



GIFFORD, Mayor  
**COURT OF COMMON COUNCIL**

THURSDAY, 7<sup>th</sup> MARCH, 2013

MEMBERS PRESENT

ALDERMEN

Gifford, M.R. The Rt. Hon. The Lord  
Mayor  
Anstee, N.J.  
Bear, Sir Michael D., B.Sc.(Eng) M.B.A.  
Evans, J. R., Sheriff  
Garbutt, J.  
Gowman, Miss A.J.  
Graves, D. A.

Haines, G.W.  
Hall, B.R.H.  
Howard, Sir David, Bt., M.A., D.Sc.  
Judge, Sir Paul  
Lewis, Sir David, M.A., D.L.  
Luder, I.D., B.Sc.(Econ)

Redcliffe, N.G.M.  
Remnant, The Hon. P., C.B.E.  
Richardson, M.  
Savory, Sir Michael  
Stuttard, Sir John, M.A.  
Walsh, S., M.A.  
Woolf, Mrs F., C.B.E.  
Yarrow, A.

COMMONERS

Ayers, K.E. M.B.E.,  
Deputy

Bain-Stewart, A., M.Sc.,  
J.P.  
Barker, J.A., O.B.E,  
Deputy  
Barrow, D., Deputy  
Bennett J. A., Deputy  
Boleat, M.J.  
Bradshaw, D.J.  
Brewster, J.W., O.B.E.

Cassidy, M.J., C.B.E.,  
Deputy  
Catt, R.M.  
Chadwick, R.A.H.  
Challis, N. K.  
Chapman, J.  
Cotgrove, D., B.A., Deputy  
Cressey, N.  
Currie, Miss S.E.M.,  
M.B.E., Deputy

Day M. J., B.A., M.Sc.,  
LL.M.  
Dove, W.H., M.B.E., J.P.,  
Deputy  
Duckworth, S.D'O. D.L.  
Dudley, Rev. Dr. M.R.  
Dunphy, P.G.

Eskenzi, A.N., C.B.E.,  
D.Sc., Deputy  
Eve, R.A., O.B.E., Deputy

Farr, M.C.  
Fletcher, J.W. B.Sc.  
Fraser, S.J., C.B.E.  
Fraser, W.B., O.B.E.,  
Deputy,  
Fredericks, Ms, M.B.

Galloway, A.D., O.B.E.  
Gillon, G.M.F.  
Ginsburg, S., J.P., Deputy  
Graves, A.C., LL.B.

Halliday, Mrs. P.A.,  
O.B.E., Deputy  
Hardwick, Dr. P.B., Q.H.P.  
Harris, B.N.  
Henderson-Begg, M.,  
M.B.E.  
Hoffman, T.  
Howard, R.P.S.  
Hudson, M.  
Hunt, W.G., T.D.  
Hyde, Ms W.

James, Mrs C. M.A.  
Jones, H.L.M., Deputy

Knowles, S.K., M.B.E.,  
Deputy

Lawrence, G.A.,  
Leck, P.  
Littlechild, Mrs V., J.P.  
Llewelyn-Davies, A.  
Lodge, O.A.W., T.D.,  
B.Sc.  
Lord, C.E., O.B.E., J.P.,  
Deputy

Malins, J.H., Q.C.,  
Martinelli, P.J. M.B.E.  
Mayhew, J.P., M.A.,  
M.B.A.

McGuinness, Miss C.,  
M.A., Deputy  
Mead, Mrs. W., Deputy  
Mooney, B.D.F., M.A.  
Moore, G.W.  
Morris, H. F.  
Moys, Mrs. S.D.

Nash, Mrs, J.C., O.B.E.,  
Deputy  
Newman, Mrs, B.P.,  
C.B.E.

Owen, Mrs. J., M.B.E.,  
Deputy  
Owen-Ward, J.R., M.B.E.,  
Deputy

Pembroke, Mrs. A.M.F.  
Pollard, J.H.G., Deputy  
Priest, Ms H.J.S.  
Pulman, G.A.G., J.P.,  
Deputy  
Punter, C.

Quilter, S.D., B.Sc.(Hons)

Regan, R.D., Deputy  
Regis, Miss D.  
Rogula, Miss E.  
Rounding, Ms V

Scott, J.G.S., J.P., B.A  
(Hons)  
Seaton, I.C.N.  
Shilson, Dr. G.R.E., Deputy  
Simons, J.L. , M.Sc  
Snyder, Sir Michael, Deputy  
Spanner, J.H., T.D.  
Starling, Mrs A.M.

Thompson, D.J.  
Tomlinson, J., B.A., M.Sc.

Welbank, M., Deputy

Minutes *Resolved* – That the Minutes of the last Court are correctly recorded.

Overseas Visits The Right Honourable the Lord Mayor reported on his recent visits to Kuwait, United Arab Emirates, Egypt, Bahrain and Qatar, Liverpool, Leeds, Glasgow and Edinburgh.

Dr Giles Robert  
Evelyn Shilson,  
Deputy  
Kenneth Edwin  
Ayers, M.B.E.,  
Deputy

*Resolved unanimously* - That, on his retirement from this Honourable Court, the Members wish to place on record their warmest thanks to

Sir Michael Savory

for the service that he has given to the Corporation and to the City for over thirty years. That civic career started when, in 1980, he was elected as a Common Councilman for the Ward of *Broad* Street but, in 1996, he was elected as Alderman for Bread Street. In that capacity, he was elected to the Office of Sheriff in 2001 and to the Mayoralty in 2004.

An old-style City man through and through, Sir Michael reinforced those qualities we are proud to see in our Lord Mayors; qualities of commitment, of integrity and of service to others, so clearly evidenced by his long-standing support for our Armed Forces, for the Church and for charitable activity. In that Mayoral year another quality of his was clear for all to see: the personal touch on visits to our housing estates, to our schools and even accompanying the City of London Police on some of their night patrols.

Sir Michael's record of service has been exemplary and when he stands down next week, he can do so with the hearty thanks of this Court for all he has achieved and with our warmest good wishes for a long, happy and healthy retirement.

Alderman Sir Michael Savory was heard in reply.

Letter A letter from John Bird resigning his office as a Common Councilman for the Ward of Tower was received.

Gerald Albert  
George Pulman,  
J.P., Deputy  
Sir Paul Judge,  
Alderman

*Resolved unanimously* – That, upon his retirement from this Honourable Court Members wish to extend to

John Leslie Bird, Officer of the Most Excellent Order of the British Empire

its sincere gratitude for his long and much valued service as a Member for the Ward of Tower.

Elected as a Common Councilman in 1977 for the Ward of Bridge and Bridge Without and later for the Ward of Tower, John's work with his colleagues on the whole of the Court has been much respected, as evidence by the number of

chairmanships he has been elected to, namely the Epping Forest Committee, the Trustees of the City of London Almshouses, the City Bridge Trust Committee and, in 1995, the Chairman of the City Lands and Bridge House Estates Committee, becoming the Chief Commoner that year.

The Members of this Honourable Court are pleased to have this opportunity to express their heartfelt appreciation not only for his efforts and achievements, but also for his kindness, courtesy and consideration and they wish him good health and happiness long into the future.

Common Councilmen not seeking re-election

The Chief Commoner reported that a number of those currently serving as Common Councilmen had decided not to seek re-election later in the month, namely; John Brewster OBE, Pollyanna Davies, Martin Day, Bob Duffield, Martin Farr, Colin Graves, Michael Henderson-Begg MBE, William Hunt, Anthony Llewelyn-Davies, Peter Martinelli, Michael Page, and Mark Twogood.

