

FINANCE COMMITTEE

Tuesday, 18 July 2023

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 18 July 2023 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Alderman Tim Levene
Deputy Randall Anderson (Deputy Chairman)	Paul Martinelli
Shahnan Bakth	Deputy Andrien Meyers
Brendan Barns	Eamonn Mullally
Nicholas Bensted-Smith	Deputy Sir Michael Snyder
James St John Davis	Luis Felipe Tilleria
Alderman Sir Peter Estlin	Deputy James Thomson
Steve Goodman OBE	James Tumbridge
Michael Hudson	Mark Wheatley
Deputy Elizabeth King	

Officers:

Caroline Al-Beyerty	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Ben Dunleavy	- Town Clerk's Department
Frank Marchione	- Comptroller & City Solicitor's Department
Mark Paddon	- Chamberlain's Department
Harinder Thandi	-
Ian Thomas, CBE	-
Genine Whitehorne	- Chief Operating Officer's Department
Monica Patel	- Chief Operating Officer's Department
Sonia Sharma	- Chamberlain's Department
Radwan Ahmed	- Chamberlain's Department

1. APOLOGIES

Apologies for absence were received from Deputy Christopher Hayward, Alderman Robert Hughes-Penny and Sir Michael Snyder.

Emily Benn, Deputy Madush Gupta, Catherine McGuinness, Benjamin Murphy and Deputy Philip Woodhouse observed the meeting virtually.

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 6 June 2023 be approved as an accurate record subject to the following amendment:

- Correction to the spelling of ‘arising’ in Item 3

Matters arising

The Chairman thanked Members who had volunteered and advised that he had made the following appointments to the Efficiency and Performance Working Party:

- Nick Bensted-Smith
- Steve Goodman
- Michael Hudson
- Aaron D’Souza
- Ben Murphy

The Chairman also suggested that the Working Party should have a quorum of four members.

4. **ACTION TRACKER**

Members received the Committee’s Action Tracker.

The Chamberlain informed Members that the External Auditors for the 20/21 statement of accounts expected to sign these off by 2 August 2023. This would allow for the progression of work on the 21/22 and 22/23 accounts.

5. **FORWARD PLAN**

Members received the Committee’s Forward Plan.

The Chief Strategy Officer informed Members that the Committee would receive reports on the Corporate Plan and the TOM in Autumn 2023.

A Member requested that officers prioritise a timeline for reviewing the status of the bow-wave and update the next meeting.

6. **UPDATE FROM THE OPERATIONAL PROPERTY & PROJECTS SUB-COMMITTEE HELD ON 3 JULY 2023**

Members noted that a paper going to the Court of Common Council meeting on 20 July proposed several changes to the Finance Committee’s terms of reference. The recommendations related to the projects governance, with one proposal being the reconfiguration of the Operational Property & Projects Sub-Committee to form the Projects and Procurement Sub-Committee reporting directly to the Finance Committee which was felt appropriate and removed a double reporting line.

7. **UPDATE ON BUDGET SETTING APPROACH 23/24**

Members received a report of the Chamberlain relative to the budget setting approach for 2023/24.

The Chairman highlighted the briefing meeting to be held with senior Members in December, before the budgets were submitted to the Finance Committee, and suggested that members of the Efficiency and Performance Working Party should be invited to this once the date had been set.

Members noted a developing trend in which departments were overspending more frequently than underspending. At the request of the Chairman, the Chamberlain clarified the processes by which overspends and underspends were handled. Service committees and chief officers were expected to manage within their budgets, but there was scope for conversations on overspends in particular risk areas. Although any change from the decision made by the Policy and Resources Committee was a change in resource allocation, the Chamberlain said that if it was a reasonable request, and the Finance Committee was sympathetic, there were two methods. The budget could be revised, or the Chamberlain could try to accommodate the request in the overall envelope. Some judgements could be made at the revised budget stage. This had not occurred previously as there had mainly been underspends, but the Chamberlain expected to see it happen far more. Some of the risks in budgets would have numbers addressed. There was a contingency budget for inflation.

At the request of a Member, Officers undertook to provide a road map setting out the Corporate Plan timeline alongside the budget timelines.

RESOLVED, that – the report be received and its contents noted.

