

## FINANCE COMMITTEE

Tuesday, 9 April 2019

Draft Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 9 April 2019 at 1.45 pm

### Present

#### Members:

Jeremy Mayhew (Chairman)	Deputy Wendy Hyde
Deputy Jamie Ingham Clark (Deputy Chairman)	Alderman Alastair King
Randall Anderson	Oliver Lodge
Nicholas Bensted-Smith	Deputy Robert Merrett
Dominic Christian	Susan Pearson
Simon Duckworth	Ian Seaton
John Fletcher	Sir Michael Snyder
Deputy Tom Hoffman (Chief Commoner)	Deputy James Thomson
Alderman Robert Howard	Deputy Philip Woodhouse
Michael Hudson	Deputy Catherine McGuinness (Ex-Officio Member)

#### Officers:

John Cater	- Town Clerk's Department
Peter Kane	- Chamberlain
Jon Averbs	- Markets & Consumer Protection Department
Caroline Al-Beyerty	- Chamberlain's Department
Simon Latham	- Town Clerk's Department
Christopher Bell	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
Nicholas Gill	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Alistair Sutherland	- Assistant Commissioner, City of London Police
Sean Green	- Chamberlain's Department

#### 1. APOLOGIES

Apologies for absence were received from Deputy Kevin Everett, Christopher Hayward, Christopher Hill, Deputy Clare James, Gregory Lawrence, Tim Levene, Paul Martinelli, Deputy Hugh Morris and Deputy Henry Pollard.

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

Jeremy Mayhew declared a non-pecuniary interest in respect of item 21 due to him being a Member of the Board of the London Chamber of Commerce and Industry.

Ian Seaton declared a pecuniary interest in respect of item 21 due to him being a Member of the Little Ship Club.

Robert Merrett declared a non-pecuniary interest in respect of item 21 due to him being a Member of the Youth Hostel Association.

3. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes of the meeting held on 19<sup>th</sup> February 2019 be approved as an accurate record.

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

The Committee received a Report of the Chamberlain concerning the reporting schedule for May 2019 – March 2020.

**RESOLVED** – that the Committee 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.

Procurement Sub-Committee – 3<sup>rd</sup> April 2019

The Deputy Chairman of the Sub-Committee informed Members of the following points:

City Procurement currently has no RED and four AMBER risks including:  
CHB CP001 – Brexit risk to City Corporation procurement and supply chains  
CHB CP005 – Impact on procurement resources  
CHB CP004 – Uptake of the City Accelerate programme has been lower than projected, with a consequent impact on income levels  
CHB CP003 – VAT loss through use of Purchase Cards

On the fourth risk, City Procurement have long monitored VAT recovery as part of its duties administering purchase cards (P-cards). Monitoring is also part of each Chief Officer's quarterly P-card report of which results are reported to Procurement Sub Committee. A recent update report showed an average of £64,000 worth of VAT being lost each quarter.

Despite the overall downward trend, a Member expressed concern that too many officers were still not taking their responsibilities seriously; £64,000 was a considerable amount of money and over the course of the year equated to the average price of a UK house.

Another Member proposed that he would table a question to the Department of Community and Children's Services (DCCS) about the level of officer P-Card compliance at the next meeting of the CCS Committee and encouraged other Members to ask the lead departments, at their respective grand Committees, the same question over the coming weeks.

The Chairman of the Finance Committee reinforced the Deputy Chairman of Procurement's call that Members would be four-square behind City Procurement in their efforts to raise compliance and drive down lost revenues. The Commercial Director responded that City Procurement would continue to take the institutional lead and encourage best practice, but ultimately it was down to line managers to take responsibility. There was no "silver bullet", as withdrawing P-Cards entirely and asking Procurement to manage the process would necessitate a material uplift in extra staff to manage the administration involved.

#### Corporate Asset Sub-Committee – 4<sup>th</sup> April 2019

The Chairman of the Sub-Committee informed Members of the following points:

It was noted that the award of the new lift and escalator contract was expected to be concluded shortly.

A Member raised concerns at recent access problems caused by new security fobs around the Guildhall complex.

It was noted that the first meeting of the local FM and Security Network had attracted a number of local businesses and that it was intended to expand the network.

