

FINANCE COMMITTEE

Tuesday, 2 May 2017

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

Present

Members:

Randall Anderson	Oliver Lodge
Nicholas Bensted-Smith	Jeremy Mayhew
Mark Bostock	Deputy Robert Merrett
Deputy Roger Chadwick	Hugh Morris
Karina Dostalova	Deputy Henry Pollard
Simon Duckworth	William Pimlott
Alderman Timothy Hailes	Alderman Matthew Richardson
Caroline Haines	Sheriff & Alderman William Russell
Christopher Hayward	Ian Seaton
Michael Hudson	Sir Michael Snyder
Deputy Wendy Hyde	Deputy Philip Woodhouse
Deputy Jamie Ingham Clark	Mark Boleat (Ex-Officio Member)
Deputy Clare James	Deputy Catherine McGuinness (Ex-Officio Member)
Tim Levene	

Officers:

Peter Lisley	-	Assistant Town Clerk
Chris Braithwaite	-	Town Clerk's Department
Neil Davies	-	Town Clerk's Department
Kate Smith	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Christopher Bell	-	Chamberlain's Department
Sean Green	-	Chamberlain's Department
Michael Cogher	-	Comptroller and City Solicitor
Gary Brailsford-Hart	-	City of London Police

1. APOLOGIES

Apologies for absence were received from Dominic Christian, Alderman and Sheriff Peter Estlin, Deputy Tom Hoffman, Gregory Lawrence, Paul Martinelli, Jason Pritchard, James De Sausmarez and Deputy James Thomson.

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

Christopher Hayward declared a non-pecuniary interest in respect of item 31 as a Director of the City of London Academies Trust.

Ian Seaton declared a non-pecuniary interest in respect of item 33 due to the company in question being the auditors of his Livery Company.

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

RESOLVED – That the Committee notes the Order of the Court of Common Council dated 27 April 2017.

4. **ELECTION OF CHAIRMAN**

RESOLVED – That, in accordance with Standing Order 29, Jeremy Mayhew is appointed as Chairman of the Committee.

The Chairman welcomed new Members to the Committee, noting that:

- Mark Bostock, Caroline Haines, Tim Levene, William Pimlott, Jason Pritchard had been appointed to the Finance Committee, following their election to the Court of Common Council in March 2017;
- Karina Dostalova, Michael Hudson and Hugh Morris had previously served as Members of the Court of Common Council but were serving their first term on the Finance Committee; and
- Oliver Lodge and Alderman Matthew Richardson were returning to the Finance Committee.

5. **ELECTION OF DEPUTY CHAIRMAN**

RESOLVED – That, in accordance with Standing Order 30, Deputy Jamie Ingham Clark is appointed as Deputy Chairman of the Committee.

6. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and non-public summary of the meeting held on 21 February 2017 be approved as an accurate record.

7. **OUTSTANDING ACTIONS FROM PREVIOUS MEETINGS**

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

The Town Clerk explained that the resolution from the Committee to the Policy and Resources Committee in relation to the requested review of the Members' Financial Loss Allowance Scheme would now be considered by that Committee at its June 2017 meeting. The Chairman explained that consideration of the resolution had been delayed to allow it to be considered alongside a report regarding the diversity of the Court of Common Council, on which the Members' Financial Loss Allowance Scheme may have some impact. He explained that he expected that proposals, in relation to the Scheme, would be considered at the Resource Allocation Sub-Committee's Away Day in June 2017, following which any formal proposal would be considered by the Policy and Resources Committee.

RESOLVED – That the Committee notes the report.

8. **REPORT OF THE WORK OF THE SUB-COMMITTEES**

The Committee considered a report of the Town Clerk which advised Members of the key discussions which had taken place during recent meetings of the Committee's Sub-Committees.

RESOLVED – That the Committee notes the report.

9. **DRAFT PUBLIC MINUTES OF SUB-COMMITTEES**

RESOLVED – That the Committee notes the draft public minutes and non-public summary of the following Sub-Committee meetings:

- Corporate Asset Sub-Committee held on 10 February 2017;
- Efficiency and Performance Sub-Committee held on 17 February 2017;
- Finance Grants Oversight and Performance Sub-Committee held on 21 February 2017; and
- Information Technology Sub-Committee held on 22 February 2017.

