

FINANCE COMMITTEE

Tuesday, 15 March 2016

Minutes of the meeting of the Finance Committee held at the Guildhall EC2 at 2.30 pm

Present

Members:

Deputy Roger Chadwick (Chairman)	Alderman Peter Hewitt
Jeremy Mayhew (Deputy Chairman)	Tom Hoffman
Randall Anderson	Wendy Hyde
Deputy John Barker	Deputy Jamie Ingham Clark
Chris Boden	Deputy Alastair King
Sheriff & Alderman Charles Bowman	Alderman Professor Michael Mainelli
Nigel Challis	James de Sausmarez
Stuart Fraser	David Thompson
Lucy Frew	Deputy John Tomlinson
Christopher Hayward	

Officers:

Peter Lisley	- Assistant Town Clerk
Christopher Braithwaite	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Graham Bell	- Chamberlain's Department
Connie Dale	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Peter Young	- City Surveyor's Department
Martin O'Regan	- City of London Police

1. APOLOGIES

Apologies for absence were received from Nick Bensted-Smith, Mark Boleat, John Fletcher, Deputy Brian Harris, Alderman Vincent Keaveny, Greg Lawrence, Oliver Lodge, Deputy Robert Merrett, Adam Richardson, Ian Seaton and Philip Woodhouse.

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 16 February 2016 be approved as an accurate record subject to the addition of the word “Panel” to the final sentence of the final paragraph of item 13.

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. **TO NOTE THE DRAFT PUBLIC MINUTES OF THE CORPORATE ASSET SUB-COMMITTEE HELD ON 29 JANUARY 2016**

RESOLVED – That the public minutes and non-public summary of the Corporate Assets Sub-Committee meeting held on 29 January 2016 be noted.

6. **FINANCIAL SERVICES DIVISION - QUARTERLY UPDATE**

The Committee considered a report of the Chamberlain which provided the Committee with the quarterly update on the work of the Financial Services Division of the Chamberlain's Department.

The Chairman advised Members that the Oracle Programme project closure report had been considered by the Projects Sub-Committee and the Information Technology Sub-Committee. The Chairman informed the Sub-Committee that the IT Sub-Committee had agreed that a new project should be created, to be monitored by the Efficiency and Performance Sub-Committee, which ensured that the business benefits of the Oracle Programme were realised by the Corporation.

A Member noted that the report stated that a key challenge for the Division would be the implementation of Financial Reporting Statements (FRS102), rather than UK GAAP. The Member asked for clarification as to whether the Corporation would amend its terminology in line with the requirements of FRS102. The Chamberlain advised that the Corporation would amend its terminology in line with FRS102 to ensure consistency with other organisations. The Chamberlain also advised that FRS102 would be likely to lead to some changes to the income and expenditure calculations in the Corporation's accounts.

The Committee noted that the Court of Common Council had approved an increase in the Business Rates Premium at its last meeting, and reaffirmed the position that this increase was specifically to be added to City of London Police budget for 2016/17 to provide increased security spending within the City.

The Chamberlain highlighted that the Chancellor's Budget announcement the following day was expected to announce that the situation in relation to public finance was likely to be worse than had been anticipated in the autumn statement. It was expected that a further 0.5% savings would be required, although it was not known at this stage on which departments this savings requirement would fall.

Members noted that this indicated that the achievement of the Service Based Review efficiency savings continued to be vital to the Corporation, and it was important that a view of continuous efficiency savings was adopted. Members

noted that it was important to ensure that central services provided to Service Departments were benchmarked against the market to ensure that they provided a high quality service at an acceptable price to the Departments. The Chamberlain assured Members that this was done.

RESOLVED – That the Committee notes the report

7. **REVIEW OF UK PUBLIC CONTRACT REGULATIONS AND EU PROCUREMENT DIRECTIVES**

The Committee considered a joint report of the Chamberlain and the Comptroller and City Solicitor which provided the Committee with information regarding a review of the City of London Corporation's Procurement Regulations and procedures to ascertain whether there was a tendency to exceed the requirements of EU Procurement Regulations in comparison to other EU Member States.

RESOLVED – That the Committee notes the report.

8. **RISK MANAGEMENT - MONTHLY REPORT**

The Committee considered a report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register.

The Chairman explained that the City Surveyor's Department appeared to have a potential "bow wave" risk regarding recruitment and retention due to lack of pay rises for local government employees. The Chairman queried whether there was a similar issue in the Chamberlain's Department.

The Chamberlain advised the Committee that his Department had encountered some difficulties in recruitment and retention in some areas, particularly those which competed directly with the private sector, such as IT, procurement and financial services.

A Member suggested that this issue should be referred to the Establishment Committee, which was conducting a review of reward and recognition within the Corporation. A Member highlighted that the competition between the Corporation's Independent Schools and the new Academies was an area which may need to be reviewed in this exercise.

RESOLVED – That the Committee notes the report.

9. **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.

The Chairman advised the Committee that he had been discussing with the Deputy Chairman and the Chief Grants Officer the potential to make a donation from the Committee's Disaster Relief Fund to assist unaccompanied child refugees entering the UK.

RESOLVED – That the Committee notes the report.

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

There were no questions.

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

There were no urgent items.

12. **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
13-21	3
22	1 and 4

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

The non-public minutes of the meeting held on 16 February 2016 were approved as an accurate record.

14. **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.

15. **TO NOTE THE DRAFT NON-PUBLIC MINUTES OF THE CORPORATE ASSET SUB-COMMITTEE HELD ON 29 JANUARY 2016**

The non-public minutes of the Corporate Asset Sub-Committee meeting held on 29 January 2016 were noted.

16. **IT STORAGE & SERVER USAGE COST MITIGATION PLANS**

The Committee noted a report of the Chamberlain which provided information regarding efforts to mitigate the cost of IT Storage and Server Usage.

17. **POLICE ACCOMMODATION PROJECT - GATEWAY 3/4 UPDATE REPORT AND DECANT PLAN**

The Sub-Committee noted a joint Gateway 3/4 update report of the Chamberlain, City Surveyor and Commissioner of the City of London Police which provided the Committee with an update on the Police Accommodation project.

18. **INSURANCE (DECEMBER PROGRAMME) PROCUREMENT**

The Committee considered and approved a report of the Chamberlain which set out the options for procuring Property insurance for the City of London Corporation in 2016/17 in order to maximise market competition.

19. **55 GRESHAM STREET - SURRENDER AND RE-GRANT OF NEW HEAD LEASE TO FACILITATE DEVELOPMENT (BRIDGE HOUSE ESTATES)**
The Committee considered and approved a report of the City Surveyor which sought approval for the surrender and re-grant of a New Head Lease to Facilitate Development at 55 Gresham Street.
20. **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.
21. **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.
22. **RESTRUCTURE OF A TEAM WITHIN THE FINANCIAL SERVICES DIVISION, CHAMBERLAIN'S DEPARTMENT**
The Committee considered a report of the Chamberlain which sought Members' approval for changes to the structure of the Cultural Services Section of the Financial Services Division of the Chamberlains Department.

The meeting closed at 3.30 pm

Chairman

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