

## FINANCE COMMITTEE

Tuesday, 10 December 2013

Minutes of the meeting of the Finance Committee held at Guildhall on Tuesday, 10 December 2013 at 1.45pm

### Present

#### Members:

Roger Chadwick (Chairman)	Ann Holmes
Jeremy Mayhew (Deputy Chairman)	Deputy Robert Howard
George Abrahams	Wendy Hyde
Deputy John Barker	Sheriff & Alderman Sir Paul Judge
Randall Anderson	Deputy Alastair King
Alderman Sir Michael Bear	Oliver Lodge
Nigel Challis	Robert Merrett
Deputy Anthony Eskenzi	Alderman Neil Redcliffe
Kevin Everett	John Scott
John Fletcher	Ian Seaton
Stuart Fraser	David Thompson
Lucy Frew	Deputy John Tomlinson
Alderman John Garbutt	
Brian Harris	

### In Attendance

#### Officers:

Julie Mayer	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Suzanne Jones	- Chamberlain's Department
Steve Telling	- Chamberlain's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department
David Pearson	- Director of Culture, Heritage and Libraries
Steve Presland	- Director of Highways & Cleansing

#### 1. APOLOGIES

Apologies were received from Simon Duckworth, Deputy Robin Eve, Tom Hoffman, Clare James, Jamie Ingham Clark, Deputy Henry Pollard, Sir Michael Snyder and Philip Woodhouse.

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

George Abrahams declared an interest as a user of Smithfield Car Park.

3. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED - that**, the public minutes and non-public summary of the meeting held 19 November be approved as an accurate record, subject to recording an amendment to '*Declarations under the Code of Conduct*', whereby Ian Seaton and not Alderman John Garbutt declared an interest as a Member of the Irish Society.

4. **MINUTES OF THE FINANCE GRANTS SUB-COMMITTEE**

**RESOLVED – that**, the public minutes and non-public summary of the Finance Grants Sub Committee meeting held on 19 November 2013 be noted.

5. **TO APPOINT A DEPUTY CHAIRMAN OF THE FINANCE COMMITTEE - STANDING ORDER 30**

Being the only member willing to serve, Mr Jeremy Mayhew was elected Deputy Chairman of the Finance Committee.

6. **ANNUAL REVIEW OF THE FINANCE COMMITTEE'S TERMS OF REFERENCE**

The Committee considered a report of the Town Clerk which sought to review the Committee's Terms of Reference.

In response to a suggestion that it might be helpful to include the details of the committees to which the Finance Committee nominated representatives, members were reminded that the purpose of Terms of Reference was to set out the work of the Committee. The Town Clerk, nevertheless, undertook to look further into this further and report back to the Chairman.

Reference was made to the request for the approval of any further changes to be dealt under the delegated authority. Members felt this was premature, given that the Court was not due to consider committee's terms of reference until April. It was therefore suggested that any proposed changes, which arose from now until the February meeting of the Committee, be considered in the usual manner and anything which arose after that, be approved by the Town Clerk in consultation with the Chairman and Deputy Chairman.

**RESOLVED – that:**

1. To reflect the role of the Corporate Asset Sub-Committee, the following be included in the Committee's Terms of Reference:-

*'The effective and sustainable management of the City of London's operational assets, to help deliver strategic priorities and service needs'.*

2. Any further changes which arose from now until the February meeting of the Committee be considered in the usual manner, and anything which arose after that be approved by the Town Clerk, in consultation with the Chairman and Deputy Chairman.

**7. REVENUE AND CAPITAL BUDGETS FOR FINANCE COMMITTEE OPERATIONAL SERVICES 2014-15**

The Committee considered a report of the Chamberlain which sought approval to the provisional revenue budget for 2014/15, in relation to the operational services directly overseen by the Finance Committee. The budgets were summarised in the report and were prepared within the resources allocated to each Chief Officer.

**RESOLVED, that:**

1. The forecast overspend of £379,000 at 31 March 2014 against the Chamberlain's budget be noted and any overspend at year end be carried forward, to be met from the Chamberlain's 2014/15 resources.
2. The provisional 2014/15 revenue budget be reviewed, to ensure that it reflects the Committee's objectives and, if so, approve the budget.
3. The draft capital and supplementary revenue budgets be noted.
4. The Chamberlain be authorised to revise these budgets to allow for any necessary realignment of funds – including those set out in paragraph 26 of the report.

**8. REVISIONS TO THE CITY OF LONDON'S PROCUREMENT REGULATIONS DECEMBER 2013**

The Committee received a report of the Chamberlain and noted that, since the latest edition of the City's Procurement Regulations was approved by members in July 2012, there had been significant changes in the way in which the City organised its procurement, most notably the launch of the new City of London Procurement Service (CLPS) on 2 April 2013.

