

FINANCE COMMITTEE

Tuesday, 23 September 2014

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 23 September 2014 at 1.45 pm

Present

Members:

Roger Chadwick (Chairman)	Alderman Peter Hewitt
Jeremy Mayhew (Deputy Chairman)	Tom Hoffman
George Abrahams	Wendy Hyde
Randall Anderson	Jamie Ingham Clark
Deputy John Barker	Clare James
Christopher Boden	Alderman Vincent Keaveny
Alderman Charles Bowman	Deputy Alastair King
Nigel Challis	Robert Merrett
Deputy John Chapman	John Scott
Simon Duckworth	Ian Seaton
Deputy Anthony Eskenzi	Sir Michael Snyder
John Fletcher	David Thompson
Stuart Fraser	Deputy John Tomlinson
Lucy Frew	Philip Woodhouse
Alderman John Garbutt	Mark Boleat (Ex-Officio Member)
Brian Harris	

Officers:

Simon Murrells	Assistant Town Clerk
Christopher Braithwaite	Town Clerk's Department
Saimah Tahir	Town Clerk's Department
Peter Kane	Chamberlain
Caroline Al-Beyerty	Chamberlain's Department
Christopher Bell	Chamberlain's Department
Graham Bell	Chamberlain's Department
Suzanne Jones	Chamberlain's Department
Liz Skelcher	Economic Development Office
Michael Cogher	Comptroller and City Solicitor
Peter Bennett	City Surveyor

The Chairman welcomed Members to the meeting and advised them that there would be two more Finance Committee Breakfasts, which would be held on 17th October and 23rd October. The focus of the breakfasts would be the Service Based Review and Members were encouraged to attend. The Chairman also reported that the Finance Committee Members' Bulletin would be circulated in October.

The Chairman advised the Committee that the Finance Committee Dinner would take place on 29th January 2015 at the Drapers' Hall.

The Chairman also welcomed the Interim City Procurement Manager to the meeting and explained that he would start in his permanent position from 13th October.

1. **APOLOGIES**

Apologies were received from Doug Barrow, Nicholas Bensted-Smith, Gregory Lawrence, Oliver Lodge, Deputy Robert Howard and Deputy Henry Pollard.

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

No declarations of interest were received.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and non-public summary of the meeting held on 22 July 2014 be approved as an accurate record, subject to the replacement in the second paragraph of minute 14 of the phrase “Committee’s Board” with “Company’s Board”.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

The committee considered the report of the Town Clerk which provided details of outstanding actions arising from minutes of previous meetings of the Committee.

RESOLVED – That the Committee notes the report.

5. **REQUEST FOR DELEGATED AUTHORITY FOR PROCUREMENT OF CENTRAL LONDON FORWARD EMPLOYABILITY PILOT**

The Committee considered the report of the Director of Economic Development which advised the Committee that the City of London had been requested by Central London Forward (CLF) to become the accountable body for two significant programmes being developed by CLF. The Committee was asked to grant delegated authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to carry out procurement of the larger of the two programmes, known as the London Growth Deal. This was estimated to be valued at £10m over 5 years to help 4,000 long term unemployed residents in Central London closer to employment.

The Committee discussed the proposals and agreed that as the proposals were currently at an early stage and it was a fast moving project, it was important that the Town Clerk, in consultation with the Chairman and Deputy Chairman, was rigorous in ensuring that there was equitable risk sharing between partners and sufficient protection for the Committee of any potential claw back of funding.

RESOLVED – That the Committee:

- a) notes the report; and

- b) agrees that authority be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to take all necessary procurement decisions relating to the CLF 5 year programme, estimated to be in the region of £10m, to help long-term unemployed people move nearer to work, which forms part of the London Growth Deal.

6. **REVENUE BUDGET MONITORING TO AUGUST 2014**

The Committee considered the Chamberlain's Monthly Budget Monitoring report to the end of August 2014.

A Member noted that the budget figures had changed between the end of July and the end of August, and it was therefore difficult for Members to get an accurate picture of performance against the set budgets. The Chamberlain explained that the budgets had changed due to carry forward of funds from previous years being agreed, the identification of in-year savings from the Service Based Review, and posts moving between Departments.

Members discussed the issues of budgets changing in-year, and requested that for future reports the budget being monitored against should be the budget as originally set, with variances from this budget being explained within the report.

The Committee also discussed the contingency funds for the Policy & Resources and Finance Committees. It was suggested that, in light of the current financial position, it could be beneficial to review the origin of these funds and their use, to ensure that they were not being used to circumvent appropriate budget planning. During discussion it was noted that the contingency funds in their current format and quantum were an important asset as they provided the necessary flexibility to advance the City Corporation's overall objectives without delay.

After further debate and a vote being taken, it was agreed that no further action would be taken with regard to a review of the contingency funds.

RESOLVED – That the Committee:

- a) notes the report; and
- b) requests that future budget reports monitor against the budget as originally set, without variances to the budget being included.

