

FINANCE COMMITTEE

Tuesday, 21 May 2019

Draft Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on
Tuesday, 21 May 2019 at 1.45 pm

Present

Members:

Rehana Ameer
Randall Anderson
Nicholas Bensted-Smith
Deputy Roger Chadwick
John Fletcher
Michael Hudson
Deputy Wendy Hyde
Deputy Clare James
Alderman Gregory Jones QC
Alderman Alastair King
Alderman Nicholas Lyons

Paul Martinelli
Deputy Robert Merrett
Deputy Hugh Morris
Benjamin Murphy
Susan Pearson
Deputy Henry Pollard
James de Sausmarez
Ian Seaton
Deputy Philip Woodhouse
Deputy Catherine McGuinness (Ex-Officio
Member)
Simon Duckworth (Ex-Officio Member)

Officers:

John Cater	- Town Clerk's Department
Simon Latham	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Christopher Bell	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Kate Smith	- Town Clerk's Department
Sean Green	- Chamberlain's Department
Peter Young	- City Surveyor's Department

1. APOLOGIES

Apologies for absence were received from Dominic Christian, Gregory Lawrence, Tim Levene, Oliver Lodge, Andrew McMurtrie, Alderman Sir Andrew Parmley, William Pimlott, John Scott, Graeme Smith, Sir Michael Snyder, Simon Duckworth, and Tom Sleigh.

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, 25th April 2019 appointing the Finance Committee until the first meeting of the Court in April 2020.

4. **ELECTION OF THE CHAIRMAN**

In accordance with Standing Order 29, Jeremy Mayhew was elected Chairman of the Finance Committee for the ensuing year.

The Chairman thanked Members for their support.

He also expressed his thanks to Kevin Everett, Sophie Fernandes, Christopher Hayward, Chris Hill, Tom Hoffman, Alderman Howard, Alistair Moss, and James Tumbridge all of whom had left the Committee.

He welcomed Rehana Ameer, Alderman Gregory Jones, Alderman Nicholas Lyons, Benjamin Murphy, James de Sausmarez, John Scott, Tom Sleight, and Graeme Smith, all of whom had joined the Committee for the year ensuing.

In addition, the Chairman gave a brief statement: "This year will mark the beginning of a critical period for the Corporation: as central government funding of local government falls and as we begin to see some of our major projects further developed, the pressures on the City's finances will, inevitably, grow – thus, the forthcoming Fundamental Review. Our collective actions and performance will shape the City's ability to continue to make a vital and positive impact, both locally and nationally."

5. **ELECTION OF THE DEPUTY CHAIRMAN**

In accordance with Standing Order 30, Deputy Jamie Ingham Clark was elected Deputy Chairman of the Finance Committee for the ensuing year.

6. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes of the meeting held on 9th April be approved as an accurate record.

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

The Committee received a Report of the Chamberlain concerning the Committee's forward workplan.

After discussions at Finance Committee's call over, the Chamberlain tabled an amended copy of the forward plan for review. The Deputy Chairman asked officers to ensure that future iterations included reference to the Capital Funding Account.

RESOLVED – that the Committee noted the Report.

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

The Committee considered a report of the Town Clerk which advised Members of the key discussions which had taken place during recent meetings of the Committee's Sub-Committees.

RESOLVED – That the Committee noted the report.

a) **Draft public minutes of the Finance Grants Oversight and Performance Sub-Committee held on 9 April 2019**

RESOLVED – That the public minutes of the Finance Grants Oversight and Performance Sub-Committee meeting held on 9th April be noted.

9. **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 2019/20, to approve their composition and Terms of Reference and to appoint representatives to a number of other City Corporation positions.

