

FINANCE COMMITTEE

Tuesday, 19 January 2016

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

Present

Members:

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

Officers:

Christopher Braithwaite	- Town Clerk's Department
Scott Nixon	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Graham Bell	- Chamberlain's Department
Carla-Maria Heath	- Chamberlain's Department
Steve Telling	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Peter Bennett	- City Surveyor
Commander Wayne Chance	- City of London Police

1. APOLOGIES

Apologies for absence were received from Alderman and Sherriff Charles Bowman, Simon Duckworth, Clare James, Tom Hoffman, Greg Lawrence and David Thompson.

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

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and summary of the meeting held on 15 December 2015 be approved as an accurate record.

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. **DRAFT PUBLIC MINUTES OF THE INFORMATION TECHNOLOGY SUB-COMMITTEE HELD ON 15 DECEMBER 2015**

RESOLVED – That the public minutes and non-public summary of the Information Systems Sub-Committee meeting held on 15 December 2015 be noted.

6. **PROVISIONAL SETTLEMENTS FOR LOCAL GOVERNMENT AND POLICE 2016/17 AND MAYORAL PRECEPT 2016/17**

The Committee considered a report of the Chamberlain which provided information of the provisional settlements for Local Government and Police for 2016/17 and provided the Mayoral Precept for 2016/17. The report indicated that the provisional level of Local Government and Police funding were better than had been previously expected.

A Member asked for further information regarding the Government's proposal that authorities could receive certainty on their settlement for a period of four years (to 2019-20) if they published an efficiency plan. The Chamberlain explained that this only applied to the Revenue Support Grant aspect of the settlement, but beyond that no further information of the requirements of the efficiency plan were known.

RESOLVED – That the Committee notes the report.

7. **REVENUE AND CAPITAL BUDGETS FOR FINANCE COMMITTEE OPERATIONAL SERVICES**

The Committee considered a report of the Chamberlain which provided the provisional revenue budget for 2016/17 in relation to operational services directly overseen by the Finance Committee. The proposed budget totalled £55.688m, an increase of 5.0% compared to the 2015/16 budget.

The Chamberlain explained that, if approved, the budget uplift of £505,000 to cover the growth in server usage and storage, which the report proposed be requested from Policy and Resources Committee, would be ring-fenced for solely that purpose, and would not be drawn upon until a mitigation plan had been approved by the Finance Committee (or its Information Technology Sub-Committee).

The Committee discussed the proposal to request that Policy and Resources Committee approve a budget uplift for this issue. The Committee noted that it was important to demonstrate that the Finance Committee supported financial

prudence across the Corporation, particularly in light of the challenges faced by all Committees in the Service Based Review. The Committee also agreed that, while this issue had been discussed at IT Sub-Committee meetings over the previous year, there had not previously been an indication of additional budget requirements to address this. The Committee suggested that it may have been possible to provide an indication of this requirement earlier in the budget setting process.

The Committee agreed that a sufficiently strong case had not been presented to the Committee for the Committee to recommend the proposal to the Policy and Resources Committee. The Committee agreed that it should be presented with the mitigation plan to reduce or remove the requirements for additional IT storage. Only following the mitigation plan demonstrating that all other possible actions had been taken and that additional funding was required and unavoidable would the Committee consider requesting additional funding from the Policy and Resources Committee.

The Committee also commented that information as to the increases in the various budget areas set out within the report did not provide sufficient information to allow the Committee to determine whether the increases were justifiable. The Chamberlain agreed to ensure that further detail of the reason for variances was provided in future reports of this nature. Members particularly requested that report be provided regarding the increase in insurance, and the Chamberlain agreed that this could be provided to the Committee's next meeting.

RESOLVED – That the Committee:

- a) notes the forecast underspend of £222,000 at 31 March 2016 against the Chamberlain's 2015/16 local risk budget which will be applied towards the additional unfunded Oracle Project costs of £585,000. The Oracle Project costs will be the subject of a report to your February Committee;
- b) approves the provisional 2016/17 revenue budget;
- c) agrees that a report on the mitigation plan for the estimated growth in server usage and storage be presented to the Committee;
- d) authorises the Chamberlain to revise these budgets to allow for any necessary realignment of funds – including those set out in paragraph 23;
- e) notes the draft capital and supplementary revenue budgets;
- f) agrees that a report be submitted to the Committee's next meeting providing further information regarding the cost of insurance.

