

FINANCE COMMITTEE

Tuesday, 3 May 2022

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 3 May 2022 at 1.45 pm

Present

Members:

Deputy Rehana Ameer	Elizabeth Anne King
Deputy Randall Anderson	Alderswoman Susan Langley
Shahnan Bakth	Gregory Lawrence
Emily Benn	Alderman Tim Levene
Nicholas Bensted-Smith	Paul Martinelli
James Bromiley-Davis	Deputy Andrien Meyers
Deputy Henry Colthurst	Deputy Brian Mooney
Alderman Professor Emma Edhem	Deputy Nighat Qureishi
Sophie Anne Fernandes	Paul Singh
Steve Goodman OBE	Tom Sleigh
Martha Grekos	Deputy Sir Michael Snyder
Deputy Madush Gupta	Deputy James Thomson
Deputy Ann Holmes	Deputy Philip Woodhouse
Alderman Robert Hughes-Penney	Catherine McGuinness (Ex-Officio Member)
Wendy Hyde	Deputy Christopher Hayward (Ex-Officio Member)

Officers:

John Cater	-
Bob Roberts	- Director of Communications
Caroline Al-Beyerty	- Chamberlain's Department
Emma Moore	- Chief Operating Officer
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Sonia Virdee	- Chamberlain's Department
Simon Owen	- Chamberlain's

1. APOLOGIES

Apologies for absence were received from Munsur Ali, Alderman Sir Peter Estlin, Eamonn Mullally, James Tumbridge, and Mark Wheatley.

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

There were no declarations of interest.

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

The Committee received the Order of the Court of Common Council from Thursday, 21st April 2022 appointing the Finance Committee until the first meeting of the Court in April 2023.

4. **ELECTION OF CHAIRMAN**

A list of Members who had expressed an interest in and were eligible to stand was read by the Town Clerk and Deputy Henry Colthurst and Deputy Andrien Meyers both expressed a willingness to serve.

A ballot was therefore necessary.

A ballot having been taken, votes were cast as follows:-

Deputy Henry Colthurst	-	16 votes
Deputy Andrien Meyers	-	13 votes

RESOLVED – That Deputy Henry Colthurst be elected Chairman in accordance with Standing Order 29 for the year ensuing.

On being elected, the Chairman thanked the Committee for its support and pledged to ensure that the Committee meets its vital responsibilities to the City Corporation as we navigate what will be challenging times ahead.

5. **ELECTION OF DEPUTY CHAIRMAN**

A list of Members who had expressed an interest in and were eligible to stand was read by the Town Clerk and Deputy Rehana Ameer, Deputy Randall Anderson, and Tom Sleigh all expressed a willingness to serve.

A ballot was therefore necessary.

A ballot having been taken, votes were cast as follows:-

Deputy Rehana Ameer	-	11
Deputy Randall Anderson	-	9
Tom Sleigh	-	9

(a clear majority of the vote was required for an outright win in this first round)

A run-off vote was therefore required to determine the Member who would enter the final ballot against Deputy Ameer.

The run-off ballot votes were cast as follows:-

Deputy Randall Anderson	-	16
Tom Sleigh	-	13

Subsequently, the votes for the final ballot, to determine the Deputy Chairman, were cast as follows:-

Deputy Rehana Ameer	-	14
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RESOLVED – That Deputy Randall Anderson be elected Deputy Chairman in accordance with Standing Order 30 for the year ensuing.

On being elected, the Deputy Chairman thanked the Committee for its support.

6. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes and non-public summary of the meeting held on 15th February be approved as an accurate record.

7. **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 2022/23, their composition and Terms of Reference, and the appointment of representatives to several other City Corporation positions.

At the Chairman's suggestion, the Committee agreed to reduce the minimum composition of the Efficiency & Performance Sub-Committee to six Members and to reduce its meeting frequency from six to four sessions annually.

The Chairman also proposed trialling an earlier start time for the Grand Committee of 12.45pm. This would, it was hoped, go some way to assisting many Members when planning the rest of their working day. A review would be undertaken at the September Finance Committee meeting to see if this new time should be made permanent.

