

FINANCE COMMITTEE

Wednesday, 8 November 2023

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on
Wednesday, 8 November 2023 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Paul Martinelli
Deputy Randall Anderson (Deputy Chairman)	Catherine McGuinness
Brendan Barns	Deputy Andrien Meyers
Steve Goodman OBE	Eamonn Mullally
Deputy Madush Gupta	Hugh Selka
Michael Hudson	James St John Davis
Alderman Robert Hughes-Penney	Deputy Philip Woodhouse
Deputy Elizabeth King	Deputy Christopher Hayward (Ex-Officio Member)
Alderman Tim Levene	Deputy Keith Bottomley (Ex-Officio Member)

Officers:

Caroline Al-Beyerty	- Chamberlain
Emma Moore	- Chief Operating Officer
Bob Roberts	- Interim Executive Director, Environment
Richard Chamberlain	- City Surveyor's Department
Radwan Ahmed	- Chamberlain's Department
Phil Black	- Chamberlain's Department
Mark Jarvis	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Nathan Omane	- Chamberlain's Department
Sarah Baker	- Town Clerk's Department
Daniel Ritchie	- Chief Operating Officer's Department
Genine Whitehorne	- Chief Operating Officer's Department
Bridget O'Dwyer	- Community and Children's Services Department
Linda Somerville	- Community and Children's Services Department
Alan Bennetts	- Comptroller and City Solicitor's Department
Ben Dunleavy	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Alderman Sir Peter Estlin, Benjamin Murphy, Paul Singh, Deputy James Thomson and Mark Wheatley.

James Tumbridge observed the meeting virtually.

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**

The public minutes and non-public summary of the meeting held on 8 November 2023 were approved as an accurate record.

4. **ACTION TRACKER**

Members received a report of the Town Clerk providing the Committee's action tracker.

Members noted that the action on the CIL was an item for the Director of Environment. This would require the Planning and Transportation Committee to review. It was the Chamberlain's view that the review of CIL would need to wait for the Local Plan.

A Member asked for an update on service charges at the Barbican Estate. In reply, officers confirmed that a comprehensive review of service charges had been agreed by the Barbican Residential Committee in September. The lift works had been removed from 2023/24 year estimates, and residents were not being charged for these in year. An independent, external review and validation audit had been commissioned by the Housing Department, supported by a resident panel. The review findings would be reported back to the Finance Committee and Barbican Residential Committee at the end of the financial year.

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

Members received a report of the Chamberlain providing the Committee's forward plan.

The Chairman, noting that meetings of the Finance Committee in October had been cancelled for the past three years running, proposed that this should become the norm.

RESOLVED, that – the committee no longer meets in October and in future should space out the three meetings from September to December inclusive.

6. **DRAFT PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**

The Deputy Chairman provided Members with an update on the public elements of the Projects and Procurement Sub-Committee held on 6 November 2023.

7. **2022-23 CITY'S CASH FINANCIAL STATEMENTS**

Members received a report of the Chamberlain concerning the City's Cash Financial Statements for 2022/23.

Members noted that the Audit and Risk Management had recommended approval of the statements at its meeting on 6 November 2023. Officers hoped that the statements would be signed off by the end of November.

Members noted that the definition of material changes was set out by the auditors, but that it generally meant anything that would affect their true and fair opinion. The Chairman confirmed that the Committee would be notified should the Chamberlain use the delegation to approve any material changes.

RESOLVED, that – Members:

- a) Note the contents of the Draft City's Cash Initial Audit Findings Report 2022-23 issued by Crowe UK LLP as set out in Appendix 4.
- b) Approve the 2022-23 City's Cash Financial Statements, and the financial statements of each of the 9 consolidated charities, for the year ended 31 March 2023, to be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.
- c) Authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any material changes to the statement of accounts and annual reports and financial statements required before the signing of the audit opinion by Crowe UK LLP – which is expected by the end of November 2023 for City's Cash consolidated financial statements, and for the consolidated charities.

8. **SUNDRY TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2022/23**

Members received a report of the City Bridge Foundation and Charities Director (representing the Chamberlain) concerning the Annual Reports and Financial Statements for the Sundry Trust Funds for 2022/23.

RESOLVED, that – Members:

- a) Note the contents of the audit management report issued by Crowe
- b) Note that the external auditor Crowe was anticipating giving an unqualified audit opinion for the 3 audited charity annual reports
- c) Note that the independent examiner Crowe was anticipating giving an unmodified report for the 4 independently examined charity annual reports
- d) Note for information the presentation of 4 annual reports which are not subject to either audit or independent examination
- e) Note that the Audit and Risk Management Committee had recommended approval of the Annual Reports and accordingly approve the Financial Statements of the charities for the year ended 31 March 2023, to be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council;
- f) Delegate to the Chamberlain, in consultation with the Chairman and Deputy Chairman of Finance Committee, approval of any material

changes to the statement of accounts required before the signing of the audit opinion by Crowe – which was expected by early December 2023

9. **CITY FUND AND PENSION FUNDS STATEMENT OF ACCOUNTS UPDATE**

Members received a report of the Chamberlain providing an update on the Statement of Accounts for City Fund and the Pension Funds for 2020/21.