10. **RESOLUTION FROM THE POLICY AND RESOURCES COMMITTEE - APPOINTMENT OF SUB-COMMITTEE CHAIRMEN**

RESOLVED – That the Committee notes the resolution of the Policy and Resources Committee regarding the appointment of Sub-Committee Chairmen.

11. **APPOINTMENT OF SUB-COMMITTEES AND REPRESENTATIVES ON OTHER COMMITTEES**

The Committee considered a report of the Town Clerk which sought the appointment of the Committee's Sub-Committees for 2017/18, approval for the Terms of Reference of these Sub-Committees, and the appointment of Members to a number of other City Corporation positions.

The Chairman explained that, as had been the case in the previous year, he would be Chairman of Efficiency and Performance Sub-Committee, with the Deputy Chairman of the Grand Committee as Deputy Chairman of this Sub-Committee. The Chairman nominated the following Chairmen and Deputy Chairmen for the remaining Sub-Committees:

- Corporate Asset Sub-Committee: Nicholas Bensted-Smith as Chairman; Dominic Christian as Deputy Chairman.
- Finance Grants Oversight and Performance Sub-Committee: Simon Duckworth as Chairman; Philip Woodhouse as Deputy Chairman.
- Information Technology Sub-Committee: Deputy Jamie Ingham Clark as Chairman; Hugh Morris as Deputy Chairman.

RESOLVED - That the Committee

- a) Agrees the composition and Terms of Reference of the Sub-Committees as set out in Appendix A;
- b) Agrees that the Chairman and Deputy Chairman of the Grand Committee are appointed to the following Sub-Committees:
 - i. Corporate Asset Sub-Committee
 - ii. Efficiency & Performance Sub-Committee
 - iii. Finance Grants Oversight and Performance Sub-Committee

iv. Information Technology Sub-Committee

- c) Agrees the appointment of the following Members as Chairman and Deputy Chairman of each of the Sub-Committees:

Corporate Asset Sub-Committee

Chairman: Nicholas Bensted-Smith

Deputy Chairman: Dominic Christian

Efficiency & Performance Sub-Committee:

Chairman: Jeremy Mayhew

Deputy Chairman: Deputy Jamie Ingham Clark

Finance Grants Oversight and Performance Sub-Committee

Chairman: Simon Duckworth

Deputy Chairman: Philip Woodhouse

Information Technology Sub-Committee

Chairman: Deputy Jamie Ingham Clark

Deputy Chairman: Hugh Morris

- d) Notes the appointment of the following members of other Committees to Sub-Committees:
- i. Corporate Asset Sub-Committee – up to three Members each of the Policy and Resources Committee and of the Property Investment Board
 - ii. Information Technology Sub-Committee – one Member of the Police Committee, as the Special Interest Area holder for IT.
- e) in addition to the Chairman and Deputy Chairman of the Grand Committee and the Members appointed as Chairman and Deputy Chairman of the Sub-Committees, agrees the appointment of Members to the following Sub-Committees:

Corporate Asset Sub-Committee

Randall Anderson, Mark Bostock, Karina Dostalova, Michael Hudson and Philip Woodhouse

Efficiency & Performance Sub-Committee

Randall Anderson, Dominic Christian, Alderman and Sheriff Peter Estlin, Ian Seaton, Philip Woodhouse

Finance Grants Oversight and Performance Sub-Committee

Nicholas Bensted-Smith and Alderman William Russell

Information Technology Sub-Committee

- From the Finance Committee: Randall Anderson, Tim Levene and Deputy Robert Merrett
- From the Court of Common Council: Rehana Ameer, John Chapman, Sylvia Moys and James Tumbridge

