

## **FINANCE COMMITTEE**

**Tuesday, 27 May 2014**

Minutes of the meeting of the Finance Committee held at Committee Rooms - West Wing, Guildhall on Tuesday, 27 May 2014 at 1.45 pm

### **Present**

#### **Members:**

George Abrahams	Wendy Hyde
Randall Anderson	Jamie Ingham Clark
Deputy John Barker	Alderman Vincent Keaveny
Nicholas Bensted-Smith	Deputy Alastair King
Christopher Boden	Gregory Lawrence
Alderman Charles Bowman	Oliver Lodge
Roger Chadwick	Jeremy Mayhew
Nigel Challis	Robert Merrett
Deputy Anthony Eskenzi	Deputy Henry Pollard
Stuart Fraser	John Scott
Lucy Frew	Ian Seaton
Alderman John Garbutt	Deputy John Tomlinson
Brian Harris	Philip Woodhouse
Tom Hoffman	Deputy Douglas Barrow (Ex-Officio Member)

#### **Officers:**

Simon Murrells	Assistant Town Clerk
Christopher Braithwaite	Town Clerk's Department
Julie Mayer	Town Clerk's Department
Peter Kane	Chamberlain
Suzanne Jones	Chamberlain's Department
Caroline Al-Beyerty	Chamberlain's Department
Graham Bell	Chamberlain's Department
Michael Cogher	Comptroller and City Solicitor
Nigel Lefton	Remembrancer's Department
Geoff Pick	Culture, Heritage and Libraries Department

**Alderman John Garbutt in the Chair.**

#### **1. APOLOGIES**

Apologies were received from Mark Boleat, Simon Duckworth, John Fletcher, Alderman Peter Hewitt, Deputy Robert Howard, Clare James and David Thompson.

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

There were no declarations.

3. **ORDER OF THE COURT OF COMMON COUNCIL**

The Order of the Court of Common Council of 1 May 2014 appointing the Committee and approving its terms of reference was noted.

4. **ELECTION OF CHAIRMAN**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 29. A list of Members eligible to stand was read and Roger Chadwick being the only Member expressing willingness to serve was duly elected Chairman for the ensuing year and took the Chair.

The Chairman thanked the Committee for its vote of confidence in his Chairmanship and stated that he looked forward to working with them for the next year.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No. 30. A list of Members eligible to stand was read and Jeremy Mayhew being the only Member expressing willingness to serve was duly elected Deputy Chairman for the ensuing year.

The Deputy Chairman thanked Members for their election of him to the position.

Membership

The Chairman welcomed Nicholas Bensted-Smith, Alderman Charles Bowman, Alderman Peter Hewitt and Alderman Vincent Keaveny as new Members of the Committee. The Chairman thanked former Members of the Committee, Ann Holmes, Alderman and Sheriff Sir Paul Judge and Alderman Neil Redcliffe for their work on the Committee in previous years.

6. **APPOINTMENTS TO SUB COMMITTEES**

The Committee considered the report of the Town Clerk which requested the Committee to appoint to the Committee's Sub Committees, approve their composition and Terms of Reference, and to appoint representatives to a number of other City Corporation Committees.

The Chairman explained that, with regard to the Finance Committee's appointments to the Projects Sub (Policy and Resources) Committee, he would request the Chairman of the Policy & Resources Committee to recommend a change to the Terms of Reference of the Projects Sub (Policy & Resources) Committee for the Chairman of the Finance Committee be appointed to the Committee in an ex-officio capacity, and that the Finance Committee retain two further places to appoint Members to the Committee. It was explained that in the event that this was agreed the Finance Committee would be asked to appoint a further representative to the Projects Sub (Policy & Resources) Committee at a future meeting.

