



Finance Committee

Date: TUESDAY, 23 JUNE 2020

Time: 2.30 pm

Venue: VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)
https://youtu.be/WyMdJK_INcA

Members:	Jeremy Mayhew (Chairman)	Alderman Nicholas Lyons
	Deputy Jamie Ingham Clark	Paul Martinelli
	(Deputy Chairman)	Andrew McMurtrie
	Rehana Ameer	Deputy Robert Merrett
	Randall Anderson	Andrien Meyers
	Nicholas Bensted-Smith	Deputy Hugh Morris
	Chris Boden	Benjamin Murphy
	Deputy Roger Chadwick	Susan Pearson
	Dominic Christian	William Pimlott
	Graeme Doshi-Smith	Deputy Henry Pollard
	Alderman Sir Peter Estlin	James de Sausmarez
	John Fletcher	John Scott
	Michael Hudson	Ian Seaton
	Deputy Wendy Hyde	Sir Michael Snyder
	Deputy Clare James	Deputy James Thomson
	Alderman Gregory Jones QC	Deputy Philip Woodhouse
	Alderman Alastair King	Deputy Catherine McGuinness (Ex-Officio Member)
	Gregory Lawrence	Simon Duckworth (Ex-Officio Member)
	Tim Levene	Deputy Tom Sleigh (Ex-Officio Member)
	Oliver Lodge	

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Accessing the Virtual Public Meeting

Members of the public can view the virtual public meeting at the link below:

https://youtu.be/WyMdJK_INcA

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the virtual meeting held on 19th May 2020.
For Decision
(Pages 1 - 6)
4. **APPOINTMENT TO PROCUREMENT SUB-COMMITTEE**
Report of the Town Clerk.
For Decision
(Pages 7 - 8)
5. **IMPACTS OF COVID -19 ON REVENUE BUDGETS AT PERIOD 2 2020-21**
Report of the Chamberlain.
For Information
(Pages 9 - 22)
6. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Report of the Town Clerk.
For Information
(Pages 23 - 24)
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **EXCLUSION OF THE PUBLIC**
MOTION - 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.
For Decision

Part 2 - Non-Public Agenda

10. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 19th May 2020.
For Decision
(Pages 25 - 28)
11. **INTEREST RATES FOR LOAN FACILITIES - REVIEW**
Report of the Chamberlain.
For Information
(Pages 29 - 32)

12. **BRIDGE HOUSE ESTATES STRATEGIC REVIEW - UPDATE FOUR**
Joint Report of The Town Clerk & Chief Executive and The Chief Grants Officer &
Director of City Bridge Trust.

For Information
(Pages 33 - 38)

13. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND
URGENCY PROCEDURES**
Report of the Town Clerk.

For Information
(Pages 39 - 40)

14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE
COMMITTEE**

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

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FINANCE COMMITTEE

Tuesday, 19 May 2020

Draft Public Minutes of the meeting of the Finance Committee held virtually on
Tuesday, 19 May 2020 at 1.45 pm

Present

Members:

Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy
Chairman)
Rehana Ameer
Randall Anderson
Nicholas Bensted-Smith
Chris Boden
Deputy Roger Chadwick
Graeme Doshi-Smith
John Fletcher
Michael Hudson
Deputy Wendy Hyde
Alderman Gregory Jones QC
Alderman Alastair King
Gregory Lawrence
Tim Levene
Oliver Lodge

Alderman Nicholas Lyons
Paul Martinelli
Andrew McMurtrie
Deputy Robert Merrett
Andrien Meyers
Deputy Hugh Morris
Benjamin Murphy
Susan Pearson
William Pimlott
Deputy Henry Pollard
James de Sausmarez
John Scott
Deputy James Thomson
Deputy Philip Woodhouse
Deputy Catherine McGuinness (Ex-Officio
Member)
Simon Duckworth (Ex-Officio Member)

Officers:

John Cater
Peter Kane
Bob Roberts
Caroline Al-Beyerty
Christopher Bell
Michael Cogher
Paul Wilkinson
Julie Smith
Phil Black
Julie Mayer
Luke Watkeys
Peter Young
Paul Wright
Devika Persaud

- Committee Clerk
- Chamberlain
- Director of Communications
- Chamberlain's Department
- Chamberlain's Department
- Comptroller and City Solicitor
- City Surveyor
- Chamberlain's Department
- Chamberlain's Department
- Town Clerk's Department
- Head of Human Resources – Museum of London
- City Surveyor's Department
- Remembrancer's Department
- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Alderman Sir Peter Estlin.

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

Paul Martinelli and John Scott declared non-pecuniary interests in respect of item 12 due to being governors of the Board of the Museum of London.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes of the meeting held on 18th February 2020 be approved as an accurate record

3A. **APPOINTMENTS TO SUB-COMMITTEES**

The Committee considered a Report of the Town Clerk concerning appointments to the Finance Committee's Sub-Committees.

RESOLVED – that the Committee approved the following appointments:

- James de Sausmarez is appointed Deputy Chairman of **Corporate Asset Sub-Committee**
- Alderman Sir Peter Estlin is appointed Deputy Chairman of **Digital Services Sub-Committee**
- The following Members are appointed to serve on **Corporate Asset Sub-Committee**:
Rehana Ameer
Andrien Meyers
Henry Pollard
- The following Members are appointed to serve on **Efficiency & Performance Sub-Committee**:
Roger Chadwick
Dominic Christian
James de Sausmarez
Alderman Sir Peter Estlin
Oliver Lodge
- In addition, Roger Chadwick is appointed to the **Procurement Sub-Committee** and the **Finance Grants Oversight & Performance Sub-Committee**

The Chairman thanked all those Members who had agreed to serve for the remainder of the 2019/20 civic year and thanked those individuals who were stepping down, namely, Nick Bensted-Smith, Wendy Hyde and Henry Pollard for their contributions to Corporate Asset Sub-Committee, Efficiency & Performance Sub-Committee and Finance Grants Oversight & Performance Sub-Committee respectively.

4. **CENTRAL CONTINGENCIES**

The Committee considered a report of the Chamberlain regarding the anticipated year-end position for the 2019/20 Contingencies, and an update on the uncommitted balances for the 2020/21 Contingencies.

RESOLVED – That the Committee agreed to carry forward sufficient resources of £617,002 to meet existing allocations and thereby provide a full year's Central Contingency for funding requirements that may arise during 2020/21.

The sum of £125,000 will be made available in 2020/21 for the National and International Disaster Fund.

