying the final £50m until the project was delivered (now estimated in December 2019). Officers would examine options and report back.

The Deputy Chamberlain added that during the year a painting in the City's art collection was identified as having been stolen by the Nazis during the Second World War. The City returned the painting to members of the original owner's family during the year and the painting's carrying value of £1.2m has been treated as an impairment. Members asked her if officers could investigate the provenance of the painting to ascertain how the City bought the painting in the first place. The Deputy Chamberlain would ask colleagues to look into it and report back in due course.

A Member asked whether he could receive an assurance that the City's 20-year pension deficit elimination plan is on track, as the reduction in year 5/20 appears too small. In response the Deputy Chamberlain explained that the actuarial value of the deficit was healthy, and the progress in reducing the deficit over the last several years should encourage Members. She added that officers would be meeting the actuaries later in November for an update meeting and would report back to Members on their comments at the December Finance Committee meeting. The Chairman asked the Deputy Chamberlain to continue to work with Clare James on pensions issues.

RESOLVED – that Members approved the following:

- considered the contents of the Audit Management Report issued by Moore Stephens LLP;
- approved the City's Cash Financial Statements for the year ended 31 March 2018 taking account of any observations from the Audit and Risk Management Committee; and
- agreed that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

8. CITY'S CASH TRUST FUNDS AND SUNDY TRUST FUNDS ANNUAL REPORTS AND FINANCIAL STATEMENTS 2017/18

The Committee considered a Report of the Chamberlain concerning the City's Cash Trust Funds and the Sundry Trust Fund.

A Member queried how the entities listed on page 239 were incorporated into the accounts. The Deputy Chamberlain would take this query away and go back to the Member directly.

RESOLVED – that Members approved the following:

- considered the contents of Moore Stephens LLP Management Letter;
- approved the Annual Reports and Financial Statements for City's Cash Trust Funds and the Sundry Trust Funds, taking account of any observations from the Audit and Risk Management Committee; and
- agreed that the Annual Reports and Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

9. **REVENUE BUDGET MONITORING TO SEPTEMBER 2018**

The Committee received a Report of the Chamberlain concerning revenue budget monitoring.

Members noted the continued surplus created by the property investment portfolio; they queried whether this was a case of systemic under-budgeting. The Chairman asked officers to consider whether the budget was too fat.

RESOLVED – that Members noted the Report.

10. **CHAMBERLAIN'S BUSINESS PLAN - 2ND QUARTER UPDATE**

The Committee received a Report of the Chamberlain concerning the Chamberlain's Department's Business Plan.

The Chairman emphasised that significant discussion had taken place around the major projects, and that this was the first occasion in many years, that the City might borrow considerable sums of money. He stressed that approval to borrow had not been given, but it was important to put a strategy in place so that the City could move quickly if needs be; Rothschilds have been engaged as advisors.

The Chairman asked officers to amend the scorecard table on page 45; the current version wasn't as clear as it could be.

RESOLVED – that Members noted the Report

11. **CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - QUARTERLY REPORT**

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

In a response to a query concerning CR16 (Information Security), the Chamberlain reassured Members that it was prudent to keep the risk at red for now, with, all being well, a reduction to amber envisaged in January.

A Member also asked officers to amend the terminology in the risk register; the Data Protection Act 1998 needed to be updated as it had been superseded by the DPA 2018 (which, in turn, supplements GDPR). He also asked who was providing oversight for information security across the piece, as it was important to recognise that this risk included paper, as well as IT. The Deputy Chairman and the Chamberlain responded that Audit and Risk Management Committee and the Data Services Sub-Committee were, in the first instance, the lead Committees.

The Chairman reiterated his ongoing concerns around CR23 (Police Funding) and would turn to them in more depth later in the meeting.

RESOLVED –that Members noted the report.

12. IT DIVISION - QUARTERLY MEMBER UPDATE

The Committee received a Report of the Chamberlain concerning the IT Division.

RESOLVED – that Members noted the Report.

13. CENTRAL CONTINGENCIES

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

RESOLVED – that Members noted the report.

14. BREXIT CONTINGENCY FUNDING

The Committee considered a Report of the Chamberlain concerning establishing a contingency funding pot for Brexit related activities.

A Member asked what the rationale was for the final sum of £2m. Officers responded that determining the precise amount required was difficult as the various permutations of Brexit were inherently still quite uncertain.

RESOLVED – that Members approved the following:

- Endorsed the creation of a Brexit Contingency Fund of £2m in 2018/19 with provision to carry forward any unspent balance into 2019/20 for onward approval by the Court of Common Council.
- Delegated to the Town Clerk, in consultation with the Chair and Deputy Chair of Policy and Resources Committee, authority to agree bids of up to £100k to the fund.
- Endorsed the criteria and reporting framework set out in the report for the fund.