RESOLVED - that the Committee:

Agreed the composition and Terms of Reference of the following Sub-Committees:

- Efficiency & Performance Sub-Committee
- Financial Investment Board (Joint with Policy & Resources Committee)
- Property Investment Board (Joint with Policy & Resources Committee)
- Operational Property & Projects Sub-Committee (Joint with Policy & Resources Committee)

Agreed that the Chairman and Deputy Chairman of the Grand Committee are appointed to the following Sub-Committees:

- Efficiency & Performance Sub-Committee
- Operational Property & Projects Sub-Committee

Agreed that the Chairman or Deputy Chairman, or their nominee from the Grand Committee are appointed to:

- Financial Investment Board
- Property Investment Board

Agreed to delegate to the Chairman and Deputy Chairman the appointment of the Chairman and Deputy Chairman of the Efficiency & Performance Sub-Committee.

Noted that the Chairman and Deputy Chairman of the following Sub-Committees are due to be elected from and by its Membership at their respective first meetings.

- Financial Investment Board
- Operational Property & Projects Sub-Committee
- Property Investment Board

Noted the appointment of the following members of other Committees to its Sub-Committees:

- Financial Investment Board (up to two Members of Policy & Resources Committee, up to two additional Members of the Court of Common Council and up to four External Members)
- Operational Property and Project Sub-Committee (up to four Members of Policy & Resources Committee and up to two additional Members of the Court of Common Council)
- Property Investment Board (up to two Members of Policy & Resources Committee, two additional Members of the Court of Common Council and up to four External Members.)

Agreed the appointment of Members to the following Sub-Committees:

- Efficiency & Performance Sub-Committee
 - **Nick Bensted-Smith**
 - **Deputy Philip Woodhouse**
- Financial Investment Board – 2 vacancies
 - **Shahnan Bakth**
 - **Nick Bensted-Smith**
- Operational Property & Projects Sub-Committee – 3 vacancies
 - **Paul Martinelli**
- Property Investment Board – 2 vacancies
 - **Martha Grekos**
 - **Paul Singh**

Agreed the appointments of representatives to the following Committees and Sub-Committees:

- Corporate Services (formerly Establishment) Committee - 1 vacancy
 - **Steve Goodman**
- Barbican Centre Board - 1 vacancy
 - **Ann Holmes**
- Streets and Walkways Sub (Planning & Transportation) Committee - 1 vacancy
 - **Paul Martinelli**

In addition to the Chairman and the Deputy Chairman, agreed the appointment of a representative for informal consultation with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances

- **Nick Bensted-Smith**

Noted that the Chairman and Deputy Chairman of the Finance Committee will be Members of the:

- Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee, Capital Buildings Board (Policy & Resources Committee),
- Civic Affairs Sub (Policy and Resources Committee) and:
- Resource Allocation Sub (Policy and Resources) Committee.

Noted that the Chairman and Deputy Chairman will be ex-officio Members of the following Committees and working parties:

- Policy & Resources Committee
- Audit and Risk Management Committee
- Digital Services Committee (or their nominee)

Noted that the Chairman (or his nominee) will be an ex-officio Member of the following Committees:

- Communications Sub Committee (Policy and Resources) Committee
- Resource, Risk & Estates (Police) Committee
- House Committee of the Guildhall Club
- Mayoral Visits Advisory Committee (Chairman only)

Agreed that the Committee should continue to meet “every fourth week on Tuesdays” with the exception of recess periods

8. **FINANCE COMMITTEE'S FORWARD PLAN**

The Committee received a Report of the Chamberlain outlining the Committee's workplan for the next several months.

RESOLVED – That the Committee noted the Report.

9. **RISK MANAGEMENT - MONTHLY QUARTERLY REPORT**

The Committee considered a Joint Report of the Chamberlain and the Chief Operating Officer which provided updates regarding the top risks within the Departmental Risk Register.

In response to a Member's request to explain the methodology of the risk scoring matrix, the Chairman asked the Chamberlain to come back to the Member after the meeting with the relevant information.

RESOLVED – That the Committee noted the Report.

10. **RENTAL INCOME AND BUSINESS RATE UPDATE**

The Committee received a Report of the Chamberlain concerning an update on rental income and Business Rates.

