

## FINANCE COMMITTEE

Tuesday, 16 May 2023

Minutes of the meeting held at Guildhall at 12.45 pm

### Present

#### Members:

Deputy Henry Colthurst (Chairman)	Alderman Robert Hughes-Penney
Deputy Randall Anderson (Deputy Chairman)	Gregory Lawrence
Deputy Rehana Ameer	Deputy Andrien Meyers
Shahnan Bakth	Eamonn Mullally
Brendan Barns	Benjamin Murphy
Aaron Anthony Jose Hasan D'Souza	Deputy James Thomson
Steve Goodman OBE	Luis Felipe Tilleria
Deputy Madush Gupta	Mark Wheatley
Michael Hudson	Deputy Philip Woodhouse

#### Officers:

Ian Thomas	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Sonia Virdee	- Director of Financial Services
Michael Cogher	- Comptroller and City Solicitor
Emma Moore	- Chief Operating Officer
Paul Wilkinson	- City Surveyor
Mark Jarvis	- Chamberlain's Department
Julie Mayer	- Town Clerks

It was proposed by Gregory Lawrence, seconded by Catherine McGuinness and agreed that Alderman Robert Hughes-Penney should take the Chair until agenda item 4.

#### 1. APOLOGIES

Apologies for absence were received from Alderman Peter Eslin, Alderman Emma Edhem, Alderman Tim Levene, Elizabeth King, Deputy Brian Mooney, Paul Singh, James Tumbridge, Sir Michael Snyder, Paul Martinelli and Sophie Fernandes.

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

There were no declarations of interest.

The Town Clerk reminded members to ensure their entries on the Members' Register of Interests are up to date.

3. **ORDER OF THE COURT**

The Committee received the Order of the Court of Common Council dated 27th April 2023 which appointed the Committee and approved its Terms of Reference.

RECEIVED.

4. **ELECTION OF CHAIRMAN**

Ahead of the election of the Chairman and Deputy Chairman, the Town Clerk reminded Members of recently approved Standing Orders 29.4 and 30.5, whereby any Member interested in standing for the positions of Chairman or Deputy Chairman is asked to inform the Town Clerk by no later than one full working day ahead of the meeting. The Town Clerk confirmed that the positions of Chairman and Deputy Chairman of the Finance Committee were uncontested.

RESOLVED, that – being the only Member expressing a willingness to serve, Deputy Henry Colthurst be elected as Chairman of the Finance Committee for 2023/24.

The Chair thanked Members for their encouragement and assistance over the past year and set out his objectives in terms of further increasing all elected Members' understanding of the position facing City Fund and City Cash, to enable the City of London Corporation to face the challenges of the future, and address them with a sustainable, long term financial strategy. With this in mind, the Chairman set out the following areas of focus for 2023/24:

1. Facilitate the introduction of third party investors into major capital projects.
2. Establish an appropriate mechanism to support long term maintenance and repairs of operational property assets, in conjunction with an incentive programme to dispose of redundant property assets.
3. Look forensically at discretionary spend, in order to ensure value for money is achieved.
4. Consider further ways to simplify financial reporting and enhance levels of delegated authority, in order to improve both operational efficiency and financial understanding.

The Chair then welcomed new Members; Aaron D'Souza, Luis Tilleria, Ben Murphy, Michael Hudson and Brendan Barns and thanked retiring Members Munsur Ali, Chief Commoner Ann Holmes, Wendy Hyde, Alderwoman Susan Langley and Deputy Nighat Qureishi.

5. **ELECTION OF DEPUTY CHAIRMAN**

RESOLVED, that – being the only Member expressing a willingness to serve, Deputy Randall Anderson be elected as Deputy Chairman of the Finance Committee for 2023/24.

The Deputy Chairman thanked Members for their support and endorsed the Chairman's address, noting how well the Committee has been navigating the current uncertainties.

**6. APPOINTMENTS TO SUB COMMITTEES AND REPRESENTATIVES ON OTHER COMMITTEES**

The Committee considered a report of the Town Clerk concerning the appointments to the Finance Committee's Sub Committee for 2023/24, approval of their composition and Terms of Reference, and appointing representatives to a number of other City Corporation Committees and Sub Committees. Members noted that the Terms of Reference, composition and appointments to the Efficiency and Performance Working Group would be considered at the June meeting of the Committee.