5. 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(b). The decision related to the donations sourced from Finance Committee's International Disaster Relief Fund of a) £20,000 to the British Red Cross to assist its national response to the Covid-19 crisis, and b) 20,000 to Team Rubicon to assist its London wide response to Covid-19.

In response to a Member raising the prospect of providing a donation to the World Health Organisation, the Chairman stressed that given the ongoing health and economic impact caused by Covid-19, he was anticipating further calls on the International Disaster Relief Fund before long.

With the help of the Central Grants Unit (CGU), each request would be judged on its merits, with an emphasis on providing smaller donations to appeals closer to home. It was also important, in the event of further crises occurring, to ensure that monies were still available in the Fund throughout the whole of the financial year.

RESOLVED – That the Committee noted the report.

6. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The following item of urgent business was raised –

The Chamberlain confirmed that the Corporation had now provided £14.5 million of the original £14.7M Small Business Grants Fund (SBGF) allocation or 98.6%.

This represented 847 grant payments out of the original estimate of 900 or 94%. The Chamberlain's Department is continuing to process all grant payments within 48 hours of receipt of bank details - the remaining 6% represented firms which had yet to respond with these details.

The Chamberlain informed Members that the Parliamentary Under-Secretary of State for Small Business, Consumers and Labour Markets and Minister for

London, Paul Scully MP had, via a conference call with local government finance representatives on 16th May, thanked the Corporation for its efforts in distributing payments thus far.

Separately, the Chamberlain raised concerns about the outline plans for the Government's new Discretionary Scheme, namely, the size of the Corporation's potential fund compared to others, and the limited types of business that were currently planned to be eligible for funding.

8. **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.

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

The non-public minutes of the meeting held on 18th February were approved as an accurate record.

10. **BRIEFING 2 - FINANCIAL IMPACT OF COVID 19 ON 2020/21 AS AT MONTH END OF APRIL 2020**

The Committee received a Report of the Chamberlain concerning the impact of Covid-19 on the Corporation's finances in 2020/21 (as at month end of April 2020).

RESOLVED – That the Committee noted the Report.

11. **BISHOPSGATE - POLICE STATION, 21 NEW STREET, 6-7 COCK HILL AND 2- 8 VICTORIA AVENUE - FUTURE DISPOSAL AND OPTIONS FOR CONTINUED OCCUPATION BEYOND MARCH 2025**

This paper was withdrawn.

12. **PAY AWARD AT THE MUSEUM OF LONDON (MOL)**

The Committee considered a Report of the Director of the Museum of London concerning the MoL's annual pay award.

13. **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.

14. **APPENDICES FOR ITEM 4 - CENTRAL CONTINGENCIES**

Non-Public Appendices for ITEM 4 - Central Contingencies

15. **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.

16. **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.

The meeting ended at 3.10 pm

Chairman

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Committees:	Date:
Finance Committee	23 June 2020
Subject: Appointment to Procurement Sub-Committee	Public
Report of: Town Clerk	For Decision
Report author: John Cater, Town Clerk's Department	

Summary

At the May meeting of the Finance Committee, several new appointments to the Finance Committee's Sub-Committees were agreed. After the meeting, the Town Clerk became aware of Deputy Philip Woodhouse's interest in serving on the Procurement Sub-Committee. Approval is now sought from the Finance Committee to confirm this appointment.

Recommendations

Members are asked to agree that **Deputy Philip Woodhouse is** appointed to the Procurement Sub Committee for the remainder of the 2019/20 civic year.

John Cater

Town Clerk's Department

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Committee:	Dated
Finance Committee	23 rd June 2020
Subject: Impacts of COVID -19 on Revenue Budgets at Period 2 2020-21	Public
Report of: Chamberlain	For Information
Report author: Laura Yeo, Senior Accountant, Financial Services Division	

Summary

A full budget monitoring exercise has taken place with all Chief Officers asked to provide year end forecasts estimating the impact of COVID-19 on their 2020/21 budgets. Early estimates for services most impacted by loss of income and increased expenditure were reported to your Committee on 19th May and indicated a monthly net of loss at the end of April of some £5.0m with potential year end net overspend of between £50m and £70m when taking into account potential loss from rents. It was therefore important to undertake a full budget monitoring exercise at the earliest opportunity to gain a better estimate of the impact across all departments.

The estimated overall forecast year-end overspend across all the funds is an improved position of £30.4m (average £3m per month across the year). This comprises an adverse variance of £21.6m (9%) on Chief Officer Cash Limited Budgets mainly on City Fund, and an adverse variance of £8.8m (20%) on Central Risk Budgets excluding The City Bridge Trust (CBT) grant giving and London Community Response Fund (LCRF) advance commitments.

Chief Officer Cash Limited Budgets

The year-end forecast for Chief Officer Cash Limited Budgets is an overspend of £21.6m against the latest approved budget of £243.8m. This includes significant forecast overspends for the Barbican Centre (£13.3m) and Open Spaces (£5.0m). This is partially offset by the underspend for the City of London Police (CoLP) (£4.0m).

Central Risk Budgets

At Period 2 the year-end Central Risk Budgets are forecast to be £8.8m worse than the latest approved budget of £44.6m. The forecast excludes CBT grant giving and LCRF advance commitments.

Fund Position

The overall (Local and Central Risk) forecast year-end position is £30.4m worse than budget, with Guildhall Administration apportioned across the three funds gives adverse positions of £20.8m on City Fund, £5.6m on City's Cash and £4.0m on Bridge House Estates.