15. LONDON BUSINESS RATES 100% PILOT POOL: FINANCIAL ADMINISTRATION FOR STRATEGIC INVESTMENT POT

The Committee considered a Report of the Chamberlain concerning administration for the London wide Strategic Investment Pot (SIP).

RESOLVED – that Members approved the following

- Approve the financial administration arrangements for the Strategic Investment Pot, as laid out in paragraph 6.
- Delegate authority to the Comptroller and City Solicitor, in consultation with the Chamberlain, to complete, make minor amendment to and execute the agreements with accountable boroughs for the SIP.
- Authorise the Chamberlain to make the payments required under the agreements up to the total SIP allocations agreed by the Policy and Resources Committee.
- Note that, if the pilot is extended to 2019/20, there will be further SIP allocations made for the balance of any 2018/19 funds. If no changes are proposed to the arrangements, officers will not seek further approvals in the same form once resources are allocated.

16. LIVING WAGE ACCREDITATION - POTENTIAL ENHANCEMENTS

The Committee received a Report of the Chamberlain concerning Living Wage accreditation.

RESOLVED – that Members noted the Report

17. REVIEW OF THE CITY OF LONDON POLICE AUTHORITY - RESOURCING & GOVERNANCE ARRANGEMENTS

The Committee received a Joint Report of the Town Clerk and the Chamberlain concerning resourcing and governance of the City of London Police Authority.

The Chairman began the discussion by emphasising that, since the introduction of the Police and Crime Commissioners across England and Wales in 2012, the City had not adequately resourced and fully fulfilled its role as the City of London Police Authority. This was a distinct and important role which requires robust, strategic direction.

He thanked officers for raising this Report with the Finance Committee (the decisions were for Policy and Resources Committee, Establishment Committee and Court of Common Council); furthermore, he proposed that the name of the Police Committee be changed to the Police Authority Board to better reflect its role.

The Commissioner added that it was important to recognise that the City of London Police was different to other forces and, for its relative size, took on a leadership role for a number of national policing projects.

A Member was concerned that appointing a new staff member at Grade I was possibly overegging things. He was supportive of the Police, but wanted to ensure officers were delivering on efficiencies and value for money. The Chairman responded that Policy and Resources would be reviewing and deciding on the recommendations on Thursday 15th November and that was the appropriate forum to scrutinise the Grade I appointment.

RESOLVED – that Members noted the Report.

18. INCENTIVISING EFFICIENT DEMAND MANAGEMENT - LEGAL SERVICES CHARGING

The Committee considered a Report of the Chamberlain concerning internal charging for legal services.

The Chairman began by pointing out that he was perhaps a more enthusiastic exponent of internal charging than some City officers. He stressed that the benefit for officers and Members alike would be the ability to make choices, informed by a knowledge of costs, between outsourcing or using internal services. The use of charging in the Legal Services division was a logical first step and, from this pilot project, officers and Members would need to consider carefully the lessons and encourage the right behaviours, with a view to then deciding on where and when internal charging should next be rolled out.

He and other Members expressed concerns that the proposed new Case Management System could not be utilized by other departments. If the pilot was a success and roll out of internal charging to other departments was to commence, it was important, both from a cost perspective and for staff, to have one system that could be applied across the piece. The Chairman requested a paper come back to Members giving more granular detail on the proposed charging costs and to reassure Members that the system can be applied across departments.

RESOLVED – that Members approved the following:

- Note the progress made in moving to an internal trading account model for C&CS legal services.
- Agree to progress under option 2 of this report, which recommends implementing the internal trading account for legal services from 2019/20.

19. ANNUAL ON-STREET PARKING ACCOUNTS 2017/18 AND RELATED FUNDING OF HIGHWAY IMPROVEMENTS AND SCHEMES

The Committee received a Report of the Chamberlain concerning the annual on-street parking accounts for 2017/18.

A Member asked for clarity on two points concerning why income was expected to fall over the next five years and why income from penalty charge notices,

had to go automatically into the On-Street Parking Reserve. The Chairman asked officers to respond to the Member offline.

Separately, a Member asked for a bit more clarify on the granular details of the accounts presented, the Chairman again asked officers to respond to the Member offline.

RESOLVED – that Members noted the Report

20. BUSINESS RATES UNCOLLECTABLE DEBT & WRITE-OFF REVIEW

The Committee considered a Report of the Chamberlain concerning Business rates.