RESOLVED, that – the following be agreed:

- a) The Composition and Terms of Reference of the Operational Property and Projects Sub Committee (OPPSC) (joint with P&RC), as set out in Appendix A to the report.
- b) The Chairman and Deputy Chairman of the Grand Committee be appointed to the OPPSC.
- c) The Chairman or Deputy Chairman, or their nominee from the Grand Committee be appointed to:
  - i. Communications Sub Committee (Policy and Resources) Committee
  - ii. Resource, Risk & Estates (Police) Committee
  - iii. House Committee of the Guildhall Club
  - iv. Mayoral Visits Advisory Committee (Chairman only)
  - v. Civic Affairs Sub Committee
- d) The appointment of the following 4 Finance Committee Members to the Operational Property and Projects Sub Committee:
  - Madush Gupta
  - Paul Martinelli
  - Luis Tilleria
  - Philip Woodhouse
- e) The appointments of the following representatives to:
  - Corporate Services Committee – Steve Goodman
  - Streets and Walkways Sub (Planning & Transportation) Committee – Paul Martinelli
- f) The appointment of representatives for informal consultation with the Court of Aldermen and the Policy and Resources Committee on

Mayoralty and Shrievalty Allowances (typically including the Chairman and the Deputy Chairman of the Finance Committee).

- g) The Chairman and Deputy Chairman of the Finance Committee's membership of the Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee, Capital Buildings Board (Policy & Resources Committee) and the Resource Allocation Sub (Policy and Resources) Committee.
- h) The Chairman and Deputy Chairman of the Finance Committee's ex-officio Membership of the following Committees:
  - Policy & Resources Committee
  - Audit and Risk Management Committee
  - Digital Services Committee (or their nominee)
  - Investment Committee (or their nominee)
- j) The Committee continues to meet "every fourth week on Tuesdays" with the exception of recess periods.

## 2. **ENTERPRISE RESOURCE PLANNING (ERP) TERMS OF REFERENCE**

The Committee considered a report of the Chamberlain, in respect of the Governance in procuring an Enterprise Resource Planning (ERP) solution, replacing back-office systems for Finance, HR, Payroll and Procurement.

Members noted that the ERP programme cuts across 6 Committees/Boards. To maintain the speed and momentum of the ERP Programme, and to avoid delays, the report sought to appoint a lead Committee, and to continue with the Member Steering Group. Members noted that any procurement issues above £2m would continue to be presented to the Operational Property and Project Sub and Finance Committees.

RESOLVED, that:

- 1) The Digital Services Committee to be the lead Committee for the Enterprise Resource Planning (ERP) solution.
- 2) The ERP Member Steering Group, comprising of Members from each Committee/Board, to continue to provide strategic oversight of the responsibilities undertaken by the ERP Project Board.
- 3) Members of the Bridge House Estates Board are asked to agree that approvals in respect of the project are delegated to the Managing Director of Bridge House Estates (BHE), in consultation with the Chair and Deputy Chair of that Board, who will take account of the decisions taken by the lead decision-making committee and representations from the Member Steering Group.

8. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that - the public minutes and non-public summary of the meeting held on 18th April 2023 be approved.

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

The Chamberlain presented the Committee's workplan and advised that City's Cash statement of accounts would most likely be presented to the November Committee rather than September. Members noted that a budget timetable would be circulated to Chairmen after the RASC Away Day.

RECEIVED.

10. **REPORT OF THE WORK OF THE SUB-COMMITTEES**

The Town Clerk advised that the Operational Property and Projects Sub Committee had not met since the last meeting of the Finance Committee.

11. **DONATIONS - INTERNATIONAL DISASTER FUND**

The Committee received a report of the Managing Director of Bridge House Estates and Chief Charity Officer concerning the work of the International Disaster Fund (IDF) when making donations in emergency appeal situations.

RESOLVED, that – the report be noted.

12. **RISK MANAGEMENT UPDATE**

The Committee received a report of the Chamberlain which provided updates in respect of the top risks on the Departmental Risk Register. Members noted that there had been no significant changes since the last update to the Finance Committee, and that staffing pressures would gain some relief from the appointment of a new Assistant Director for Strategic Finance, who would be starting at the end of July. The Chair advised that City's Cash risk rating was likely to remain red until the City Corporation is successful in raising third party investment for some of its major projects.