**RESOLVED** – That the Committee:

- 1.) agrees that the composition of the Information Systems Sub-Committee be amended to reflect that the Committee should be made up of 10

Members and that there is flexibility regarding the number of Members representing the Finance Committee and the number of Members representing the Court of Common Council;

2.) agrees that the composition of the Corporate Assets Sub-Committee be amended to reflect that the Finance Committee has four representatives on the Committee (Chairman, Deputy Chairman and two additional Members);

3.) agrees the composition and terms of reference of the following Sub-Committees, and appoints the following Members to those Committees:

i) Efficiency and Performance Sub-Committee

- Roger Chadwick (Chairman)
- Jeremy Mayhew (Deputy Chairman)
- Randall Anderson
- Nigel Challis
- Anthony Eskenzi
- John Fletcher
- Jamie Ingham Clark
- Alistair King
- Ian Seaton
- Jon Tomlinson
- Philip Woodhouse

ii) Finance Grants Sub-Committee

- Roger Chadwick (Chairman)
- Jeremy Mayhew (Deputy Chairman)
- Randall Anderson
- John Barker
- Nigel Challis
- Simon Duckworth
- Anthony Eskenzi
- Vincent Keaveny
- Tom Hoffman
- Jamie Ingham Clark
- Oliver Lodge
- Philip Woodhouse

iii) Information Systems Sub-Committee

- Roger Chadwick (Chairman)
- Jeremy Mayhew (Deputy Chairman)

Finance Committee representatives

- Randall Anderson
- Nigel Challis
- Jamie Ingham Clark
- John Tomlinson

Court representatives

- Peter Estlin
- Hugh Morris

- Sylvia Moys
  - Graham Packham
  - Dhruv Patel
  - Chris Punter
- iv) Corporate Assets Sub-Committee
- Roger Chadwick (Chairman)
  - Jeremy Mayhew (Deputy Chairman)
  - Randall Anderson
  - John Tomlinson;
- 4.) agrees the appointment of the following representatives to the following Committees and Sub-Committees:
- i) Establishment Committee
- Jamie Ingham Clark
- ii) Barbican Centre Board
- Lucy Frew
- iii) Projects Sub (Policy & Resources) Committee
- Roger Chadwick
  - John Tomlinson
- iv) Streets and Walkways Sub (Planning & Transportation) Committee
- John Barker;
- 5.) agrees the appointment of the following representatives for informal consultation with the Court of Aldermen and the Policy & Resources Committee on Mayoralty and Shrievalty Allowances:
- Roger Chadwick
  - Jeremy Mayhew
  - Anthony Eskenzi;
- 6.) notes that the Chairman and Deputy Chairman will be Members of the following Committee and Sub-Committees:
- Guildhall Improvement Committee
  - Resource Allocation Sub (Policy and Resources) Committee;
- 7.) notes that the Chairman and Deputy Chairman will be ex-officio Members of the following Committees:
- Policy & Resources
  - Investment
  - Audit and Risk Management (with no voting rights); and
- 8.) agrees that the Committee should continue to meet every fourth week on Tuesdays, with the exception of recess periods and the next meeting taking place on 25 June 2014, given that Common Hall falls on Tuesday, 24 June 2014.

7. **MINUTES OF THE PREVIOUS MEETING**  
**RESOLVED** - That the public minutes and non-public summary of the meeting held on 25 March 2014 be approved as an accurate record.

Matters Arising

The Chairman explained that on future agendas, the minutes of the previous meeting will be supplemented by an Outstanding Actions report to ensure that actions agreed at previous meetings can be actively monitored by the Committee.

8. **MINUTES OF THE CORPORATE ASSET SUB-COMMITTEE**  
**RESOLVED** – That the public minutes and non-public summary of the Corporate Asset Sub-Committee meeting held on 26 March 2014 be noted.
9. **MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**  
**RESOLVED** – That the public minutes and non-public summary of the Efficiency & Performance Sub-Committee meeting held on 5 March 2014 be noted.
10. **MINUTES OF THE INFORMATION SYSTEMS SUB-COMMITTEE**  
**RESOLVED** – That the public minutes and non-public summary of the Information Systems Sub-Committee meeting held on 25 March 2014 be noted.
11. **PROVISIONAL OUTTURN 2012/13**  
The Chairman explained to the Committee that this was the first meeting of the Finance Committee since the appointment of the new Chamberlain, Dr Peter Kane. The Chairman welcomed the Chamberlain to the Corporation and the Committee.