RESOLVED – that Members approved the following:

- noted the contents of the report.
- approved increased write-off authorisation limits for all debt types from £5,000 to £20,000
- agreed to a change in process to allow cases in liquidation to be written off 24 months after the commencement of the process
- agreed to the use of a third-party company to review debt before write-off.

21. 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 the approval of a donation to the sum of £40,000 from the International Disasters Fund to support the Disaster Emergency Committee's Indonesian appeal.

RESOLVED – that Members noted the report.

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

There were no questions.

23. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

24. 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.

25. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes of the meeting held on 18th September were approved as an accurate record.

26. 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 the non-public sessions at recent meetings of the Committee's Sub-Committees.

27. WASTE COLLECTION, STREET CLEANSING AND ANCILLARY SERVICES - CONTRACT AWARD

The Committee considered a Report of the Chamberlain concerning the contract award for waste collection, street cleansing and ancillary services.

28. HOUSING RESPONSIVE REPAIRS, MAINTENANCE AND VOIDS SERVICES CONTRACT AWARD

The Committee considered a Report of the Chamberlain concerning the contract award for housing responsive repairs, maintenance, and voids services.

29. ADDITIONAL RESOURCES REQUEST FOR THE CITY SURVEYOR'S DEPARTMENT

The Committee considered a Report of the City Surveyor concerning an additional resources request.

30. BRIDGE HOUSE ESTATES: FRIARS HOUSE, 160 BLACKFRIARS ROAD - TWO NEW 150 YEAR LEASES

The Committee considered a Report of the City Surveyor concerning Friars House, 160 Blackfriars Road

31. RENNIE GARDEN, BLACKFRIARS ROAD SE1 - LICENCE FOR WORKS & 150-YEAR LEASE (BRIDGE HOUSE ESTATES)

The Committee considered a Report of the City Surveyor concerning Rennie Garden.

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

The Committee noted a report of the Town Clerk detailing a non-public decision taken under urgency procedures since the last meeting.

33. 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.

34. 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 3.45 pm

Chairman

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Finance Committee – Outstanding Public Actions

Item	Date	Item and Action	Officer responsible	To be completed/progressed to next stage	Progress Update
1	24 th July 2018	<p><u>Chamberlain's Department Risk Management – Quarterly Report</u></p> <p>In noting that senior officers had proposed that CR25 (GDPR) be closed and any outstanding mitigations and actions be absorbed into the IT Security risk, some Members expressed concern about the risk being closed due to the continued high profile of GDPR's introduction, and Mazars' audit report which was anticipated in September. It was felt that, subject to receipt of the necessary assurances later in the year, the risk could then be closed.</p>	Sean Green, the Comptroller	January 2019	November meeting: In a response to a query concerning CR16 (Information Security), the Chamberlain reassured Members that it was prudent to keep the risk at red for now, with, all being well, a reduction to amber envisaged in January.
2	18 th September 2018	<p><u>Contingency Funding Strategy</u></p> <p>The Chairman queried why Central Risk seemingly contained little flexibility. It was inevitable that unexpected events would occur from time-to-time, referencing the recent fire at Epping Forest as a case in point. <i>He informed Members that the Chamberlain would be presenting a Report later this year on contingency funding.</i></p>	Chamberlain	December 2018	Report to be submitted to the December Finance Committee meeting

Item	Date	Item and Action	Officer responsible	To be completed/progressed to next stage	Progress Update
3	18 th September 2018	<p><u>Reporting Schedule</u></p> <p>The Deputy Chairman suggested that future agendas should include a standalone item focusing on the high-level departmental reporting schedule; this would give Members a helpful overview of what to expect throughout the year.</p> <p><i>At the November meeting, Members requested amendments to the Paper, so that it was formatted along similar lines to the forward plan for the Efficiency & Performance Sub Committee.</i></p>	Chamberlain	December 2018	New version submitted to December Committee
4a	13 th November 2018	<p><u>City's Cash Financial Statements 2017/18</u></p> <p>The Chairman suggested that, with the delays to Crossrail, the City should hold back from paying the final £50m until the project was delivered (now estimated in December 2019). Officers would examine options and report back.</p>	Chamberlain	December 2018	Verbal update from Caroline Al-Beyerty
4b		<p>The Deputy Chamberlain added that during the year a painting in the City's art collection was identified as having been stolen by the Nazis during the Second World War. The City returned the painting to members of the original owner's family during the year and the painting's carrying value of £1.2m has been treated as an impairment.</p> <p><i>Members asked her if officers could investigate the provenance of the painting to ascertain how the City bought the painting in the first place.</i></p>	Chamberlain	December	Verbal update from Caroline Al-Beyerty

