

## **FINANCE COMMITTEE**

**Tuesday, 5 June 2018**

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 5 June 2018 at 1.45 pm

### **Present**

#### **Members:**

Jeremy Mayhew (Chairman)  
Deputy Jamie Ingham Clark (Deputy Chairman)  
Randall Anderson  
Nicholas Bensted-Smith  
Deputy Roger Chadwick  
Dominic Christian  
Simon Duckworth  
John Fletcher  
Deputy Tom Hoffman  
Michael Hudson  
Deputy Wendy Hyde

Deputy Clare James  
Oliver Lodge  
Paul Martinelli  
Deputy Robert Merrett  
Susan Pearson  
William Pimlott  
James de Sausmarez  
Deputy James Thomson  
Deputy Philip Woodhouse  
Deputy Catherine McGuinness (Ex-Officio Member)

#### **Officers:**

Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Martin O'Regan	- City of London Police
Sean Green	- Chamberlain's Department
Alistair Sutherland	- Assistant Commissioner, City of London Police
Colin Buttery	- Director of Open Spaces
Paul Beckett	- Department of the Built Environment
Damian Nussbaum	- Director of Economic Development
Peter Young	- City Surveyor's Department
Charlie Morrison	- Inspector, CoLP
Peter O'Doherty	- City of London Police

### **1. APOLOGIES**

Apologies for absence were received from Karina Dostalova, Christopher Hayward, Alderman Alastair King, Gregory Lawrence, Tim Levene, Alderman Sir Andrew Parmley, Deputy Henry Pollard and Ian Seaton.

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 8 May 2018 be approved and signed as a correct record, subject to an amendment to item 2, to note Deputy Hyde's declaration of interest in item 29 of that agenda as trustee of a charity that is a lessee in the building.

4. **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.

**RECEIVED.**

5. **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 respect of the Efficiency and Performance Sub Committee, Members noted the Chairman's verbal update that the City Surveyor would return to the Sub-Committee in July to provide an update on the departmental SBR savings.

On the Information Technology Sub Committee, the Chairman of the Sub Committee said that the real benefits of the transformation programme were still to be seen. On GDPR, he stated that a briefing was awaited from Mazars, although no 'red flags' were expected.

**RECEIVED.**

6. **FURTHER APPOINTMENTS TO THE FINANCE COMMITTEE AND THE FINANCE SUB-COMMITTEES**

The Committee considered the report by the Town Clerk on further appointments. Arising from discussions, and Members having put themselves forward to serve, it was

**RESOLVED** – That

(a) Members note the current vacancy created by Caroline Haines stepping down from the Finance Committee; and

(b) The following appointments to Sub Committees be approved:-

**Finance Grants Oversight and Performance Sub Committee**

Mark Wheatley

### **Information Technology Sub Committee**

Rehana Ameer

Hugh Morris

Alderman Sir Andrew Parmley

#### **7. NEW PROCUREMENT SUB-COMMITTEE**

The Committee considered the joint report by the Chamberlain and the Town Clerk on the establishment of a new Procurement Sub Committee. It was noted that compliant waivers would be considered by the Sub Committee, with non-compliant waivers to continue to be referred to the Grand Committee. Arising from discussions, and as well as Members having put themselves forward to serve, it was

#### **RESOLVED – That**

(a) The establishment of a Procurement Sub Committees be approved, with the terms of reference as set out below:-

- To scrutinise and be responsible for value for money on all City of London Corporation and City of London Police procurement contracts above £2m (total contract value, as per the current threshold) at key stages, including initial tender strategy to final contract award sign off.
- To consider and recommend all procurement contracts above £4m to the Court of Common Council
- To consider the details of compliant waivers
- To invite representative(s) from the relevant Spending Committee to attend meetings
- To provide officers with advice focused specifically on value for money, and consider lessons learned when major contracts are coming to an end (i.e. before the (re)tender process begins)
- To work with the Grand Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.
- The quorum for Procurement Sub-Committee meetings is three;

(b) the composition of the Procurement Sub Committee shall be:-

- Chairman – to be proposed by the Chairman of the Finance Committee (if the Chairman of the Finance Committee does not intend to take up the position)

- Deputy Chairman – to be proposed by the Chairman of the Finance Committee (if the Deputy Chairman of the Finance Committee does not intend to take up the position)
  - Chairman of the Finance Committee
  - Deputy Chairman of the Finance Committee
  - Between five and eight additional Members of the Finance Committee;
- (c) meetings would be scheduled monthly (excluding August) to reflect the average 1 or 2 procurement contracts reaching key stages each month (see appendix 1 for provisional schedule). The Sub Committee meetings would be confirmed in the calendar but could be cancelled if there wasn't business to discuss. (in practice, it is unlikely we would hold 11 meetings per year);
- (d) the membership of the Procurement Sub Committee for the ensuing year shall be;-
- Hugh Morris (Chairman)
  - Deputy Robert Merrett (Deputy Chairman)
  - Randall Anderson
  - John Fletcher
  - Michael Hudson
  - Deputy Clare James
  - Susan Pearson

## 8. **CYBER SECURITY STRATEGY**

Members considered the joint report by the Commissioner of the City of London Police and the Director of Economic Development on the Cyber Security Strategy.

The following matters were raised:-

- Noted that the report would be considered by the Policy and Resources Committee on 7 June and then the Court of Common Council on 21 June (not Resource Allocation Sub Committee).
- Temporary Commander O'Doherty introduced the paper and the 'Cyber Griffin Initiative' which aimed to provide a proportionate response to enhance the protection of the City's financial and professional services industry against possible future cyber attack. The strategy would be developed through a City Police and Economic Development Office partnership.