The Committee considered a report of the Chamberlain which had been provided to Members as part of the supplementary agenda pack, as the report had not been available for circulation in conjunction with the agenda. The report provided the Committee with details of the provisional outturn position for 2013/14.

**RESOLVED** – That the Finance Committee notes the provisional revenue outturn position for the year ended 31 March 2014.

12. **CHAMBERLAIN'S BUSINESS PLAN 2014-15**  
The Committee considered a report of the Chamberlain which introduced the Chamberlain's Department Business Plan for 2014-15.

The Chamberlain explained that a mid-year review report on the Business Plan for 2014-15 would be submitted to the Committee in November 2014.

Members asked for clarification regarding a number of the key risks identified within the report, and particularly the reasoning for their being rated as amber or red. The Chamberlain explained that risk CR14 would remain rated red until the saving proposals had been fully developed, risk CHB24 required a further assessment of the control actions, and risk CHB27 was contingent upon the

replacement of infrastructure and that risk would be removed following replacement of the infrastructure, which was due to be completed in the coming weeks.

A Member also queried where risk management sat within the organisational structure of the Chamberlain's Department. The Chamberlain confirmed that risk management sat within Internal Audit, and he agreed that the name of this service within the organisational structure should be renamed to Internal Audit and Risk Management.

**RESOLVED** – That the Committee approves the Chamberlain's Department Business Plan for 2014-15.

13. **CITY UNIVERSITY MATHS PROJECT - RELEASE OF YEAR TWO FUNDING**  
The Committee considered a report of the Town Clerk which requested the Committee to approve the release of year two funding for the City University maths project.

**RESOLVED** – That the Committee approves the release of year 2 funding for the City University Maths Project of £60,000.

14. **OPTIONS APPRAISAL - MICROSOFT LICENCE AGREEMENT**  
Consideration was given to a report of the Chamberlain which provided details in relation to the renewal of Microsoft licenses for approximately 2,560 City users for a three year period.

The Chairman explained that the tolerance of plus or minus 5% was due to the total cost of the licences varying based on the number of staff employed by the City over the period of the contract, rather than any variability in the price of licences.

The Committee discussed a range of issues in relation to the renewal of the Microsoft licences, with particular regard to whether there were viable alternatives to Microsoft. The Committee agreed that it would not be possible to use an alternative provider in the short term for a number of reasons, particularly that the existing strategy for both the City of London Corporation and the City of London Police was largely Microsoft-based, and the costs and resources required to change to an alternative supplier would be significant. The Chamberlain explained that there was not a wide range of alternative suppliers at this stage, although the City did monitor public sector bodies which were non-Microsoft based.

It was also noted that it should be possible for this to be investigated during the three-year period of the proposed licence extension to allow for options in this area to be developed. It was suggested that this may be a beneficial strategic area for the Information Systems Sub-Committee to investigate, although it was cautioned that this investigation itself could demand significant resources to complete.

The Committee also discussed whether it was possible to jointly procure Microsoft Licences with Central Government departments and local authorities to receive a discount on licence costs. The Chamberlain clarified that the procurement had been conducted through the PSA12 agreement, which applied to the whole public sector in the UK and secured the largest level of discount that Microsoft offered.

**RESOLVED** – That the Committee approves:

- 1.) the purchase of a 3-year subscription licence agreement from Microsoft at an estimated total cost of £1,068,000;
- 2.) an increase to the Chamberlain's budget in 2014-15 of £254,000 to be met from the Finance Committee's Contingencies; the Chamberlain to determine an appropriate methodology for the allocation from each contingency (i.e. City Fund, City's Cash and Bridge House Estates); and
- 3.) base budget increases of £332,000 for 2015/6, £352,000 for 2016/17, £109,000 for 2017/18 and £21,000 for 2018/19; figures subject to a tolerance of plus or minus 5%.