Item	Date	Item and Action	Officer responsible	To be completed/progressed to next stage	Progress Update
4c		<p>A Member asked whether he could receive an assurance that the City's 20-year pension deficit elimination plan is on track, as the reduction in year 5/20 appears too small. In response the Chamberlain explained that the actuarial value of the deficit was healthy, and the progress in reducing the deficit over the last several years should encourage Members.</p> <p><i>She added that officers would be meeting the actuaries later in November for an update meeting and would report back to Members on their comments at the December Finance Committee meeting.</i></p>	Chamberlain	December	Verbal update from Caroline Al-Beyerty
5	13 th November	<p><u>Internal Charging</u></p> <p>Members expressed concerns that the proposed new Case Management System could not be utilized by other departments. If the pilot was a success and roll out of internal charging to other departments was to commence, it was important, both from a cost perspective and for staff, to have one system that could be applied across the piece.</p> <p><i>The Chairman requested a paper come back to Members giving more granular detail on the proposed charging costs and to reassure Members that the system can be applied across departments.</i></p>	Chamberlain	December 2018	Update to be provided in matters arising from the minutes

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Finance Committee – Work Programme 2018 and 2019

Meeting:	Dec	Jan	Feb	March	April	May	June	July	August	September	October	November
Budget setting process and Medium-Term Financial Planning												
	Autumn budget (verbal update by Chamberlain in October- so not needed)	Provisional Financial settlement for Local Government and Police Proposed Revenue budget for City Bridge Trust	City Fund Budget Report and Medium-Term Financial Strategy									
Effective Financial arrangements for the Corporation												
		Bridge House Estates Strategic Review Fund	Q3 Quarterly Budget Monitoring					Provisional Outturn Report Q1 Quarterly Monitoring Report		Capital Outturn Report		Q2 Quarterly Monitoring Report
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 Cttee												
		Proposed Revenue and Capital Budgets for Finance Committee Operations Risk Management Review			Final Departmental Business Plan 2019/20- Chamberlain's Department Risk Management Review	Business Plan End of Year Update			Finance Committee Revenue Outturn		Risk Management Review	

Agenda Item 6

Committee: Finance Committee	Date: 11 December 2018
Subject: Public Report of the work of the Sub-Committees	Public
Report of: Town Clerk	For Information
Report author: John Cater, Town Clerk's Department	

Summary

On 19 July 2016, the Finance Committee agreed that, in addition to draft minutes of Sub-Committee meetings, short reports be provided to advise the Committee of the main issues considered by the Sub-Committees at recent meetings. This report sets out some of the main public issues considered by the following Sub Committees since 13th November 2018:

Finance Grants Oversight and Performance Sub Committee – 13 November 2018

CENTRAL GRANTS PROGRAMME - CITY'S CASH GRANTS BUDGET

Members received a report of the Chief Grants Officer which provided an update on the City's Cash Grants Budget Allocations, the Central Grants Unit underspend in 2018/19 period and the surplus which had been carried over.

CENTRAL GRANTS PROGRAMME - UPDATE AND NEXT STEPS

Members received a report of the Chief Grants Officer which provided an update on the Central Grants Programme (CGP), including: outcomes of the four CGP grant rounds delivered in 2018/19; a monitoring and evaluation update of the CGP; and, an outline of the next steps for 2018/19.

Recommendations

The Committee is asked to note the report.

John Cater

Senior Committee Services Officer, Town Clerk's Department
john.cater@cityoflondon.gov.uk

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FINANCE GRANTS OVERSIGHT AND PERFORMANCE SUB COMMITTEE

Tuesday, 13 November 2018

Minutes of the meeting of the Finance Grants Oversight and Performance Sub Committee held at the Guildhall EC2 at 3.45 pm

Present

Members:

Simon Duckworth (Chairman)	Oliver Lodge
Deputy Philip Woodhouse (Deputy Chairman)	Jeremy Mayhew
Nicholas Bensted-Smith	Mark Wheatley
Deputy Jamie Ingham Clark	

Officers:

John Cater	- Town Clerk's Department
Chloe Rew	- Town Clerk's Department
David Farnsworth	- Chief Grants Officer, Director of City Bridge Trust, Town Clerk's Department
Jack Joslin	- Central Grants Unit, Town Clerk's Department
Scott Nixon	- Central Grants Unit, Town Clerk's Department
Anne Pietsch	- Comptrollers and City Solicitor's Department
Emily Rimington	- Comptroller and City Solicitor's Department

1. APOLOGIES

There were no apologies.