Recommendation

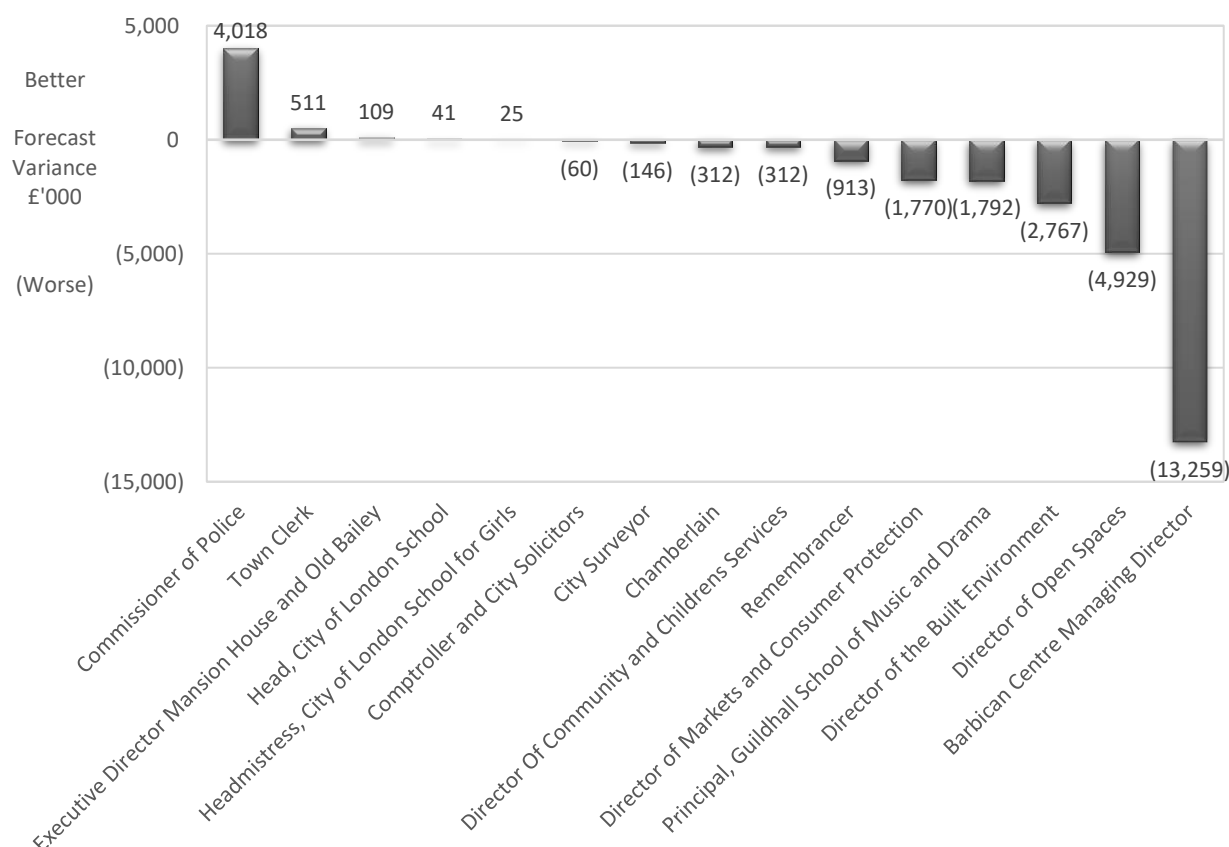
Members are asked:

- i. to note the report.

Main Report

Chief Officer Cash Limited Budgets

1. A full budget monitoring exercise has taken place with all Chief officers asked to provide their year-end forecasts and take account of the following: -
 - Firm up on the estimated direct COVID-19 net impact on your 2020/21 budget arising from lost income or additional costs. Including their best estimates, based on what we know now, of the continuing impact in the next financial year and possibly beyond. Where this is uncertain provide a range of impacts i.e. best/ most likely/ worst case.
 - Any indirect cost impacts, arising from cost saving initiatives that it has not been possible to progress due to COVID-19, and any 'windfall' savings that have emerged or are likely to emerge, as a result of activity not happening or delayed recruitment, for example
 - Any additional savings that can be identified from stopping or reducing discretionary spend during the remaining part of the year to help address the significant overall emerging deficit. Also, to flag any income opportunities that might be possible to take forward in the current climate, recognising that the prospects are likely to be limited.
2. The year-end forecast is an overspend of £21.6m against the latest approved budget of £243.8m. Chief Officer variances against net local risk budgets are shown in the below chart and in Appendix 1 by Fund.



3. The forecast position comprises an adverse variance of £42.4m on budgeted income of £288.8m, partially offset by a favourable variance of £20.8m on budgeted expenditure of £532.6m. Appendix 2 provides income and expenditure budget variances by Chief Officer.
4. Note there is very little change to the departments most hit by income reduction.
5. The Barbican Centre are forecasting an adverse variance of £13.3m at year end. This comprises a shortfall of £22.4m on income due to the centre being closed following the effect of Covid-19, in addition to limited activity being forecast for the remainder of the financial year due to social distancing measures. This is partially offset by expenditure savings of £9.1m due to activity reductions as well as a hold on all non-essential expenditure.
6. Open Spaces is forecast to be overspent by £5.0m due to reduced income from the ongoing pandemic. This comprises losses from closed attractions and facilities, shortfalls in rental income and reductions in projects that are being delivered in the City.
7. The Built Environment had budgetary pressures before COVID-19. Their forecast overspend of £2.8m includes an overspend carry forward of £236k. Their projected loss has further significant impacts due to COVID-19 on income streams across the department, most significantly within off-street parking, traffic management, public conveniences and building control services,

together with a reduction in income from staff recharges to capital projects, also due to COVID-19.

8. Guildhall School of Music and Drama is forecast to be £1.8m worse than budget. Forecast changes to date reflect latest estimates for lost income as a result of cancelled programmes and activities due to Covid-19. It also includes a number of currently vacant posts that are likely to be removed pending further review in the coming months, along with additional costs incurred as a result of Covid-19.
9. The majority of the adverse forecast in Markets and Consumer Protection relates to a substantial decrease in income generation from Heathrow Animal Reception Centre, which has resulted in a projected overspend of £1.8m. Additionally, there has been loss of income from car parking at Smithfield Market Rotunda and not charging business rates to Smithfield Market tenants, and costs related to additional staff at the Ports for Brexit preparations
10. Remembrancer is also overspent by £0.9m due to no private event hire at Guildhall since the start of the financial year. No events are likely until at least late autumn. 3 of the 4 most lucrative months in the year - May, June, September and November - will achieve nil or very nearly nil income.
11. CoLP are forecasting an underspend of £4.0m by the end of the year. This is primarily due to a pay underspend of £7.6m , based on current workforce and recruitment plans. CoLP are also able to claim losses as a result of COVID-19 from the Home Office as part of the 'ring-fenced £1.2m uplift grant'.
12. Whilst there are some forecast underspends on local risk budgets e.g. within Town Clerks (Innovation and Growth £200k), there has not been any significant 'windfall' sums identified that can be offered up from within the departments local risk budgets towards the forecast deficit.