The Chamberlain informed Members that the Chairman and Deputy Chairman had signed the Accounts at noon before the meeting.

The Chairman thanked the Chamberlain and her team for all their work on progressing the signing of these Accounts.

The Chairman expressed his concern that the failure of some Members to complete their Related Parties Transactions was causing unnecessary delays and costs. He hoped that the Civic Affairs would take appropriate action to ensure early completion of a relatively straightforward task.

The Chamberlain provided an update on the changes to the audit report for City Fund relating to infrastructure assets.

RESOLVED, that – Members:

- a) Note the progress made on the 2020-21 accounts.
- b) Note the Audit Findings Report for the City Fund 2021-22
- c) Note the Audit Findings Report 2021-22 for the Pension Fund
- d) Note the Audit Progress Report for the City Fund 2022-23
- e) Note the Audit Findings Report for the Pension Fund 2022-23
- f) Note the responses from Management

10. **PROJECT PROCEDURE REVISION**

Members received a report of the Chief Operating Officer concerning the revisions to the Project Procedure.

The Chairman requested that the Committee receive an update on the impact of the implemented changes in six months.

RESOLVED, that – Members:

- a) approve the Projects Procedure changes described in the report and shown in Appendices 1 and 2.
- b) Note that a revised Projects Procedure will be forthcoming as part of the Project Governance Review Implementation.
- c) Delegate authority to the Town Clerk in consultation with the Chairmen and Deputy Chairmen, to finalise the project procedure subject to any changes agreed at Committee.

11. **RESOLUTION OF THE NATURAL ENVIRONMENT BOARD**

Members received a resolution from the 16 October meeting of the Natural Environment Board concerning the Target Operating Model.

The Executive Director of Natural Environment informed Members that the resolution had led to positive discussions and initiated work on formation of a business case for the Monument.

RESOLVED, that – Members note the resolution.

12. CHAMBERLAIN'S BUSINESS PLAN QUARTER 2 2023/24 UPDATE

Members received a report of the Chamberlain providing the quarterly update on the business plan.

RESOLVED, that – the report be received and its contents noted.

13. CHAMBERLAIN'S RISK REGISTER

Members received a report of the Chamberlain concerning the Chamberlain's Departmental Risk Register.

A Member asked how officers were trying to reduce the risk level of the CHB002 Housing Revenue Account (HRA) Finances. In reply, the Chairman felt that HRA required a thorough overhaul. The Chamberlain provided Members with an oversight of the issues facing the HRA, and that a fuller view would be provided at the January meeting, as well as in the budget report for City Fund.

A Member, with regards to CR38 Unsustainable Medium Term Finances – City's Cash, asked when the reduction in key income streams would become sustainable. In reply, the Chamberlain said that the

RESOLVED, that – the report be received and its contents noted.

14. QUARTER 2 2023/24 FORECAST CAPITAL AND SRP EXPENDITURE

Members received a report of the Chamberlain concerning forecast capital and SRP expenditure.

The Chairman suggested that items 14 and 15 be considered together, and Members noted that in future they would be presented as a combined paper.

In reply to a question from a Member on the role of service committees, officers said that they were trying to realign the reporting of monitoring so that Chief Officers and Service Committees both received quarterly updates. The Chairman noted the importance of ensuring that service committees received quarterly budget monitoring reports.

RESOLVED, that – the report be received and its contents noted.

15. REVENUE BUDGET MONITORING TO QUARTER 2 2023/24

Members received a report of the Chamberlain concerning revenue budget monitoring.

RESOLVED, that – the report be received and its contents noted.

16. CIL AND OSPR CAPITAL BIDS (QUARTER 2 - 2023/24) & CAPITAL BIDS FOR 2024/25 CAPITAL PROGRAMME

Members received a joint report of the Chamberlain and the Executive Director, Environment concerning the Community Infrastructure Levy, the On Street Parking Reserve and the 2024/25 Capital Programme.

The Chairman noted that this report did not qualify for restriction, and so moved consideration into the public session.

Members noted that the Cyclical Works programme would be coming to the Committee's December meeting for approval.

Several Members said that they felt the CIL processes and criteria were not always clear. Officers undertook to circulate guidance to all Members on the process.