- f) agrees the appointments of representatives to the following Committees and Sub-Committees:
- Establishment Committee – Deputy Jamie Ingham Clark
 - Barbican Centre Board – Deputy Wendy Hyde
 - Projects Sub (Policy & Resources) Committee – Nicholas Bensted-Smith and Deputy Jamie Ingham Clark
 - Streets and Walkways Sub (Planning & Transportation) Committee - Clare James
- g) agrees the appointments of representatives for informal consultation with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances – Jeremy Mayhew, Deputy Jamie Ingham Clark and Nicholas Bensted-Smith
- h) notes that the Chairman and Deputy Chairman of the Finance Committee will be Members of the Resource Allocation Sub (Policy and Resources) Committee.
- i) notes that the Chairman and Deputy Chairman will be ex-officio Members of the following Committees:
- Policy & Resources Committee
 - Investment Committee
 - Audit and Risk Management Committee
 - Hospitality Working Party (Policy and Resources)
- j) Notes that the Chairman (or his nominee) will be an ex-officio Member of the following Committees:
- Social Investment Board
 - Public Relations and Economic Development Sub (Policy and Resources) Committee
- k) agrees that the Committee should continue to meet “every fourth week on Tuesdays” with the exception of recess periods.

Following the consideration of this item, the Chairman informed the Committee that a statement of his experience and objectives had been put around the table. He explained that he would continue to emphasise the role of the Sub-Committees in giving detailed consideration to issues, prior to then coming to the Grand Committee for decision; increase the prominence of tackling the IT challenges facing the Corporation; and increase the speed at which operational property, which was no longer needed for operational use, was released by Departments for disposal. He also explained that he would seek to provide Members with further information regarding the annual cycle of business for the Committee and bring about improvements in agenda structuring.

The Deputy Chairman thanked Members for his election and confirmed that he would ensure that due prominence was given to resolving the IT issues, as well as improving the position in relation to the long-term maintenance cycle of the Corporation’s operational property.

12. CHAMBERLAIN'S DEPARTMENTAL BUSINESS PLAN 2016/17 - YEAR-END UPDATE

The Committee considered a report of the Chamberlain which provided a year end summary of delivery against the objectives and expected outcomes stated in the Chamberlain's Departmental Business Plan for 2016/17. The report advised Members that, in the main, progress had good, with many key milestones met according to anticipated timescales.

A Member commented that, in relation to this and the subsequent reports on the agenda, Members had been provided with a large amount of information regarding plans and progress within the Chamberlain's Department, but it was difficult for Members to understand the current position in terms of performance, particularly in relation to IT. The Member also noted that, while underinvestment had been cited as the root cause of the IT issues, he was not aware of any instances in which additional funding for IT had been refused by Members. Members also commented that it may be helpful to provide information regarding any performance issues, such as had been the case with IT, in the summary of future reports.

A Member commented that there were significant issues with IT equipment for Members. The Deputy Chairman requested that Members copy him in to correspondence with the Chamberlain's Department on this matter, so that he could be aware of the scale of the problem.

The Chamberlain commented that the Court of Common Council had agreed that additional funding be provided to address the issues in relation to the Corporation's IT services. He explained that he expected the current transformation programme would succeed in delivering significant improvements in IT performance by the end of 2017.

RESOLVED – That the Committee notes the report.

13. FINANCIAL SERVICES, CITY PROCUREMENT AND IT QUARTERLY UPDATE

The Committee considered a report of the Chamberlain which provided an update on the work, over the last quarter, of the three main Divisions within the Chamberlain's Department.

A Member noted that the report indicated that, in relation to the IT contract, resolution of Priority 1 incidents was 54% for the City of London Police, and asked whether this was the target or performance. The Chamberlain explained that this was annual performance and the target was 98%. The Deputy Chairman explained that this poor performance had been largely due to poor performance in the first quarter of 2016/17 and recent performance had been greatly improved.

The Chairman requested that a note be circulated to the Committee to clarify this issue and that a report providing further information be submitted to the next meeting of the IT Sub-Committee.

RESOLVED – That the Committee notes the report.

14. DEPARTMENTAL BUSINESS PLAN: CHAMBERLAIN'S DEPARTMENT - 2017/18

The Committee considered a report of the Chamberlain which presented, for approval, the business plan for the Chamberlain's Department for 2017/18. The business plan set out the key priorities of the Department and described the specific actions that would be undertaken, during the next year, to deliver against these priorities and to improve the value for money of the services that were provided.