Central Risk Budgets

13. At Period 2 the forecast for Central Risk Budgets is an adverse variance of £8.8m against the latest approved budget of £44.6m. This figure excludes CBT grant giving advance commitments (£36.6m) and London Community Response Fund commitments (£7.8m).
14. This comprises an adverse variance of £15.9m against budgeted income of £256.3m, partially offset by a favourable variance of £7.1m against budgeted expenditure of £211.7m. The key budget areas are addressed in the following paragraphs.

Corporate Income Budgets

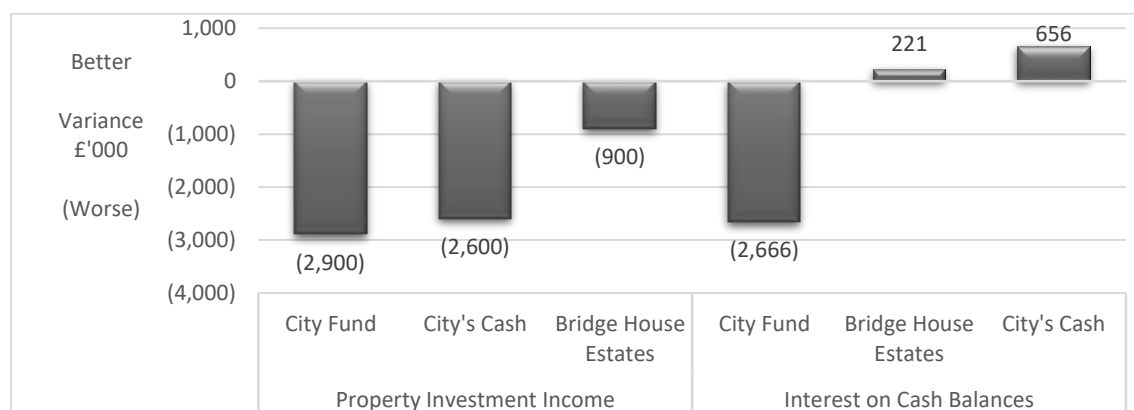
15. Property Investment income at Period 2 is forecast to be £6.4m worse than budget of £136.1m and comprises:

- City Fund £2.9m adverse – Due to COVID-19 assessment of tenant rent frees and rent deferrals (£1.4m), a further provision for rent and lease expiries for strategic micro businesses (£0.5m), and assumption that the stretch rent target (£1.0m) will not be met.
- City's Cash £2.6m adverse – Due to COVID-19 assessment of tenant rent frees and rent deferrals (£2.1m) and assumption that the stretch rent target (£0.5m) will not be met.
- Bridge House Estates £0.9m adverse – Due to COVID-19 assessment of tenant rent frees and rent deferrals (£0.8m) plus an allowance for a further rent free for serviced office provider at 23 Finsbury (£0.1m).

These figures come with a big health warning and forecasts will be revised at the end of the June quarter.

16. Interest on cash balances in money market funds are anticipated to be £1.8m below budget of £8.3m at year-end. Elements of the forecast are subject to a lot of uncertainty, principally around the likely direction of interest rates but also over cash balances. At the moment, it is assumed, in line with our treasury advisors, that Bank of England's base rate will stay at 0.10% for the remainder of the year and that our returns will gradually gravitate towards that level over the course of 20/21. It is at least possible that rates could be reduced to zero or go negative in the coming months as the economic damage of Covid-19 is revealed or in the event of a second wave and a fresh attempt at monetary support is required. Naturally, this would reduce interest income even further.

17. Property Investment Income and Interest on Cash Balances variances against net local risk budgets are shown in the below chart.



The City Bridge Trust Grants Budget

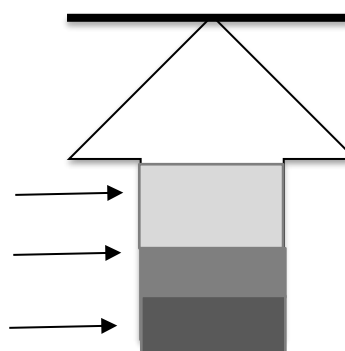
18. An additional £25m was approved under the Bridging Divides programme bringing the total sum approved to £125m over 5 years. In March 2020, Court also approved £200m (from BHE free reserves) to be disbursed as Main Grants. CBT are forecasting to commit £62.5m by the end of March 2021, £45m of this from the new £200m and the balance from the existing £125m Bridging Divides programme.
19. Within the original budget for 20/21, CBT included £26.2m under its Bridging Divides programme for in-year grant commitments. This amount now stands at £23.5m due to additional commitments having already been made in the latter months of 2019/20 from this 5-year funding programme.
20. Of the £200m unrestricted income funds held in reserves that were allocated to CBT by Court in March 2020, the latest forecast is to commit approx. £45m of these during 2020/21. These amounts are not included in the original 20/21 budget.
21. Following the Covid-19 pandemic, a total of £7.6m has been donated to BHE for the London Community Response Fund (LCRF), a restricted fund within BHE. In addition to this, CBT has redirected £6m of the allocation under its Bridging Divides programme to the LCRF, giving a total £13.6m for this programme. £1.8m of this income was received in late 2019/20, so is held in the year-end reserves awaiting spend in 20/21. The LCRF will therefore have £7.5m of new grant commitments within 20/21 expenditure, that have been excluded from the Central Risk Budget. At present the regular funding programmes operated by CBT have been 'paused' for a few months to enable staff to focus on the LCRF. Due to this, resources are being redirected where possible, however some additional costs are required within the forecast (such as staffing & legal fees) to administer these additional funds.

