

FINANCE COMMITTEE

Tuesday, 19 July 2022

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 19 July 2022 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Alderman Sir Peter Estlin
Deputy Randall Anderson (Deputy Chairman)	Steve Goodman
Munsur Ali	Wendy Hyde
Deputy Rehana Ameer	Alderwoman Susan Langley
Shahnan Bakth	Deputy Andrien Meyers
Emily Benn	Eamonn Mullally
James Bromiley-Davis	Deputy Christopher Hayward (Ex-Officio Member)

Observers

Nicholas Bensted-Smith
Deputy Madush Gupta
Deputy Ann Holmes
Deputy Nighat Qureishi
Deputy Philip Woodhouse

Officers:

Bob Roberts	- Director of Communications
Caroline Al-Beyerty	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Polly Dunn	- Town Clerk's Department
Gavin Stedman	- Markets & Consumer Protection Department
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chief Operating Officer's Department
Sam Collins	- Chamberlain's Department
Dionne Corradine	- Chief Strategy Officer
Paul Chadha	- Comptroller & City Solicitor's Department
Anne-Marie Foster	- Museum of London
Phil Black	- Chamberlain's Department
Susie Pritchard	- Markets & Consumer Protection Department

1. APOLOGIES

Apologies for absence were received from Nicholas Bensted-Smith, Alderman Professor Emma Edhem, Martha Grekos, Madush Gupta, Ann Holmes, Alderman Robert Hughes-Penney, Elizabeth King, Alderman Tim Levene, Paul Martinelli, Catherine McGuinness, Nighat Qureishi, Tom Sleight, James Tumbridge, Mark Wheatley, Philip Woodhouse, and Keith Bottomley.

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 and summary of the meeting held on 14th June be approved as an accurate record.

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

The Committee received a Report of the Chamberlain concerning the Committee's Forward Plan.

RESOLVED – that the Committee noted the Report.

5. **DRAFT PUBLIC MINUTES FROM THE PROPERTY INVESTMENT BOARD - 20TH JUNE 2022**

The Committee received the minutes of the Property Investment Board meeting of 20th June.

A Member queried whether, given the wider considerations about residents' concerns, responsibility for the London Wall West Development should sit with the Property Investment Board.

In response, the Chairman of Policy & Resources pointed out that, whilst PIB was the sponsoring Committee for this matter, the overall policy around the London Wall West site sits with the Policy & Resources Committee. P&R have discussed this subject extensively and provided a clear steer to officers that, whilst it was vital to consider and respond to the views and concerns of residents living in the vicinity of London Wall West, the receipts from the development were critical when it came to funding the new Museum of London. Maximising our return, whilst working to mitigate the concerns of residents without diminishing the overall site value was the optimal approach. Consultations would continue with residents, and it was hoped that the final proposal would be sensitive to the needs of all stakeholders.

In addition, the Chairman of P&R and the Chamberlain highlighted the work that had gone into the affordability modelling for the Centre for Music (the previous proposal for the site) and emphasised that, ultimately, the finances for that project did not stack up, even with the option of additional commercial activities included in the site. Whilst understanding the desire amongst residents for an alternative cultural offering on the site, it was pointed out that the receipt from the development of the site would be used for the completion of the new Museum of London, a major cultural attraction in its own right, so maximising the returns was vitally important.

The Chair of the Property Investment Board added that several residents had attended the PIB meeting earlier in the day to contribute to the discussions around London Wall West and this dialogue would continue.

The Chairman pointed out that whilst what ends up on the site is for others to determine, the acute fiscal situation we now find ourselves in determined that the financial return from the site is paramount, especially when considering the viability of the City's support of the new Museum.

A Member requested that, given the likelihood that this would remain a contentious issue for some time, all Members of the Court were kept abreast of these matters as we moved forward.

RESOLVED – That the Committee noted the Minutes.