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

Deputy Jamie Ingham Clark declared a non-pecuniary interest in Item 4 (Central Grants Programme – City's Cash Grants Budget) by virtue of being a churchwarden of St. Lawrence Jewry and Member of Guild Church Council (ex-officio).

3. MINUTES

RESOLVED – That the public minutes and summary of the meeting held on 10 April 2018 be approved as a correct record, subject to the deletion of “Karen Atkinson – Town Clerk’s Department” under the list of officers who attended the last meeting.

4. CENTRAL GRANTS PROGRAMME - CITY'S CASH GRANTS BUDGET

Members received a report of the Chief Grants Officer which provided an update on the City's Cash Grants Budget Allocations, the Central Grants Unit underspend in 2018/19 period and the surplus which had been carried over.

It was noted that King Edwards School Witley was misspelled in the report.

RESOLVED – That the subcommittee receive the report and note its contents.

5. CENTRAL GRANTS PROGRAMME - UPDATE AND NEXT STEPS

Members received a report of the Chief Grants Officer which provided an update on the Central Grants Programme (CGP), including: outcomes of the four CGP grant rounds delivered in 2018/19; a monitoring and evaluation update of the CGP; and, an outline of the next steps for 2018/19.

The Chief Grants Officer advised that it is expected that the CGP will spend its budget for 2018/19.

Members were informed that any underspends on other grant budgets outside the CGP and held within City's Cash can be transferred to the CGU for equal allocation to the three City's Cash funding theme. This can be approved by delegated authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee.

With regards to the Enjoying Green Spaces programme, Members were informed that in 2017 there was a lack of take-up in the programme as the deadline was too early. Officers carried out workshops with individuals, communities and interested parties to develop capacity to create applications for grants. As a result, there has been an increase in applications in 2018. This has been a learning curve for officers unfamiliar with grant-giving.

Members were informed that the Chief Grants Unit (CGU) continues to monitor organisations which previously received funding from the City Corporation but are either no longer eligible under the new CGP or which may require assistance in framing suitable applications.

RESOLVED – That the sub-committee receive the report and note its contents.

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

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

8. EXCLUSION OF THE PUBLIC

RESOLVED – That Under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item Nos	Para no
9-10	3

9. NON PUBLIC MINUTES

RESOLVED – That the non-public minutes and summary of the meeting held on 10 April 2018 be approved as a correct record.

10. UPDATE ON BENEFITS IN KIND POLICY

Members received a report of the Chief Grants Officer relative to an update on Benefits in Kind and volunteer hours reported by officers.

11. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

There were no questions.

12. 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 closed at 4.25 pm

Chairman

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Agenda Item 7

Committee(s)	Dated:
Finance Committee – For Information	11/12/2018
Subject: Chamberlain's Department Risk Management – Monthly Report	Public
Report of: Chamberlain	For Information
Report author: Hayley Hajduczek, Chamberlain's Department	

Summary

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

There are currently two RED risks on the Corporate Risk Register within the responsibility of Chamberlain's Department and one RED risk on the departmental risk register:

- **CR16 – Information Security**
- **CR23 – Police Funding**
- **CHB CP001 – Brexit risk to City Corporation procurement and supply chains**

The Senior Leadership Team continues to monitor closely the progress being made to mitigate these risks and other possible Brexit related risks, including income streams.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

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

Current Position

2. This report provides an update on the current RED risks that exist in relation to the operations of the Chamberlain's department and, therefore, Finance Committee.
3. There are currently two RED risks on the Corporate Risk Register for which the Chamberlain's Department is responsible and one RED risk on the departmental Risk Register:

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

4. A number of key security projects continue to progress and will be finalised in January when the risk score will be reassessed, with an expectation that it will move to an amber rating.

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

5. The police Medium Term Financial Plan has recently been updated and this work has revealed a significant increase in financial deficits, both in-year and across the medium term. City of London Police has embarked on developing mitigation strategies, including current year tactical savings plans along with the indicative assessment of medium-term efficiency savings arising from the Transform programme, although these are likely to only partially bridge the gap. This matter will be considered by the Police Committee on 5 December and then the informal RASC meeting with Service Cttee Chairmen as part of budget setting and agreeing the medium-term financial plan.

CHB CP001 – Brexit risk to City Corporation procurement and supply chains (Current Risk: Red)

6. This is a new risk emerging from the current Brexit negotiations which could have a negative impact on the Corporation's supply chain both with direct suppliers and subcontractor network. City Procurement are liaising with key partners across the London Procurement Network and Home Office to create a consistent approach to assessing risk of key service categories, as well as key suppliers. They have also had market engagement with a consultancy organisation which will undertake a deep dive assessment of our key suppliers.

