

## **FINANCE COMMITTEE**

**Tuesday, 6 June 2017**

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

### **Present**

#### **Members:**

Jeremy Mayhew (Chairman)	Michael Hudson
Deputy Jamie Ingham Clark (Deputy Chairman)	Oliver Lodge
Randall Anderson	Paul Martinelli
Alderman Nick Anstee	Deputy Robert Merrett
Nicholas Bensted-Smith	Sheriff & Alderman William Russell
Mark Bostock	Ian Seaton
Sheriff & Alderman Peter Estlin	Mark Boleat (Ex-Officio Member)
Sophie Anne Fernandes	Deputy Catherine McGuinness (Ex-Officio Member)

#### **Officers:**

Chris Braithwaite	-	Town Clerk's Department
John Park	-	Town Clerk's Department
Craig Spencer	-	Town Clerk's Department
David Farnsworth	-	Chief Grants Officer
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Philip Gregory	-	Chamberlain's Department
Sean Green	-	Chamberlain's Department
Mona Lewis	-	Chamberlain's Department
Geoff Parnell	-	Chamberlain's Department
Richard Jeffrey	-	Comptroller and City Solicitor's Department
Nick Senior	-	Comptroller and City Solicitor's Department
Paul Wilkinson	-	City Surveyor

### **1. APOLOGIES**

Apologies for absence were received from Chris Boden, Deputy Roger Chadwick, Karina Dostalova, Alderman Tim Hailes, Caroline Haines, Chris Hayward, Deputy Tom Hoffman, Deputy Wendy Hyde, Deputy Clare James, Gregory Lawrence, Tim Levene, Hugh Morris, William Pimlott, Deputy Henry Pollard, James de Sausmarez, Sir Michael Snyder, Deputy James Thomson and Philip Woodhouse.

The Chairman welcomed Alderman Nick Anstee to the Committee.

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 2 May 2017 be approved as an accurate record.

4. **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(a). The decision had been to donate £25,000 to the British Red Cross and Manchester City Council's We Love Manchester Emergency Appeal.

The Chief Grants Officer informed the Committee of the work that the City Bridge Trust had undertaken in responding to terrorist attacks in the UK, highlighting the charity's work as part of the London Emergencies Trust and in providing assistance to colleagues in Manchester in the creation of the We Love Manchester Emergency appeal. He explained that, in addition to the £25k donation, which had been made from the Finance Committee's contingency fund to the We Love Manchester Emergency Appeal, the City Bridge Trust had donated £75k in response to the Westminster Bridge attack in March 2017.

In the context of these donations, that Committee discussed whether it would be appropriate for the Finance Committee to make a further donation from its Contingency Fund to the Red Cross's UK Solidarity Fund, which had been created to assist those affected by acts of terror across the UK.

The Committee commented that the amount of money donated by the City Corporation to these appeals was relatively small in the context of the overall amount raised, but there was value in the City Corporation leading by example by making donations to such appeals.

The Committee agreed that, in light of the work being done by the City Bridge Trust to support the charitable response to those affected by terrorist attacks in the UK, it was not necessary to make a donation to the UK Solidarity Fund at this time.

**RESOLVED** – That the Committee notes the report.

5. **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 Deputy Chairman reminded the Committee of his request that he be copied in to correspondence from Members with the Chamberlain's Department regarding IT issues.

**RESOLVED** – That the Committee notes the report.

**6. 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.

In relation to the Efficiency and Performance Sub-Committee, the Chairman advised Members of the requirements of the Efficiency and Sustainability Plan, which would lead to 2% being removed from all Departmental budgets each year from 2018-19 onwards, along with no allocation being included for inflation in budgets. The Chairman also highlighted that, if Departments made savings in excess of the 2% budget reduction, there was a mechanism to allow them to use those savings for invest-to-save schemes.

In relation to the IT Sub-Committee, the Chairman of that Sub-Committee explained that the key issue considered in the public part of the meeting on 26 May had been an update on IT performance, including an update on work that had been undertaken to improve the resilience of the IT infrastructure.

**RESOLVED** – That the Committee notes the report.

**7. TO APPOINT MEMBERS TO VACANCIES ON THE SUB-COMMITTEES**

**RESOLVED** – That Christopher Boden and Alderman Matthew Richardson be appointed to the Efficiency and Performance Sub-Committee and that Oliver Lodge be appointed to Finance Grants Oversight and Performance Sub-Committee.

**8. DRAFT PUBLIC MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE**

**RESOLVED** – That the public minutes and non-public summary of the Efficiency & Performance Sub-Committee meeting held on 17 May 2017 be noted.

**9. PROVISIONAL OUTTURN 2016/17**

The Committee considered a report of the Chamberlain which provided information of the Provisional Outturn for 2016/17.

The Chamberlain explained that, while there were underspends by most Departments, it did appear that Departments were making improvements in the accuracy of their expenditure forecasts. Members were advised of the causes of the most significant underspends, which had typically been caused by delays in expenditure into 2017/18, additional funding being received during 2016/17, or income estimates for 2016/17 being outperformed.

The Chairman commented that the consistent underspends by Departments would appear to indicate that it should be possible for Departments to achieve the 2% saving requirement under the Efficiency and Sustainability Plan.

Members noted that the slippages in spending would be dealt with through the carry-forwards procedure. Members agreed that a report on the outcomes of the requests for carry-forwards and the in-year budget increase requests from 2016/17 should be submitted to the Committee for information.