**Total £125m over 5 years plus
additional £200m**

2020-21: Forecast £62.5m

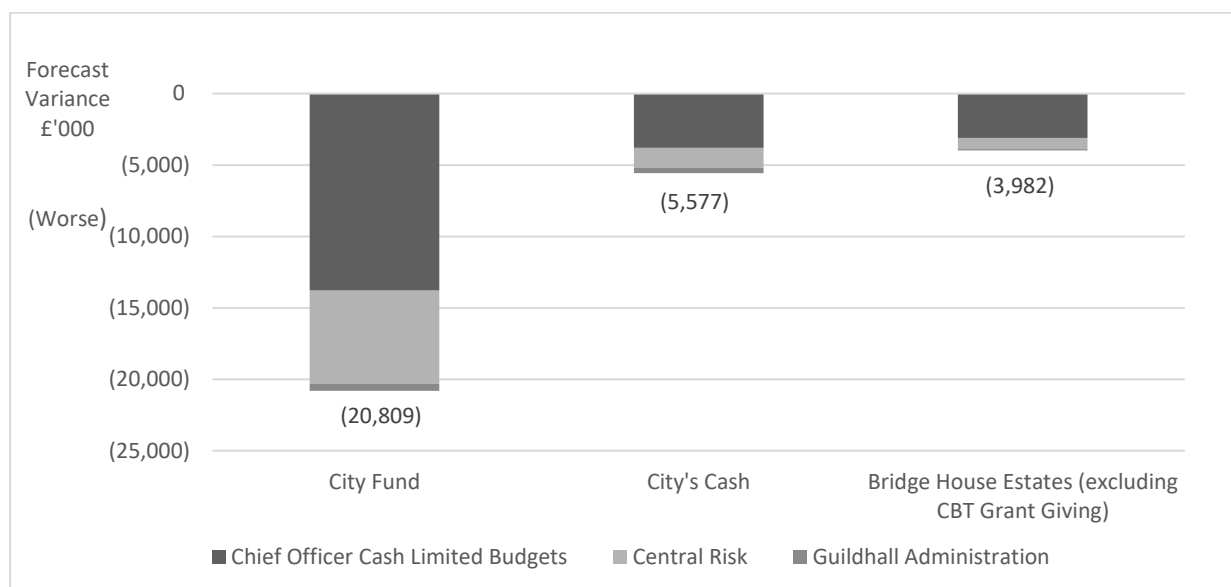
2019-20: Outturn £29.4m

2018-19: Outturn £20.3m



Fund Position

22. The overall (Local and Central Risk) forecast year-end position is £30.4m worse than budget, with Guildhall Administration apportioned across the three funds gives adverse positions of £20.8m on City Fund, £5.6m on City's Cash and £4.0m on Bridge House Estates.



Business Rates

23. For Business Rates, the impact on non-payment due to COVID-19 will not hit our budgets until 2021/22. The Collection rate is down by 12% compared to our original estimate of 40%.
24. There could be an impact on business rate premium in this financial year, with the worst-case scenario of a reduction in income of £1.5m.

Conclusion

25. Members are asked to note the Period 2 forecast year-end position of £30.4m worse than budget position comprising adverse variances of £21.6m on Chief Officer Cash Limited Budgets and £8.8m on Central Risk Budgets. This is an improved position on earlier forecasts of between £50m and £70m.

Background Papers

Briefing 2 – Financial impact of COVID 19 on 2020/21 at month end of April 2020:
Finance Committee – Non-Public on 19th May 2020

Appendices

- Appendix 1: Chief Officers Cash Limited Budgets by Fund
- Appendix 2: Chief Officers Cash Limited Budgets – Income and Expenditure Budget Variances

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Group Accountant

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Revenue Budget Monitoring Period 2 2020/21 – Appendices

Appendix 1

Chief Officer Cash Limited Budgets by Fund					
Original Budget £'000	Chief Officer	Full Year Forecast as at 31 May 2020			
		Latest Budget £'000	Forecast £'000	Variance Better / (Worse)	
				£'000	%
	City Fund				
(1,755)	Chamberlain	(1,755)	(1,644)	111	6%
(5,117)	City Surveyor	(5,240)	(5,124)	116	2%
(11,168)	Director of Community and Children's Services	(12,320)	(12,672)	(352)	(3%)
(2,199)	Director of Markets and Consumer Protection	(2,199)	(3,770)	(1,571)	(71%)
564	Director of Open Spaces	564	527	(37)	(7%)
(20,196)	Director of the Built Environment	(20,196)	(22,963)	(2,767)	(14%)
(402)	Executive Director Mansion House and Old Bailey	(402)	(531)	(129)	(32%)
(17,165)	Managing Director, Barbican Centre	(17,389)	(30,647)	(13,259)	(76%)
(15,065)	Town Clerk	(15,065)	(14,995)	70	0%
(72,503)	Total City Fund (excluding Police)	(74,002)	(91,820)	(17,818)	(24%)
	City's Cash				0%
(99)	Chamberlain	(99)	(187)	(88)	(88%)
(16,228)	City Surveyor	(16,103)	(16,810)	(707)	(4%)
(1,052)	Director of Community and Children's Services	(1,052)	(1,012)	40	4%
(1,365)	Director of Markets and Consumer Protection	(1,365)	(1,564)	(199)	(15%)
(11,822)	Director of Open Spaces	(11,852)	(13,279)	(1,427)	(12%)
(3,334)	Executive Director Mansion House and Old Bailey	(3,334)	(3,096)	238	7%
(1,217)	Head, City of London Boy's School	(1,217)	(1,176)	41	3%
118	Headmaster, City of London Freeman's School	118	118	0	0%
(275)	Headmistress, City of London School for Girls	(275)	(250)	25	9%
(6,799)	Principal, Guildhall School of Music and Drama	(7,335)	(9,127)	(1,792)	(24%)
(1,391)	Remembrancer	(1,391)	(1,342)	49	4%
(215)	Town Clerk	(177)	(164)	13	7%
(43,679)	Total City's Cash	(44,082)	(47,888)	(3,806)	(9%)
	Bridge House Estates				0%
(45)	Chamberlain	(45)	(45)	0	0%
(2,703)	City Surveyor	(2,703)	(2,703)	0	0%
(243)	Director of Open Spaces	(243)	(3,708)	(3,465)	(1,426%)
(275)	Director of the Built Environment	(275)	(275)	0	0%
(2,920)	Town Clerk	(3,125)	(2,775)	350	11%
(6,186)	Total Bridge House Estates	(6,391)	(9,505)	(3,114)	(49%)
	Guildhall Administration				0%
(22,165)	Chamberlain	(22,099)	(22,435)	(336)	(2%)
(8,666)	City Surveyor	(8,686)	(8,241)	445	5%
(845)	Comptroller and City Solicitor	(845)	(905)	(60)	(7%)
274	Remembrancer	274	(689)	(963)	(351%)
(6,536)	Town Clerk	(6,559)	(6,481)	78	1%
(37,938)	Total Guildhall Administration	(37,915)	(38,751)	(836)	(2%)
(160,306)	Grand Total (excluding Police)	(162,390)	(187,964)	(25,574)	(16%)
(81,447)	Commissioner of Police (City Fund)	(81,447)	(77,429)	4,018	5%
(241,753)	Grand Total	(243,837)	(265,393)	(21,556)	(9%)

