

FINANCE COMMITTEE

Tuesday, 12 December 2023

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 12 December 2023 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Paul Martinelli
Deputy Randall Anderson (Deputy Chairman)	Deputy Andrien Meyers
Deputy Rehana Ameer	Eamonn Mullally
Brendan Barns	Hugh Selka
Emily Benn	James St John Davis
Nicholas Bensted-Smith	Luis Felipe Tilleria
Steve Goodman OBE	Deputy James Thomson
Michael Hudson	Mark Wheatley
Alderman Robert Hughes-Penney	Philip Woodhouse

Officers:

Caroline Al-Beyerty	- Chamberlain
Paul Wilkinson	- City Surveyor
Bob Roberts	- Interim Executive Director, Environment
Gregory Moore	- Interim Deputy Town Clerk
Dionne Corradine	- Chief Strategy Officer
Phil Black	- Chamberlain's Department
Oliqur Chowdhury	- Chamberlain's Department
Daria Faeti	- Chamberlain's Department
Samantha Kay	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
John James	- Chamberlain's Department
Jack Joslin	- City Bridge Foundation
Alan Bennetts	- City Solicitors Department
Robert Murphy	- City Surveyor's Department
Michael Gwyther-Jones	- Community & Children's Services Department
Ben Dixon	- Town Clerk's Department
Caroline Jack	- Town Clerk's Department
Ben Dunleavy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Alderman Sir Peter Estlin, Deputy Christopher Hayward, Alderman Tim Levene, Catherine McGuinness, Sir Michael Snyder, and James Tumbridge.

Shahnan Bakth, Deputy Elizabeth King and Benjamin Murphy observed the meeting virtually.

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

The Town Clerk informed the Committee that Deputy Madush Gupta, who had given apologies for lateness, had a non-pecuniary/pecuniary interest in respect of item 18 on the non-public agenda.

3. **MINUTES OF THE PREVIOUS MEETING**

The public minutes and non-public summary of the meeting held on 8 November 2023 were approved as an accurate record.

4. **ACTION TRACKER**

Members received a report of the Town Clerk providing the Committee's action tracker.

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

Members received a report of the Chamberlain providing the Committee's forward plan.

The Chairman requested that the Committee receive quarterly update reports on the Enterprise Resource Planning programme.

6. **DRAFT PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

The public minutes and non-public summary of the Projects and Procurement Sub-Committee meeting held on 6 November 2023 were noted.

The Deputy Chairman provided an update from the Sub-Committee's meeting on 4 December. It was recognised that the process for management of external contracts by the City Corporation was unacceptable. The Chairman requested that officers return within six months with proposals on how the City Corporation could upgrade its ability to manage contracts.

7. **CYCLICAL WORKS PROGRAMME - FUNDING STRATEGY**

Members received a report of the Chamberlain concerning the Cyclical Works Programme.

The Chairman stressed the importance of ensuring that the funding strategy embedded cyclical works as part of the future capital programme. Members were fully supportive of increasing the budget allocation to a cumulative £133.7m as recommended at option 3 in the report and supported the funding allocation against the overall programme for the next 5 years.

Several Members requested greater visibility on areas with ring-fenced budgets, such as the independent schools, the City of London Police, City Bridge Foundation and the Markets. The Chamberlain undertook to include further information on these through future financing plans and in the budget papers, to allow the Finance Committee to see the overall picture.

A Member, also the Chair of the Investment Committee, sought assurance that the outsourced Chief Investment Officer (OCIO) function had taken the funding strategy into account when formulating asset allocation recommendations. The Chamberlain replied that the funding strategy figures had not been included in the overall calculation, as this would not take place until February 2024 when the entire capital programme was put together following input from the Resource Allocation Sub-Committee and the Policy and Resources Committee. The OCIO'S recommendations on asset allocation were points of principle around investment strategy, based on the available sums of money and the likely medium-term requests for funding.