The Chamberlain confirmed that, for future reports such as this, positive variances would be indicated as positives in the report.

**RESOLVED –** That the Committee

- a) notes the report;
- b) requests that a report on carry-forwards and in-year budget increase requests for 2016/17 be submitted to the Committee.

**10. CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2017/18**

The Committee considered a report of the Chamberlain which advised Members of the Efficiency and Savings target of £6.47m for City Procurement for the financial year 2017/18.

**RESOLVED –** That the Committee notes the Procurement Efficiency and Savings target of £6.47 million for the financial year 2017/18.

**11. IT DIVISION - QUARTERLY UPDATE**

The Committee considered a report of the Chamberlain which provided an update on the work of the IT Division over the last quarter.

The Chairman of the IT Sub-Committee explained that a focus of the IT Department's activities was to reduce the IT risks from a red rating within the Corporate Risk Register.

A Member commented that the contract with Agilisys had included a target of creating 100 apprentice roles and asked what progress had been made in achieving this target. The Chamberlain explained that around 50% of this target had been reached. As, however, the target was to create apprentice roles in a range of organisations, not solely within the City Corporation, it was challenging for the City Corporation to track progress.

The Committee agreed that a report on this matter should be submitted to the IT Sub-Committee.

**RESOLVED –** That the Committee:

- a) notes the report; and
- b) agrees that the IT Sub-Committee should be provided with a report regarding progress in achieving the target of placing 100 apprentices under the Agilisys contract.

**12. CHAMBERLAIN'S DEPARTMENT RISK MANAGEMENT - MONTHLY REPORT**

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

In response to a question from a Member, the Chamberlain confirmed that IT backups were conducted on a daily basis and the backups were stored in multiple locations.

**RESOLVED** – That the Committee notes the report.

**13. CHARITIES POOL RISK REGISTER**

The Committee considered a report of the Chamberlain which provided a key risks register for the Corporation of London Charities Pool, for review by Members, on behalf of the trustee (the City of London Corporation). The Deputy Chairman asked that, in future reports, this be submitted in the Covalent format.

**RESOLVED** – That the Committee confirms that the risk register satisfactorily sets out the risks facing the charity and that appropriate measures are in place to mitigate those risks.

**14. FUNDING OF THREE ADDITIONAL STAFF TO THE CORPORATE AND PUBLIC LAW DIVISION OF THE COMPTROLLER & CITY SOLICITOR'S DEPARTMENT**

The Committee considered a report of the Comptroller and City Solicitor which sought approval for funding from the Finance Committee's contingency for three additional permanent members of staff in the Comptroller and City Solicitor's Department in 2017/18. A base budget increase of £140K for future financial years had been approved by Policy and Resources Committee on 4 May 2017.

The Chairman commented that, while it appeared to be clear that the additional staff were required, without Departments being charged for their use of the Comptroller's Department's services, it was likely that demand and the number of staff required would consistently expand. The Chairman, therefore, requested that a report be provided to the Committee during Autumn 2017, setting out proposals for an internal charging mechanism for legal services, for implementation in 2018/19, and potentially for other centrally provided services.

The Chamberlain agreed that such a report could be provided, but cautioned that such systems had not been successfully implemented in the public sector in the past, were resource intensive, and auditors had found that there was no evidence that they produced the intended results.

**RESOLVED** – That the Committee:

- a) approves £140,000 from the Finance Committee Contingencies Fund to fund the 2017/18 cost of appointing three additional permanent members of staff to the Comptroller and City Solicitor's Department;
- b) requests that the Chamberlain submit a report to the Committee in Autumn 2017 setting out proposals for an internal charging mechanism for legal services, for implementation in 2018/19 and potentially for other centrally provided services.

15. **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.

**RESOLVED** – That the Committee notes the report.

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

There were no questions.

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

There were no urgent items.

18. **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
19-29	3

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

The non-public minutes of the meeting held on 2 May 2017 were approved as an accurate record.

20. **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.

21. **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.

22. **DRAFT NON-PUBLIC MINUTES OF THE EFFICIENCY AND PERFORMANCE SUB-COMMITTEE HELD ON 17 MAY 2017**

The non-public minutes of the Efficiency & Performance Sub-Committee meeting held on 17 May 2017 were noted.

23. **OPERATIONAL PROPERTY REVIEW - INCENTIVISATION REVIEW**

The Committee considered and approved a joint report of the Chamberlain and the City Surveyor which set out options and recommendations for incentivisation of the release and rationalisation of surplus operational property.

24. **MINOR WORKS STRATEGIC SOLUTION - PROCUREMENT STAGE 1**  
The Committee considered and approved a report of the Chamberlain and the Chairman of the Facilities Services Procurement Category Board which set out the procurement strategy and evaluation criteria and weighting to be used in the selection of preferred supplier(s) for a Minor Works Strategic Solution.
25. **POTENTIAL LEGAL ACTION TO RECOVER SUMS OWED BY A FORMER COMMERCIAL TENANT**  
The Committee considered and approved a report of the Comptroller and City Solicitor which set out the process, estimated timescales and estimated costs of pursuing a former commercial tenant for an outstanding debt.
26. **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 accord with the Waiver Approval Process set out within the Corporation's Procurement Code.
27. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**  
The Committee noted a report of the Town Clerk detailing a non-public decision taken under delegated authority procedures since the last meeting.
28. **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.
29. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There were two items of urgent business.

**The meeting closed at 3.15 pm**

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Chairman

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