

## **FINANCE COMMITTEE**

**Tuesday, 8 May 2018**

DRAFT Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on  
Tuesday, 8 May 2018 at 1.45 pm

### **Present**

#### **Members:**

Randall Anderson  
Nicholas Bensted-Smith  
Dominic Christian  
Karina Dostalova  
Sophie Anne Fernandes  
John Fletcher  
Alderman Robert Howard  
Michael Hudson  
Deputy Wendy Hyde  
Deputy Jamie Ingham Clark  
Gregory Lawrence  
Tim Levene

Oliver Lodge  
Paul Martinelli  
Jeremy Mayhew  
Hugh Morris  
Susan Pearson  
Deputy Henry Pollard  
William Pimlott  
James de Sausmarez  
Ian Seaton  
Sir Michael Snyder  
Deputy Philip Woodhouse

#### **Officers:**

Peter Lisley	- Assistant Town Clerk
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
John Cater	- Town Clerk's Department
Gregory Moore	- Town Clerk's Department
Peter Young	- City Surveyor's Department
Sean Green	- Chamberlain's Department
Giles French	- Assistant Director of Economic Development
Laura Davison	- Head of Research, EDO

### **1. APOLOGIES**

Apologies for absence were received from Deputy Roger Chadwick, Simon Duckworth, Caroline Haines, Christopher Hayward, Deputy Tom Hoffman, Deputy Clare James, Alderman Alastair King, Alderman Andrew Parmley, Alderman Matthew Richardson, Deputy James Thomson and Deputy Catherine McGuinness.

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

Deputy Hyde declared a non-pecuniary interest in respect of item 29 due to being a owning a property in the building.

Jamie Ingham Clark declared a non-fiduciary interest in respect of item 27 due to being Church Warden of St Lawrence Jewry.

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

The Committee received the Order of the Court of Common Council from Thursday, 19 April 2018 appointing the Finance Committee until the first meeting of the Court in April 2019.

4. **ELECTION OF THE CHAIRMAN**

In accordance with Standing Order 29, Jeremy Mayhew was elected Chairman of the Finance Committee for the ensuing year.

5. **ELECTION OF THE DEPUTY CHAIRMAN**

In accordance with Standing Order 30, Deputy Jamie Ingham Clark was elected Deputy Chairman of the Finance Committee for the ensuing year.

6. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – That the public minutes and summary of the meeting held on 10<sup>th</sup> April be approved as an accurate record, subject to the following amendment:

Ian Seaton reminded the Committee Clerk that he had declared a Non-pecuniary interest in Item 22 (Report on Waivers over £50,000 December 2017- March 2018)

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.

Officers informed Members of the positive feedback at the recent meeting of the Establishment Committee, concerning the Report on the Eradication of Procurement Code Breach Waivers.

Post meeting note: The Chairman of the Establishment Committee circulated the draft set of minutes from the relevant meeting to all Members of the Finance Committee.

**RESOLVED** – That the Committee noted 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 the recent meeting of the Finance Grants Oversight and Performance Sub Committee.

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

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

The Committee noted the draft public minutes of the following Sub-Committee meetings:

- Finance Grants Oversight and Performance Sub-Committee held on 10<sup>th</sup> April 2018;

The Chairman noted that the Town Clerk had recently circulated the draft minutes of the following minutes via email for information\*:

- Efficiency and Performance Sub-Committee held on 21st March 2018.
- Information Technology Sub-Committee held on 26<sup>th</sup> March 2018

a) **Draft public minutes of the Finance Grants Sub-Committee held on 10 April 2018**

**RESOLVED** – That the public minutes of the Finance Grants Sub-Committee meeting held on 10<sup>th</sup> April 2018 be noted.

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

The Committee considered a Report of the Town Clerk concerning the appointment of the Committee's Sub Committees for 2018/19, to approve their composition and Terms of Reference and to appoint representatives to a number of other City Corporation positions.

**Terms of Reference and Composition**

- Members agreed the composition and Terms of Reference of the following Sub Committees:

Corporate Asset Sub Committee  
Efficiency and Performance Sub Committee  
Finance Grants Oversight and Performance Sub Committee  
Information Technology Sub Committee

Members agreed that the Terms of Reference for both the Efficiency and Performance Sub Committee and the Finance Grants Oversight and Performance Sub Committee include a new provision, in which any vacancies on the Subs will be offered to the Court of Common Council.