Terms of Reference and Composition

- Members agreed the composition and Terms of Reference of the following Sub Committees:

Corporate Asset Sub Committee
Digital Services Sub Committee
Efficiency and Performance Sub Committee
Finance Grants Oversight and Performance Sub Committee
Procurement Sub-Committee

Appointments

- Members agreed to the following appointments as Chairman and Deputy Chairman of the respective Sub Committees:

Corporate Asset Sub Committee
Jamie Ingham Clark (Chairman)
Dominic Christian (Deputy Chairman)

Digital Services Sub Committee
Randall Anderson (Chairman)
Jamie Ingham Clark (Deputy Chairman)

Finance Grants Oversight and Performance Sub Committee
Nick Bensted-Smith (Chairman)
Philip Woodhouse (Deputy Chairman)

Procurement Sub Committee
Hugh Morris (Chairman)
Robert Merrett (Deputy Chairman)

- Members noted that Jeremy Mayhew would serve as Chairman and Jamie Ingham Clark would serve as Deputy Chairman of the Efficiency and Performance Sub Committee.

- Members agreed to the following appointments of Members of the respective Sub Committees:

Corporate Asset Sub Committee
Randall Anderson
Nick Bensted Smith
Michael Hudson
Deputy Wendy Hyde
James de Sausmarez

Members also noted the appointment of the following Members of other Committees to CASC: Marianne Fredericks, Joyce Nash and Philip Woodhouse representing Policy and Resources; Property Investment Board representatives would be confirmed in June.

Digital Services Sub Committee
Rehana Ameer
Roger Chadwick
Tim Levene
Hugh Morris
Ben Murphy

Members also noted the appointment of Keith Bottomley by the Police Committee on 16th May. Mr Bottomley will serve as the Special Interest Area Holder.

Efficiency and Performance Sub Committee
Randall Anderson
Clare James
Alderman Lyons
Paul Martinelli
Hugh Morris
Henry Pollard
Deputy Philip Woodhouse

Finance Grants Oversight & Performance Sub Committee
Simon Duckworth
John Fletcher
Wendy Hyde
Paul Martinelli
Ian Seaton

Procurement Sub Committee
Randall Anderson
John Fletcher
Michael Hudson
Susan Pearson
William Pimlott

Appointments of Committee representatives to other Corporation positions

- Members agreed to the following appointments of representatives:

Establishment Committee (1):
Deputy Jamie Ingham Clark

Barbican Centre Board (1):
Deputy Wendy Hyde

Courts Sub (1):
Alderman Jones

Project Sub Committee (2):
Benjamin Murphy and James de Sausmarez

Streets and Walkways Sub Committee (1):
Paul Martinelli

Representative for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances (1):
Philip Woodhouse

- Members also noted that the Chairman and Deputy Chairman would be:
 - Members of the Resource Allocation Sub Committee
 - Finance Committee Representatives for informal consultations with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty (in addition to Philip Woodhouse) and;

Ex-officio Members of:

- Policy and Resources Committee
- Investment Committee
- Audit and Risk Management Committee
- Hospitality Working Party (P&R)

- In addition, Members noted that the Chairman will be an ex-officio Member of the:

- Public Relations and Economic Development Sub

Members also agreed that the Committee should continue to meet “every fourth week on Tuesdays” with the exception of recess periods.

10. CAPITAL FUNDING UPDATE – BIDS FOR REPRIORITISATION AND ANNUAL BID PROCESS DETAILS

The Committee considered a Report of the Chamberlain concerning capital funding.

RESOLVED – that the Committee approved the following:

- allocate up to £15.45m from the general reserves of City's Cash to provide loan funding for the Girls' School expansion project and fees to commence the Wanstead Ponds project.
- Note the scope of central funding sources captured within this review as set out in paragraph 8 and confirm the principle of prioritisation to be adopted when considering funding allocation in the first instance, considering the scheme objectives against agreed corporate priorities, irrespective of the specific source of central funding to be applied.
- Note that the case for central support to cover losses experienced by third party funders as a direct result of schemes being deferred or cancelled, due to the fundamental review, will be considered on a case-by-case basis.
- Approve the details of the annual bid process set out in paragraph 19.

11. ADDITIONAL BUDGETARY PROVISIONS - CAPITAL FUNDING -INTERIM REVISED PRIORITISATION AND PROJECT FUNDING

The Committee considered a Report of the Chamberlain concerning additional budgetary provisions.