He stated that, during their time on the Court, each had brought something special to the Court, some for many years and some for relatively few. Be it an enthusiasm for the City as a whole or an enthusiasm for one or more of the broad range of activities the City Corporation managed. Several of them had been Chairman of one or more of our Committees and special thanks were given to them, bearing in mind what commitment that involved. On behalf of all Honourable Members, the Chief Commoner thanked each Member not seeking re-election for all that they had done, for all that they had tried to do, for the commitment they had made and for the support given. He hoped that those Members did not lose touch and that they carried with them good and happy memories of their service together with their colleagues' best wishes for their good health and happiness in the future.

Policy Statement

There was no statement.

Hospital Seal

Sundry documents were sealed with the Hospital Seal.

Freedoms

The Chamberlain, in pursuance of the Orders of this Court, presented a list of the under-mentioned persons who had made application to be admitted to the Freedom of this City by redemption:-

Robert Hughes	a Telecommunications Consultant	Cheshunt, Hertfordshire
David Little	a Software Company Head of Customer Services	Salisbury, Wiltshire
Matthew Redgwell Burt	a Teacher	Corfe Mullen, Dorset
James Mark Eaton	a Royal Air Force Officer	Saffron Walden, Essex
Bernadine Julia Mary Emery	a Partnership Development Director	North Kensington, Kensington and Chelsea
Marilyn Elizabeth Collis	a Tour Guide	Tooting Broadway, Wandsworth
Kimberly Anne McCutcheon	The First Aid Nursing Yeomanry Chief Executive	Melrose, Roxburghshire
Richard Charles Jerrom	a Deputy Head of Music Administration, retired	Wakes Colne, Essex

Tudor John David Morgan	a Lecturer	Sidcup, Bexley
Roy William Hardy	a Financial Services Company Director	Woodford Green, Redbridge
Peter Duncan Atkins	a Household Electrical Goods Company Director	Minehead, Somerset
Paul Martin George Gardner	a Business Manager, retired	Langton Green, Tunbridge Wells, Kent
Mark Simpson	an Insurance Manager	Maxstoke, Warwickshire
Ismet Krasniqi	a Cleaning Company Director	Barnet
Louise Ann Becker-Murphy	a Psychotherapist	Surbiton, Surrey
Gh Courtney Hayden	a Management Consultancy Company Director, retired	Speldhurst, Tunbridge Wells, Kent
Lionel Geoffrey Stewart	a Police Officer, retired	Kempston, Bedfordshire
Edward Paul Williams	a Property Developer	Old Chelsfield, Orpington, Kent
James Patrick McSharry	a Computer Services Manager, retired	Billericay, Essex
Paul Leslie Green	a Commercial Manager	Churt, Farnham, Surrey
Gillian Mary Davies	a Refugee Case Worker	Bermondsey, Southwark
Edward Philip Everington	an Insurance Broker	Four Elms, Edenbridge, Kent
Richard Stembridge Darby	a Banker, retired	Welwyn, Hertfordshire
Caroline Roddis	a Writer	Woodchurch, Kent
Thomas McMahan	a Diocesan Bishop	Stock, Ingatestone, Essex
Charles Platts	an Automotive Design Engineer, retired	Allesley, Coventry, West Midlands
Jayendra-Bhai Patel	a Information Technology Company Director	Hemel Hempstead, Hertfordshire
Garrett Kenneth Cardwell	a Printing Company Director	Ossett, West Yorkshire
Ajay Kumar Agrawal	a Pharmaceutical Company Director	Cambridge, Cambridgeshire
Celia Rycroft	a Make Up Artist, retired	Tower Hamlets
William Stuart Carson Campbell	a Metropolitan Police Officer, retired	Hersham, Walton On Thames, Surrey
Richard John Hounslow	an Athlete	The Meadows, Nottingham
Richard Elbert Miller	a Mens Clothing Company Proprietor	Cambridge, Massachusetts, United States of America
Richard Charles Lumley	a Traffic Engineer	Shepherds Bush, Hammersmith and Fulham
John Stuart Charlton	a Publishing Company Chairman	Englefield Green, Surrey
Peter Michael	an Art Dealer	Twickenham, Richmond Upon Thames
Marios Michaels	a Construction Company Director	Twickenham, Richmond Upon Thames
Andrew Campbell Campbell	a University Lecturer, retired	Partridge Green, Horsham, Sussex
Nicos Christos Kikkides	a Security Officer, retired	Edmonton, Enfield
Heather Mary Swain	an Assistant Registrar	Leigh-on-Sea, Essex
Michael Shoukey Abdou	a Medical Practitioner	Hockley Heath, Solihull, West Midlands

Mervyn Roach	a Mechanical Technician	Feltham, Hounslow
Tony Raymond Edwards	a Security Consultant	Woolwich, Greenwich
Jack Henry Yeomanson	a Local Government Officer	Wandsworth
John Bernard Barradell , OBE	The Town Clerk of the City of London	Brighton
Marian Barradell	a Student	Brighton
Robert Wood Hunter	a Charity Director, retired	West Beckton, Newham
Philip Michael Sutton	a Financial Planner	Holloway, Islington
Gordon Stuart Cameron Spiers	an Accountant	Blewbury, Oxfordshire
Timothy Robin Cottier	a Chartered Accountant	Harrogate, North Yorkshire
Joseph Benjamin Noss	an Economist	Camden
Margaret Hannah Woodward	an Administration Assistant	Wood Green, Haringey
Jonathan Stokes	a Bank Compliance Officer	Tower Hamlets
Althea Marie Smith	a Councillor	Peckham, Southwark
Hannah Clare Sisk	a Solicitor	Old Alresford, Hampshire
Erman Lloyd Hassan	an Energy Loss Adjuster	Surbiton, Surrey
Joseph Thomas Shaffery	a Designer	West Ealing, Ealing
John Mark Comer	a Design Engineer, retired	Kingston-upon-Thames, Surrey
Roger Edward Flitter, BEM	an Operations Director	Fleet, Hampshire
Jonathan Nicholas McLeod	a Public Affairs Consultant	Two Dales, Matlock, Derbyshire
Vincent Vincenzo Fattorusso	a Legal Executive	Bedford, Bedfordshire
Rosamund Marie Oudart	a Widow	Camden
Graham Turnock	a Senior Civil Servant	Finsbury Park, Haringey
Matthew James Campbell-Hill	a Charity Director	Truro, Cornwall
Peter Llewellyn Miles	a Garage Proprietor, retired	Chalfont St Giles, Buckinghamshire
Carol Ann Miles	a Teacher, retired	Chalfont St Giles, Buckinghamshire
Crista Chay Kerio Cullen	an Athlete and Marketing Manager	Roehampton, London, Wandsworth
Benjamin Myer Fogle	a Film and Television Company Director	Kensington, Kensington and Chelsea
William Harold Charles Templer	a Financial Services Company Director	Guildford, Surrey
Steven Edward Brown	a Motor Vehicle Components Retailer, retired	Bromley
Patricia Coffee Brewer	a Lady of Independent Means	Macon, Georgia, United States of America
Serena Antoinette Dyett	a Child Care Practitioner	Walworth, Southwark
Lady Marie-claire Duncan-Sandys	a Lady of Independent Means	Westminster
Elisabeth Sandys	a Lady of Independent Means	Westminster
James Alan Stride	a Royal Naval Officer	Hungerford, Berkshire
Daniel John Charlish	a Charity Director	Hove, Sussex
Maurice Joseph	an Actor	Westminster

Micklewhite, Commonly  
 Known As Sir Michael  
 Caine, KT., CBE  
 Placido Domingo, Hon. an Opera Singer and Conductor Schwetzingen, Germany  
 KBE  
 Damian Watcyn Lewis an Actor Tufnell Park, Islington

Read.

*Resolved* – That this Court doth hereby assent to the admission of the said persons to the Freedom of this City by redemption upon the terms and in the manner mentioned in the several Resolutions of this Court, and it is hereby ordered that the Chamberlain do admit them severally to their Freedom accordingly.