8. **CAPITAL AND SUPPLEMENTARY REVENUE PROJECT OUTTURN 2022/23 FOR CITY FUND AND CITY'S CASH**

Members received a report of the Chamberlain relative to the capital and supplementary revenue project outturn for 2022/23,

The Chairman informed Members that he had requested for separate reports for each Fund in future in order to ensure better understanding of the different purposes and strains relevant to each Fund.

RESOLVED, that – the report be received and its contents noted.

9. **2022-23 PROVISIONAL OUTTURN**

Members received a report of the Chamberlain relating the provisional outturn for 2022-23.

In response to a question from a Member, the Chamberlain confirmed that she was seeking the Committee's permission to change her delegations regarding deficit carry forward provisions for the three presented departments.

A Member asked if future budget-setting report, particularly in relation to capital spend, could include activity indicators linking spending and delivery. The Chamberlain replied that reporting on capital would be brought to the Committee on a quarterly basis, starting in October. She would welcome Members input as to what indicators they would find useful for the future.

At the request of a Member, officers undertook to provide further information on the variations in the Policy and Resources Committee's budget.

A Member asked the Chamberlain to clarify the responsibilities of service committees for keeping within their budget. In reply, the Chamberlain said Committees received information reports advising progress against budget and were responsible for keeping within budget. Nevertheless, there were concerns whether budget reports contained appropriate information to allow informed decisions on resource prioritisation in the event of over or under spend. The Chamberlain undertook to reflect on the latter point.

Members noted that the variances in the Town Clerk's budget reflected changes resulting from the TOM.

RESOLVED, that – Members:

- Note the provisional outturn for the year ended 31 March 2023.
- Agree to waive the deficit carry forward provision for the Chief Executive and Town Clerk, City Surveyor (£0.4m) and The Executive Director of Community & Childrens Services.
- Note that the overspends incurred respectively by the Remembrancer and City Surveyor totalling £0.044m and £0.219m for recovery from the 2023-24 budget.

10. REVENUE OUTTURN REPORT 22/23

Members received a report of the Chamberlain relative to the revenue outturn for 2022/23.

RESOLVED, that – the report be received and its contents noted.

11. CHAMBERLAIN'S BUSINESS PLAN 2022/23 END OF YEAR UPDATE

Members received a report of the Chamberlain providing an end of year update on the Departmental business plan for 2022/23.

RESOLVED, that – the report be received and its contents noted.

12. CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE

Members received a report of the Chamberlain providing an end of year update on the Departmental business plan for 2022/23.

RESOLVED, that – the report be received and its contents noted.

13. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered a report of the Deputy Town Clerk relative to decisions taken between meetings.

RESOLVED that, – the report be received and its contents noted.

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

There were no questions.

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

The Chairman informed Members that he and the Deputy Chairman felt it sensible to change the Finance Committee's *ex-officio* positions on other Committees open to the appointment of nominees, with the exception of the Policy and Resources Committee. This change would require a decision of each relevant Committee to change their terms of reference.

The Chairman invited Members to use his office in the Guildhall which he used infrequently.

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 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

16-24, 26, 27

3

25

1 and 3

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

The non-public minutes of the meeting held on 6 June 2023 were approved as an accurate record.

18. **NON-PUBLIC UPDATE FROM THE OPERATIONAL PROPERTY & PROJECTS SUB-COMMITTEE HELD ON 3 JULY 2023**

There was no update.

19. **NON-PUBLIC ACTION TRACKER**

Members received the non-public section of the Committee's Action Tracker.

20. **PROPOSAL TO TRANSFER THE BARKING REACH SITE FROM BARKING POWER LIMITED TO CITY OF LONDON CORPORATION**

Members received a report of the Chamberlain relative to the Barking Reach Site.

21. **MAJOR PROJECTS - HIGH LEVEL FORECASTS AND CASH FLOW**

Members received a report of the Chamberlain and the Chief Operating Officer relative to the high-level forecasts and cash flow for the City Corporation's major projects.

Members noted the impact of the TOM on the major projects.

RESOLVED, that – the report be received, and its contents noted.

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

Members received an oral update from the Town Clerk detailing a non-public decision taken under urgency procedures since the last meeting. The decision related to the extension of a catering contract for the City of London School and the City of London Girls School.

RESOLVED, that – the update be noted.

23. 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.

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

The Chairman provided the Committee with an update from the Resource Allocation Sub-Committee Awayday.

The meeting ended at 2.01 pm

Chairman

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