In response to suggestions from members that the level of delegation for the waivers was too low, the Chamberlain assured them that officer delegations were subject to the same high level of scrutiny and would only be taken in exceptional circumstances, when appropriate. Members noted that such flexibility would allow potential procurement exercises to be exposed to the market at the right time and the waiver would only be used if the business case warranted it. Furthermore, the Finance Committee would also receive a quarterly update report on all waivers.

**RESOLVED – that**, the revised Procurement Regulations be recommended for approval by the Court of Common Council, subject to the following amendment to the Scheme of Delegation waiving the provisions of the Procurement regulations, for non-project related procurements:

- between £50,000 and £500,000 - the waiver be approved by the Chamberlain;
- between £500,000 and £2m - the Town Clerk, in consultation with the Chairman (or Deputy in his absence), be authorised to approve, unless

there is time for the matter to be referred to the relevant spending committee, in the normal manner.

9. **AUTUMN TREASURY STATEMENT**

The Chamberlain was heard and advised members of the following:

- The grant settlement would be announced in the week commencing December 2013 but no surprises were expected.
- The New Homes Bonus announcement had been unexpected. In London £70m had been top sliced and given to the London Enterprise Partnership. This would potentially result in a £200,000 reduction for the City of London Corporation.
- Business rates had been capped at 2%, small business rate relief had been extended for another year and small retail units had been given a £1,000 reduction.
- The 2015/16 position should break even but the impact of the cuts for 2016/17 had yet to be agreed by members. The final savings plan should emerge in the Summer of 2014.

10. **SURPLUS ARISING FOR ON-STREET PARKING 2012/13 AND UTILISATION OF ACCRUED SURPLUS**

The Committee received a report of the Chamberlain setting out the income and expenditure on the On-Street Parking Account for 2012/13 and how the existing surplus, plus those estimated for future years, will be fully utilised on a number of major schemes.

A member noted that annual expenditure on the concessionary fares and taxicard schemes were funded from the On-Street Parking Reserve and enquired as to how such costs were calculated. The Chamberlain advised that the contributions by the City and the 32 London Boroughs were largely formula driven and, given that the City was a relatively small partner, its ability to influence the distribution formulae was somewhat limited. The Chamberlain agreed to provide the member with further information on the schemes.

**RESOLVED – that**, in order to meet the City's obligations under the Road Traffic Regulation Act 1984 (as amended) the Court of Common Council be recommended to note the content of this report.

11. **OFF-STREET CAR PARKING MANAGEMENT TENDER**

The Committee considered a report of the Director of the Built Environment, which set out a review of the City's public car parks. The Chairmen of the relevant service committees had been consulted on this report, in accordance with Procurement Regulation 21.

The City Surveyor advised that the building would be handed over to a developer next year (planning permission having been obtained) and this would result in a saving of £90,000 - £100,000 pa. In response to a query about interim third party use, the City Surveyor advised that the process was too advanced to consider this option. Furthermore, gaining vacant possession from interim users had been problematic in the past. Members noted that they would receive a report in the New Year reviewing all the City run car parks.

**RESOLVED, that:**

1. The re-tendering of the City's car park management function is approved, with a start date of 1 December 2014 and selection criteria of 60% quality and 40% price.
2. The combination of the DBE, Smithfield and Barbican Centre's car parks into one contract be approved.
3. Whites Row Car Park be deemed surplus to requirements, transferred to the Property Investment Board and closed to the public from April 2014.

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

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

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

There were no questions.

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

There was no other business.

**15. 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 the Schedule 12A of the Local Government Act.

<b>Item No.</b>	<b>Paragraph(s) in Schedule 12A</b>
16 - 22	3
23 - 24	-

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

**RESOLVED:** That the non-public minutes of the meeting held on 19 November 2013 be approved as an accurate record, subject an amendment.

**17. NON-PUBLIC MINUTES OF THE FINANCE GRANTS SUB-COMMITTEE**

**RESOLVED:** That the non-public minutes of the Finance Grants Sub Committee meeting held on 19 November 2011 noted.

**18. TENDER EVALUATION REPORT : CITY OF LONDON CIVIL PARKING AND CASH COLLECTION CONTRACT**

The Committee received a joint report of the Director of the Built Environment and the Chamberlain.

**19. AUTHORITY TO START WORK - GUILDHALL ART GALLERY: HERITAGE GALLERY**

The Committee considered a joint report of the City Surveyor and the Director of Culture, Heritage and Libraries.

**20. FORMER TENANTS RENT ETC ARREARS WRITE OFFS**

The Committee considered a report of the Chamberlain.

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

The Committee received a report of the Town Clerk.

**22. ORACLE ENTERPRISE RESOURCE PLANNING (ERP) - AUTHORITY TO START WORK - GATEWAY 5**

The Committee considered a report of the Chamberlain.

**23. NON-PUBLIC QUESTIONS ON MATTERS 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 meeting ended at 3:05pm**

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Chairman

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