Results of  
 Ballots

a) The Town Clerk reported the result of a ballot taken at the last Court for one Member on the Board of Governors of the City of London School for the balance of a term to expire in April 2015.

	Votes
Martin James Day, B.A., M.Sc., LL.M.	28
Michael Hudson	14
Sylvia Doreen Moys	55

Read.

Whereupon the Lord Mayor declared Sylvia Moys to have been appointed on the Board of Governors of the City of London School.

(b) The Town Clerk reported the result of a ballot taken at the last Court for one Member on the City Archaeological Trust for the balance of a term to expire in May 2015.

	Votes
Michael Hudson	18
Virginia Rounding	79

Read.

Whereupon the Lord Mayor declared Virginia Rounding to have been appointed on the City Archaeological Trust.

Appointment of  
 the Irish Society

To appoint The Honourable The Irish Society with effect from 25 April 2013 until 1 April 2014

The Court proceeded to appoint three Aldermen on The Honourable The Irish Society for terms of three, two and one years.

**Nominations of the Court of Aldermen:-**  
 Ian David Luder, B.Sc.(Econ.) Alderman  
 Alison Jane Gowman, Alderman  
 Jeffrey Evans, Alderman and Sheriff

Read.

*Resolved* –That Alderman Ian Luder, Alderman Alison Gowman and Alderman and Sheriff Evans be appointed on The Honourable The Irish Society for terms of three, two and one year respectively, with all eligible for re-appointment at the end of their term.

The Court proceeded to appoint twelve Common Councilmen for terms of one, two and three years.

**Nominations received:-**

John David Absalom  
Douglas Barrow, Deputy  
Roger Arthur Holden Chadwick  
Simon D'Olier Duckworth, D.L.  
The Revd. Dr. Martin Dudley  
Peter Gerard Dunphy  
Dr. Peter Bernard Hardwick, Q.H.P.  
Brian Nicholas Harris  
Oliver Arthur Wynlayne Lodge, T.D, B.Sc.  
Catherine McGuinness, M.A., Deputy  
Sylvia Doreen Moys  
Ann Marjorie Francescia Pembroke  
James Henry George Pollard, Deputy  
Richard David Regan, Deputy  
Elizabeth Rogula  
John George Stewart Scott, J.P., B.A.(Hons)  
Ian Christopher Norman Seaton  
Michael Welbank, Deputy

Read.

The Court proceeded, in accordance with Standing Order No.10, to ballot on the vacancy.

The Lord Mayor appointed the Chief Commoner and the Chairman of the Finance Committee, or their representatives, to be the scrutineers of the ballot.

*Resolved* – That the votes be counted at the conclusion of the Court and the result printed in the Summons for the next meeting.

To appoint the Governor and Deputy Governor of the Honourable The Irish Society

The Court proceeded to appoint the Governor of The Honourable The Irish Society.

Sir David Howard, Bt., M.A., D.Sc., Alderman  
Kenneth Edwin Ayers, M.B.E., Deputy

*Resolved* – That Ian Luder, Alderman and Cooper, be appointed Governor of the Honourable the Irish Society with effect from 25 April 2013 until 1 April 2014, it being noted that the Deputy Governor would be appointed by the Court of the Irish Society.

Letter Letter of Francis Jeremy Armstrong QPM thanking the Court for the resolution passed following the announcement of the Honour conferred upon him.

Received.

## Questions

1) **Deputy Catherine McGuinness** referred to the recent report of the Department of Health indicating that the City of London had the highest level of air pollution in the country, with the highest level of deaths attributable to particulate pollution and asked the **Chairman of the Port Health and Environmental Services Committee** what was being done to monitor and improve the situation. The **Chairman** confirmed that his Committee took this complex issue extremely seriously and, as it involved many parties, it was not capable of simple solutions or quick fixes. To focus efforts and provide a coherent basis for the necessary on-going long term and short-term work, in 2011 his Committee had approved an air quality strategy for the City which had 31 action points and was available on the City Corporation's website together with a progress review which was endorsed in 2012 and he outlined some of the steps being taken.

2) In view of the current concerns about systematic tax avoidance by large institutions, **Brian Mooney** asked the **Chairman of the Finance Committee** how much tax was paid in respect of City's Cash, its assets or the income therefrom by jurisdiction together with the extent of its holdings in the UK Crown Dependencies or Overseas territories and of any arrangements with Her Majesty's Revenue and Customs (HMRC) in respect of its overseas income. The **Chairman** reassured Members that the City Corporation paid tax wherever appropriate and was exempt from UK income tax but paid tax on overseas holdings as appropriate. He added that in the current financial year the City had paid tax totalling £344,308 to over fifteen countries including Japan of £80,268. He added that City's Cash held equities in two crown dependencies, the Isle of Man, totalling £1m, and Jersey, totalling £1.1m, although it currently held no holdings in any of the UK's overseas territories.

In response to a supplementary from **Brian Mooney**, the **Chairman** confirmed that the City Corporation had no tax avoidance schemes.

3) **Oliver Lodge** asked the **Chairman of Policy and Resources Committee** whether he agreed that the introduction by the EU of a cap on bonuses highlighted the importance of the City's continuing global competitiveness.

In response, the **Chairman** stated it was essential for economic recovery and for the health of the British economy that the City remained globally competitive and continued to provide the services that international trade, investment and development required. He added that it was essential too for the health of the wider UK economy, for which London was the financial services hub. He considered that the recent proposals announced in Brussels were puzzling and flawed and while it was deceptively easy to think that the restrictions on bonuses would somehow "punish bankers", it could cause real economic damage while doing little or nothing to eliminate risk. He commented further on the proposals, referred to the action taken to date and stated that in future engagement with legislators, officials and business leaders from other EU member states the City Corporation would continue to argue for competitiveness and against measures which restrict it, for better regulation as against more regulation, and for measures which would enable banks to manage their fixed costs and free up capital in challenging times to use productively, rather than tie it up in high fixed salaries.



4) **Revd Dr Martin Dudley** asked the **Chairman of Policy and Resources Committee** about the conduct of candidates at the forthcoming election and, in response, the **Chairman** stated that the conduct of candidates in elections was not a matter for this Honourable Court. He added that it was governed by rules and regulations that were specific to elections and also by the law of the land in respect of general conduct.

5) **Elizabeth Rogula** referred to the recent meeting of the Markets Committee which approved the outline terms of an agreement with the Smithfield Market Tenants' Association for new leases at Smithfield Meat Market and asked the **Chairman of Markets Committee** whether there had been any progress.

In response, the **Chairman** reported that a final and legally binding settlement with the tenants at Smithfield Meat Market had been achieved and he detailed the circumstances and the negotiations which led up to the agreement which resulted in a Court Order which required that the new leases be signed no later than 3 April 2013. He added that both sides had entered into firm commitments in the leases to improve the way in which the Market operated and to make savings in operating costs, both of which would be important in the new Service Charge regime. He stated that changes to working practices would be essential to drive down costs. He concluded by stating that both sides had had to make significant concessions to arrive at a mutually acceptable conclusion, without the need for a full trial and the positive atmosphere in which the negotiations were conducted, and the willingness by both sides to compromise, boded well for a more co-operative future.

Awards and Prizes

There was no report.

Motion

In view of the agreement reached, as outlined by the Chairman of the Markets Committee in response to the question, the mover Julian Henry Malins Q.C. sought and was granted leave to withdraw the Motion submitted (in accordance with Standing Order No. 12) in his name, viz:-

'In view of the undesirability of further litigation and in view of the outcome of the negotiation meeting between the Chairman of the Markets Committee and his Officer team and the Smithfield Market Tenants Association on Friday 18th January, this Honourable Court requests the Chief Commoner or his appointee (not being a member of the Markets Committee or elected for the Ward of Farringdon Without) to review the current state of these negotiations and orally to report back to this Honourable Court at its next meeting and wishes, in addition, to express its view that all reasonable steps should be taken to avoid further legal proceedings?'