CHB FS005 – Brexit impact on City Corporation income streams (Current Risk: Amber)

7. A new risk has been introduced that the outcome of the Brexit negotiations disrupts the Corporation's funding streams in terms of:
 - access to EU funding for UK-based organisations;
 - a potential downturn in investment returns from property and non-property portfolio; and
 - fall in office space occupation and consequent reduction in trained business rates
8. An exercise is currently being carried out to identify the EU grant funding in the organisation, to assess where these are at risk of ceasing and the consequential impact on services. For the impact on investment returns and retained business rates income, the overall risk is assessed to be amber rated, but will be closely monitored in light of market conditions.

Conclusion

9. Members are asked to note the actions taken by Chamberlain's Department to manage the Information Security, Police Funding and Brexit risks.

Appendices

- None

Background Papers

Monthly Reports to Finance Committee: Finance Committee Risk Report to Finance Committee 13 November 2018: Finance Committee Risk – Quarterly Report.

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Agenda Item 8

Committee: Finance Committee – For information	Date: 11 December 2018
Subject: Central Contingencies	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 are set out in the table below. At the time of preparing this report there are no requests for funding elsewhere on the agenda.

2018/19 Contingencies – Uncommitted Balances at 21 November 2018				
	City's Cash £'000	City Fund £'000	Bridge House Estates £'000	Total £'000
General Contingencies	531	277	46	854
National and International Disasters	60	0	0	60
Uncommitted Balances	591	277	46	914
Requests for contingency allocations	0	0	0	0
Balances pending approval	591	277	46	914

4. The sums which the Committee has previously allocated from the 2018/19 contingencies are listed in Appendix 1.
5. A further paper – Overview of Central Risk budgets - is on your Committee's agenda which details how central risk budgets are allocated and outlines changes in the future application of contingency funds.

Conclusion

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

Appendices

- Appendix 1 – Allocations from 2018/19 contingencies

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Agenda Item 9

Committee(s): Finance Committee – For information	Date(s): 11/12/2018
Subject: Overview of contingencies and relationship to central risk budgets	Public
Report of: Chamberlain	For Decision
Report author: Philip Gregory, Deputy Director, Financial Services	

Summary

Finance Committee's practice on how to treat contingency requests has evolved over the last year. This report recommends a formalisation of that practice, so that departments and service committees requesting additional in-year funding are encouraged to manage within local risk budgets in so far as possible. It is proposed that contingency funding will only be allocated towards the end of the financial year when forecast year end positions are more accurate or in exceptional circumstances as outlined in paragraph 3. If contingency funding is not granted and a department overspends, the Finance Committee may waive the usual arrangements for clawing back the deficit from the following year's budget allocation.

Following a request from the Chairman of this Committee, this paper also sets out the purpose of central risk budgets, what they include and how they are managed including what options are available if unforeseen costs arise within this area. Central risk budgets generally cover strategically important income streams, corporate budgets or known volatile spend or income items, whereas contingencies are for unforeseen items of spend.

Recommendations

Members are asked to:

- Agree that departments should in the first instance seek to re-prioritise local risk budgets when unexpected pressures arise. And that any calls on the Finance Committee contingency should only be allocated towards the end of the financial year or in exceptional circumstances (see paragraph 3).
- Note the relationship between central risk and contingency arrangements, in particular that central risk budgets are for known volatile spend or income items; contingencies are for unforeseen items of spend.

Main Report

Background

1. At your September meeting, the Chairman requested a paper setting out how contingencies operate, the relationship with central risk budgets and what flexibility is available in these budgets to manage unforeseen costs.

Current Position

2. There are two contingency funds- a specific contingency fund for Policy and Resources Committee, with an annual allocation of £300k; and a contingency fund for the entire organisation held by Finance Committee, with an annual allocation of £1.8m. These annual sums are set aside to meet the costs of unforeseen and/or exceptional items that occur during the year, subject to approval by each Committee.
3. Financial Regulation 2.2 states that any deficit on the total of a Chief Officers local risk budgets is required to be carried forward and recovered from within the department's budget allocation for the following year, unless specifically waived by the Finance Committee. This arrangement may make departments and service committees reluctant to take the risk of trying to accommodate additional pressures within their local risk budgets; and encourage, therefore, requests for contingency funding.
4. The allocation of contingency funding depends upon the following criteria being met:
 - Contingency funding is only available for unforeseen items/events.
 - Officers should first assess whether costs can be funded within existing budgets.