#### Digital Services Sub-Committee – 5<sup>th</sup> April 2019

The Chairman of the Sub-Committee informed Members of the following point:

February saw the deployment of the Microsoft Teams platform across the City Corporation; this was now in use by over 600 staff. Adoption levels for SharePoint and Skype for Business continue to increase month on month. Work has started to upgrade the Audio Visual (AV) equipment and install Skype Room systems in the Chief Officer's rooms, the Corporate meeting rooms, and the Committee rooms.

The Chairman of the Finance Committee expressed his considerable gratitude for the sterling work of Nick Bensted Smith and Simon Duckworth over the past several years. Mr Bensted Smith and Mr Duckworth will be standing down as Chairmen of the Corporate Asset Sub Committee and the Finance Grants Oversight and Performance Sub-Committee, respectively, later this month.

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

#### 6. **FINANCE COMMITTEE - RISK UPDATE**

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

The Chairman stressed that the £4.2m available in the Security Priority Investment Pot (PIP) was available both for deficit reduction and new demands. Bids had to include a robust business plan and the pot was not the exclusive preserve of the Police i.e. others across the Corporation involved in security could submit a bid. A Member, also Deputy Chairman of the Police Committee,

remarked that the Police, with the help of the Chamberlain's department and others across the Corporation, were working hard to bring down its deficit and the Transformation programme was seeking further efficiencies over the longer term. He added that the Police were currently running with 80 vacancies. The emerging risk threats were acute and would, inevitably, draw on resources. The Chairman responded that, although he was sympathetic to the needs of the Police; in the first instance, it had to prioritise within its budget. It was essential that financial rigour and controls should be delivered over the coming months. He stressed, however, that this did not preclude the Police making fresh robust bids against the Security PIP.

Separately, the Deputy Chairman asked officers to amend the wording on the Brexit risk (CHB FS005), to reflect the uncertain time-lines for Brexit. It would be more realistic to push the target date out to later in 2019.

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

**7. 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.

A Member raised a query about what the £185,000 referred to on page 30. The Chairman responded that, given the sensitivities with that item, an explanation should be given in non-public AOB.

In response to a query concerning the Corporation's match-funding policy with the Mercers' company, officers confirmed that a review was taking place about Gresham funding and a Report would be coming to Committees later in 2019.

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

**8. FINANCIAL SERVICES DIVISION QUARTERLY UPDATE**

The Committee received a Report of the Chamberlain concerning the financial services division.

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

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

The Committee considered 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 decisions related to the annual budget submission and a donation of £30,000 to the Disaster Emergency Committee related to their Cyclone Idai appeal.

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

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

There were no questions.

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

There were no urgent items.

12. **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.

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

The non-public minutes of the meeting held on 19<sup>th</sup> February 2019 were approved as an accurate record.

14. **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.

15. **ASSET MANAGEMENT SERVICE BASED REVIEW - RECOMMENDATIONS**

The Committee considered a Report of the City Surveyor concerning the Asset Management Service Based Review.

16. **CITY OF LONDON POLICE AND RAIL DELIVERY GROUP STAGE 2 CONTRACT AWARD**

The Committee considered a Report of the Commissioner of the City of London Police concerning the contract award for the Police's Rail Travel Scheme.

17. **CITY OF LONDON SCHOOL'S - APPLICATION TO THE CITY FOR A LOAN TO FUND THE SCHOOL'S MASTERPLAN**

This item was deferred.

18. **LONDON GATEWAY - NEW OFFICE ACCOMMODATION**

The Committee considered a Report of the Interim Director of Consumer Protection and Markets Operations.

19. **BRIDGE HOUSE ESTATES, ELECTRA HOUSE, 72-92 MOORGATE - SURRENDER OF LEASE AND NEW LETTING**

The Committee considered a Report of the City Surveyor concerning Electra House, 72-92 Moorgate.

20. **PAY AWARD AT THE MUSEUM OF LONDON**

The Committee considered a Report of the Director of the Museum of London concerning the annual pay award for the Museum of London.

21. **NON-DOMESTIC RATES - REVIEW OF DISCRETIONARY RATE RELIEF**  
The Committee considered a Report of the Chamberlain concerning non-domestic rates.
22. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**  
The Committee considered a report of the Town Clerk which provided information of the non-public actions 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).
23. **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.
24. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
The Committee considered an item of urgent business relating to ITEM 7.

**The meeting ended at 3.45 pm**

-----  
Chairman

**Contact Officer: John Cater  
tel. no.: 020 7332 1426  
john.cater@cityoflondon.gov.uk**