

FINANCE COMMITTEE

Tuesday, 17 November 2015

Minutes of the meeting of the Finance Committee held at the Guildhall EC2 at 1.45 pm

Present

Members:

Roger Chadwick (Chairman)	Deputy Jamie Ingham Clark
Jeremy Mayhew (Deputy Chairman)	Clare James
Randall Anderson	Alderman Vincent Keaveny
Deputy John Barker	Deputy Alastair King
Nicholas Bensted-Smith	Gregory Lawrence
Chris Boden	Alderman Professor Michael Mainelli
Nigel Challis	Deputy Robert Merrett
Deputy Anthony Eskenzi	Deputy Henry Pollard
John Fletcher	James de Sausmarez
Lucy Frew	Ian Seaton
Deputy Brian Harris	Sir Michael Snyder
Christopher Hayward	Deputy John Tomlinson
Alderman Peter Hewitt	Philip Woodhouse
Tom Hoffman	Mark Boleat (Ex-Officio Member)
Wendy Hyde	

Officers:

Peter Lisley	- Assistant Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Steve Telling	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
David Padfield	- Community and Children's Services Department
David Pearson	- Director of Culture, Heritage and Libraries
Peter Bennett	- City Surveyor

1. APOLOGIES

Apologies for absence were received from Alderman and Sheriff Charles Bowman, Stuart Fraser, Oliver Lodge and Deputy Alastair Moss.

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

Tom Hoffman and Jeremy Mayhew each declared a non-pecuniary interest in respect of item 12 due to being Trustees of the City Arts Festival.

Deputy John Tomlinson declared a non-pecuniary interest in respect of item 23 as the tenant in question was known to him personally.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 22 September 2015 be approved as an accurate record, subject to the amendment of “Spitalfield Market” to “Smithfield Market” within minute item 2.

4. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

RESOLVED – That the Committee notes the report.

5. **PUBLIC MINUTES OF SUB-COMMITTEES**

5.1 **Public minutes of the Efficiency and Performance Sub-Committee held on 16 September 2015**

RESOLVED – That the public minutes and non-public summary of the Efficiency & Performance Sub-Committee meeting held on 16 September 2015 be noted.

5.2 **Draft public minutes of the Corporate Asset Sub-Committee held on 7 October 2015**

RESOLVED – That the public minutes and non-public summary of the Corporate Assets Sub-Committee meeting held on 7 October 2015 be noted.

5.3 **Draft public minutes of the Information Technology Sub-Committee held on 20 October 2015**

RESOLVED – That the public minutes of the Information Systems Sub-Committee meeting held on 20 October 2015 be noted.

6. **CITY'S CASH FINANCIAL STATEMENTS 2014/15**

The Committee considered a report of the Chamberlain which provided the Annual Report and Financial Statements for City's Cash for the year ended 31 March 2015, for the Committee's approval. The Committee was advised that the Audit Committee had resolved to recommend that the Finance Committee approve the Financial Statements.

The minutes of the meeting of the Audit and Risk Management Committee on 3 November 2015 were put around the table for information. These minutes advised of two changes proposed to the accounts, namely:

- The wording of Section 5 of the Annual Report regarding Governance Arrangements should be made clearer.

- In addition to the disclosure note to the financial statements, the works being undertaken to the Hampstead Heath Ponds should be included in the Annual Report.

RESOLVED – That the Committee:

- a) notes the contents of Moore Stephens LLP's Audit Management Report;
- b) approves the City's Cash Financial Statements for the year ended 31 March 2015, subject to the amendments suggested by the Audit and Risk Management Committee set out above; and
- c) agrees that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

7. FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE

The Committee considered a report of the Chamberlain which provided the quarterly update of the work of the Financial Services Division.

Members discussed the Oracle Programme, which had been listed as closed down. Members felt that the Oracle Programme was not yet delivering all of the functions which it had been procured to deliver, and therefore questioned whether it should be considered to be closed down.

In response to a question from a Member, the City Surveyor explained that, from his perspective the rental income aspect of Oracle was operating as specified, but the service charges aspect was still in a testing stage, although this had been expected from the outset of the project.

In response to a question from a Member, the Chamberlain assured Members that during the transition to business as usual, there would continue to be effective oversight of the remaining issues to be resolved. He explained that it was difficult to provide the exact number of defects currently on the Oracle project, as defects were discovered and resolved as the system was used. Members noted that a report to a recent meeting of the Projects Sub (Policy and Resources) Committee had indicated that there were around eight defects remaining on the project, and requested that an update be provided regarding these specific defects, so that Members could get a better assessment of progress with resolving the defects on the Oracle system.

It was agreed that this information should be provided by email to the Chairman and the Chairman of the Projects Sub (Policy and Resources) Committee as soon as possible, and a report should be submitted to the next meeting of this Committee.

RESOLVED – That the Committee

- a) notes the report;
- b) requests that the Chairman of this Committee and the Chairman of the Projects Sub (Policy and Resources) Committee be provided with an

update as to the status of the Oracle Project defects previously reported to the Projects Sub (Policy and Resources) Committee as soon as possible, with a report on this issue to be submitted to the next meeting of this Committee.

8. **CHAMBERLAIN'S BUSINESS PLAN - SECOND QUARTER UPDATE**

The Committee considered a report of the Chamberlain which provided the Committee with the second quarter progress report for the Chamberlain's Departmental Business Plan.

RESOLVED – That the Committee notes the report.

9. **REVENUE BUDGET MONITORING TO SEPTEMBER 2015**

The Committee considered a report of the Chamberlain which provided Revenue Budget Monitoring for all Corporation Departments up to the end of September 2015.

RESOLVED – That the Committee notes the report.