Following Finance Committee decisions made earlier this year, two additional criteria are proposed for the use of Finance Committee's contingency:

- Requests relating to unforeseen events in the normal course of business are likely to be declined when made early in the year, as forecast outturn positions of allocated resources are likely to change during the financial year.
 - Requests may be made in year for clearly exceptional events, which are to be assessed on a case-by-case basis, for example related to fire damage.
5. Most requests for Finance Committee contingencies relate to unforeseen events or opportunities arising in the normal course of business during the year; where the new activity generates significant additional cost e.g. legal costs of an appeal; or a change in planned approach to IT, requiring work in year. The Committee has raised concerns that departments and service committees are turning too quickly to requesting additional funding, rather than prioritising current spend. Additionally, departments tend to underspend at year end (the 2017/18 outturn position was an underspend on local risk of £12.4m across the three funds) and so arguably did not need the additional resource allocation. The proposed approach will limit

underspends being created where allocated resources can cover the unforeseen costs.

6. However, without provision for clearly exceptional items, Members may feel that waiting towards the year end for funding allocation is not responsive enough. For example, an exceptional unexpected event such as the fire at Epping Forest; or where a budget head doesn't exist. Requests may also be made where the timing of normal business activities changes, for example, funding for the due diligence for a site in relation to the Markets Consolidation Programme. For timing differences, the allocation is expected to be reimbursed later in the year, or future year's spend reduced. As it is difficult to devise 'hard and fast' rules as to what constitutes 'exceptional', it is recommended that such items are identified on a case by case basis.
7. Where contingency funding is not granted and a department overspends, the Finance Committee may waive the usual arrangements for clawing back the deficit from the following year's budget allocation.

Are contingencies of an adequate level?

8. Both Policy and Resources and Finance Committees receive monthly reports setting out contingency fund allocation and future commitments against these funds to ensure transparency and clarity on where funds have been allocated and the remaining funds available.
9. Over recent years, the contingencies have proved to be adequate and spend has been well within resource, particularly for the Finance Committee contingency.
10. In addition to these contingency funds, the City Corporation maintains a strong reserve position as mitigation for the general risks that come with the City Corporation's operations and the complex environment it operates in. If a substantial issue emerged which was beyond the capacity of the contingency funds, the City Corporation would be able to utilise its reserve balances to support the City Corporation's activities. Any allocation of reserve funding would be subject to approval through the relevant spending committee, Resource Allocation Sub Committee; and Court of Common Council.

Central risk budgets

11. At the September Committee a query was raised regarding the flexibility of central risk budgets to respond to unforeseen events. Whilst most central risk budgets are focused on specific areas of spend, these budgets also include Policy and Resources and Finance Committee contingency funds. Should unforeseen costs occur for central risk items that can't be managed within the overall central risk budget envelope, it is expected that a request would be made to these contingency funds to address the issue.
12. Central risk budgets cover areas of income and expenditure which are subject to fluctuations in actual value that are outside the control of Chief Officers; or where

it is more beneficial to control such income and expenditure streams corporately. Examples of such areas include:

- Strategically important income streams such as investment income;
- Corporate budgets such as capital financing and central contingencies;
- Cost items that are more effectively controlled centrally, e.g. where it would not be appropriate for a Chief Officer to benefit from underspends nor be penalised for overspends;
- Service charge income relating to the recovery of central charges for support costs and insurance; and
- Expenditure items the Chamberlain has agreed to fund centrally, e.g. redundancy costs.

13. This categorisation of budgets was established to enhance accountability and scrutiny of Chief Officers financial management by defining those areas of spend that they can directly manage and control (i.e. local risk budgets) and those which they cannot (central risk budgets). From time to time service committees have requested that certain volatile budget items be moved to central risk, the most recent example of this relates to homelessness.

14. Central risk budgets span across all three funds as well as Guildhall Administration and are subject to the same financial controls and monitoring arrangements as local risk budgets although they are not subject to the local risk overspend carry forward provision.

15. The quarterly budget monitoring reports submitted to your Committee show the overall position of the City Corporation across both central and local risk budgets which allows a holistic view to be taken on the impact of budget variations in either area.

Implications

16. Where contingency funding is approved early in the financial year it is possible that the funding pressure does not materialise and could have been contained within the original budget allocation. Allocating contingency funding in this situation would result in an increased underspend position at year end. The proposal to limit the award of contingency funding to the latter part of the financial year mitigates this situation.

Conclusion

17. Finance Committee's practice on how to treat contingency requests has evolved over the last year. This report recommends a formalisation of that practice, so that departments and service committees requesting additional in-year funding are encouraged to manage within local risk budgets in so far as possible. It is proposed that contingency funding will only be allocated towards the end of the financial year when forecast year end positions are more accurate or in exceptional circumstances.