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Barbican Center Managing Director	(45,105)	(36,001)	9,104	20%	Expenditure savings are due to activity reductions as well as a hold on all non-essential expenditure.
	27,716	5,353	(22,363)	(81%)	The loss of income forecast is due to the centre closure following the effect of Covid-19 in addition to limited activity being forecast for the remainder of the financial year due to social distancing measures.
Chamberlain	(24,914)	(25,023)	(109)	(0%)	Overspends due to consultants fees for software changes, staffing contracts, CHB hardware and IT. Partly offset by underspends on a variety of equipment, stationery, postage costs and savings from vacancies
	916	713	(203)	(22%)	Reduction in court cost income as a result of recovery suspension. Underachievement on income due to reduction in Freedom ceremonies for 9 months. Assume that Freedoms return to normal levels in January 2021. Underachievement of the fundamental review increase, as not able to introduce until Freedom resumes in person and zero merchandising income for 9 months. A portion of Fundamental Review income now will not be achieved due to Covid-19, largely offset by royalty payment.
City Surveyor	(46,387)	(45,697)	690	1%	Saving on Walbrook Wharf and Magistrates Court running costs due properties unoccupied during the Covid-19 pandemic. Saving offset by reduced income through service charge. City Fund and City's Cash Investment Estates are anticipated at present to be broadly on target for year end. This will depend on any significant tenant failures during the present pandemic. Variance includes the carry-forward from 2019/20 of £320k departmental overspend. The balance is due to an anticipated overspend on departmental salaries as Fundamental Review savings have not been realised as planned due to delay in producing the City's Target Operating Model. Substantial savings made on Guildhall running costs, principally energy and security (overtime and agency) due to the building being empty during the Covid19 pandemic. These savings are part off set by cost anticipated for required works to the building to make it Covid-19 compliant to allow staff to return.
	13,655	12,819	(836)	(6%)	Principally reduced income from Magistrates Court and Walbrook Wharf as a consequence of lower spend as these costs are recoverable through Government grant and service charge respectively. Reduced professional fee income anticipated due to a lower number of property deals in the current Covid-19 pandemic. Reduced income anticipated principally in respect of recovery of security and other staff costs relating to Guildhall from external events. This is due to cancellation of these events in the current pandemic.
Commissioner of Police	(153,577)	(147,706)	5,871	4%	A pay underspend of £7.6m was predicted at the last SWP meeting based on current workforce and recruitment plans. This position has been reviewed and revised based on an escalated recruitment process and a number of new appointments made recently. We have also revised the projected attrition levels due to COVID19, assuming there will be no leavers during the financial year.
	72,130	70,277	(1,853)	(3%)	Police services have remained as business as usual during COVID19, there have been no other variances in income and expenditure to date. It should be noted that there might be some reductions in grants, e.g. the TFL grant, however, it is too early to predict. Challenging saving target of £5.7m are expected to be achieved. COVID pressures exist for CoLP, however, we are able to claim losses from the Home Office as part of the 'ring-fenced £1.2m uplift grant'. Wood Street and New Street costs for 20/21 will have to be managed and accommodated within existing budgets, including the significant delay in closure of Wood Street.

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Comptroller and City Solicitors	(4,717)	(4,717)	0	0%	No Variance
	3,872	3,812	(60)	(2%)	External income levels through the start of the year are down from 19/20. What will happen to the commercial property sector when lockdown is eased is open to conjecture, some predict increased home working with reduced requirement for office space though others predict continued demand due to personal distancing within offices. As a result there is an expected under recovery of income of expected. Internal Income is due to be on target.
Director of Community and Childrens Services	(32,313)	(32,796)	(483)	(1%)	Barbican Residential: Additional expenditure on security equipment & fan replacements. Staff shielding equipment required, additional PE & cleaning materials are required. Libraries: Assumption is the libraries will reopen in October. Premises and transport costs to be reduced by 75% whilst closed. Supplies & Services to save around £2100 per month. Largest spend is on books, which is currently going into buying e-books. DCCS: Largest pressure is on Rough sleepers and Homelessness budget. C-19 costs (not business as usual) included until December at an estimated cost of £1.3m. If it is agreed to continue with the current level of support, it is anticipated that the 4th QTR cost will be £350k bringing total C-19 costs to approx. £1.7m for the year. The adult and social care budget is anticipating an underspend based on the current level of clients however a small change in client numbers can have a major impact on the budget.
	18,941	19,112	171	1%	Income levels estimated to be around 30% once services reopen. Worst case is 0-10% income, best case is around 50%. For this exercise the medium case has been chosen. Barbican Residential: Micro commercial (Bright Horizons Nursery, St Pancras Medical Centre) income has been adversely impacted due to Covid19, also a major renter Virgin has requested to surrender a property which will adversely affect income. Income for the stores/car park has increased due to increased occupancy.
Director of Markets and Consumer Protection	(25,281)	(25,553)	(272)	(1%)	The forecast overspend is mainly due to costs of additional staff at the Ports for Brexit preparations, partly offset by vacancies and reduced casual staff and overtime use at Heathrow Animal Reception Centre (HARC) and Spitalfields Market. In addition, extra costs have been incurred in relation to COVID-19 for adaptations to HARC facilities to meet social distancing requirements.
	21,717	20,219	(1,498)	(7%)	The forecast overspend mainly reflects the impact of COVID-19 on income generation across services, principally at Heathrow Animal Reception Centre which is currently forecasting a shortfall of £1.5m, partly offset by an increase in transfers from reserves (Products of Animal Origin) to meet the cost of additional staff at the Ports for Brexit preparations. The overspend also includes loss of car parking income at Smithfield Market Rotunda as a result of COVID-19. In addition, the forecast assumes that a loss of income from not charging business rates to Smithfield Market tenants will be met by a combination of carry-forward and central COVID pot funding; if those are not agreed, the overspend will increase by £303k from the figure currently reported. Further losses will be incurred if the proposal to offer rent-free periods to qualifying tenants is approved - these cannot yet be quantified.