6. **DRAFT PUBLIC MINUTES FROM OPERATIONAL PROPERTY AND PROJECTS SUB-COMMITTEE - 21ST JUNE 2022**

The Committee received the minutes of the Operational Property and Projects Sub-Committee meeting of 21st June.

RESOLVED – that the Committee noted the Minutes.

7. **EFFICIENCY AND PERFORMANCE SUB COMMITTEE - ROLE AND WORK PROGRAMME**

The Committee considered a Report of the Chamberlain concerning the future role and work programme of the Efficiency & Performance Sub-Committee.

RESOLVED – that the Committee approved the following:

- The proposed work programme outlined at paragraph 10 in the Report.
- Formation of an Efficiency and Performance working party rather than a Sub-Committee.

8. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT - MONTHLY REPORT**

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

Highlighting Risk CHB001b (concerning recruitment), a Member queried what action was being taken in response to the current high level of vacancies in the Department and across the organisation as a whole; she highlighted the City's failure to pay salaries comparable to market rates as a key factor behind the vacancy rate.

The Chamberlain responded that, at least in her Department, the picture was mixed, with higher vacancies in the Strategic Finance area compared to other sections, and, in general, a candidate pool which was not as wide as had been the case in previous years. More positively, however, successful appointments had been made to a number of key senior positions in recent weeks.

The Chamberlain also pointed out that recent interviews had revealed that working from home had become more of a normalised request from candidates, with several pulling out of the process due to the Corporation's three day a week policy.

In terms of mitigations, the Chamberlain, the City Surveyor, and the Chief Operating Officer highlighted several areas, including the establishment of Jobs Families, rationalisation of MFS requests, more competitive salaries in areas such as City Surveyors, and a renewed focus on non-pay rewards. These proposals, amongst others, would be presented formally to Members later this year in a Remuneration and Rewards Strategy Report. The COO pointed out that, if Members were minded to increase salary packages in line with the market, a further options paper would need to come back to Finance Committee to consider the budgetary implications.

An officer added that vacancies was now also on the Corporate Risk Register – The Executive Director of Human Resources and Chief People Officer would be managing this going forward.

RESOLVED – that the Committee noted the Report.

9. **2021/22 PROVISIONAL OUTTURN**

The Committee considered a Report of the Chamberlain concerning the 2021/22 Provisional Outturn.

In response to a query, the Chamberlain emphasised that overspending departments would be subject to star chambers led by her and the Town Clerk during the autumn and this would be supplemented by scrutiny from the Efficiency & Performance Working Party.

RESOLVED – that the Committee approved the following:

- Note the report.
- Agree to waive the deficit carry forward provision for 2021/22

10. **CAPITAL AND SUPPLEMENTARY REVENUE PROJECT OUTTURN 2021/22 FOR CITY FUND AND CITY'S CASH AND PRUDENTIAL INDICATORS**

The Committee received a Report of the Chamberlain concerning the Capital and Supplementary Revenue Project Outturn 2021/22 for City Fund and City's Cash and Prudential Indicators.

RESOLVED – that the Committee noted the Report.

11. **REVENUE OUTTURN 2021/22 - FINANCE COMMITTEE - OPERATIONAL SERVICES**

The Committee received a Report of the Chamberlain concerning the revenue outturn for the services overseen by the Finance Committee in 2021/22 with the final budget for the year.

RESOLVED – that the Committee noted the Report.

12. **BUDGET MONITORING Q1 2022/23**

The Committee received a Report of the Chamberlain concerning budget monitoring for Q1 2022/23.

RESOLVED – that the Committee noted the Report.

13. KEY INCOME COLLECTION UPDATE

The Committee received a Report of the Chamberlain concerning collection performance for the City of London's income streams including key income streams for Investment Property, Operational Property, Business Rates, and Council Tax.

RESOLVED – that the Committee noted the Report.

14. CHAMBERLAIN'S BUSINESS PLAN QUARTER 1 UPDATE

The Committee received a Report of the Chamberlain concerning the departmental Business Plan.

RESOLVED – that the Committee noted the Report.

15. 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.

16. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee received 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 Orders 41(a) and 41(b).

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

The following items of urgent business were raised –

The Chairman asked Members to endorse Madush Gupta to take his ex-officio role on the Operational Property and Projects Sub-Committee for the remainder of 2022/23. Members were content to endorse.

The Chairman informed Members that a Local Government finance training session would be provided by Grant Thornton in September/October. A formal invitation will follow in due course to all Members of the Finance Committee.

The Chairman's Open Surgery sessions would now revert to a frequency of once a month (approx. two weeks after meetings of the Finance Committee).

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 – That the non-public minutes of the meeting held on 14th June be approved as an accurate record.
21. **DRAFT NON-PUBLIC MINUTES FROM THE PROPERTY INVESTMENT BOARD - 20TH JUNE 2022**
The Committee received the non-public minutes of the Property Investment Board meeting of 20th June.
22. **DRAFT NON-PUBLIC MINUTES FROM OPERATIONAL PROPERTY AND PROJECTS SUB-COMMITTEE - 21ST JUNE 2022**
The Committee received the non-public minutes of the Operational Property and Projects Sub-Committee meeting of 21st June.
23. **PROVISION FOR BAD AND DOUBTFUL DEBTS**
The Committee received a Report of the Chamberlain concerning the provision for Bad and Doubtful Debts as at 31st March 2022.
24. **CHAMBERLAIN'S FINANCIAL OUTLOOK**
The Committee received a presentation from the Chamberlain concerning the City's financial outlook going into the 2023/24 FY budget cycle.
25. **HEATHROW ANIMAL RECEPTION CENTRE - FORWARD PLAN**
The Committee considered a Report of the Executive Director – Environment concerning the Heathrow Animal Reception Centre.
26. **MUSEUM OF LONDON PAY AWARD**
The Committee considered a Report of the Director of the Museum of London concerning the Museum's Staff Pay Award.
27. **INTEGRATED FACILITIES MANAGEMENT FRAMEWORK AWARD**
The Committee considered a Report of the City Surveyor concerning the preferred suppliers to the Facilities Management Framework Award.
28. **CITY FUND - 95 QUEEN VICTORIA STREET - HEADLEASE VARIATION**
The Committee considered a Report of the City Surveyor concerning 95 Queen Victoria Street.
29. **CITY FUND - 21-26 GARLICK HILL, EC4 - SALE OF A LONG LEASEHOLD INTEREST**
The Committee considered a Report of the City Surveyor concerning 21-26 Garlick Hill.

30. **CITY'S ESTATE : MAJOR REFURBISHMENT / EXTENSION OF THE COURTYARD - 1 ALFRED PLACE BUILDING IN TOTTENHAM COURT ROAD, W1. - GATEWAY 3/4 REPORT**

The Committee considered a Report of the City Surveyor concerning 1 Alfred Place, W1.

31. **CITY'S ESTATE: 22-24 BRUTON LANE, 8-14 GRAFTON ST & 163/164 NEW BOND ST (THE GRAFTON SITE) - LEASE RESTRUCTURE AND DEVELOPMENT AGREEMENT.**

The Committee considered a Report of the City Surveyor concerning the Grafton Site.

32. **CITY'S ESTATE : LEASE RESTRUCTURE FOR A CAPITAL PREMIUM & LEASEHOLD ACQUISITION : NEW BROAD ST HOUSE AND IRONGATE HOUSE**

The Committee considered a Report of the City Surveyor concerning New Broad Street House and Irongate House.

33. **CONTINGENCIES NON PUBLIC APPENDIX**

The Committee noted the non-public appendix to ITEM 15 (Contingencies).

34. **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.

35. **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.

36. **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.

37. **CONFIDENTIAL MINUTES**

RESOLVED – That the confidential minutes of the meeting held on 14th June be approved as an accurate record.

38. **IT SERVICE TRANSITION**

The Committee considered a Report of the Chief Operating Officer concerning the IT Service Transition.

The meeting ended at 2.17 pm

Chairman

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