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

There were no questions.

**16. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**  
**1.) MEMBERS' TRAINING**

The Town Clerk explained that a training session on Treasury Management was being arranged for Members of the Financial Investment Board, and that invitations to this training could also be extended to any Members of the Finance Committee who wished to attend. The Town Clerk also reminded Members that training sessions on the Financial Statements had been arranged for Members, with two sessions taking place on 14 and 16 July.

**2.) FINANCE BREAKFASTS**

The Chairman informed the Committee that the Finance Breakfasts that had been arranged had been extremely successful and well received, with over 50 Members attending the breakfasts. As a result of this, two more Finance Breakfast events had been arranged, to be held on 16 and 18 July from 8.30am to 9.30am. The theme of these events would be identifying where the City's money came from and what it was used on.

**17. EXCLUSION OF THE PUBLIC**

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

<b>Item No.</b>	<b>Paragraph(s) in Schedule 12A</b>
18-30	3
31	1, 2, 3

18. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
**RESOLVED** - That the non-public minutes of the meeting held on 25 March 2014 be approved as an accurate record.
19. **NON-PUBLIC MINUTES OF THE CORPORATE ASSET SUB-COMMITTEE**  
**RESOLVED** – That the non-public minutes of the Corporate Asset Sub-Committee meeting held on 26 March 2014 be noted.
20. **NON-PUBLIC MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**  
**RESOLVED** – That the non-public minutes of the Efficiency and Performance Sub-Committee meeting held on 5 March 2014 be noted.
21. **NON-PUBLIC MINUTES OF THE INFORMATION SYSTEMS SUB-COMMITTEE**  
**RESOLVED** – That the non-public minutes of the Information Systems Sub-Committee meeting held on 25 March 2014 be noted.
22. **INFORMATION TECHNOLOGY MODERNISATION - STRUCTURE CHANGE**  
The Committee considered and agreed a report of the Commissioner of City of London Police which set out the conclusions of professional consultation and put forward proposals for reorganisation of the IT Service as an integrated partnership structure with the City Corporation. The Committee also received a resolution from the Establishment Committee approving other recommendations within the report.
23. **PAY AWARD AT THE MUSEUM OF LONDON**  
The Committee considered and agreed a report of the Director of Human Resources of the Museum of London which requested the Committee to recommend to the Court of Common Council approval for the 2014 pay award to be granted.
24. **REVENUES COLLECTION INSOURCING UPDATE**  
The Committee considered and agreed a report of the Chamberlain which provided an update on the insourcing of the revenues collection service.
25. **BRIDGEMASTERS HOUSE - POTTERS FIELDS REDEVELOPMENT PHASE II - GATEWAY 4C PROGRESS REPORT**  
The Committee considered and agreed a report of the City Surveyor which provided a progress report on the redevelopment of Bridgemasters House at Potters Field.
26. **PROPOSED NOVATION OF CITY OF LONDON AGREEMENT WITH ANCESTRY.CO.UK**  
The Committee considered and agreed a report of the Director of Culture, Heritage and Libraries which sought permission for the novation of a City of London agreement with Ancestry.co.uk.

**27. HOSPITALITY WORKING PARTY**

The Committee considered and agreed a report of the Remembrancer which provided an update in relation to the work of the Hospitality Working Party.

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

The Committee considered and noted a report of the Town Clerk detailing the non-public decisions taken under delegated authority and/or urgency procedures since the last meeting.

**29. 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.

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

**1.) GLOBAL LAW SUMMIT**

The Committee considered and agreed a report of the Remembrancer regarding the Global Law Summit.

**2.) REQUEST FOR DELEGATED AUTHORITY**

The Committee considered and agreed a request for authority to be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to agree terms with a developer on a number of financial terms related to an ongoing property transaction.

**31. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** - That the confidential minutes of the meeting held on 25 March 2014 be approved as an accurate record.

**The meeting ended at 3.35 pm**

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Chairman

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