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Director of Open Spaces	(29,293)	(26,695)	2,598	9%	<p>Cemetery forecast overspend as the Superintendent expects that the last few months will have an affect on fuel costs (gas oil and diesel). The service has hired a dumper to assist with grave digging, extra staff on the gate to cover staff being moved elsew here and the cost of temp staff covering vacant posts as well as summer work will all increase expenditure.</p> <p>OSD City Gardens forecast underspend due to unfilled vacant posts.</p> <p>Keats House - could realise savings. The house may open in July. Casuals may be required to assist with supporting visits.</p> <p>Keats 200 programme will be taking place, but there may be more digital content. Monument - current savings largely due to a full reduction in rates based on continued closure. Potential for staffing costs to be reallocated to Tower Bridge being investigated by the Management Team with support from the Charities Team.</p> <p>OSD The forecast underspend is mainly due to staff vacancies across the department, reduction in premises and transport expenses, buying less stock for retail, and expenditure on repairs , maintenance and improvement is forecast to be lower than the original budget.</p> <p>Tower Bridge Tourism is forecasting savings of around £1.9m based on a September opening, although it is hoped the attraction may reopen in July. There are significant cuts to minor works budgets (content development and visitor improvement projects) originally planned for Q3&4. Savings are partly offset by anticipated equipment spend related to C-19 measures (PPE, perspex etc). Smaller savings expected on the Operational side as this budget relates to the organisation's statutory obligation for raising Tower Bridge, associated maintenance and 24/7 Security provision with ref to the Bridge as a Tier 1 NaCTSO site. These critical functions have been maintained throughout the crisis, with a moderate reduction in forecast expenditure due to equipment and improvement works stood-down or delayed in order to focus on critical services.</p>
	17,762	10,234	(7,528)	(42%)	<p>Cemetery forecast is above target. There has been a huge peak for the first 3 months of the year and the busy spell is likely to continue until the end of June. However, the peak has been in burial and cremation income but is slightly clouded by little or no income from other income streams (Book of Remembrance, Garden Memorials and so on). The Coronavirus and lockdown is likely to have a lasting negative affect on these income areas and it is also likely that funeral numbers will drop away significantly. This will be compounded by the replacement of cremators.</p> <p>OSD City Gardens forecast a total loss of income from events and filming , reduction in Section 106 and reduction in project income. There is an overall reduction in projects that are being delivered in the City due to Covid-19.</p> <p>Keats House - income shortfall expected. Reasons being rental losses as 1st quarter deferred, 2nd free and deferred quarter 3 and 4. Other income reductions based on lower capacity for visitor numbers with fewer events and hire charges. Assumes a July reopening.</p> <p>Monument - No income expected in 2020/21 resulting in a loss of around £643K</p> <p>Open Spaces - £2M variance arising due to the ongoing pandemic. OSD anticipating loss of income from donations, filming, car parking charges, cancelled sports event and weddings, closed swimming facilities at Hampstead Heath, tuition fees (Learning Team), from retail at View and Caddie House. Reduction in Government Grant at Epping Forest as per advise to match amount spent. Shortfall on rental income also anticipated - 1st quarter deferred, 2nd free, assumption of reduced payments 3rd and 4th quarters.</p> <p>Tower Bridge Tourism - assumptions based on a September reopening. Figures inclusive of Estimated Income for Admissions; Filming; Corporate Events - admissions based on operational capacity to ensure social distancing (14% of normal capacity Sept-Dec and 20% thereafter)</p>
Director of the Built Environment	(36,771)	(36,389)	382	1%	<p>The forecast underspend is mainly due to a reduction in the contract cost for parking enforcement as a result of COVID-19, staff vacancies across the department, and savings from early removal of Automatic Public Conveniences, partly offset by an carry-forward overspend from 2019/20, unidentified savings yet to be allocated, and the cost of the Tulip planning inquiry.</p>
	16,300	13,151	(3,149)	(19%)	<p>The forecast overspend is due to the significant impact of COVID-19 on income streams across the department, most significantly within off-street parking, traffic management, public conveniences and building control services, together with a reduction in income from staff recharges to capital projects, also due to COVID-19.</p>

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Executive Director Mansion House and Old Bailey	(8,251)	(7,635)	616	7%	There is expected to be a significant cost saving against the Lord Mayor's travel budget as no travel has happened so far in this financial year and at present no trips are booked for the remainder of the year, approx. £400k could be saved against this budget. Staffing underspends on overtime are also anticipated as no events have taken place or are currently planned. The forecast assumes that events in some form will be able to take place from January 2020. Savings have also been anticipated on the running costs of Mansion House as this has been closed since the end of March. The Central Criminal Court is still being used as an operating court. Additional costs are being incurred for PPE for staff and cleaning. A proportion of these costs will be charged back to HMCTS at year end.
	4,515	4,008	(507)	(11%)	Event income at Mansion House is approximately £500k per year. No events have taken place so far this year. The forecast anticipates that events in some form will take place from January onwards.
Head of the Boys School	(22,321)	(20,765)	1,556	7%	Msc potential savings identified to help respond to the ongoing pandemic: £602k. The transfer to the Capital Reserve Fund in 2020/21 has also been reduced by £914k due to the available funding.
	21,104	19,589	(1,515)	(7%)	Variances arising due to the ongoing pandemic: A 10% discount on tuition fees was offered to parents in the Summer term 2020: £597k; Delay fee increase by a year to September 2021: £539k; 5% proposed discount on tuition fees in Autumn 2020: £300k; Bad debts estimated in 2020/21: £80k.
Headmaster of City of London Freemans School	(19,996)	(19,558)	438	2%	Non-recurrent savings anticipated in the Summer term totalling £330k. In addition, the recruitment freeze is anticipated to save £189k.
	20,114	19,676	(438)	(2%)	Variances arising due to the ongoing pandemic: TUITION FEES 1. Summer fee discount of 20% on tuition fees £1,043k. 2. Annual Fee increase deferral to September 2021 £772k. 3. Bad debts of £762k have been estimated for this financial year consisting of 10% bad debts in the Summer term only and £350k in the remaining two terms. 4. £505k due to the proposed 10% discount on tuition fees in Autumn. 5. Reduction in anticipated pupil numbers from September 2020 from 910 to 885 reducing anticipated income by £269k. BOARDING FEES 1. £221k loss of income in the Summer term due to the closure of the boarding house 2. £64k as no international pupils are anticipated in the Autumn term 3. £51k due to the proposal to delay the fee increase until September 2021. 4. £19k due to the proposed 10% discount on boarding fees in the Autumn term. The transfer from the General Reserve Fund to revenue has increased by £3,194k to partly offset the above variances (which will result in this reserve becoming overdrawn). Please note that there are variances on both the expenditure and income rows relating to repairs and maintenance.
Headmistress of City of London School for Girls	(16,988)	(16,296)	692	4%	£244k of potential savings identified to help respond to the ongoing pandemic. Expenditure on repairs, maintenance and improvement is forecast to be £214k lower than the original budget. The full, planned works may not take place due to supply chain issues and contractors being unable to carry out works in the limited time available. In addition, the transfers to reserves have been reviewed given the available funding and reduced in total by £229k.
	16,713	16,046	(667)	(4%)	Variances arising due to the ongoing pandemic: TUITION FEES - 10% discount in the Summer term 2020, £477k Delay fee increase by a year to September 2021, £447k 5% proposed discount in Autumn 2020, £242k Bad debts anticipated in 2020/21, £24k Partly offset by an increase in anticipated pupil numbers in September 2020 from 735 to 755, -£257k Reduced contribution from RM&I fund £214k (see above) Partly offset by a transfer from reserves to revenue -£479k.

