

FINANCE COMMITTEE

Tuesday, 20 July 2021

Draft Minutes of the meeting of the Finance Committee held virtually on Tuesday, 20 July 2021 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)	Tim Levene
Jeremy Mayhew (Deputy Chairman)	Oliver Lodge
Rehana Ameer	Paul Martinelli
Randall Anderson	Andrew McMurtrie
Nicholas Bensted-Smith	Deputy Robert Merrett
Deputy Roger Chadwick	Hugh Morris
Graeme Doshi-Smith	Benjamin Murphy
Alderman Emma Edhem	Susan Pearson
Alderman Sir Peter Estlin	James de Sausmarez
Alderman Prem Goyal	Deputy John Scott
Michael Hudson	Deputy James Thomson
Alderman Robert Hughes-Penney	Deputy Philip Woodhouse
Deputy Wendy Hyde	Deputy Catherine McGuinness (Ex-Officio Member)
Deputy Clare James	Sheriff Christopher Hayward (Ex-Officio Member)
Alderman Alastair King	Deputy Tom Sleigh (Ex-Officio Member)

Officers:

John Cater	- Committee Clerk
Caroline Al-Beyerty	- Chamberlain
Emma Moore	- Chief Operating Officer
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Dionne Corradine	- Chief Strategy Officer
Sean Green	- Chamberlain's Department
Frank Marchione	- Comptroller & City Solicitor's Department
Darran Reid	- City Procurement
Sanjay Odedra	- Communications Team
Dorian Price	- City Surveyor's Department
Graeme Quarrington-Page	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Azeem Bhatti	- City of London Police
Hayley Hajduczek	- Town Clerk's Department
Oliver Watling	- City Procurement

1. **APOLOGIES**

Apologies for absence were received from Munsur Ali, Henry Colthurst, Ian Seaton, Sir Michael Snyder, and Mark Wheatley.

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 15th June 2021 be approved as an accurate record.

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

The Committee received a Report of the Chamberlain outlining the 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. **CAPITAL AND SUPPLEMENTARY REVENUE PROJECT OUTTURN 2020/21 FOR CITY FUND AND CITY'S CASH AND PRUDENTIAL INDICATORS**

The Committee received a Report of the Chamberlain concerning the summary of the 2020/21 outturn for Capital and Supplementary Revenue Projects (SRPs) for City Fund and City's Cash, together with the Prudential Indicators for the City Fund.

RESOLVED – that the Committee noted the Report.

7. **REVENUE OUTTURN 2020/21 - FINANCE COMMITTEE - OPERATIONAL SERVICES**

The Committee received a Joint Report of the Chamberlain, the Town Clerk, the City Surveyor, the Remembrancer, the Executive Director of Mansion House & the Old Bailey, and the Director of Community and Children's Services concerning the revenue outturn for the services overseen by the Finance Committee in 2020/21 and the final budget for the year. It also detailed the carry forward requests which have now been approved.

In response to queries around the underspend, the Chamberlain assured Members that, whilst the pandemic had a significant impact on the budget over the course of the year, she was confident that, overall, we were in good shape; pointing, for example, to our fortuitous position with regards insurance premiums due to a lack of activity during lockdown. She also highlighted that the number of Carry Forwards has reduced this year.

In response to a separate query, the Chamberlain and the Chairman confirmed that the 3 year duration cycle for the Cyclical Works Programme was being reduced from three years to a single year, this was in order to help ensure that essential work was carried out in a more swift, timely manner in future.

The £1.5m identified against the CWP on table 1 of the Report was carried forward; there was slippage this year due to the pandemic and a consequent re-profiling of works timelines. The Chairman asked that future iterations of the Report provide a clearer explanation for CWP cash movements and underspends. It was also asked that Corporate Asset Sub-Committee should have sight of this on a more frequent basis as part of their usual remit.

RESOLVED – that the Committee noted the Report.

8. **PROVISIONAL OUTTURN 2020/21**

The Committee received a Report of the Chamberlain concerning the 2020-21 provisional net expenditure outturn.

RESOLVED – that the Committee noted the Report.

9. **RISK MANAGEMENT - TOP RISKS**

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

RESOLVED – That the Committee noted the report.

10. **UPDATE ON BUDGET SETTING APPROACH FOR 2022/23**

The Committee received an oral update of the Chamberlain concerning the Budget setting approach for 2022/23.