7. **RISK MANAGEMENT STRATEGY**

The Committee considered the report of the Chamberlain which set out the new Risk Management Strategy which was approved by the Audit and Risk Management Committee on 13 May 2014.

The Deputy Chairman noted that the report would be circulated to all Service Committees and explained that it was important that the report further highlight that responsibility for Risk Management lies with Chief Officers. The Chamberlain agreed to amend the report for future submission to Service Committees to ensure that this was reflected.

RESOLVED – That the Committee notes the report.

8. **CHAMBERLAIN'S DEPARTMENT BUSINESS PLAN PROGRESS REPORT**
The Committee considered the report of the Chamberlain which provided Members with a summary update of progress made towards delivery of the objectives and outcomes as stated in the Chamberlain's Business Plan.

RESOLVED – That the Committee notes the report.

9. **LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16 TECHNICAL CONSULTATION AND BUSINESS RATES POOLING PROSPECTUS**
Consideration was given to the report of the Chamberlain which set out the key issues arising from two recently published Government consultation papers relating to financial matters in the local government sector. It was considered that there were no significant issues for the City Corporation which arose as a result of the consultations.

RESOLVED – That the Committee notes the report.

10. **CAPITAL AND SUPPLEMENTARY REVENUE PROJECTS - 2013/14 OUTTURN AND PRUDENTIAL INDICATORS**
Consideration was given to the report of the Chamberlain which provided details of the 2013/14 outturn and Prudential Indicators for the City Fund.

RESOLVED – That the Committee notes the report.

11. **CITY PROCUREMENT UPDATE**
Consideration was given to the report of the Chamberlain which set out a detailed report about City Procurement now that the partnership with Accenture had been excluded.

The Committee discussed the issue of invoices having no Purchase Order and considered appropriate ways forward to minimise this. The Committee agreed that it was important that a balance was struck between ensuring that invoices were not paid until a Purchase Order had been raised and ensuring that payments were made promptly. The Chamberlain explained that the Oracle upgrade project would provide help in the area, because process changes were also being adopted as part of the upgrade. In addition, further training was being offered for relevant staff to ensure that they were completely aware of the requirements of the procurement process. The Chamberlain explained that a further report on this could be submitted to a future meeting of either this Committee or the Efficiency & Performance Sub-Committee to provide further comfort in this area.

A Member stated that the budget monitoring report elsewhere on the agenda reported that there had been an overspend on repairs and maintenance and asked if that would reduce the savings stated in the appendix to the report currently being considered. The City Surveyor explained that the overspend on repairs and maintenance was being met from savings from elsewhere within the Departmental budget and discussions were being held with the contractor

regarding the charging for works which had been undertaken which were outside of the contract.

RESOLVED – That the Committee:

- a) notes the report; and
- b) requests that a further report be submitted to either the next meeting of the Finance Committee or the Efficiency & Performance Sub-Committee outlining actions being taken to reduce the number of invoices without Purchase Orders

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

There were no questions.

13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

14. 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.	Paragraph(s) in Schedule 12A
15, 21	1, 3
16, 17, 19, 20	3
18	1

15. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes and summary of the meeting held on 22 July 2014 were approved.

16. OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS - NON-PUBLIC ACTIONS

The Committee considered and noted the report of the Town Clerk which provided details of outstanding actions arising from minutes of previous meetings of the Committee.

17. FORMER TENANTS RENT ETC ARREARS WRITE OFFS

The Committee considered and approved a report of the City Surveyor which detailed two cases where it was proposed that outstanding debt be written off.

18. ADMITTED BODY STATUS AND THE CITY'S LOCAL GOVERNMENT PENSION SCHEME - GUILDHALL CLUB AND THE COOK & THE BUTLER EVENT CO. LTD.

The Committee considered and approved a report of the Chamberlain which requested the approval of the Committee to allow the new caterers of The Guildhall Club, The Cook and The Butler, to take up admitted body status.

19. **BARBICAN CENTRE CAPITAL CAP PROGRAMME - ANNUAL REPORT (2014)**

The Committee considered and approved a report of the Managing Director of the Barbican Centre which provided the final outturn position for the first year of the Cap 3 period (2013/14) and provided a revised project programme and expenditure plan for the final two years of the Cap 3 period (2014/15 and 2015/16).

20. **CITY'S ESTATE - LETTING REPORT - SHOP LEASE VARIATION AT 124 NEW BOND STREET & OFFICE LEASE VARIATION AT 124 NEW BOND STREET**

The Committee considered and approved a report of the City Surveyor which requested the Committee's agreement to a shop lease variation and office lease variation at 124 New Bond Street.

21. **REQUEST FOR DONATION TO BE MADE THE BRITISH RED CROSS AND DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY SINCE THE LAST MEETING OF THE COMMITTEE**

The Committee considered and approved a report of the Town Clerk detailing non-public decisions taken under delegated authority and urgency procedures since the last meeting. The report also requested the Committee consider proposals to make donations to the British Red Cross' disaster relief appeals in relation to the Ebola Outbreak and South Sudan.

22. **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.

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

There was no other non-public business.

The meeting ended at 3.15 pm

Chairman

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