

EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE

Tuesday, 23 November 2021

Draft Minutes of the meeting of the Efficiency and Performance Sub (Finance) Committee held at Guildhall, EC2 on Tuesday, 23 November 2021 at 1.45 pm

Present

Members:

Deputy Jamie Ingham Clark (Chairman)
Randall Anderson
Henry Colthurst
James de Sausmarez
Paul Martinelli

Observers

Deputy Roger Chadwick
Mary Durcan (Deputy Chairman – Port Health and Environmental Services Committee)
Caroline Haines (Deputy Chairman – Open Spaces and City Gardens Committee)

Officers:

John Cater	- Committee Clerk
Caroline Al-Beyerty	- The Chamberlain
Juliemma McLoughlin	- Executive Director of Environment
Sonia Virdee	- Chamberlain's Department
Gerry Kiefer	- Open Spaces Department
Gavin Stedman	- Markets & Consumer Protection Department
Ian Hughes	- Department of the Built Environment

1. **APOLOGIES**

Apologies were received from Deputy Roger Chadwick, Alderman Professor Emma Edhem, Deputy Clare James, and Jeremy Mayhew.

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

There were no declarations.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED - That the public minutes of the meeting held on 25th October 2021 be agreed as an accurate record.

In response to a query, the Chamberlain and the Chairman informed Members that the TOM savings and the Fundamental Review savings were separate exercises. The 12% TOM savings target was focused on 2021/22 in order to ensure departments met their budgets; whilst the FR savings have been

profiled over the longer-term; the delay in delivery of the FR exercise has been due to the impact on departmental incomes since the onset of the pandemic.

The Chairman added that whilst these were separate, it was critical that both were monitored to conclusion to ensure those both initiatives achieved their aims.

4. **SECURING 'FLIGHTPATH' SAVINGS AND UNDERSTANDING SERVICE IMPACTS: 2021/22 PROGRESS**

The Sub-Committee received a Report of the Chamberlain concerning updates on the identification of the permanent savings to meet the 12% budget reduction and FR savings already applied to 2021/22 budgets.

The Chamberlain informed Members that discussions were ongoing with the Barbican's executive team and the Barbican Centre Board concerning the Centre's budget; whilst Members were sympathetic to the impact of the loss of income related to the pandemic, they were eager that this was separated as a distinct area in the figures and that the focus on proposals to permanently bring the cost base down were maintained and indeed, accelerated. Further work was required, and a bilateral meeting will be taking place soon to discuss this further. The Chairman added that the Sub-Committee would need to remain vigilant on this area and suggested that Members see how discussions progress over the coming weeks before considering a more formal intervention.

Members were keen to understand whether other departments were struggling with achieving the 12% target and, conversely, whether there were any departments that could potentially deliver greater savings than 12%. The Chamberlain responded that, whilst there were departments which were struggling to achieve the 12%, progress was being made. It was also apparent that new demands were coming through from Members (e.g. Corporate Planning) that would need to be resourced, so analysis was being undertaken by the Chamberlain to consider how these additional pressures and demands could be balanced with the overall need to meet the new budget envelope.

In response to a separate query, the Chamberlain emphasised that, whilst departments were encouraged to expand on and develop lines of income, there was an acceptance that relying too heavily on proposals to drive up income had a significant risk factor, so the primary focus, across the board, remained one of cost reduction in the first instance. A Member added that cost reduction should be considered separately to income opportunities.

In response to concerns about the viability of some department's ability to meet their targets, the Chamberlain assured Members that the goal of the exercise was not to break departments/services, whilst proposals would be considered carefully and a constructive approach would be pursued, the stark reality was that the Corporation faced a significant financial challenge and bearing down on costs was critical. The Chairman added that the zero-based budget review exercise next year offered a potentially game-changing opportunity to re-evaluate our priorities, with the consequent impact being accruing significant

cost reductions; he added that it was also important to design the Review in conjunction with the new Corporate Plan.

Members were encouraged by the initial plans around the zero-based budget review; it was crucial that officers from across the Corporation were on board and understood the process.

In response to a separate query, the Chamberlain confirmed that departmental variations existed for pay lines due to the impact of cases of flexible retirement, market forces supplements, redundancies etc falling more heavily on certain departments than others.

RESOLVED – that the Sub-Committee noted the Report.

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

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

There were no items of urgent business.

7. **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.

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

RESOLVED - That the non-public minutes of the meeting held on 25th October 2021 be agreed as an accurate record.

9. **DEEP DIVE REPORT - ENVIRONMENT DEPARTMENT**

The Sub-Committee received a Report of the Executive Director of the Environment Department. The Report provided Members with a deep dive analysis of the short-, medium-, and long-term outlook for the Department's finances.

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

There were no questions.

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

There was no other business.

The meeting ended at 3.15 pm

Chairman

Contact Officer: John Cater
tel.no.: 020 7332 1407
john.cater@cityoflondon.gov.uk

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