A Member commented that the Departmental Business Plan did not include the savings target for City Procurement. The Chamberlain explained that this target was still being developed and would be presented to the Committee's next meeting for approval. The Chamberlain also explained that information would be provided as to how this target was set.

The report also provided an early draft of the Corporate Plan 2018-23 to give Members an opportunity to provide informal feedback, before wider consultation on the plan took place in the autumn with staff, partners and other external stakeholders.

Members commented that it was vital that the Corporate Plan included measurable objectives and that sufficient staffing resources were devoted to its development. The Town Clerk confirmed that all of the outcomes within the Corporate Plan would be supported by robust performance measures and that adequate resourcing was in place.

RESOLVED – That the Committee:

- a) Approves the high-level and detailed departmental business plans for the Chamberlain's Department; and
- b) Notes the draft Corporate Plan 2018-23.

15. CITY OF LONDON CORPORATION AND CITY OF LONDON POLICE IT STRATEGIES

The Committee considered a report of the Chamberlain which set out the proposed strategic direction for the City of London Corporation IT and City of London Police IT Service over the next three years, up to 2020.

RESOLVED – That the Committee endorses the IT Strategy documents.

16. CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - QUARTERLY REPORT

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

Members discussed CR16 (Information Security) and commented that both the risk likelihood and risk impact appeared to be too low. Members commented that this was a risk which had an inherently high likelihood and impact, and

reducing the degree of either to acceptable levels may be challenging. However, Members agreed that it was important that the risk was rated accurately, to ensure that it had due prominence and attention.

The Chamberlain commented that an additional risk was likely to be added to the Corporate Risk Register in relation to the process for the devolution of Business Rates. A Member requested that, for those Members new to the Court of Common Council, it would be helpful to have some background information in relation to this issue. The Chairman explained that this was an important risk for the City Corporation as, while the City Corporation supported devolution of business rates to more local areas, it was likely that, in the London region, any needs-based formula would not benefit the City Corporation. Therefore, the important factor for the City Corporation was to ensure that there was recognition of the difference between the City's position and that of the rest of London. He explained that, if this was recognised, it was likely that the City Corporation would have to be excluded from any formula.

A Member asked whether the City Corporation was doing enough to lobby Government on this issue. The Chamberlain explained that this was an activity in which he and the City Remembrancer were engaging.

A Member asked for further information regarding Risk CHB014 (Loss of ESF Funding for Central London Forward CESI Program). The Chamberlain explained that the extent of the loss of ESF funding was still being discussed with the Greater London Authority and he expected to be able to provide an update to the Committee's next meeting.

RESOLVED – That the Committee notes the report.

17. LOCALLY ADMINISTERED BUSINESS RATES RELIEF SCHEME CONSULTATION RESPONSE

The Committee considered a report of the Chamberlain which provided Members with a copy of the City Corporation's response to the consultation on proposals from the Department of Communities and Local Government on their proposed Locally Administered Business Rates Relief scheme.

RESOLVED – That the Committee notes the report.

18. ROAD DANGER REDUCTION CLAUSE IN CITY PROCUREMENT CONTRACTS

The Committee considered a report of the Director of the Built Environment which proposed that a Road Danger Reduction clause be included in the procurement processes of the City Corporation, which would require suppliers to the City Corporation to achieve Fleet Operators Recognition Scheme (FORS) Bronze status, or an acceptable equivalent standard.

RESOLVED – That the Committee:

- a) Approves the addition of Road Danger Reduction requirements, as set out in the report, within relevant contracts;

- b) Approves the decision-making process outlined in paragraphs 11 and 12 of the report, delegating authority for making regular, increasingly rigorous contractual requirements to the Construction & Property Services, Facilities Services and Land Management Category Boards, and the Transport Coordination Group.

19. **CENTRAL CONTINGENCIES**

The Committee considered a report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

The Chamberlain explained that an amended version of Page 189 of the agenda pack had been put around the table at the meeting.

In response to a question from a Member, the Chamberlain confirmed that the proposed carry forward was only to fund commitments already made for future years in City's Cash, and none of this carry forward would be used to fund City Fund activities.