In response to a Member's query around the slippage of TOM savings, the Chairman and the Chamberlain confirmed that the Efficiency & Performance Sub-Committee (E&P), in addition to the Establishment Committee, are leading on Member oversight. Alongside its departmental deep-dives, E&P will be tracking overall progress on savings at its upcoming meetings, and a consolidated Report will also be submitted to the Finance Committee and the Policy & Resources Committee.

The Deputy Chairman proposed that, given it was running with vacancies, the Member should join E&P for the remainder of its 2021/22 term. The Committee Clerk would liaise with the Member and the Chairman after the meeting.

The Chief Operating Officer reflected that, in her view, whilst some individual departments were on track to deliver their savings; in aggregate, as an organisation we are not. She assured Members that a lot of hard work would continue over the coming months to get us on track. The COO added that it was also apparent that there were, in some areas, very distinct differences between cost and value, and as a result, she would welcome the undertaking of a zero-based review in the medium-term, in order to avoid potential false economies.

In response to a separate query on the HRA, the Chamberlain confirmed that a number of other HRAs (i.e. outside of the City) have borrowed significant amounts of money over the course of the pandemic; whilst this had tided them over in the short-term, it was apparent that over the medium-term this could well become unsustainable.

RESOLVED – that the Committee noted the Report.

11. REVENUE BUDGET MONITORING TO JUNE 2021

The Committee received a Report of the Chamberlain concerning Revenue Budget Monitoring to June 2021.

Chairman of the Police Authority Board reiterated to Members that, whilst noting the negative variances in the Report, the Commissioner of the City of London Police was committed to remaining within budget for the overall year.

In response to a concern around the City of London Freeman's School's decision to offer fee discounts, the Chamberlain responded that given the impact of the pandemic on operations at the School, this was a reasonable decision for Freeman's School to take; it should also be noted that these costs will be absorbed by the School.

RESOLVED – that the Committee noted the Report.

12. BUSINESS PLAN UPDATE

The Committee received a Report of the Chamberlain concerning the Chamberlain's Department's Key workstreams and business plan update.

RESOLVED – that the Committee noted the Report.

13. CITY PROCUREMENT EFFICIENCY AND SAVINGS TARGET 2021/22

The Committee received a Report of the Chief Operating Officer concerning the Efficiency and Savings target set for City Procurement; for the financial year 2021/22.

RESOLVED – that the Committee noted the Report.

14. GUILDHALL COMPLEX FLAGPOLE

The Committee received a Joint Report of the City Remembrancer and the City Surveyor concerning flag poles across the Guildhall Complex.

Members expressed their serious concerns about the implications of proceeding with the project as it was currently conceived. The Chairman asked that officers go back to the Hospitality Working Party (HWP) to ask that they either reconsider the project, or that an alternative funding solution was found.

RESOLVED – that, further to the comment above, the Committee noted the Report.

15. **IT DIVISION QUARTERLY UPDATE**

The Committee received a Report of the Chief Operating Officer concerning the IT Division.

RESOLVED – that the Committee noted the Report.

16. **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.

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

There were no questions.

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

There were no urgent items.

19. **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.

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

RESOLVED - The non-public minutes of the meeting held on 15th June were approved as an accurate record.

21. **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.

22. **INCREASE IN CONTRACT VALUE FOR THE CENTRAL LONDON FORWARD (JETS) PROGRAMME**

The Committee considered a Report of the Chief Operating Officer concerning an increase in the contract value for the Central London Forward (JETs) Programme.

23. **CLOUD SERVICE PROVIDER (CSP) AWARD**

The Committee considered a Report of the Chief Operating Officer concerning the award of the Cloud Service Provider (CSP) contract.

24. **ARREARS WRITE OFF – CITY'S ESTATE AND CITY FUND**

The Committee received a Joint Report of the Comptroller & City Solicitor and the City Surveyor concerning the arrears write off for City's Estate and City Fund.

25. NON-PUBLIC APPENDICES TO CENTRAL CONTINGENCIES REPORT

The Committee noted the non-public appendix to ITEM 16 (Central Contingencies).

26. 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 urgency procedures since the last meeting.

27. 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.

28. 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.

29. CONFIDENTIAL MINUTES

The confidential minutes of the meeting held on 15th June were approved as an accurate record.

The meeting ended at 3.25 pm

Chairman

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