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

The Committee considered a report of the Chamberlain which provided the quarterly updates for the Chamberlain's Departmental Risk Register.

The Chamberlain provided Members with an update regarding Risk CL19 (IT Service Provision), which was rated as red. He explained that significant progress had been made in this area over the last 12 months, particularly with the integration of the Police IT Infrastructure. However, he noted that there were a number of key IT Projects which would be brought forward over the next year 12 months, particularly the desktop replacement project. He therefore explained that the target date to achieve a green risk in this area would now be revised to 31 December 2016.

A Member noted that the target date for achieving a green risk on CHB001 (Oracle ERP Delivery) had been 30 September 2015, and asked whether this had been achieved. The Chamberlain explained that the Oracle Project had been closed on that date and transitioned to business as usual.

Members noted that although this had been the case in management responsibility terms, as previously discussed, they remained concerned about the risks relating to the outstanding issues to be resolved. The Chamberlain assured Members that he remained personally responsible for the delivery of the Oracle Project, and expected that he would be able to report further progress on the completion of the Project at the December 2015 and January 2016 meetings of the Committee.

RESOLVED – That the Committee notes the report.

11. **ANNUAL ON-STREET PARKING ACCOUNTS 2014/15 AND UTILISATION OF ACCRUED SURPLUS ON HIGHWAY IMPROVEMENTS AND SCHEMES**

The Committee considered a report of the Chamberlain which provided information regarding the surplus arising from on-street parking activities in 2014/15.

RESOLVED – That the Committee notes the report.

12. **CITY OF LONDON FESTIVAL - CASH FLOW REPORT**

The Committee received a report of the Director of Culture, Heritage and Libraries which provided an update, as requested by the Committee, on the cashflow of the City of London Festival and reassurance that repayments of the outstanding loan of £150,000 would begin in 2016.

The Committee noted that the Culture, Heritage and Libraries Committee was responsible for the primary grant to the City of London Festival, and also noted that there had been some concerns voiced at the most recent meeting of that Committee regarding the governance of the Festival.

The Committee also discussed the principle of making loans to other organisations, as historically repayment of these was often deferred and eventually written off. It was suggested that in future, the Committee might consider such requests as grants, rather than loans.

RESOLVED – That the Committee notes the report.

13. **CENTRAL CONTINGENCIES**

Consideration was given to a report of the Chamberlain which provided the Committee with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

RESOLVED – That the Committee notes the report.

14. **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 Order 41(b).

A Member asked for clarification as to whether the accounting treatment of long leasehold disposals applied to City's Cash and Bridge House Estates Financial Statements and whether it factored in property transactions in 2015/16 and beyond. The Chamberlain explained that it only applied to specific transactions within the City Fund Financial Statements at this point.

RESOLVED – That the Committee notes the report.

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

There were no questions.

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

There were no urgent items.

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 Schedule 12A of the Local Government Act.

Item No.	Paragraphs in Schedule 12A
18, 19, 20, 21, 23, 24, 25	3
22	2, 3
26	3, 5

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

The non-public minutes and summary of the meeting held on 22 September 2015 were approved as an accurate record.

19. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**

The Committee considered and noted a report of the Town Clerk which set out actions outstanding from previous non-public minutes of the Committee.

20. **NON-PUBLIC MINUTES OF SUB-COMMITTEES**

20.1 **Non-public minutes of the Efficiency and Performance Sub-Committee held on 16 September 2015**

The non-public minutes of the Efficiency & Performance Sub-Committee meeting held on 16 September 2015 were noted.

20.2 **Draft non-public minutes of the Corporate Asset Sub-Committee held on 7 October 2015**

The non-public minutes of the Corporate Asset Sub-Committee meeting held on 7 October 2015 were noted.

21. **PERFORMANCE METRICS USED IN PROPERTY REPORTS**

The Committee received a joint report of the Chamberlain and the City Surveyor which provided Members with a background to the appraisal metrics used in City of London Corporation property reports to Property Investment Board and Finance Committee. The Committee agreed that an amended version of this report should be brought to a future meeting of the Committee.

22. **DISPOSAL - SYLVACOTE COTTAGE AND AVENUE COTTAGE, PARK LANE, ASHTEAD AND SURROUNDING LAND (CITY'S ESTATE)**
The Committee considered and approved a report of the City Surveyor which requested approval for the freehold disposal of Sylvacote Cottage and Avenue Cottage, Park Lane, Ashtead, plus disposal of the surrounding land by way of a 150 year lease at a peppercorn rent.
23. **TENANTS RENT ARREARS WRITE OFF - REQUEST FOR DELEGATED AUTHORITY**
The Committee considered a joint report of the Comptroller and City Solicitor and the City Surveyor which sought delegated authority for the approval for the write off of rent arrears, subject to a mediation meeting.
24. **POLICE ACCOMMODATION PROJECT - PHASE 3, DECANT STRATEGY FOR WOOD STREET AND 21 NEW STREET**
The Committee noted a joint report of the City Surveyor, Chamberlain and Commissioner of the City of London Police which provided information regarding the decant strategy for the Wood Street Police Station building to facilitate that building's refurbishment.
25. **WAIVER APPROVAL REQUEST - APPOINTMENT OF ARCHITECT FOR CULLUM WELCH HOUSE CONCRETE PANEL DESIGN**
The Committee considered and approved a report of the Director of Community and Children's Services which requested a waiver of the City of London Corporation's Procurement Regulations to allow the appointment of the architect for the Cullum Welch House Concrete Panel Design.
26. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
The Committee noted a report of the Town Clerk detailing non-public decisions taken under urgency procedures since the last meeting.
27. **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.
28. **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 closed at 2.40 pm

Chairman

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