RESOLVED, that – Members:

For projects bids considered under City CIL and OSPR funding:

- a) Review the project bids in line with the eligibility and prioritisation criteria as set out in Appendix 1.
- b) Note the forecast balances for City CIL and OSPR as detailed in paras 2.1 and 2.2 of the report, which incorporates the recommendations of the Priorities Board,
- c) Recommend that Policy and Resources should approve the allocation of City CIL and OSPR funding to the three revenue schemes (listed in section 3.1 and detailed in Appendix 2):
 - City Gardens Revenue Budget
 - Ground Penetrating Radar Survey (GPRS) for Infrastructure Strategy; and
 - Street Furniture ASB Protection Measures

For new capital bids for the financial year 2024/25:

- a) Approve the new capital bids submitted (listed in section 3.2 and detailed in appendix 2), amounts requested and purposes for which these are requested, including two schemes funded by CIL (Bid AB2 – City Cluster Programme) and OSPR monies (Bid AB1 – Car Parks Fire and Safety).
- b) Approve the recommendations of the Priorities Board in relation to three schemes of the fourteen Capital and SRP bids, listed below with further detail found in paragraph 3.26.
 - Network Contract - Support and Refresh,
 - Corporate Device Stock Replacement
 - Public Switched Telephone Network (PSTN) Replacement

- c) To note new bids which require funding from City Bridge Foundation (CBF), will need to be considered as being in the best interests of the charity, noting the separate legal duties of the City Corporation as a Trustee.
- d) Note that the final decision for capital bids for inclusion in the 2024/25 draft budgets will be confirmed at the joint meeting of RASC and the Service Committee Chairmen and CBF Board in January 2024, with final approval in February /March by Finance Committee and the Court of Common Council
- e) Note the future funding requirements under section 7.

17. TARGET OPERATING MODEL (TOM) – FINAL REPORT

Members received a report of the Chief Strategy Officer concerning the Target Operating Model (TOM).

A Member, also the Chairman of the Policy and Resources Committee, expressed regret at the handling and implementation of the TOM, and noted that the Town Clerk and Chief Executive was engaged in developing a People Strategy to address the fall out.

Following a question from a Member on the usage of the savings made through the TOM, the Chamberlain undertook to include more information on these in budget monitoring reports, and on the total of unachieved permanent savings as part of the budget-setting report for February's meeting.

RESOLVED, that – the report be received and its contents noted.

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

A Member asked a question regarding the extent to which the City Corporation's investments and pensions funds were in areas that might be considered harmful to its climate strategies.

In reply, the Chairman said that material work had already been undertaken by the Investment Committee and that a paper on this subject would be going to a future meeting of the Policy and Resources Committee.

19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

20. 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.

Item No.	Paragraphs in Schedule 12A
16-24, 26, 27	3
25	1 and 3

21. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
The non-public minutes of the meeting held on 8 November 2023 were approved as an accurate record.
22. **DRAFT NON-PUBLIC MINUTES OF THE PROJECTS AND PROCUREMENT SUB-COMMITTEE**
The Deputy Chairman provided Members with an update on the non-public elements of the Projects and Procurement Sub-Committee held on 6 November 2023.
23. **THE NPCC CYBERCRIME PROGRAMME NATIONAL FRAMEWORK AGREEMENT FOR THE PROVISION OF CRYPTOCURRENCY STORAGE AND REALISATION SERVICES – EXTENSION OF CONTRACT TERM**
Members received a report of the Commissioner of Police concerning the extension of the framework agreement for the provision of cryptocurrency storage.
24. **GUILDHALL COOLING PLANT REPLACEMENT**
Members received a report of the City Surveyor concerning the Guildhall Cooling Plant Replacement project.
25. **COMPLIANT COMMITTEE WAIVER REPORT FOR A COMBINED IN-PATIENT DETOXIFICATION (IPD) AND STABILISATION SERVICE FOR LONDON**
Members received a report of the Director for Community and Children's Services concerning the provision of an In-Patient Detoxification and stabilisation unit.
26. **EXTENSION OF THE MANAGED SERVICE TEMPORARY AGENCY RESOURCE CONTRACT**
Members received a joint report of the Chief Operating Officer and the Chief People Officer concerning the Managed Service Temporary Agency Resource Contract.
27. **GETTING BEST VALUE FROM OUR LOW VALUE SPEND**
Members received a report of the Chief Operating Officer concerning low value spend.
28. **WRITE-OFF OF OUTSTANDING DEBT – OCEAN FLEET SEAFOOD LIMITED**
Members received a report of the Chief Operating Officer concerning the outstanding debt of a Billingsgate trader.
29. **MAJOR PROJECTS – HIGH LEVEL FORECASTS AND CASH FLOW**
Members received a joint report of the Chamberlain and the Chief Operating Officer concerning cash flow forecasts for Major Capital Projects.
30. **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 urgency procedures since the last meeting.

31. 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.

32. 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.

33. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING

The confidential minutes of the meeting held on 8 November 2022 were approved as a correct record in the non-public session.

The meeting ended at 2.24 pm

Chairman

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