Members agreed that the minimum number of appointments for the Efficiency and Performance Sub Committee and the Finance Grants Oversight and Performance Sub Committee should be reduced to seven, furthermore, this number would now include both the Chairman and Deputy Chairman of the Finance Committee.

**Appointments**

- Members agreed to the following appointments as Chairman and Deputy Chairman of the respective Sub Committees:

Corporate Asset Sub Committee  
Nick Bensted Smith (Chairman)  
Dominic Christian (Deputy Chairman)

Finance Grants Oversight and Performance Sub Committee  
Simon Duckworth (Chairman)  
Philip Woodhouse (Deputy Chairman)

Information Technology Sub Committee  
Randall Anderson (Deputy Chairman)

- Members noted that Jeremy Mayhew would serve as Chairman of the Efficiency and Performance Sub Committee and Jamie Ingham Clark would serve as Chairman of the Information Technology Sub Committee and Deputy Chairman of the Efficiency & Performance Sub Committee.
- Members agreed to the following appointments of Members of the respective Sub Committees:

Corporate Asset Sub Committee

Nick Bensted Smith  
Dominic Christian  
Randall Anderson  
Michael Hudson  
Deputy Wendy Hyde  
Deputy Philip Woodhouse

Members also noted the appointment of the following Members of other Committees to CASC: Marianne Fredericks, Joyce Nash and Jeremy Simons representing Policy and Resources; Alderman Gowman representing the Property Investment Board.

Efficiency and Performance Sub Committee

Randall Anderson  
Alderman Howard  
Paul Martinelli  
Hugh Morris  
Ian Seaton  
Deputy Philip Woodhouse

Finance Grants Oversight & Performance Sub Committee

Simon Duckworth  
Deputy Philip Woodhouse  
Nick Bensted Smith  
Oliver Lodge

Information Technology Sub Committee

Randall Anderson  
Tim Levene

Furthermore, the following Members of the Court of Common Council have expressed an interest in re-joining the Sub Committee for 2018/19; John Chapman, James Tumbridge and Sylvia Moys, Members were supportive of their re-appointment for the ensuring year.

Members also noted the prospective appointment by the Police Committee on 24<sup>th</sup> May of one Member appointed to serve as a Special Interest Area Holder.

The Chairman expressed his thanks to Hugh Morris for his work as Deputy Chairman during the past year, of the Information Technology Sub Committee.

### **Appointments of Committee representatives to other Corporation positions**

- Members agreed to the following appointments of representatives:

Establishment Committee (1):  
Deputy Jamie Ingham Clark

Barbican Centre Board (1):  
Deputy Wendy Hyde

Project Sub Committee (2):  
Randall Anderson and Nick Bensted Smith

Streets and Walkways Sub Committee (1):  
Paul Martinelli

Representative for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances (1):  
Nick Bensted Smith

- Members also noted that the Chairman and Deputy Chairman would be:

Members of the Resource Allocation Sub Committee and the Finance Committee Representatives for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty (in addition to Nick Bensted Smith) and;

Ex-officio Members of:

Policy and Resources Committee

Investment Committee

Audit and Risk Management Committee

The Hospitality Working Party (P&R)

- In addition, Members noted that the Chairman will be an ex-officio Member of the:

Social Investment Board

Cultural Working Group

Public Relations and Economic Development Sub

Members also agreed that the Committee should continue to meet “every fourth week on Tuesdays” with the exception of recess periods.

**11. GRESHAM MUSIC COLLECTION CONSERVATION**

The Committee considered a Report of the Town Clerk concerning the conservation of the Gresham Music Collection.

**RESOLVED** – that Members approved the allocation of £18,477 from the Finance Contingency Fund to pay for the immediate restoration works necessary for the Gresham Music Collection (noting that the total cost of the works is £36,954, with £18,477 to be funded each from the City Corporation and the Worshipful Company of Mercers).

**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.

A Member queried the level of confidence officers had about being able to reduce CR16 (Information Security) to green in the medium term (page 40). First, officers had to demonstrate how CR16 would be reduced to amber.

The Chairman of the IT Sub Committee and officers responded that a great deal of work was being done. A deep dive had been produced for Members at the last IT Sub Committee meeting and what had become apparent was the evolving nature of the risk; the boundary between red, amber and green was much more fluid than in other risk areas and the decision was made to keep CR16 at red. That said, a programme of work was being carried out, and the goal was to mitigate the risk as much as possible, not least in preparation for the roll out of GDPR.