RESOLVED, that – Members:

- a) Note the report, including the profile and categories of CWP works across Backlog (the 'bow wave') and 3 years forward plan forecasts.
- b) Endorse a total 5-year budget allocation of £133m comprising £62.7m for City Fund plus £71m for City Estate to meet the immediate needs of Cyclical Works Programme for onward approval, under the budget setting process, to the Court of Common Council.
- c) Note the amount requested against the City's Community Infrastructure Levy (CIL) of £30m to support the New Museum Build, which will enable release of £30m funds from the City Fund major projects reserve to be reallocated to Cyclical Works Programme forward plan, to be recommended to Resource Allocation Sub Committee in January 2024 and onward approval to Policy and Resources Committee.
- d) Note the amount requested against On-Street Parking Reserve monies totalling £4.4m to meet the costs of CWP works relating to City Fund car parks, recommended to Resource Allocation Sub Committee in January 2024 and onward approval to Policy & Resources Committee.

8. **FINANCE COMMITTEE OPERATIONAL BUDGET ESTIMATE 2024/25**

Members received a report of the Chamberlain concerning the Committee's operational budget.

The Chairman informed the Committee that he had requested that this be the last time the Committee was presented with the 'latest' budget. It was accepted that once agreed a budget was set in stone subject only to separate identification of adjustments and/or carry forward items specifically agreed after year end. He thanked the Financial Services Department for their work.

RESOLVED, that – Members:

- a) Note the latest revenue budget for 2023/24.
- b) Review and approve the estimate for 2024/25.
- c) Agree that amendments for 2023/24 and 2024/25 budgets arising from changes to recharges or for any further implications arising from energy price increases and other reviews and changes to the capital charges during budget setting are delegated to the Chamberlain.

d) Note the approved capital and supplementary revenue budgets.

9. BENEFITS IN KIND REVIEW

Members received a report of the Managing Director, Bridge House Estates, concerning Benefits in Kind.

Members noted that the Committee's former sub-committee, the Financial Grants Oversight and Performance Sub-Committee, had historically been responsible for benefits in kind (BIK). The Chairman asked Members to consider whether they felt the Finance Committee remained the appropriate place for these to be reported.

The Chamberlain noted that the Finance Committee may wish to retain some oversight due to its responsibility for obtaining value for money, while the Policy and Resources Committee would want to consider whether BIKs were being deployed in the right areas.

Members felt the paper was helpful. The Deputy Chairman suggested that the Efficiency and Performance Working Party might be an appropriate place for BIKs to be considered in detail.

RESOLVED, that – Members:

- a) Note the process undertaken to review BIK across CoLC Departments/ Institutions.
- b) Approve the £10,000 additional City's Cash Budget for this review with implementation to take place in 2023/24.
- c) Approve the amendments to the BIK Guidelines including its implementation and ongoing support.

10. 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 – the report be received and its contents be noted.

11. AUTUMN STATEMENT 2023 BRIEFING

Members received a report of the Chamberlain concerning the Autumn Statement 2023.

RESOLVED, that – the report be received and its contents be noted.

12. CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE

Members received a report of the Chamberlain concerning the risk register.

RESOLVED, that – the report be received and its contents be noted.

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

A Member asked if the City Corporation's position on the minimum receipt from London Wall West was still in effect.

In reply, the Chairman said that the minimum acceptable figure had been agreed some time ago by the Finance Committee. He reminded Members of the City Corporation's fiduciary responsibilities, which should remain the Finance Committee's paramount concern on this subject, and the obligation to maximise the return from a site held in City Fund.

Several Members noted that the City Corporation was obligated to get the best value from the site, with value incorporating meanings beyond financial, such as social or cultural. The consideration of the offers received by the City Corporation would have to take such issues into account.

The City Surveyor said that the City Corporation was pursuing planning permission and wanted to achieve best value from the site. Bids would be invited if and when such approval was obtained. The importance of the financial return from the site needed to be recognised as it would provide a significant part of the funds for the City Corporation's various projects.