**Names of signatories:**

George Christopher Abrahams  
 John David Absalom  
 Alex Bain-Stewart M.Sc., J.P.  
 John William Brewster O.B.E.  
 Alexander John Cameron Deane  
 Robin Anthony Eve, O.B.E., Deputy  
 Gregory Alfred Lawrence  
 Peter Joseph Martinelli, M.B.E.  
 Wendy Mead, Deputy  
 John Hedley Spanner, T.D.

Withdrawn.

## Policy, Finance, Establishment, Investment and Audit Committees – Reports

### FINANCE COMMITTEE

(Roger Arthur Holden Chadwick)

19 February 2013

#### (A) City Fund – 2013/14 Budget Report and Medium Term Financial Strategy including Non-Domestic Rates and Council Taxes for the Year 2013/14

We have considered as to the Non-Domestic Rates and Council Taxes to be levied to meet the City Fund budget requirement during the year ensuing including the proposal to levy an unchanged premium multiplier of 0.004 on the Non-Domestic Rate and Small Business Rate multipliers to enable the City to continue to support the City of London Police, security and contingency planning activity within the Square Mile at an enhanced level. We submit a printed and circulated report thereon: City Fund – 2013/14 Budget Report and Medium Term Financial Strategy.

We **recommend** that the report be agreed to and that the Court do pass a Resolution in the following terms:-

#### Overall Financial Framework - Revenue

1. Approve that further work be undertaken by the Town Clerk and Chamberlain on a service based review for City Fund to address the potential deficits forecast from 2016/17. At the same time the potential for elements of spend not in line with City Fund duties that might be better funded from Bridge House Estates will be considered together with the asset sales policy.
2. Approve the overall financial framework and the revised Medium Term Financial Strategy for the City Fund.
3. Approve the City Fund Revenue Budgets.
4. Note the following changes in assumptions from the previous forecast:
  - an inflation assumption of 2% per annum from 2014/15 (1% in 2013/14);
  - the impact of reduced rental and investment income on the financial position following asset sales needed to finance the capital programme;
  - lowering the anticipated interest rate to 1.5% in 2013/14 and 1.25% in subsequent years;
  - that the 2% efficiency savings required by 2014/15 have been included alongside the PP2P savings and costs; and
  - ring fencing an element of reserves for any possible VAT bill from breaching the partial exemption de minimis threshold, rather than making an annual provision.

#### City Police

5. Continue the policy of allowing City Police to draw from its reserves over the

medium term on a managed basis, subject to a minimum £4.5m being retained.

### Council Tax

6. It be noted, that the City not having adopted a local council tax reduction scheme under Section 13A(2) of the Local Government Finance Act 2012, the council tax reduction scheme prescribed under paragraph 4 of schedule 1A to the Local Government Finance Act 1992 (the default scheme) applies and has effect in the area of the City of London. The basis of the calculation of the Council Tax Base has been changed in response to the new provisions regarding council tax reduction schemes in the Local Government Finance Act 2012 and the Council Tax Base now has to be reduced to reflect the changes resulting from the new council tax reduction scheme. (The council tax reduction scheme replaces council tax benefit from 1<sup>st</sup> April 2013).
7. It be noted that in 2012 the Finance Committee delegated the calculation of the Council Tax Base to the Chamberlain and the Chamberlain has calculated the following amounts for the year 2013/14 in accordance with Section 31B of the Local Government Finance Act 1992:

(a) 5,974.16 being the amount calculated by the Chamberlain (as delegated by the Finance Committee), in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the City's Council Tax base for the year; this amount includes a calculation of the amount of council tax reduction; and

(b) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
80.94	67.57	5,825.65

being the amounts calculated by the Chamberlain, in accordance with the Regulations, as the amounts of the City's Council Tax Base for the year for dwellings in those parts of its area to which one of the special items relate.

8. For the year 2013/14 the Common Council determines, in accordance with Section 35(2) (d) of the Local Government Finance Act 1992, that any expenses incurred by the Common Council in performing in a part of its area a function performed elsewhere in its area by the Sub-Treasurer of the Inner Temple and the Under Treasurer of the Middle Temple shall not be treated as special expenses, apart from the amount of £12,617,000 being the expenses incurred by the Common Council in performing in the area of the Common Council of the City of London the City open spaces, highways, waste disposal, street lighting, drains and sewer functions.
9. That the following amounts be now calculated by the Common Council for the

year 2013/14 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

- (a) £346,621,708 being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act, including the local precepts issued by the Inner and Middle Temples;
- (b) £341,500,000 being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;
- (c) £5,121,708 being the amount by which the aggregate at 9(a) above exceeds the aggregate at 9(b) above, calculated by the Common Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;
- (d) £857.31 being the amount of 9(c) above, divided by the amount at 7(a) above, calculated by the Common Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;
- (e) £12,938,645.79 being the aggregate amount of all special items referred to in Section 34(1) of the Act, including the local precepts issued by the Inner and Middle Temples;
- (f) £1,308.46 CR being the amount at 9(d) above less the result given by dividing the amount at 9(e) above by the amount at 7(a) above, calculated by the Common Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates;

(g) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
£	£	£
857.31	857.31	857.31

being the amounts given by adding to the amount at 9(f) above the amounts of the special item or items relating to dwellings in those parts of the Common Council's area mentioned above divided in each case by the amount at 9(b) above, calculated by the Common Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one of the special items relate; and

## (h) Council Tax Valuation Bands

Valuation Bands	Inner Temple	Middle Temple	City excl Temples (special expense area)
	£	£	£
A	571.54	571.54	571.54
B	666.80	666.80	666.80
C	762.05	762.05	762.05
D	857.31	857.31	857.31
E	1,047.82	1,047.82	1,047.82
F	1,238.34	1,238.34	1,238.34
G	1,428.85	1,428.85	1,428.85
H	1,714.62	1,714.62	1,714.62

being the amounts given by multiplying the amounts at 9(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that proportion, is applicable to dwellings listed in valuation band D, calculated by the Common Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

10. It be noted that for the year 2013/14 the Greater London Authority has proposed the following amounts in precepts issued to the Common Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<u>Valuation Bands</u>	<u>Precepting Authority</u>
	Greater London Authority
	£
A	57.39
B	66.95
C	76.52
D	86.08
E	105.21
F	124.34
G	143.47
H	172.16

11. Having calculated the aggregate in each case of the amounts at 9(h) and 10 above, the Common Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby proposes the following amounts as the amounts of Council Tax for the year 2013/14 for each of the categories of dwelling as shown below:

## Council Tax Valuation Bands Inclusive of GLA Precept

Valuation Bands	Inner Temple	Middle Temple	City excl Temples (special expense area)
	£	£	£
A	628.93	628.93	628.93
B	733.75	733.75	733.75
C	838.57	838.57	838.57
D	943.39	943.39	943.39
E	1,153.03	1,153.03	1,153.03
F	1,362.68	1,362.68	1,362.68
G	1,572.32	1,572.32	1,572.32
H	1,886.78	1,886.78	1,886.78

12. The Common Council of the City of London hereby determines that the following amounts of discount be awarded:
- i. to dwellings in Class B as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 (i.e. second homes) - 10% for the financial year beginning on 1st April 2013;
  - ii. to dwellings in Class C as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992:
    - (a) in the case of a vacant dwelling that has been such for a continuous period of less than 6 months ending immediately before the day in question: 100% for the financial year beginning on 1st April 2013;
    - (b) in the case of a vacant dwelling that has been such for a continuous period of 6 months or more: 50% for the financial year beginning on 1st April 2013;
 (i.e. a dwelling that is unoccupied and substantially unfurnished will qualify for a discount from the date the dwelling became vacant of 100% for the first 6 months (less one day) and 50% thereafter)
  - iii. to dwellings in Class D as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 (i.e. vacant uninhabitable dwellings or vacant dwellings undergoing major works to make them habitable or vacant dwellings where major repair works have taken place): 100% for the financial year beginning on 1st April 2013.
13. The Common Council of the City of London hereby determines that its relevant basic amount of Council Tax for 2013/14, calculated in accordance with Section 52ZX of the Local Government Finance Act 1992 is not excessive in accordance with the Referendums Relating to Council Tax Increases (Principles) (England) Report 2013/14.