During the discussion on this item, the following points were noted.

- a) CR 35(F) reflects the Police position more accurately than CR 35 which should be amended to remove the Police Transform programme relating to prior years.
- b) At a recent Community Infrastructure Levy (CIL) presentation, Members noted the relatively low lending rates being charged by the City of London Corporation. The Chamberlain would be reviewing these rates with the Executive Director of Environment, ahead of taking a proposal to the relevant Committees. The Chairman asked if the Finance Committee could receive an update at the next meeting, as to when such a review could be added to the Forward Plan.

- c) The Markets Co-Location Project is currently a sub risk within the overall finance risk and is being monitored under the Projects Review and Corporate Risk (CR 35). Members noted that the outcome of the Projects Review would determine where the risk would eventually be positioned. The Chairman asked if the Committee could have an update in July, after conclusion of the Projects Review. The Town Clerk advised that the Review would also cover officer level governance.
- d) The Financial Services Director advised of a long-term project underway in respect of operational property and lands, which would be completed in stages and also include a review of a sustainable repairs and maintenance plan. Members noted that the Efficiency and Performance Working Group would have oversight, together with the Operational Property and Projects Sub Committee's Chairman and Deputy Chairman. The City Surveyor advised of the 20-year lifecycle plan for each property, which informed a bid to Operational Property and Projects Sub Committee (OPPSC) in terms of the Cyclical Works Programme. Members noted that, once bow wave financing has been resolved, the Operational Property Review will seek to avoid further recurrence of existing historic challenges by introducing a robust maintenance programme, reducing energy costs and meeting the net zero carbon target by 2027.

RESOLVED, that – the report be noted.

**13. CENTRAL CONTINGENCIES 2023/24**

The Committee considered a report of the Chamberlain which provided Members with an anticipated year-end position for 2022/23 contingencies and an update on the uncommitted balances for 2023/24 contingencies, noting inflationary pressures. Members noted 2 non-public appendices at agenda item 19.

RESOLVED, that – sufficient resources of £817,000 be carried forward to meet existing allocations and £1,164,000 uncommitted balances, to meet inflationary pressures, intended to provide sufficient central contingencies for funding requirements that may arise during 2023/24.

**14. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**

There were no public decisions taken under Delegated Authority or Urgency Procedures since the last meeting.

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

There were no questions.

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

**Light Touch Review of Financial Regulations – report to be presented to the next meeting of the Finance Committee**

The Chairman advised that he had asked the Chamberlain and City Surveyor to look closely at the levels of delegated authority. Members noted that, whilst a radical review could take several months to complete, where there are already effective controls in place, operational efficiency could be improved in the shorter term. The Financial Services Director advised that the Charities Review was also seeking to provide trustees with more flexibility.

17. **EXCLUSION OF THE PUBLIC**

**RESOLVED** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**Item No.**

**Paragraphs in Schedule 12A**

19 – 26

3

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

**RESOLVED**, that – the non-public minutes of the meeting held on 18th April 2023 be approved.

19. **NON-PUBLIC APPENDICES TO CONTINGENCIES REPORT**

Members noted 2 non-public appendices in respect of agenda item 13.

20. **MAJOR PROJECTS – HIGH LEVEL FORECASTS AND CASH FLOW**

The Committee received a report of the Chamberlain.

21. **INTEREST RATES FOR LOAN FACILITIES - REVIEW**

The Committee considered and approved a report of the Chamberlain.

22. **SAVILLS - STRATEGIC REVIEW OF HRA COSTS AND SERVICES**

The Committee considered a report of the Chamberlain and Director of Community and Children's Services.

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

The Committee noted a report of the Town Clerk.

24. **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.

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

The Committee considered 2 items of urgent business whilst the public were excluded.

26. **MINUTES**

RESOLVED, that:

- a) The non-public minutes of the meeting held on 18th April 2023 be approved
- b) The confidential minutes of the meeting held on 18th April 2023 be approved

**The meeting ended 1.50 pm**

-----

Chairman

**Contact Officer: [Julie.Mayer@cityoflondon.gov.uk](mailto:Julie.Mayer@cityoflondon.gov.uk)**