Asking a separate question, a Member noted they had received more emails regarding the condition of the Golden Lane Estate Leisure Centre than on any other topic during their time on the Court. They asked if there was any progress that could be made by applying for CIL money. In reply, the Chairman said that officers were exploring all such options albeit noting that there were restrictions on what CIL money could be used for.

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

The Chairman noted, with regard to business rates, that the City Corporation was developing an SME Delivery Plan. He felt it was important for the Finance Committee to have sight of the draft plan particularly in light of wider interest in the Business Rates regime.

15. **EXCLUSION OF THE PUBLIC**

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

Item No.

Paragraphs in Schedule 12A

16-24, 26, 27

3

25

1 and 3

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

The non-public minutes of the meeting held on 8 November 2023 were approved as an accurate record.

17. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

The non-public minutes of the Projects and Procurement Sub-Committee meeting held on 6 November 2023 were noted. The Sub-Committee had also met on 4 December.

18. **SUPPORT FOR FUNDAMENTAL REVIEW INTO THE NATURAL ENVIRONMENT CHARITIES**

Members received a joint report of the Executive Director, Environment, the Managing Director of City Bridge Foundation and the Chamberlain concerning the Natural Environment Charities.

19. **DITS CORPORATE LICENCE & CLOUD SERVICE PROVIDER PROCUREMENT**

Members received a report of the Chamberlain concerning software licencing procurement.

20. **EXTENSION TO REPAIRS AND MAINTENANCE CONTRACTS**

Members received a report of the Executive Director of Community and Children's Services concerning a contract extension.

21. **PROCUREMENT OF PURCHASE CARD SCHEME STAGE 1-2 STRATEGY AND AWARD REPORT**

Members received a report of the Chamberlain concerning procurement of purchase cards.

22. **RATEABLE VALUE FINDER SERVICE FOR BUSINESS RATES**

Members received a report of the Chamberlain concerning business rates.

23. **REVIEW OF METRICS USED IN PROPERTY DECISIONS**

This report had been pulled from the agenda to allow the Investment Committee to consider it first.

24. **CITY'S ESTATE: ASSET SWAP – THE COURTYARD, 1 ALFRED PLACE, WC1 AND 95-96 NEW BOND STREET, W1**

Members received a report of the City Surveyor concerning an asset swap.

25. **CITY'S ESTATE: FREEHOLD DISPOSAL OF 26 BROOK STREET**

Members received a report of the City Surveyor concerning the disposal of a freehold.

26. **CITY'S ESTATE: FREEHOLD DISPOSAL OF 55-61 CHARTERHOUSE STREET, EC1M**

Members received a report of the City Surveyor concerning the disposal of a freehold.

27. **DELEGATION REQUEST REPORT**

Members received a report of the City Surveyor requesting delegated authority.

28. **PRESTIGIOUS SITES - PROCUREMENT STAGE 1 STRATEGY REPORT**

Members received a joint report of the City Surveyor and the Deputy Town Clerk concerning procurement for catering.

29. 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.

30. MPO DASHBOARD REPORTING

Members received a report of the Chamberlain concerning major projects.

31. 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.

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

The Committee considered two related items of urgent business relating to the Enterprise Resource Planning programme.

a) **ERP Budget Update**

Members received a report of the Chamberlain providing an update on the Enterprise Resource Planning programme's budget.

b) **HR, Payroll, Finance Solution, ERP (Enterprise Resource Planning)**

Members received a report of the Chamberlain concerning the Enterprise Resource Planning programme.

Part 3 - Confidential Agenda

33. FINANCIAL SERVICES DIVISION RECRUITMENT QUARTERLY UPDATE

Members received oral updates from the Financial Services Director and the Chief Strategy Officer concerning resourcing in their respective teams.

The meeting ended at 2.28 pm

Chairman

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