Chief Officer Cash Limited Budgets - Income and Expenditure Variances					
	Latest Gross Income / (Expenditure) Budgets £'000	Forecast Income / (Expenditure) £'000	Variance Better / (Worse) £'000 %		Cause / Action
Principal Guildhall School of Music and Drama	(35,363)	(36,364)	(1,001)	(3%)	The forecast for staffing includes a number of currently vacant posts that are likely to be removed pending further review in the coming months, along with additional costs incurred as a result of Covid-19.
	28,028	27,238	(790)	(3%)	Forecast changes to date reflect latest estimates for lost income as a result of cancelled programmes and activities due to Covid-19
Remembrancer	(2,901)	(2,443)	458	16%	Due to the impact of not being able to host any events at the Guildhall from the beginning of the financial year until assuming late Autumn, there will be significant cost savings associated with not hosting these events including staff time, equipment hire, printing and advertising.
	1,784	413	(1,371)	(77%)	No private event hire at Guildhall has taken place since the start of the financial year and is unlikely to take place until at least late autumn. An additional impact is that 3 of the 4 most lucrative months in the year - May, June, September and November will achieve nil or very nearly nil income.
Town Clerk	(28,459)	(28,127)	332	1%	Community, Safety & resilience - Currently there are costs which are overinflating the expenditure to be claimed back from government grants. Communications - Cityview costs of £34k currently have no budget this will be met through underspends. Innovation & Growth - Fundamental review items will be delivered. 70% of budget is staff costs; recruitment is completed to new roles. No under/over spends relating to recruitment unless staff leave. Currently underspends are not expected due to Fundamental review items reducing the budget, other than potential £200k savings relating to travel and potential savings occurring in the events space. Culture Mile - Saving post-Covid are relatively limited as we have piloted the model and continued our work with an emphasis toward local communities. A 'windfall saving' of £11,250 due to delayed recruitment of a Marketing Campaigns Manager at the Museum (now likely to be a Communities Marketing Officer). Culture: Guildhall Art Gallery - £103k savings from acquisitions, conservation, marketing and professional fees. However, also incorporates £55.5k of Covid-19 related costs, (additional cleaning and infrastructure costs). Visitor Services - Commercial Business Manager at £84k was not appointed (part of FR - so income target lost too) due to no likelihood of the post raising money in the current climate. City Information Centre - assumed to remain closed for whole of 20/21. Forecast includes £19 cost for security (while closed) charge of £1017 per month, whilst other areas such as Cash collection, visitor research, books, catering and uniforms remain at zero. In addition £14K of savings on casuals after 12 weeks of payments. Fundamental Review items – CTSP team: once the reserve figure is taken into account (93k) there is only £42k of savings left to make, which are achievable. Other FR savings are achievable this year as vacant post is not being recruited to. Salaries vacancies will go towards the unidentified savings so no current savings expected. Graduate underspends anticipated of £78K as we are currently under employed.
	3,533	3,712	179	5%	Communications - Income will be down by £60k if trends continue until period 6. Culture: Guildhall & City Business Libraries - expected loss of income around £75K, mostly from room hire. Even once the libraries reopen it is felt companies may move to more online based training or "away days" and so not need to book rooms. LMA - has remained open and income losses have been smaller at around £38K. Guildhall Art Gallery - £27K loss of income predicted which includes some exhibition ticket sales with 5 weekend openings of The Enchanted Interior in August. Includes retail profit with reliance on online 'pay it forward' purchases June to August, and reflects reduced visitor capacity and limited opening hours when GAG re-opens. It is anticipated no school groups will book workshops. Income from loans sees a slight increase due to two international loans. Visitor Services £70K shortfall mainly due to the £60K income target for the Commercial Business Manager not realised as this post was not recruited, noting impossible to realise targets in current climate. CIC - assumes centre will remain closed throughout 20/21 resulting in a shortfall of £194K. Also includes non-CBT BHE charities finance staff cost and a variation cost in contract with Wembley National Stadium Trust
Total	(532,637)	(511,765)	20,872	4%	
	288,800	246,372	(42,428)	(15%)	
Grand Total	(243,837)	(265,393)	(21,556)	(9%)	

Committee:	Date:
Finance Committee	23 June 2020
Subject: Report of Action Taken – Public Decisions taken under Delegated Authority/Urgency procedures since the last formal meeting of the Committee	Public
Report of: Town Clerk	For Information
Report author: John Cater, Town Clerk's Department	

Summary

This report advises Members of urgent and/or delegated public 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 No. 41(a) and 41(b).

Recommendation

Members are asked to note the report.

Main report

1. Subject: Emergency Relief – St John Ambulance (Delegated Authority) – 1st June 2020

Background

St John Ambulance have reoriented its entire delivery to support the COVID-19 response effort and as a result, since the start of April 2020 has been delivering over 1,000 hours a day of clinical support in local communities nationwide supporting the NHS. St John Ambulance has worked tirelessly with its partners at NHS England to support a range of individual trusts and organisations across the country to deliver increased ambulance capacity and support hospital trusts responding effectively to COVID-19 challenges. The number of COVID-19 cases and deaths has had a major impact on NHS resources. The charity's role in responding to the needs of communities across the nation has never been more relevant or urgent.

The Charity's current financial position has been severely affected by COVID-19 due to a complete loss of its usual operating income from first aid training and event cover. Sustaining COVID-19 operations is very expensive, therefore any contribution is welcome to help St John Ambulance continue to provide more support and care to those at their most vulnerable during this pandemic and help to save even more lives.

RESOLVED – That approval was given to a £20,000 donation (sourced from Finance Committee's International Disasters Fund) to St John Ambulance to support the Charity in its response to the Coronavirus Pandemic.

Contact:

John Cater

Senior Committee and Member Services Manager, Town Clerk's Department
020 7332 1407

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