

FINANCE COMMITTEE

Tuesday, 8 December 2020

Minutes of the meeting of the Finance Committee held virtually, via Microsoft Teams, on Tuesday, 8 December 2020 at 1.45 pm

Present

Members:

Jeremy Mayhew (Chairman)	Alderman Nicholas Lyons
Deputy Jamie Ingham Clark (Deputy Chairman)	Andrew McMurtrie
Munsur Ali	Deputy Robert Merrett
Rehana Ameer	Hugh Morris
Randall Anderson	Susan Pearson
Nicholas Bensted-Smith	James de Sausmarez
Deputy Roger Chadwick	John Scott
Graeme Doshi-Smith	Ian Seaton
Alderman Sir Peter Estlin	Sir Michael Snyder
Alderman Prem Goyal	Deputy James Thomson
Michael Hudson	Mark Wheatley
Deputy Wendy Hyde	Deputy Philip Woodhouse
Deputy Clare James	Deputy Catherine McGuinness (Ex-Officio Member)
Alderman Gregory Jones QC	Sheriff Christopher Hayward (Ex-Officio Member)
Angus Knowles-Cutler	

Officers:

John Cater	- Committee Secretary
Peter Kane	- Chamberlain
Bob Roberts	- Director of Communications
Caroline Al-Beyerty	- Deputy Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Paul Friend	- City Surveyor's Department
Sanjay Odedra	- Communications Team
Sean Green	- Chamberlain's Department
Peter Young	- City Surveyor's Department

1. APOLOGIES

Apologies for absence were received from Oliver Lodge, Paul Martinelli, and Benjamin Murphy.

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

Deputy Chadwick, Jamie Ingham Clark, Alderman Jones, and Ian Seaton declared non-pecuniary interests in respect of item 17 due to holding positions at St Lawrence Jewry.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the public minutes of the meeting held on 10th November 2020 be approved as an accurate record.

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

The Committee received a joint Report of the Town Clerk and the Chamberlain concerning the Committee's workplan for the next seven months.

RESOLVED – That the Committee noted the Report.

5. **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.

6. **REVENUE BUDGET MONITORING TO OCTOBER 2020**

The Committee received a Report of the Chamberlain concerning the Corporation's financial position and the impact of COVID-19 on budgets up to the end of October.

In response to a query, the Chamberlain highlighted that the forecast year-end position across all funds is an overspend of £32.9m at the end of October (Period 7). This represented an improved position of £3.2m when compared to £36.1m at the end of September. This change was primarily driven by a reduction in expenditure for the Barbican Centre (£1.4m) and additional income for the City of London Police (£1.0m).

Despite the improvement, the full scale of rental losses, whilst for now largely undetermined, will likely have a significant material impact on the Corporation's financial position in 2021 and could offset the improvements we have made in recent weeks.

In response to a separate query concerning the availability of business interruption insurance, officers and other Members responded that, whilst business interruption related insurance products, including Pandemic cover, are available on the market, they come at a significant cost. A court case currently taking place is examining whether insurers are liable to provide insurance pay-outs to small businesses as a result of Covid. Officers will keep both the case monitored, and, more widely, whether Covid prompts more competitive prices for business interruption insurance products.

RESOLVED – That the Committee noted the Report.

7. **RISK MANAGEMENT - TOP RISKS**

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

The Chairman of the Police Authority Board (in attendance as a Member of the Finance Committee) took the opportunity to emphasise his ambition to reduce the Police Funding Risk from Red to Amber in 2021.

RESOLVED – That the Committee noted the report.

8. **DRAFT CHAMBERLAIN'S BUSINESS PLAN FOR 2021/22**

The Committee considered a Report of the Chamberlain concerning the Business Plan for the Chamberlain's Department for 2021/22.

In response to a query, the Chamberlain emphasised that when it comes to projects, the internal charging mechanisms in place for support services such as finance, legal advice, and procurement have been developed with the aim of producing more transparent and comprehensive costings decisions for Members and officers alike. The Chairman welcomed this approach and stressed that hidden, implicit subsidies for projects needed to be avoided; in short, Members and officers needed to be fully cognisant of the costs and where those costs fell.

RESOLVED – that the Committee:

- Noted the factors taken into consideration in compiling the Chamberlain's Department Business Plan; and
- Approve, subject to the incorporation of any changes sought by this Committee, the departmental Business Plan for Chamberlain's for 2021/22 (or the elements therein that fall within this committee's Terms of Reference).

9. **CHAMBERLAIN'S 2021/22 BUDGET ESTIMATE**

The Committee received a Report of the Chamberlain concerning the departmental budget estimate for 2021/22.

RESOLVED – That the Committee noted the Report.

10. **CORPORATE PROPERTY ASSET MANAGEMENT STRATEGY 2020-25**

The Committee considered a Report of the City Surveyor concerning the Corporate Property Asset Management Strategy.

In response to a query, officers confirmed that an annual progress report would be submitted to the Corporate Asset Sub Committee, which would detail asset disposals, re-utilisations, and refurbishments, and, whether these complied with the Framework in the Asset Management Strategy. The Framework provided the foundation and was intended to guide officers when taking practical decisions about assets.

RESOLVED – That the Committee approved the revised Corporate Property Asset Management Strategy.

11. **IT DIVISION - MEMBER UPDATE**

The Committee received a Report of the Chamberlain concerning the IT Division.

The Chairman of the Digital Services Sub-Committee noted that the migration from the server farms into the cloud continues to be very well managed, and it would, he added, make the organisation more resilient in future.

The Deputy Chairman of the Digital Services Sub-Committee added that he had been very impressed by the recent IT focused workshops for Members; the openness to engage Members, many of whom had direct external experience of the IT industry, was clearly beneficial and something to be emulated in other areas.

RESOLVED – That the Committee noted the Report.

12. **CENTRAL CONTINGENCIES**

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

RESOLVED – That the Committee noted the report.

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 were no urgent items.

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 Schedule 12A of the Local Government Act.

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

The non-public minutes of the meeting held on 10th November 2020 were approved as an accurate record.

17. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**

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

18. **CITY'S ESTATE: SURRENDER AND RE-GRANT - TWO NEW 125 YEAR LEASES**
The Committee considered a Report of the City Surveyor concerning the surrender of two existing long leases and the grant of two new long leasehold interests.
19. **CITY'S ESTATE: HEADLEASE ACQUISITION AND LEASEBACK**
The Committee considered a Report of the City Surveyor concerning the Purchase of a Long Leasehold and Leaseback.
20. **CENTRAL CONTINGENCIES - NON-PUBLIC APPENDIX**
The Committee received the appendix for the (public) Central Contingencies Report (ITEM 12 on today's agenda).
21. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
Members considered a non-public question relating to the work of the Committee.
22. **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 3.10 pm

Chairman

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