The Chairman briefly spoke about CR23 (Police Funding). A constructive discussion had recently taken place between the Town Clerk and Chamberlain on strengthening assurance. The Town Clerk would be underlining the importance of the Police working with others across the Corporation to ensure medium term financial sustainability.

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

**13. CITY PROCUREMENT QUARTERLY RESULTS**

The Committee considered a Report of the Chamberlain concerning the quarterly report for City Procurement and the annual performance figures for the 2017/18 financial year.

A Member raised a query regarding the methodology used to determine what the target price is per contract. The Chamberlain responded that there is a range of ways of determining this. Post meeting, he would provide the Member with an extract from the Corporate Procurement Efficiency and Savings

Process Manual, on setting the 'baseline' cost against which the actual new price will be calculated.

**RESOLVED** – that Members noted the following:

- Procurement savings achieved £6.98m, against a target of £6.47m.
- New service of Commercial Contract Management, achieved savings of £311k against a target of £550k. The shortfall will be added to this year's target to be presented at June Finance Committee.
- Purchase Order Compliance was 97%.
- Supplier Payments
  - 95% of all supplier payments happening within 30 days (Target 97%).
  - 76% of SME payments happening within 10 days (Target 88%).
- 93% of invoices are currently received electronically.
- The City Procurement service costs £3.08m, with a breakdown found at paragraph 13 in the main report.

14. **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 noted the report.

15. **BUSINESS PLAN END OF YEAR UPDATE**

The Committee considered a Report of the Chamberlain concerning a year end summary of the Chamberlain's Departmental Business Plan.

**RESOLVED** – that Members noted the Report.

16. **NOTE FROM POLICE COMMITTEE**

Members considered the note from the Police Committee.

The Chairman wanted to reassure Members of the Finance Committee (including those Members who also sat on Police Committee) that there was no antagonism towards the City of London Police. Moreover, Finance Committee's job was not to second guess the operational decisions of the Police but a key part of its remit was to ensure the Police had robust plans in place to ensure financial sustainability.

A Member (who also sits on the Police Committee) stressed that the aim of the note was to give Finance Committee forewarning of the strong likelihood that a

rise in funding will be required in the medium term to help mitigate new challenges. The Police Committee wants to avoid “surprising” Finance Committee with requests for extra cash.

**RESOLVED** – that Members noted the Report.

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

There was one question.

A Member queried why the Report on the Priority Investment Pot process had not been circulated to the Finance Committee, as it had been to P&R and the Resource Allocation Sub Committee.

The Chairman requested that this should come to the Finance Committee for information at the next meeting.

Furthermore, the Chairman requested a regular update report (on a quarterly basis) informing Members of:

- the criteria for bids
- approvals that quarter
- Rejections that quarter

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

There were no urgent items.

19. **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.

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

The non-public minutes of the meeting held on 10<sup>th</sup> April were approved as an accurate record.

21. **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.

22. **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 the non-public sessions at recent meetings of the Committee’s Sub-Committees.

23. **DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**

The Committee noted the draft non-public minutes of the following Sub-Committee meetings:



- Finance Grants Oversight and Performance Sub-Committee held on 10<sup>th</sup> April 2018

The non-public minutes of the Finance Grants Sub-Committee meeting held on 10 April 2018 were noted.

24. **CORPORATE CATERING SERVICES - CONTRACT AWARD**

The Committee considered a Report of the Chamberlain concerning a contract award for Corporate Catering Services.

25. **MANDATORY REVIEW OF CORPORATE PURCHASE CARD HOLDERS AND CREDIT LIMITS**

The Committee considered a Report of the Chamberlain concerning the review of Corporate Purchase Card Holders and Credit Limits.

26. **ELECTRICITY AND GAS PROCUREMENT STAGE 1 STRATEGY REPORT**

The Committee considered a Report of the Chamberlain concerning the provision of Energy (Electricity and Gas) Supplies.

27. **ST LAWRENCE JEWRY**

The Committee considered a Report of the City Surveyor concerning the St Lawrence Jewry Church.

28. **GRESHAM COLLEGE FUNDING ARRANGEMENTS**

The Committee considered a Report of the Chamberlain concerning funding arrangements for Gresham College.

29. **SALE OF 1-5 LONDON WALL BUILDINGS**

The Committee considered a Report of the City Surveyor concerning 1-5 London Wall Buildings EC2.

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

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

31. **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.

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

The Committee considered one item of urgent business.

**The meeting ended at 3.45 pm**

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Chairman

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