- A Member said that 'demonstrable results' were required from the project.
- The Chamberlain confirmed that he was supportive of the funding proposal.
- The Chairman asked officers to report back in 12 months on project progress, ahead of a request for additional future funding.

**RESOLVED** – That an uplift of £870k for the City of London Police budget and £55k for the EDO's budget for 2018/19 for the 'Cyber Griffin Initiative' be approved.

**9. FUNDING REQUEST FOR FLOOD RISK AND OTHER ENVIRONMENTAL RESILIENCE WORK DURING 2018/19 AND 2019/20**

The Committee had before them the report by the Director of the Built Environment on the funding request for flood risk and other environmental resilience work during 2018/19 and 2019/20.

Following discussion, the Chairman put forward the view that, notwithstanding grant funding availability, it would be appropriate for the Director of Built Environment to carry out the work, managed within the local risk budget. He said that if it was clear later in the year that costs could not be contained within the existing departmental budget, the Committee would consider approving a funding request from Finance contingency. The Chairman emphasised the requirement to maintain tight financial discipline.

**RESOLVED** – (a) That the works be carried out by the Director of Built Environment from within the local risk budget.

(b) If costs could not be contained within the existing departmental budget, the Committee could consider a later funding request from Finance contingency.

**10. 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.

The following matters were raised:-

- On Information Security, the Chamberlain confirmed that expected actions should reduce the risk score to amber status by the end of June.
- On Police funding, work continued along with other appropriate officers, to mitigate the red risk going forward.

**RECEIVED.**

11. **CENTRAL CONTINGENCIES**

The Committee considered a report of the Chamberlain on central contingencies.

**RECEIVED.**

12. **IT DIVISION - MEMBER UPDATE**

The Committee had before them the update report by the Chamberlain on the IT Division.

The following matters were raised:-

- The Comptroller and City Solicitor gave an update on GDPR, confirming baseline compliance by 25 May in terms of policies, procedures, etc. It was noted that although a briefing was awaited from Mazars, no 'red flags' were expected. Embedding the good practice and procedures would be an on-going process.
- Noted that email communication with Members was now through official City of London accounts only.

**RECEIVED.**

13. **CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2018/19**

The Committee considered the report of the Chamberlain on the City procurement efficiency and savings target, 2018/19.

The following matters were raised:-

- A Member raised the matter of yearly calculation of savings target and whether this was achieving less than it could do on procurement and contract reletting.

The Chamberlain confirmed that robust measures were in place to achieve the best value possible, although savings that were 'easier to achieve' had previously been taken by the Corporation. He made the point that many less complex, smaller contracts provided more limited scope to extract additional monetary value. However, other areas may provide a better opportunity for savings to be made. The Member put forward the view that further efficiency in procurement should be possible, and that further information for the Committee would be useful, to determine that there was not an abandonment of the savings strategy.

**RECEIVED.**

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 remaining items on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Local Government Act.
17. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
**RESOLVED** – That the non-public minutes of the meeting held on 8 May 2018 be approved and signed as a correct record.
18. **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.
19. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**  
The Committee noted a report of the Town Clerk and oral updates by Chairmen on non-public sessions at recent meetings of the Committee's Sub-Committees.
- RECEIVED.**
20. **LAND AVAILABLE FOR ACQUISITION AT HAMPSTEAD HEATH**  
The Committee considered the report by the Director of Open Spaces (DOS) on land available for acquisition at Hampstead Heath.
21. **PROVISION OF MANAGED PRINT AND DIGITAL CONTRACT - PROCUREMENT STAGE 3**  
The Committee considered the report by the Chamberlain on the provision of managed print and digital contract – procurement stage 3.
22. **STRATEGIC REVIEW OF THE CITY'S WHOLESALE MARKETS - APPOINTMENT OF AN ACQUIRING AGENT, PROGRAMME DIRECTOR AND PROJECT ACCOUNTANT**  
Members then considered the joint report by the City Surveyor and the Director of Markets and Consumer Protection on the Strategic Review of the City's Wholesale Markets – appointment of an Acquiring Agent, Programme Director and Project Accountant.
23. **WAIVER REPORT - TAXI SERVICES**  
Members considered the report by the Chamberlain on Waivers – Taxi Services.
24. **ANNUAL COMPLIANT WAIVERS REPORT 2017/18**  
The Committee had before them the report by the Chamberlain on annual compliant waivers 2017/18.

25. **ANNUAL NON-COMPLIANT WAIVERS REPORT 2017/18**  
The Committee considered the annual report of the Chamberlain on non-compliant waivers.
26. **PRIORITIES INVESTMENT POT (PIP) UPDATE**  
Members considered the report of the Chamberlain on the Priorities Investment Pot (PIP) update.
27. **CITY OF LONDON CORPORATION & CITY OF LONDON POLICE - IT STRATEGY UPDATE**  
The Committee considered the report by the Chamberlain on the Corporation's IT Strategy update.
28. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**  
The Committee noted a report of the Town Clerk detailing non-public decisions taken under delegated authority and urgency procedures since the last meeting.
29. **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.
30. **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.
31. **CITY REVENUES**  
Members considered a report by the Chamberlain on City revenues.

**The meeting ended at 3.10 pm**

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Chairman

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