**Non Domestic Rates**

14. The Common Council of the City of London being a special authority in accordance with Section 144(6) of the Local Government Finance Act 1988 hereby sets for the chargeable financial year beginning with 1st April 2013, a Non-Domestic Rating Multiplier of 0.475 and a Small Business Non-Domestic Rating Multiplier of 0.466 in accordance with Part II of the Schedule 7 of the said Act. (Both multipliers are inclusive of the City business rate premium of 0.004 which is unchanged from the current year.)
15. In addition, the levying by the Greater London Authority of a Business Rate Supplement in 2013/14 of 0.020 (i.e. 2.0p in the £) on hereditaments with a rateable value greater than £55,000, to finance its contribution to Crossrail, be noted.
16. A copy of the said Council Taxes and the Non-Domestic Rating Multipliers, signed by the Town Clerk, be deposited in the offices of the Town Clerk in the said City, and advertised within 21 days from the date of the Court's decision, in at least one newspaper circulating in the area of the Common Council.

**Capital Expenditure and Financing for the Year 2013/14**

17. We further recommend that The City Fund capital budget be approved and its final financing be determined by the Chamberlain, apart from in regard to any possible borrowing options.
18. The continued pursuit of the approved financing methodology for the Corporation's funding commitment towards the cost of Crossrail be noted, particularly that each future year's budget report will give a detailed update on funding progress.
19. For the purpose of Section 3(1) of the Local Government Act 2003, for the financial years 2013/14 to 2015/16, the Court of Common Council hereby determines that at this stage the amount of money (referred to as the "Affordable Borrowing Limit"), which is the maximum amount which the City may have outstanding by way of borrowing, shall be £0.
20. For the purpose of Section 21(A) of the Local Government Act 2003, for the financial year 2013/14, the Court of Common Council hereby determines that the prudent amount of Minimum Revenue Provision is £0, apart from any specific requirement arising from any property leases which have to be treated as finance leases.
21. Any potential borrowing requirement and associated implications will be subject to a further report to Finance Committee and the Court of Common Council.
22. The Chamberlain be authorised to lend surplus monies on the basis set out in the Annual Investment Strategy, with an absolute limit of £300m for maturities in excess of 364 days.
23. The following Prudential Indicators be set:

*Prudential indicators for affordability, prudence, capital expenditure and external debt.*

	2013/14	2014/15	2015/16
Estimates of the ratio of financing costs to net revenue stream:			
HRA	0.25	0.25	0.24
Non-HRA			
Total	(0.29)	(0.29)	(0.30)
Estimate of the incremental impact of capital investment decisions on the Council Tax - compared to 2012/13 estimates and expressed as a Band D equivalent	£ (322)	£ (569)	£ (539)
Estimate of the incremental impact of capital investment decisions on housing rents	£ (1.10)	£ (0.02)	£ (0.02)
Estimates of Capital Expenditure	£m	£m	£m
HRA	7.803	6.498	-
Non-HRA	38.282	87.513	253.985
Total	46.085	94.011	253.985
Estimates of Capital Financing Requirement – underlying need to borrow	£m	£m	£m
HRA	11.068	10.799	10.578
Non-HRA	(13.107)	(12.838)	(12.617)
Total	(2.039)	(2.039)	(2.039)
Net borrowing/(Net investments)	Period 2012/13 to 2015/16 £m (134.615)		
Capital financing requirement – underlying need to borrow	(2.039)		

*Prudential Indicators for Treasury Management*

	2013/14	2014/15	2015/16



Operational Boundary for External Debt	£m	£m	£m
Borrowing	0	0	0
Other Long Term Liabilities	0	0	0
Total	0	0	0
Authorised Limit	£m	£m	£m
Borrowing	0	0	0
Other Long Term Liabilities	0	0	0
Total	0	0	0
Upper Limit - Fixed Interest Rate Exposure	100%	100%	100%
Upper Limit-Variable Interest Rate Exposure	100%	100%	100%
Upper limit for Principal Sums Invested for > 364 days	£300m	£300m	£300m
Maturity Structure of New Fixed Rate Borrowing During 2012/13	Upper Limit %	Lower Limit %	
Under 12 months	0	0	
12 months and within 24 months	0	0	
24 months and within 5 years	0	0	
5 years and within 10 years	0	0	
10 years and above	0	0	

*Local Indicators focusing on investment incomes and revenue reserves:*

	2013/14	2014/15	2015/16
Net investment income lost/(gained) due to capital disposals and capital expenditure in the period 2012/13 to 2014/15	(£2.4m)	(£2.1m)	(£4.1m)

<i>Times cover on unencumbered revenue reserves (bracketed figures denote annual surpluses)</i>	(20.5)	(139.7)	83.1
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### Other Recommendations

24. The Treasury Management Strategy Statement and Annual Investment Strategy 2013/14 be endorsed.
25. The Chamberlain's assessment of the robustness of budgets and the adequacy of reserves be endorsed.

Read.

**Resolved** - That the report be agreed to and that this Court:-

### Overall Financial Framework - Revenue

1. Approve that further work be undertaken by the Town Clerk and Chamberlain on a service based review for City Fund to address the potential deficits forecast from 2016/17. At the same time the potential for elements of spend not in line with City Fund duties that might be better funded from Bridge House Estates will be considered together with the asset sales policy.
2. Approve the overall financial framework and the revised Medium Term Financial Strategy for the City Fund.
3. Approve the City Fund Revenue Budgets.
4. Note the following changes in assumptions from the previous forecast:
  - an inflation assumption of 2% per annum from 2014/15 (1% in 2013/14);
  - the impact of reduced rental and investment income on the financial position following asset sales needed to finance the capital programme;
  - lowering the anticipated interest rate to 1.5% in 2013/14 and 1.25% in subsequent years;
  - that the 2% efficiency savings required by 2014/15 have been included alongside the PP2P savings and costs; and
  - ring fencing an element of reserves for any possible VAT bill from breaching the partial exemption de minimis threshold, rather than making an annual provision.

### City Police

5. Continue the policy of allowing City Police to draw from its reserves over the medium term on a managed basis, subject to a minimum £4.5m being retained.

### Council Tax

6. Note, that the City not having adopted a local council tax reduction scheme under Section 13A(2) of the Local Government Finance Act 2012, the council tax reduction scheme prescribed under paragraph 4 of schedule 1A to the Local Government Finance Act 1992 (the default scheme) applies and has

effect in the area of the City of London. The basis of the calculation of the Council Tax Base has been changed in response to the new provisions regarding council tax reduction schemes in the Local Government Finance Act 2012 and the Council Tax Base now has to be reduced to reflect the changes resulting from the new council tax reduction scheme. (The council tax reduction scheme replaces council tax benefit from 1<sup>st</sup> April 2013).

7. Note that in 2012 the Finance Committee delegated the calculation of the Council Tax Base to the Chamberlain and the Chamberlain has calculated the following amounts for the year 2013/14 in accordance with Section 31B of the Local Government Finance Act 1992:

(c) 5,974.16 being the amount calculated by the Chamberlain (as delegated by the Finance Committee), in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the City's Council Tax base for the year; this amount includes a calculation of the amount of council tax reduction; and

(d) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
80.94	67.57	5,825.65

being the amounts calculated by the Chamberlain, in accordance with the Regulations, as the amounts of the City's Council Tax Base for the year for dwellings in those parts of its area to which one of the special items relate.