8. CHAMBERLAIN'S BUSINESS PLAN - THIRD QUARTER UPDATE

The Committee considered a report of the Chamberlain which provided Members with an update regarding the Chamberlain's Departmental Business Plan.

RESOLVED – That the Committee notes the report.

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

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

The Chamberlain provided Members with an update regarding the IT risks set out within the report. The Town Clerk highlighted that a Member Development session on Information Security had been arranged for 8 February 2016 at 2.00pm.

RESOLVED – That the Committee notes the report.

10. **CITY PROCUREMENT - QUARTERLY UPDATE**

The Committee considered a report of the Chamberlain which provided a quarterly update on the work of City Procurement.

A Member asked for clarification regarding how the savings achieved by City Procurement were calculated, and whether this included savings from reducing the scope of procurements or no longer proceeding with some projects. The Chamberlain explained that the saving was calculated based on a like-for-like basis and therefore provided an indication of the savings achieved from the procurement process alone, rather than any other external factors.

RESOLVED – That the Committee notes the report.

11. **FINANCE GRANTS SUB-COMMITTEE - REVISION TO TERMS OF REFERENCE**

The Committee considered a joint report of the Town Clerk and Chief Grants Officer which provided proposed revised Terms of Reference for the Finance Grants Sub-Committee following the Review of Grants as part of the Service Based Review.

The Committee discussed whether the Sub-Committee should also request that grants made through the City Bridge Trust were subject to the Sub-Committee's monitoring. The Committee agreed that this was not necessary.

RESOLVED – That the Committee approves the proposed amended Terms of Reference of the Finance Grants Sub-Committee, as set out at Appendix 1.

12. **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.

13. **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).

RESOLVED – That the Committee notes the report.

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

There were no questions.

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

There were no urgent items.

16. **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.

17-22, 24-25

23, 26

Paragraphs in Schedule 12A

3

1 and 3

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

The non-public minutes of the meeting held on 15 December 2015 were approved as an accurate record.

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

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

19. **DRAFT NON-PUBLIC MINUTES OF THE INFORMATION TECHNOLOGY SUB-COMMITTEE HELD ON 15 DECEMBER 2015**

The non-public minutes of the Information Systems Sub-Committee meeting held on 15 December 2015 were noted.

20. **BRIDGE HOUSE ESTATES STRATEGIC REVIEW ANNUAL UPDATE**

The Committee noted a report of the City Surveyor which provided an annual update of the progress made over the previous year in respect of the Bridge House Estates.

21. **CITY FUND STRATEGIC REVIEW - ANNUAL UPDATE**

The Committee noted a report of the City Surveyor which provided an annual update of the progress made over the previous year in respect of the City Fund Estate.

22. **JOINT NETWORK REFRESH PROGRAMME WIDE AREA NETWORK - PROCUREMENT EVALUATION CRITERIA**
The Committee considered and approved a report of the Chamberlain which provided information regarding the Procurement Evaluation Criteria which would be used for the Joint Network Refresh of the Wide Area Network Project.
23. **GLA ROADS - LAND DISPUTE WITH TRANSPORT FOR LONDON**
The Committee considered and approved a joint report of the Comptroller and City Solicitor which provided information of the ruling made by the High Court regarding the land dispute with the Greater London Authority regarding the ownership of strategic roads within the City.
24. **GUILDHALL WEST WING STAIRCASE REPAIRS - FINANCE COMMITTEE CONTINGENCY FUNDING - REQUEST FOR DELEGATED AUTHORITY**
The Committee considered and approved a report of the City Surveyor which provided information about urgent repairs which were required to the West Wing Staircase of Guildhall.
25. **NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF**
The Committee considered and approved a report of the Chamberlain which provided an application for discretionary rent relief under Section 47 of the Local Government Finance Act 1988.
26. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
The Committee considered and approved a report of the Town Clerk detailing a non-public decision taken under delegated authority 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 were no items of urgent business.

The meeting closed at 3.05pm.

Chairman

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