In response to a query concerning rental concessions, the City Surveyor confirmed that the City Corporation had entered into a number of turnover rents for twelve-month periods, and, whilst several of these had been extended recently, the majority were due to expire in the next 3 – 6 months. As the government mandated moratorium against taking enforcement action against tenants who were in arrears had expired, the City was now negotiating with a number of tenants in this position. The Surveyor added that he was uncomfortable with the overall level of arrears the City faced, and, in response to a request from the Chairman, would provide the Committee with an overview paper which detailed the schedule of arrears, once this had been considered by the Property Investment Board.

RESOLVED – that the Committee noted the Report.

11. WATER CHARGES REFUND

The Committee considered a Report of the Chamberlain concerning HRA water charges refunds.

RESOLVED – that the Committee endorsed a grant from City's Cash of £730,897 to the Housing Revenue Account in 2021-22.

12. CHAMBERLAIN'S DEPARTMENTAL BUSINESS PLAN END OF YEAR UPDATE

The Committee received a Report of the Chamberlain concerning the Chamberlain's Departmental Business Plan.

RESOLVED – that the Committee noted the Report.

13. INTEREST RATES FOR LOAN FACILITIES - ANNUAL REVIEW

The Committee considered a Report of the Chamberlain concerning the Corporation's loan facility arrangements to the institutional departments and third party bodies within the City of London Corporation 'family'.

RESOLVED – that the Committee approved:

- the interest rate for loan facilities for City's Cash should remain at 2.35%;
- the interest rate for loan facilities for City Fund should be the PWLB rate for the relevant tenure prevailing on the date the loan is agreed; and
- that these rates should be reviewed in 12 months' time .

14. CENTRAL CONTINGENCIES

The Committee received 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. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

The Committee received 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 Orders 41(a) and 41(b).

RESOLVED – That the Committee noted the Report.

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

Questions were raised as follows -

In response to a Member's request that development training sessions be set up, the Chamberlain informed the Committee that several training opportunities were available, notably in conjunction with the Chartered Institute of Public Finance and Accountancy (CIPFA) and that she would speak to the Chairman after the meeting to discuss options. The Chairman added that he would like to introduce "open door surgery sessions for Members on a weekly basis, where Members could meet the Chamberlain and the Chairman in a more informal setting to raise questions and discuss relevant issues. Further details would be provided by the Committee Clerk in due course.

Separately, in response to the need for a stand-alone section on value-for-money and benefits realisation within Committee Reports, the Chairman stressed that where possible, Reports should give this prominence, and, officers, in general, should be focussing on value-for-money as a core priority.

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

The following items of urgent business were raised –

Or

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.

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

RESOLVED – That the non-public minutes of the meeting held on 15th February be approved as an accurate record.

20. **EXTENSION OF SECURITY SERVICES CONTRACT**

The Committee considered a Report of the Chief Operating Officer concerning the procurement strategy to extend the existing security services contract.

21. **CITY FUND - HEADLEASE RESTRUCTURE - 280 BISHOPSGATE, EC2**
The Committee considered a Report of the City Surveyor concerning 280 Bishopsgate EC2.
22. **CITY'S ESTATE - SURRENDER OF LEASE: 2ND FLOOR, THE COURTYARD, 1-7 ALFRED PLACE/220-226 TOTTENHAM COURT ROAD - BUSINESS CLUBS LIMITED**
The Committee considered a Report of the City Surveyor concerning the 2nd Floor, The Courtyard, 1-7 Alfred Place/220-226 Tottenham Court Road .
23. **CITY'S ESTATE - LONG LEASE SALE OF 25-27 STORE STREET, LONDON, WC1**
The Committee considered a Report of the City Surveyor concerning 25-27 Store Street, London WC1.
24. **NON-PUBLIC APPENDIX (ITEM 14 - CONTINGENCIES)**
The Committee noted the non-public appendix to ITEM 14 (Contingencies).
25. **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 urgency procedures since the last meeting.
26. **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.
27. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The Committee considered an item of urgent business relating to the City Fund Accounts.
28. **CONFIDENTIAL MINUTES RESOLVED** – That the confidential minutes of the meeting held on 15th February be approved as an accurate record.

The meeting ended at 3.25 pm

Chairman

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