18. Central risk budgets generally cover strategically important income streams, corporate budgets or known volatile spend or income items, whereas contingencies are for unforeseen items of spend. Should unforeseen costs occur for central risk items that can't not be managed within the overall central risk budget envelope, it is expected that a request would be made to these contingency funds to address the issue.

Appendices

- None

Background Papers

- Central Risk Budget Review, Efficiency and Performance Sub Committee, November 2017

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Agenda Item 11

Committee(s): Finance Committee – For decision	Date(s): 11 December 2018
Subject: Financial regulations update	Public
Report of: The Chamberlain	For Decision
Report author: Philip Gregory, Financial Services Division	

Summary

The current Financial Regulations were approved by Finance Committee on 23 January 2018. Part 1 of the Financial Regulations is maintained by Finance Committee. The purpose of this report is to seek the Committee's approval to amend Part 1 of the Financial Regulations.

Recommendation

Members are asked to:

- Approve the updated Financial Regulations, Part 1 as detailed in paragraph 8 of the main report.

Main Report

Background

1. In January 2018 the Financial Regulations were approved by Finance Committee. Part 1 of the regulations is maintained by Finance Committee and Part 2 of the regulations (also known as the Finance Manual) is maintained by the Chamberlain.

Current Position

2. The Chamberlain's department carries out a periodic review of financial regulations to determine whether amendments would be beneficial because of any changes to corporate objectives, identified control weaknesses, legislative changes, etc.
3. An internal audit of expenses, procurement and petty cash was carried out as part of the 2017/18 audit plan. The City's Financial Regulations define the rules with regard to Expenses, Procurement Cards and Petty Cash, which Officers must comply with. Financial Regulations are supported by the following: Employee Handbook, Business Travel Scheme and Procurement Code.
4. The internal audit found there is no policy or guidance on the timeliness of expense claims (i.e. having to claim within 3 months of incurring the expense)

and the process of dealing with late claims. Where there is no policy or guidance for timeliness of expense claims, there is a risk that excessive claims made up of backdated claims could be approved, which may affect financial reporting and decision making.

5. The internal audit report recommended that a policy should be introduced setting the timeframe in which expense claims must be submitted and the process that should be followed where claims fall outside of this defined timeframe.
6. The terms of reference for the Finance Committee include being responsible for:
 - a. Ensuring effective arrangements are made for the proper administration of the City Corporation's financial affairs; and
 - b. dealing with requests for allowances, expenses, insurance, business travel, treasure trove and Trophy Tax.

Proposals

7. In order to address the recommendation from internal audit, the Financial Regulations, Part 1 should be amended to include a clause regarding the timeliness of expense claims being made.
8. The proposed change to the wording of the Financial Regulations, Part 1, is detailed below:
 - a. Regulation 11.1:

Current wording:
All claims for reimbursement of travelling, subsistence and minor personal expenses shall be made via the payroll system (self-service through the HR/Payroll System). Items or services purchased on behalf of the City must not be reimbursed through the HR System. Each claim shall be promptly submitted for payment through the HR system detailing the expenditure incurred, supported by receipts, dated, coded, and approved electronically by the appropriate authorising officer.

Proposed Wording:
All claims for reimbursement of travelling, subsistence and minor personal expenses shall be made via the payroll system (self-service through the HR/Payroll System). Items or services purchased on behalf of the City must not be reimbursed through the HR System.
Claims for reimbursement of travelling, subsistence and minor personal expenses should be submitted on a regular monthly basis and within three months of the date the expenditure being incurred. The reimbursement of claims falling outside of this timeframe will require the permission of the Chamberlain. Such permission will only be given following Chief Officer justification for the late submission of the claim. Claims for expenses, where more than six months has lapsed since the expenditure was incurred, will not be allowed. Each claim shall be promptly submitted for payment through the HR system and must detail the expenditure incurred,

supported by receipts, dated, coded, and approved electronically by the appropriate authorising officer.

9. The Employee Handbook will be updated to reflect the amended Financial regulations, Part 1, referencing the time limit on expense claims.

Conclusion

10. The proposed changes to the Financial Regulations, Part1, will strengthen the financial control environment by placing a time limit on expense claims. Should Members approve the change, Chief Officers will be notified by email on the introduction of the three month time limit for expense claims and the rationale behind why it is needed.

Appendices

- None

Background Papers

- Revised Financial Regulations, Finance Committee, 23 January 2018.

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Agenda Item 15

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of the Local Government Act 1972.

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Agenda Item 16

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Agenda Item 16a

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Agenda Item 17

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