

FINANCE COMMITTEE
Tuesday, 12 October 2021

Minutes of the meeting of the Finance Committee held at Committee Room - 2nd
Floor West Wing, Guildhall on Tuesday, 12 October 2021 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Jeremy Mayhew (Deputy Chairman)
Randall Anderson
Nicholas Bensted-Smith
Henry Colthurst
Alderman Sir Peter Estlin
Alderman Prem Goyal
Michael Hudson
Alderman Robert Hughes-Penney
Alderman Alastair King
Angus Knowles-Cutler
Oliver Lodge
Deputy Robert Merrett
Benjamin Murphy
Susan Pearson
William Pimlott
James de Sausmarez

Officers:

John Cater	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Juliemma McLoughlin	- Executive Director, Environment
Sonia Virdee	- Chamberlain's Department
David Farnsworth	- Managing Director of Bridge House Estates
Jack Joslin	- Town Clerk's Department
Dionne Corradine	- Town Clerk's Department
Sean Green	- Chamberlain's Department
Sanjay Odedra	- Head of Media (Financial Services), Communications Team
Fiona Rawes	- Head of Philanthropy Strategy

1. APOLOGIES

Apologies for absence were received from Munsur Ali, Rehana Ameer, Deputy Roger Chadwick, Graeme Doshi-Smith, Alderman Professor Emma Edhem, Deputy Wendy Hyde, Deputy Clare James, Gregory Lawrence, Tim Levene, Paul Martinelli, Andrew McMurtrie, Hugh Morris, Deputy John Scott, Ian

Seaton, Deputy James Thomson, Mark Wheatley, Deputy Philip Woodhouse, Deputy Catherine McGuinness, Christopher Hayward, and Deputy Tom Sleigh.

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

In response to a query, the Chairman asked the Committee clerk to clarify in the minutes that the IBNR Reserve Rate, referred to in the minutes (under item 7), had been calculated by agreement by the City Re Ltd Board in consultation with the auditors, as opposed to an actuarial projection.

RESOLVED – that the public minutes of the meeting held on 21st September 2021 be approved as an accurate record (subject to the amendment above).

4. FINANCE COMMITTEE'S FORWARD PLAN

The Committee received a Report of the Chamberlain outlining the workplan for the next five months.

The Chamberlain confirmed that the City's Cash Financial Statements, which were listed as being submitted to the Finance Committee in November, will, after further discussions with the external auditors, now come to the Committee's December meeting (although it will be considered at the November meeting of the Audit & Risk Management Committee).

RESOLVED – that the Committee noted the Report.

5. REPORT OF THE WORK OF THE SUB-COMMITTEES

The Committee received 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. RISK MANAGEMENT - TOP RISKS

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

In response to a query about the City's approach to Business Rates reform, the Chamberlain responded that we were working with other authorities across London on the issue of bricks-and-mortar companies versus online retailers; however, this was a work-in-progress and a workable solution to this complex problem had yet to emerge. A resolution (including a potential online sales tax) was likely to be some years away.

Separately, a Member asked about the implications, post-pandemic, of a shift in the property profile in the City from commercial to residential. The Chamberlain responded that, with regards the City's own property portfolio, no policy shift was currently being considered, as to the wider implications, if the status of

premises are changed, then the City would see a reduction in the rate payer base and consequent reduction in business rate income. For newly mixed mode properties (i.e. where there was a mix of residential and commercial), the Valuation Office would need to calculate the floorspace dedicated to commercial activities to identify the resultant rateable value.

In response to a query, the Chairman clarified that this iteration of the Risk Report was the standard monthly abbreviated version; Risk Flightpaths were included in the longer quarterly Reports.

RESOLVED – that the Committee noted the Report.

7. **Q2 BUDGET MONITORING**

The Committee received a Report of the Chamberlain concerning revenue budget monitoring to August 2021.

In response to a query regarding the extent of the reduction in rental income due to the pandemic, the Chamberlain, whilst emphasising that the contingencies put in place to mitigate the reductions had yet to be exhausted, proposed that a Report come back to the Committee outlining the long-term outlook for rental income post-pandemic. The Chairman welcomed this suggestion and asked that the Report was worked up in consultation with the Property Investment Board (PIB).

In response to a query, the Chairman asked that, in the interests of clarity, future iterations of this Report included reference in the annex to those City institutions which operate with a reserve fund (e.g. the independent schools and GSMD).

In response to a query concerning the progress made by departments on securing their savings target, the Chairman emphasised that several departments had only recently appointed new chief officers, and, whilst progress was being made, they would need time to finalise their plans. The Chairman reassured Members that all departments were timetabled to submit their reports by the end of the year. The Chief Operating Officer added that officers were working as quickly as they can on this, however, with the recent structural and leadership changes, a lot of work and consultation was still required over the coming weeks before we could come to a final, fully worked through set of proposals for Members to consider.

RESOLVED – that the Committee noted the Report.

8. **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.

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

There were no questions.

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

There were no urgent items.

11. **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.

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

The non-public minutes of the meeting held on 21st September 2021 were approved as an accurate record.

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

The Committee received 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.

14. **IMPLEMENTING THE OUTCOMES OF THE CHARITY REVIEW AND STRENGTHENING THE COORDINATION OF PHILANTHROPIC GIVING ACROSS THE CITY OF LONDON CORPORATION**

The Committee considered a Report of the Managing Director of Bridge House Estates & Chief Charities Officer concerning the Corporate Charities Review (CC Review).

15. **CONFIDENTIAL APPENDIX TO CENTRAL CONTINGENCIES REPORT (ITEM 8)**

The Committee noted the non-public appendix to ITEM 8 (Central Contingencies).

16. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

Members considered three non-public questions relating to the work of the Committee.

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

The Committee considered two items of urgent business relating to 1 Alie Street E1 (see 17a) and Microsoft Office Licencing.

17.1 **Delegation request - City Fund - Sale of 1 Alie Street, E1 (LATE PAPER)**

The Committee considered a Report of the City Surveyor concerning the sale of 1 Alie Street E1.

18. **CONFIDENTIAL MINUTES**

The confidential minutes of the meeting held on 21st September 2021 were approved as an accurate record.

The meeting ended at 3.00 pm

Chairman

Contact

tel. no.: 020 7332 1407

john.cater@cityoflondon.gov.uk

Officer:

John

Cater