

FINANCE COMMITTEE

Tuesday, 23 June 2020

Draft Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on
Tuesday, 23 June 2020 at 2.30 pm

Present

Members:

Jeremy Mayhew (Chairman)
Deputy Jamie Ingham Clark (Deputy
Chairman)
Rehana Ameer
Randall Anderson
Nicholas Bensted-Smith
Chris Boden
Deputy Roger Chadwick
Graeme Doshi-Smith
Alderman Sir Peter Estlin
Michael Hudson
Deputy Wendy Hyde
Deputy Clare James
Alderman Gregory Jones QC
Alderman Alastair King

Tim Levene
Alderman Nicholas Lyons
Deputy Robert Merrett
Deputy Hugh Morris
Benjamin Murphy
Susan Pearson
William Pimlott
Deputy Henry Pollard
James de Sausmarez
John Scott
Deputy James Thomson
Deputy Philip Woodhouse
Deputy Catherine McGuinness (Ex-Officio
Member)

Officers:

John Cater	- Town Clerk's Department
Bob Roberts	- Director of Communications
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Amelia Ehren	- Town Clerk's Department
Bukola Soyombo	- Chamberlain's Department
David Farnsworth	- Chief Grants Officer
James Gibson	- Chamberlain's Department
Karen Atkinson	- Chamberlain's Department
Paul Monaghan	- Department of the Built Environment
Paul Wright	- Remembrancer's Department
Polly Dunn	- Town Clerk's Department
Sanjay Odedra	- Communications Team
Sean Green	- Chamberlain's Department
Devika Persaud	- Town Clerk's Department

1. **APOLOGIES**

Apologies for absence were received from John Fletcher, Oliver Lodge, Paul Martinelli and Andrien Meyers.

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 of the meeting held on 19th May 2020 be approved as an accurate record.

4. **APPOINTMENT TO PROCUREMENT SUB-COMMITTEE**

The Committee received a Report of the Town Clerk concerning the appointment of Philip Woodhouse to the Procurement Sub-Committee for the remainder of the 2019/20 civic year.

In addition, further to the confirmation that the meeting of the Court of Common Council on 16th July would be the first of the 2020/21 Civic Year, the Chairman provided a brief update on the arrangements for the July Finance Committee meeting; namely, whilst new appointments would be considered at the FC meeting on 21st July, it was anticipated that, given that several Members were appointed to the Subs (and some Members took the opportunity to step down) at the May FC meeting, any further changes next month, would be limited.

RESOLVED – that the Committee approved Philip Woodhouse to be appointed to the Procurement Sub-Committee for the remainder of the 2019/20 civic year.

5. **IMPACTS OF COVID -19 ON REVENUE BUDGETS AT PERIOD 2 2020-21**

The Committee received a Report of the Chamberlain concerning the impact of Covid-19 on the Corporation's Revenue Budgets as at end of period 2 of the 2020/21 financial year.

The Chamberlain opened the discussion by highlighting the improved outlook compared to the last time he presented to the Committee in May; namely, the estimated overall forecast year-end overspend across all the funds is an improved position of £30.4m (average £3m per month across the year).

This comprises an adverse variance of £21.6m (9%) on Chief Officer Cash Limited Budgets, mainly on City Fund, and an adverse variance of £8.8m (20%) on Central Risk Budgets (excluding The City Bridge Trust grant giving and London Community Response Fund advance commitments).

Whilst these revised forecasts were encouraging, Members should be in no doubt as to the formidable challenges that lie ahead, not least in ensuring that the Corporation's legal obligation to balance City Fund over the medium-term is achieved.

In terms of the drivers of income losses; whilst firm figures on rental income, taking into account the Corporation's financial support to tenants, the scale of

bad debts at year end, and the broader economic fallout on demand for office space, were all difficult to determine fully at the moment; the immediate consequences have fallen predominantly on the Barbican Centre, the Guildhall School of Music and Drama (GSMD), the Corporation's three fee paying schools, and areas under the Open Spaces department's remit.

In response to a query, the Chamberlain confirmed that the Commissioner of the City of London Police was projecting an underspend due to him being unable to recruit to the extent anticipated pre-Covid. Whilst further departmental underspends were not immediately forthcoming, it was hoped that more would emerge in due course.

In terms of next steps, the Chamberlain confirmed that further discussions concerning prioritisation would take place at the Resource Allocation Sub-Committee away day on 3rd July, and a re-budgeting round would culminate in a new budget submission in the autumn. He also highlighted a) the cross-departmental work currently being carried out to deliver the new Target Operating Model (TOM) and b) a review the City Surveyor was carrying out on the timelines of the major projects; both may create significant opportunities to produce savings across the medium-to-long term.

The Chairman thanked the Chamberlain for his remarks and emphasised that, whilst the projection had improved since May, "a £30m overspend was a big deal", and, "whilst we may be able to absorb one-off hits, no one should underestimate the significant structural impact this would have on the Corporation's finances over the coming years". In terms of re-prioritisation, "nothing should be off-limits". He added that, whilst the Corporation had statutory duties in some areas, "how we delivered those duties was not proscribed, and efforts should be made to explore how we can become more efficient and effective in delivery in the future".

A Member expressed his concern that the level of central government financial support to the local government sector thus far, namely £3.2 billion, was inadequate, he queried whether the Corporation was working with others to maximise lobbying efforts. The Chamberlain responded that the Corporation had taken up all offers of help from central government and intended to continue to do so, furthermore, it was actively working in collaboration with others to secure additional support.

RESOLVED – that the Committee noted the Report.

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

The Committee considered 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 Order 41(b). The decision related to a £20,000 donation (sourced from Finance Committee's International Disasters Fund) to St John Ambulance to support the Charity in its response to the Coronavirus Pandemic.

Members welcomed the decision to grant the donation and hoped it would set an example for others to follow.

RESOLVED – that the Committee noted the report.

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

There were no questions.

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

There were no urgent items.

9. **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.

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

The non-public minutes of the meeting held on 19th May were approved as an accurate record.

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

The Committee received a Report of the Chamberlain concerning the Corporation's loan facilities to the institutional departments and third-party bodies within the City of London Corporation 'family', e.g. sponsored academies and the Museum of London.

12. **BRIDGE HOUSE ESTATES STRATEGIC REVIEW - UPDATE FOUR**

The Committee received a joint Report of the Town Clerk & Chief Executive and The Chief Grants Officer & Director of City Bridge Trust.

13. **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 delegated authority procedures since the last meeting.

14. **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.

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

There were no items of urgent business.

The meeting ended at 3.50 pm

Chairman

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