RESOLVED – that the Committee approved the following:

- Approve additional budgetary provisions of up to £21.818m to provide internal loan funding to be drawn from the general reserves of City Fund and City's Cash.
- Agree that these loan facilities will be available from 2019/20 onwards, to be drawn down as required over the life of the projects subject to other relevant approvals.
- Recommend approval of these budget increases by the Court of Common Council.

12. CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT - TOP RISKS

The Committee received a report of the Chamberlain which provided updates regarding the top risks within the Departmental Risk Register.

RESOLVED – that the Committee noted the Report.

13. CENTRAL CONTINGENCIES

The Committee considered a report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

The Chairman suggested that it may soon be an appropriate time to increase the Emergency and Disasters Relief Contingency Fund by £25K (to £125K); Members decided to defer this option for now and asked officers to keep them updated about the status of this fund throughout the year. The Chamberlain confirmed that the Committee hadn't exhausted the fund across any previous financial year, but it would be helpful to be able to access a discretionary extra £25K from reserves in the event that the main fund was fully committed before 31st March. Members were sympathetic to this proposal.

In response to a query, the Chairman clarified that officers from City Bridge Trust advise the Chairman and Deputy Chairman when emergency appeals are announced. Approvals are under delegated authority as this is the most expeditious way to ensure that, when crises occur, funds are deployed swiftly.

RESOLVED – that the Committee noted the report.

14. CHAMBERLAIN'S BUSINESS PLAN - END OF YEAR UPDATE

The Committee received a Report of the Chamberlain concerning the departmental business plan.

The Chamberlain briefly introduced the Report. Progress was good, with most key milestones met according to anticipated timescales.

Key achievements in 2018/19 include:

- Development of the Medium-Term Financial Plan against the challenging backdrop of financing the major projects
- Annual procurement savings secured totalling £6.74m
- 95% completion of the IT Network Transformation.

The Chamberlain added that the department aimed to improve the Internal Audit Plan this year. The target for delivery for 2018/19 had been almost achieved (92% against a target of 96%), despite earlier challenges and delivery for much of the year consistently below the target profile. In response, the Chamberlain informed Members that a new Head of Audit & Risk Management would be in place from the summer, the benefits of IT investment in this area was beginning to bear fruit, and an initiative had been put in place to ensure faster "closing" meetings and actions. The Chamberlain was confident that by the end of 2019/20 the department would achieve better outcomes.

The Deputy Chairman asked officers to ensure that Capital Budgets was added to the Key Departmental Scorecard.

The Chamberlain confirmed that the department did not undertake its own staff survey in 2018/19 in light of the Corporate Staff Engagement survey.

Members asked the Commercial Director to ensure that all procurement savings and costs are included in Reports going forward. Whilst the savings over the course of 2018/19 were commendable it was important that Members also had sight of where costs had increased (e.g. the street cleansing contract)

RESOLVED – that the Committee noted the Report.

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

There were no questions.

16. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

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.

18. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes of the meeting held on 9th April 2019 were approved as an accurate record.

a) Draft non-public minutes of the Finance Grants Oversight and Performance Sub-Committee held on 9 April 2019

The non-public minutes of the Finance Grants Sub-Committee meeting held on 9th April 2019 were noted.

19. INTEREST RATES ON INTERNAL LOAN REQUESTS - UPDATE AND REVIEW

The Committee considered a Report of the Chamberlain concerning Interest Rates for Loan Facilities.

20. ADMITTED BODY STATUS FOR THE SUPPLIER FOR THE GUILDHALL PLANT SERVICES TEAM

The Committee received a joint Report of the Chamberlain and the City Surveyor.

21. BORROWING - UPDATE

The Committee considered a Report of the Chamberlain concerning progress on the private placement.

22. CITY FUND & CITY'S ESTATE HIGHWAY DISPOSAL - 22 BISHOPSGATE, EC2

The Committee considered a Report of the City Surveyor concerning 22 Bishopsgate.

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

The Committee noted a report of the Town Clerk detailing non-public decisions taken under delegated authority and/or urgency procedures since the last meeting.

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 an item of urgent business relating to Action Know Fraud.

The meeting ended at 3.15 pm

Chairman

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