8. Determine for the year 2013/14, in accordance with Section 35(2) (d) of the Local Government Finance Act 1992, that any expenses incurred by the Common Council in performing in a part of its area a function performed elsewhere in its area by the Sub-Treasurer of the Inner Temple and the Under Treasurer of the Middle Temple shall not be treated as special expenses, apart from the amount of £12,617,000 being the expenses incurred by the Common Council in performing in the area of the Common Council of the City of London the City open spaces, highways, waste disposal, street lighting, drains and sewer functions.

9. Direct that the following amounts be now calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

(a) £346,621,708

being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act, including the local precepts issued by the Inner and Middle Temples;

(b) £341,500,000

being the aggregate of the amounts which the Common Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;

- (c) £5,121,708 being the amount by which the aggregate at 9(a) above exceeds the aggregate at 9(b) above, calculated by the Common Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;
- (d) £857.31 being the amount of 9(c) above, divided by the amount at 7(a) above, calculated by the Common Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;
- (e) £12,938,645.79 being the aggregate amount of all special items referred to in Section 34(1) of the Act, including the local precepts issued by the Inner and Middle Temples;
- (f) £1,308.46 CR being the amount at 9(d) above less the result given by dividing the amount at 9(e) above by the amount at 7(a) above, calculated by the Common Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

## (g) Parts of Common Council's Area

Inner Temple	Middle Temple	City excl. Temples (special expense area)
£	£	£
857.31	857.31	857.31

being the amounts given by adding to the amount at 9(f) above the amounts of the special item or items relating to dwellings in those parts of the Common Council's area mentioned above divided in each case by the amount at 9(b) above, calculated by the Common Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one of the special items relate; and

## (h) Council Tax Valuation Bands

Valuation Bands	Inner Temple	Middle Temple	City Excl. Temples (special expense area)
	£	£	£
A	571.54	571.54	571.54
B	666.80	666.80	666.80
C	762.05	762.05	762.05

D	857.31	857.31	857.31
E	1,047.82	1,047.82	1,047.82
F	1,238.34	1,238.34	1,238.34
G	1,428.85	1,428.85	1,428.85
H	1,714.62	1,714.62	1,714.62

being the amounts given by multiplying the amounts at 9(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which, in that proportion, is applicable to dwellings listed in valuation band D, calculated by the Common Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

10. Note that for the year 2013/14 the Greater London Authority has proposed the following amounts in precepts issued to the Common Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

<u>Valuation Bands</u>	<u>Precepting Authority</u>
	Greater London Authority
	£
A	57.39
B	66.95
C	76.52
D	86.08
E	105.21
F	124.34
G	143.47
H	172.16

11. In accordance with Section 30(2) of the Local Government Finance Act 1992, having calculated the aggregate in each case of the amounts at 9(h) and 10 above, approve the following amounts as the amounts of Council Tax for the year 2013/14 for each of the categories of dwelling as shown below:

#### Council Tax Valuation Bands Inclusive of GLA Precept

Valuation Bands	Inner Temple	Middle Temple	City excl Temples (special expense area)
	£	£	£
A	628.93	628.93	628.93
B	733.75	733.75	733.75
C	838.57	838.57	838.57

D	943.39	943.39	943.39
E	1,153.03	1,153.03	1,153.03
F	1,362.68	1,362.68	1,362.68
G	1,572.32	1,572.32	1,572.32
H	1,886.78	1,886.78	1,886.78

12. Hereby determine that the following amounts of discount be awarded:

- iv. to dwellings in Class B as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 (i.e. second homes) - 10% for the financial year beginning on 1st April 2013;
- v. to dwellings in Class C as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992:
  - (a) in the case of a vacant dwelling that has been such for a continuous period of less than 6 months ending immediately before the day in question: 100% for the financial year beginning on 1st April 2013;
  - (b) in the case of a vacant dwelling that has been such for a continuous period of 6 months or more: 50% for the financial year beginning on 1st April 2013;
 (i.e. a dwelling that is unoccupied and substantially unfurnished will qualify for a discount from the date the dwelling became vacant of 100% for the first 6 months (less one day) and 50% thereafter)
- vi. to dwellings in Class D as defined in the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 prescribed by the Secretary of State under the provisions of Section 11A of the Local Government Finance Act 1992 (i.e. vacant uninhabitable dwellings or vacant dwellings undergoing major works to make them habitable or vacant dwellings where major repair works have taken place): 100% for the financial year beginning on 1st April 2013.

13. Hereby determine that its relevant basic amount of Council Tax for 2013/14, calculated in accordance with Section 52ZX of the Local Government Finance Act 1992 is not excessive in accordance with the Referendums Relating to Council Tax Increases (Principles) (England) Report 2013/14.

### **Non Domestic Rates**

- 14. The Common Council of the City of London being a special authority in accordance with Section 144(6) of the Local Government Finance Act 1988, hereby set, for the chargeable financial year beginning with 1st April 2013, a Non-Domestic Rating Multiplier of 0.475 and a Small Business Non-Domestic Rating Multiplier of 0.466 in accordance with Part II of the Schedule 7 of the said Act. (Both multipliers are inclusive of the City business rate premium of 0.004 which is unchanged from the current year.)
- 15. In addition, approve the levying by the Greater London Authority of a Business Rate Supplement in 2013/14 of 0.020 (i.e. 2.0p in the £) on hereditaments with a rateable value greater than £55,000, to finance its contribution to Crossrail, be noted.

16. Direct that a copy of the said Council Taxes and the Non-Domestic Rating Multipliers, signed by the Town Clerk, be deposited in the offices of the Town Clerk in the said City, and advertised within 21 days from the date of the Court's decision, in at least one newspaper circulating in the area of the Common Council.

**Capital Expenditure and Financing for the Year 2013/14**

17. Approve that the City Fund capital budget and its final financing be determined by the Chamberlain, apart from in regard to any possible borrowing options.
18. Note the continued pursuit of the approved financing methodology for the Corporation's funding commitment towards the cost of Crossrail, particularly that each future year's budget report will give a detailed update on funding progress.
19. Hereby determine that, at this stage the amount of money (referred to as the "Affordable Borrowing Limit"), which is the maximum amount which the City may have outstanding by way of borrowing, shall be £0 for the financial years 2013/14 to 2015/16, for the purpose of Section 3(1) of the Local Government Act 2003,
20. Hereby determine that the prudent amount of Minimum Revenue Provision is £0, apart from any specific requirement arising from any property leases which have to be treated as finance leases for the financial year 2013/14, for the purpose of Section 21(A) of the Local Government Act 2003.
21. Direct that any potential borrowing requirement and associated implications will be subject to a further report to the Finance Committee and the Court of Common Council.
22. Authorise the Chamberlain to lend surplus monies on the basis set out in the Annual Investment Strategy, with an absolute limit of £300m for maturities in excess of 364 days.
23. Set the following Prudential Indicators as follows:

*Prudential indicators for affordability, prudence, capital expenditure and external debt.*

	2013/14	2014/15	2015/16
Estimates of the ratio of financing costs to net revenue stream:			
HRA			
Non-HRA	0.25	0.25	0.24
Total	(0.34)	(0.35)	(0.36)
	(0.29)	(0.29)	(0.30)

Estimate of the incremental impact of capital investment decisions on the Council Tax - compared to 2012/13 estimates and expressed as a Band D equivalent	£ (322)	£ (569)	£ (539)
Estimate of the incremental impact of capital investment decisions on housing rents	£ (1.10)	£ (0.02)	£ (0.02)
Estimates of Capital Expenditure	£m	£m	£m
HRA	7.803	6.498	-
Non-HRA	38.282	87.513	253.985
Total	46.085	94.011	253.985
Estimates of Capital Financing Requirement – underlying need to borrow	£m	£m	£m
HRA	11.068	10.799	10.578
Non-HRA	(13.107)	(12.838)	(12.617)
Total	(2.039)	(2.039)	(2.039)
Net borrowing/(Net investments)	Period 2012/13 to 2015/16 £m (134.615)		
Capital financing requirement underlying need to borrow	(2.039)		

