

FINANCE COMMITTEE

Tuesday, 15 November 2022

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 15 November 2022 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Alderwoman Susan Langley
Deputy Randall Anderson (Deputy Chairman)	Alderman Tim Levene
Munsur Ali	Paul Martinelli
Deputy Rehana Ameer	Catherine McGuinness
Emily Benn	Deputy Andrien Meyers
Nicholas Bensted-Smith	Eamonn Mullally
Alderman Professor Emma Edhem	Deputy Nighat Qureishi
Alderman Sir Peter Estlin	Paul Singh
Martha Grekos	James Tumbridge
Deputy Ann Holmes	Mark Wheatley
Wendy Hyde	Deputy Philip Woodhouse
Elizabeth Anne King	Deputy Keith Bottomley (Ex-Officio Member)

Officers:

John Cater	- Committee Clerk
Bob Roberts	- Director of Communications
Caroline Al-Beyerty	- Chamberlain
Emma Moore	- Chief Operating Officer
Paul Wilkinson	- City Surveyor
Sonia Virdee	- Chamberlain's Department
Jonathan Cooper	- City Surveyor's Department
Matt Baker	- Commercial Team

1. APOLOGIES

Apologies for absence were received from Shahnaz Bakht, James Bromiley-Davis, Steve Goodman, Madush Gupta, Alderman Robert Hughes-Penney, Gregory Lawrence, James Thomson, and Christopher Hayward.

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 non-public summaries of the meetings held on 20th September and 18th October were approved as accurate records, subject to the following amendment -

Martha Grekos provided apologies prior to the meeting on the 20th September.

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

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

In response to a query, given the ongoing delays, the Chamberlain confirmed that intense conversations were being held with the current auditors about their audit fee. An update would be provided to the Committee in due course.

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, namely, the Financial Investment Board on 21st October and the Operational Property and Project Sub-Committee on 26th October.

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, the Chamberlain assured Members that staff welfare was a key focus of her department and much work had been devoted to ensuring that workload was being shared out fairly and prioritised according to departmental objectives.

RESOLVED – That the Committee noted the Report.

7. **Q2 REVENUE BUDGET MONITORING**

The Committee received a Report of the Chamberlain concerning Q2 Budget Monitoring.

RESOLVED – that the Committee noted the Report.

8. **CORPORATE CLEANING SERVICES AGREEMENT EXTENSION**

The Committee considered a Report of the City Surveyor concerning a 6 month extension of the Corporate Cleaning Services agreement.

Officers informed Members, that, unfortunately, there had been some unavoidable delays in preparing the IFM tender which, in turn, delayed the consideration and approval of this extension.

It was also clarified that the £1.9m essentially reflected 6 months' costs at the current agreed rates; so, from an overall budget perspective, there was no new money required.

RESOLVED – that the Committee:

1. Endorsed for onward approval by the Court of Common Council, the following variations to the Corporate Cleaning Services Agreement with Atalian Servest Limited:

- a. a variation to the expiry date of the contract term to 31st March 2023; and
- b. an increase in the Total Contract Value of £1.9m to £32.7M.

9. **CHAMBERLAIN'S BUSINESS PLAN - QUARTER 2 UPDATE**

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

RESOLVED – that the Committee noted the Report.

10. **REVISIONS TO THE PROCUREMENT CODE AND THE COMPETITIVE PROCUREMENT EXEMPTIONS POLICY**

The Committee considered a Report of the Chief Operating Officer concerning the Procurement Code and the Competitive Procurement Exemptions Policy.

In response to queries about ensuring the City was monitoring the financial health and resilience of its suppliers, officers informed Members that whilst annual reviews of financial health were undertaken for each of the top tier suppliers, giving the fast-moving changes to the external environment, more frequent checks were being rolled out as a priority. The City would also be working with others large public sector organisations, including local authorities, in gathering and sharing intelligence. Financial resilience of supply chains was a key focus for the Operational Property & Project Sub-Committee (OPPSC).