RESOLVED – That the Committee agrees to carry forward £85,000 from the City's Cash 2016/17 Central Contingency Fund to meet existing allocations which have been agreed in previous years, thereby providing a full year's contingency for funding requirements that may arise during 2017/18.

20. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee considered a report of the Town Clerk which provided information of 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). The decision was to approve a donation of £55,000 to the Disaster Emergency Committee's East Africa Famine Relief appeal.

RESOLVED – That the Committee notes the report.

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

There were no questions.

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

There were no urgent items.

23. **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
24-27, 29-37	3
28	3 and 7
38	1

24. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
The non-public minutes of the meeting held on 21 February 2017 were approved as an accurate record.
25. **OUTSTANDING ACTIONS FROM NON-PUBLIC MINUTES OF PREVIOUS MEETINGS**
The Committee noted a report of the Town Clerk which set out outstanding actions from previous non-public minutes of the Committee.
26. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**
The Committee noted a report of the Town Clerk which advised Members of the key discussions which had taken place during non-public session at recent meetings of the Committee's Sub-Committees.
27. **DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**
The Committee noted the draft non-public minutes of the following Sub-Committee meetings:
- Corporate Asset Sub-Committee held on 10 February 2017;
 - Efficiency and Performance Sub-Committee held on 17 February 2017;
 - Finance Grants Oversight and Performance Sub-Committee held on 21 February 2017; and
 - Information Technology Sub-Committee held on 22 February 2017.
28. **RISK TREATMENT PLAN - GATEWAY 1-5 AUTHORITY TO START WORK**
The Committee considered and approved a report of the Chamberlain which sought authority to start work on a project to undertake a Risk Treatment Plan of the City Corporation's security infrastructure.
29. **PROVISION OF A CORPORATE MANAGED SERVICE FOR MULTI-FUNCTIONAL DEVICES (MFDS) - PROCUREMENT STAGE 3 (CONTRACT AWARD) REPORT - REQUEST FOR DELEGATED AUTHORITY**
The Committee considered and approved a report of the Chamberlain which sought delegated authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to award a contract in relation to a Corporate Managed Service for Multifunctional Devices (MFDs).
30. **CITIGEN PERFORMANCE MANAGEMENT BOARD - PROPOSED ELECTED MEMBER REPRESENTATIVE**
The Committee considered and approved a joint report of the Chamberlain and the City Surveyor which suggested that a Member of the Court of Common Council should join the Citigen Performance Management Board.

31. INTEREST RATES FOR LOAN FACILITIES

The Committee considered and approved a report of the Chamberlain regarding arrangements for loans provided by the City Corporation to organisations associated with the City Corporation, such as the City Corporation's Independent Schools and the Museum of London.

Extension of the meeting under Standing Order 40

At this point, two hours having passed since the start of the meeting, the Committee agreed, as per Standing Order 40, that the meeting continue.

32. PAY AWARD AT THE MUSEUM OF LONDON

The Committee considered and approved a report of the Director of the Museum of London which sought endorsement for the Museum's 2017 pay award.

33. WAIVER REQUEST - NON-LOCAL AUTHORITY FUNDS EXTERNAL AUDIT SERVICES

The Committee considered and approved a report of the Chamberlain which sought approval for a waiver of the Procurement Regulations to allow a one-year extension to the current contract for the audit of the City's Cash (non-local authority) accounts.

34. REPORT ON WAIVERS AT £50K AND OVER GRANTED SINCE THE LAST FINANCE COMMITTEE

The Committee noted a report of the Chamberlain which updated Members on non-urgent waivers over £50,000 which had been approved by the relevant Spending Committee, in accordance with the Waiver Approval Process set out within the Corporation's Procurement Code.

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

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

36. 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.

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

There was one item of urgent business.

38. REORGANISATION OF A TEAM WITHIN THE CHAMBERLAIN'S DEPARTMENT

The Committee considered and approved a report of the Chamberlain which informed the Committee of proposals to change the structure of administration support within the Chamberlain's Department.

The meeting closed at 3.50 pm

Chairman

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