*Prudential Indicators for Treasury Management:*

	2013/14	2014/15	2015/16
Operational Boundary for External Debt	£m	£m	£m
Borrowing	0	0	0
Other Long Term Liabilities	0	0	0
Total	0	0	0



Authorised Limit	£m	£m	£m
Borrowing	0	0	0
Other Long Term Liabilities	0	0	0
Total	0	0	0
Upper Limit - Fixed Interest Rate Exposure	100%	100%	100%
Upper Limit-Variable Interest Rate Exposure	100%	100%	100%
Upper limit for Principal Sums Invested for > 364 days	£300m	£300m	£300m
Maturity Structure of New Fixed Rate Borrowing During 2012/13	Upper Limit %	Lower Limit %	
Under 12 months	0	0	
12 months and within 24 months	0	0	
24 months and within 5 years	0	0	
5 years and within 10 years	0	0	
10 years and above	0	0	

*Local Indicators focusing on investment incomes and revenue reserves:*

	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Net investment income lost/(gained) due to capital disposals and capital expenditure in the period 2012/13 to 2014/15	(£2.4m)	(£2.1m)	(£4.1m)
Times cover on unencumbered revenue reserves (bracketed figures denote annual surpluses)	(20.5)	(139.7)	83.1

24. Endorse the Treasury Management Strategy Statement and Annual Investment Strategy 2013/14; and
25. Endorse the Chamberlain's assessment of the robustness of budgets and the adequacy of reserves.

## **(B) Revenue and Capital Budgets 2012/13 and 2013/14**

We submit a printed and circulated report which summarises the revenue and capital budgets for each of the City's three main funds, City Fund, City's Cash and Bridge House Estates together with the budgets for central support services within Guildhall Administration (which initially 'holds' such costs before these are wholly recharged). The report accompanies the Summary Budget Book which includes all the City's budgets at a summary level in a single document. The Summary Budget Book is available in the Members' Reading Room, and on the City Corporation's website. Further copies can be provided on request.

Having considered the circulated report we **recommend** approval of the revenue and capital budgets for City's Cash, Bridge House Estates and Guildhall Administration for the financial year 2013/14 (the budgets for City Fund having already been considered under part A above).

Read and agreed to.

Kenneth Edwin  
Ayers, M.B.E.,  
Deputy  
Martin Charles  
Farr

*Resolved unanimously* – That the thanks of the Court be given to the Chairman of the Finance Committee for his introduction to the budget reports and that a copy of the Chairman's speech be circulated to Members in the usual way.

## **POLICY AND RESOURCES COMMITTEE (Mark John Boleat)**

14 February 2013

### **(A) The Election Process for the Deputy Chairmen of the Policy and Resources Committee**

As part of the recent post-implementation review of the 2011 governance arrangements, it was agreed that the Policy and Resources Committee should appoint three deputy chairmen to support and assist the Chairman on matters of policy and strategy.

Currently the process for the election for Chairmen and Deputy Chairmen of Committees is set out in Standing Orders. The names of those who are willing to serve are voted on by ballot and the successful candidate requires the majority of the votes cast. Your Committee was asked to undertake a review of the arrangements for the election of its three Deputy Chairmen. A number of electoral systems have been considered and we believe that the most effective way of ensuring the successful candidates have a clear mandate is to introduce a system of preferential voting which requires a 50% threshold for election. The system we are proposing is easily understood, transparent and can be operated in a timely manner in terms of providing Members with the results.

The proposed system is as follows:-

- Where the number of candidates is less than or matches the number of vacancies (i.e. three) the candidates will automatically be treated as being elected to office.
- Where there are more candidates than vacancies, a ballot will be undertaken with Members indicating their preferred candidate(s). In the case of multiple vacancies, Members can choose not to vote for the maximum number of candidates.
- Once votes have been cast and counted, any candidate having 50% or more of the number of votes will be elected.
- Unless the candidates each secure 50% of the vote, the candidate with the least number of votes will drop-out automatically. If there is more than one candidate securing the least but identical number of votes then a ballot will be held between those candidates to determine which one will drop-out. Other candidates may also elect to withdraw at this stage.
- A further ballot will be held amongst the remaining candidates and any candidate securing 50% or more of the vote will be elected. This process will be repeated until all vacancies are filled.
- There may come a point in the process where a candidate or candidates with the least number of votes drops out, leaving a number of candidates that matches the number of vacancies. In those circumstances, no further ballot is necessary as the candidates will automatically be treated as being elected to office (without having to secure 50% of the vote).

Should you be minded to support this proposal it would require some minor changes to Standing Order No. 30.

We therefore **recommended** that the introduction of a revised voting system for the election of the three Deputy Chairmen of the Policy and Resources Committee only as set out above be approved and that Standing Order No. 30 be amended accordingly.

Read and agreed to.

### **(B) Energy and Sustainability**

Following discussion at the Court on 6<sup>th</sup> December 2012 regarding the post-implementation review of the 2011 governance arrangements, recommendations relating to the method of overseeing the areas of energy and sustainability were withdrawn. This followed a case being advanced for work in those areas to remain with this Committee.

Rather than having an Energy and Sustainability Sub-Committee of the Policy and Resources Committee, the review proposed that responsibility for energy and sustainability should be transferred to the Planning and Transportation Committee, with this Committee continuing to exercise its overarching role and responsibility for coordinating and approving strategy and policy.

Since then, more detailed consideration has been given to the most effective method of overseeing the two areas and we have concluded that the Policy and Resources Committee should retain overall responsibility for sustainability. However, given the importance of sustainability and the crosscutting nature of this area of work, general responsibility should be shared, with all committees giving due weight to the subject in their deliberations.

Your Policy and Resources Committee is recommending that the City Corporation's work in the key area of energy should be transferred to the Finance Committee with it being left to decide how best to address the issue and take it forward. There is a clear synergy between energy, including energy conservation, and the work of the Finance Committee and it will complement Finance Committee's responsibility for the City Corporation's operational property.

We therefore **recommend** that the area of energy be transferred to the Finance Committee with your Policy and Resources Committee retaining overall responsibility for matters of sustainability.

Read and agreed to.

### **(C) London Councils Grants Scheme 2013/2014 - Report of action taken under urgency procedures**

We report two decisions taken as a matter of urgency, pursuant to Standing Order No.19, relating to the London Councils Grants Scheme ("the Scheme"). The Scheme enables the City of London Corporation and the London Boroughs to share the cost of making grants to voluntary organisations that operate in more than one of the local authorities' areas.

On 29 January, approval was given to the London Councils Leaders Committee's recommendation that the Scheme's total expenditure for 2013/14 should be set at £10m. The City Corporation's subscription for 2013/14 was agreed at £8,118 (which is calculated annually on the basis of resident population).

It was also agreed that the decision to agree the City Corporation's annual contribution to the scheme and the overall budget be delegated to the Policy & Resources Committee in the future.

A further decision was required as the Common Council is the designated body responsible for issuing the levies to all the constituent Local Authorities for their contributions to the Scheme, once the total expenditure to be incurred under the Scheme (i.e. the budget) is approved by at least two thirds of constituent councils each year.

London Councils advised us on 6 February that the budget had been approved by over two thirds of constituent councils. Following this confirmation, the City Corporation, as levying body, was required to issue the levies before the statutory deadline of 15 February.