Officers proposed one additional amendment (Rule 23.3): "Appointment of External Procurement, Property and Legal Consultants – Officers planning to appoint external property and construction advisors must consult with the City Surveyor before all such appointments can be made."

In response to a request, officers agreed to revise the wording concerning Responsible Procurement to ensure it provides officers with more clarity about their responsibilities as well as better informing them of where to find the most up-to-date guidance. Officers would share this wording with the Chairman, and it would be included for the consideration of Members of the Court in December. Officers assured Members that further in-depth guidance was readily available for those staff members working on procurements, and suggested that the document in the pack should be viewed as more of a high-level framework paper providing Members with an overview of the guiding principles. The Deputy Chair of the OPPSC added that the Sub-Committee would continue to scrutinise this area and would report back to the Finance Committee on a regular basis.

In response to a query, officers confirmed that an updated Responsible Procurement Policy had been approved by the OPPSC and Policy & Resources Committee earlier in the autumn; they added that supply chain diversity was a priority, specifically around ensuring that suppliers that were (minimum) 51% ethnic minority owned and controlled were being considered by the City. The City had recently delivered an event with MSDUK* (the Corporation had been the first governing authority in the UK to join the organisation) which would remain a critical area of focus going forward. Officers would be bringing forward an annual Report focusing on impact of the Responsible Procurement Policy in 2023.

RESOLVED – that the Committee approved the revisions to the City Corporation’s Procurement Code effective from 3 January 2023, subject to the additions above.

* MSDUK is the UK’s leading supplier diversity advocacy organisation that represents and certifies ethnic minority-owned businesses.

11. 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.

12. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered 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).

13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The following item of urgent business was raised:

Reflecting on the concerns raised by two Members about the late circulation of one of the items on today’s agenda (item 18 in non-public), the Chairman reiterated his opposition to late papers in general, whilst emphasising that these would only occur by exception and would require a very clear and robust rationale.

The Chairman apologised to the Members for the inconvenience the late paper had caused.

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**
RESOLVED – That the non-public minutes of the meetings held on 20th September and 18th October were approved as accurate records.
17. **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 non-public discussions which had taken place during recent meetings of the Committee's Sub-Committees, namely, the Financial Investment Board on 21st October and the Operational Property and Project Sub-Committee on 26th October.
18. **MIDDLESEX STREET ESTATE -VACANT POSSESSION HRA COMPENSATION**
The Committee considered a Report of the Chamberlain concerning the Middlesex Street Estate.
19. **CONTRACT EXTENSION - WORK AND HEALTH PROGRAMME - CENTRAL LONDON WORKS**
The Committee considered a Report of the Director of Central London Forward concerning a contract extension for the Work and Health Programme of Central London Works.
20. **EXTENSION OF THE MANAGED SERVICE TEMPORARY AGENCY RESOURCE CONTRACT**
The Committee considered a joint Report of the Chief Operating Officer and the Chief People Officer & Executive Director of Human Resources concerning an extension to the Managed Service Temporary Agency Resource Contract.
21. **MINOR WORKS MEASURED TERM CONTRACTS - PROCUREMENT STRATEGY REPORT AND EXTENSION OF CURRENT CONTRACT**
The Committee considered a joint Report of the City Surveyor and the Chief Operating Officer concerning the Minor Works Measured Term Contracts.
22. **CITY FUND: 17 FLEET STREET, EC4 - SALE OF A FREEHOLD INTEREST**
The Committee considered a Report of the City Surveyor concerning the sale of 17 Fleet Street.
23. **NON-PUBLIC APPENDICES TO ITEM 10**
The Committee noted the non-public appendix to ITEM 10.
24. **CONTINGENCIES - NON-PUBLIC APPENDIX**
The Committee noted the non-public appendix to ITEM 11 (Contingencies).

25. NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered a report of the Town Clerk which provided information of the non-public 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).

26. 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.

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

The Committee considered an item of urgent business relating to the Capital Programme.

The meeting ended at 2.00 pm

Chairman

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