We therefore report that on 13 February, approval was given to the issue of levies as set out below:-

	ONS Mid-2011 Estimate of Population ('000)	%	2013/14 Borough Contribution (£)
<b>Inner London</b>			
Camden	220.1	2.68%	241,452
City of London	7.4	0.09%	8,118
Greenwich	255.5	3.11%	280,287
Hackney	247.2	3.01%	271,181
Hammersmith and Fulham	182.4	2.22%	200,095
Islington	206.3	2.51%	226,314
Kensington and Chelsea	158.3	1.93%	173,657
Lambeth	304.5	3.71%	334,040
Lewisham	276.9	3.38%	303,763
Southwark	288.7	3.52%	316,707
Tower Hamlets	256.0	3.12%	280,835
Wandsworth	307.7	3.75%	337,551
Westminster	219.6	2.68%	240,904
	<b>2,930.6</b>	<b>35.72%</b>	<b>3,214,905</b>
<b>Outer London</b>			
Barking and Dagenham	187.0	2.28%	205,141
Barnet	357.5	4.36%	392,182
Bexley	232.8	2.84%	255,385
Brent	312.2	3.81%	342,487
Bromley	310.6	3.79%	340,732
Croydon	364.8	4.45%	400,190
Ealing	339.3	4.14%	372,216
Enfield	313.9	3.83%	344,352
Haringey	255.5	3.11%	280,287
Harrow	240.5	2.93%	263,831
Havering	237.9	2.90%	260,979
Hillingdon	275.5	3.36%	302,227
Hounslow	254.9	3.11%	279,628
Kingston upon Thames	160.4	1.96%	175,961
Merton	200.5	2.44%	219,951
Newham	310.5	3.78%	340,622
Redbridge	281.4	3.43%	308,699
Richmond upon Thames	187.5	2.29%	205,690
Sutton	191.1	2.33%	209,639
Waltham Forest	259.7	3.17%	284,894
	<b>5,273.5</b>	<b>64.28%</b>	<b>5,785,095</b>
<b>Totals</b>	<b>8,204.1</b>	<b>100.00%</b>	<b>9,000,000</b>

Received.

## HOSPITALITY WORKING PARTY (Deputy Ken Ayers, Chief Commoner)

7 February 2013

### (D) Applications for the Use of Guildhall

In accordance with the arrangements approved by the Court on 21 June 2001 for the approval of applications for the use of Guildhall, we now inform the Court of the following applications which have been agreed to:-

<b>Name</b>	<b>Date</b>	<b>Function</b>
Council of British Chambers of Commerce in Europe	Wednesday 10 April 2013	Dinner
Congrex Switzerland Ltd	Tuesday 9 April 2013	Dinner
Embassy of Israel	Monday 22 April 2013	Reception
EuroWeek	Wednesday 15 May 2013	Dinner
Lord Mayor's Appeal 2013	Thursday 23 May 2013 & Tuesday 10 September 2013	Dinner
London Philharmonic Orchestra	Thursday 27 June 2013	Dinner
Pipers Projects Ltd	Thursday 11 July 2013	Awards Lunch
Ips (Institute of Financial Services) School of Finance	Friday 12 July 2013	Graduation
The Colonel's Fund Grenadier Guards	Monday 23 September 2013	Reception
Global Impact Investing Network	Thursday 10 October 2013 & Friday 11 October 2013	Conference
Man Booker Prize	Tuesday 15 October 2013	Awards Dinner
The Royal Navy & Royal Marines Children's Fund	Friday 18 October 2013	Dinner
The Loomba Foundation	Saturday 19 October 2013	Dinner
Standard Chartered Bank	Friday 25 October 2013	Lunch
Hanover Housing Association	Tuesday 5 November 2013	Lunch
London Councils Summit	Friday 15 November 2013 & Saturday 16 November 2013	Conference
City of London Pensioners' Reunion Committee	Friday 22 November 2013	Lunch
The Guild of Freemen of the City of London	Monday 9 December 2013	Dinner
Staff Annual Lunches	Tuesday 17 December 2013 & Wednesday 18 December 2013 & Thursday 19 December 2013	Lunch
Save the Children	Thursday 8 May 2014	Dinner

Received.

### (E) Armed Forces Flag Day

The annual Armed Forces Flag Day ushers in a week of activities across the nation to raise public awareness of the contribution made by those currently serving in Her Majesty's Armed Forces. This year's 5<sup>th</sup> annual Armed Forces Flag Day raising will be held on Monday 24<sup>th</sup> June. To mark this occasion and to help raise awareness of the contribution made to our country by those who are currently serving as well as cadets and veterans, and in line with the established precedent of the City supporting the Armed Forces, we propose that the City Corporation host a flag-raising ceremony in

Guildhall Yard during the afternoon. A number of guests, including serving and retired military personnel, cadets, City residents who are veterans, Masters and Clerks of Livery Companies, school children from the City's Schools, and some members of the general public could be invited to attend. At the conclusion, a brief overview of current service operations can be given in the Livery Hall, after which light refreshments could be served.

This event would provide an opportunity for the City to demonstrate its support for the Armed Forces, and we **recommend** accordingly, with Your Policy & Resources Committee being tasked with making the necessary arrangements out of City's Cash, within the approved cost parameters.

This would be a full Court event.

Read and agreed to.

(F) **500th Anniversary of Trinity House**

2014 marks the 500th anniversary of the Corporation of Trinity House of Deptford Strond, known as 'Trinity House'. The history of 'Trinity House' dates back to 1513, when the Guild was granted the right to make laws and ordinances in support of its aims for the better governance of shipping on the river and in particular to relieve 'decayed mariners' and their dependents. The Corporation of Trinity House has pursued these twin objectives ever since and today they are the work of the Trinity House Lighthouse Service and the Corporation's charities, which include almshouses.

Although not a City Livery Company, the Corporation of Trinity House's links to the City go back to its founding; it has been based within the City since 1660. Each year, the Master and Elder Brethren of 'Trinity House' also host a lunch for the Lord Mayor, Sheriffs and City representatives. The current Master of the Corporation is The Princess Royal, succeeding Her father, The Duke of Edinburgh in 2011.

The Annual National Service for Seafarers at St Paul's Cathedral is due to be held on Wednesday 15<sup>th</sup> October 2014 and, in view of the long standing links between the two Corporations and to mark the 500<sup>th</sup> Anniversary of 'Trinity House', it is **recommended** that a number of past and present supporters of 'Trinity House', including representatives from the Livery, City institutions, individuals and companies that have supported the 'Trinity House' over its history be invited to attend an early evening reception at Guildhall at the conclusion of the Service; it being referred to the Port Health and Environmental Services Committee to make the necessary arrangements from City's Cash and within the approved costs parameters.

This would be a full Court event.

Read and agreed to.

(G) **400th Anniversary of Anglo-Japanese relations**

Japan is currently the world's 3rd largest economy, with more than 1,400 Japanese companies having established UK subsidiaries and a major Japanese banking cluster being based in London. British exports to Japan are worth £8 billion annually, and politically the two nations enjoy strong links, with the UK continuing to support the permanent accession of Japan to the UN Security Council and working towards the creation of an EU-Japan Free Trade Agreement.

2013 marks the 400<sup>th</sup> anniversary of Anglo-Japanese diplomatic and trade relations. A year of events has been planned for 2013 and, as Members may know, the Lord Mayor is also due to visit Japan in April, with this anniversary providing an opportunity for the City to further strengthen its engagement with key Japanese institutions and investors.

One of the events being planned is a business seminar, which will be held on Wednesday 11<sup>th</sup> September 2013 in the Livery Hall, where topics for discussion are likely to cover Japanese industrial, technological and maritime services with the UK. It is expected that this seminar will also be used to mark the official launch of Japan Week 2013 and, to allow for further engagement and discussion at the conclusion of the seminar, we **recommend** that a number of guests including Japanese and British politicians and diplomats, representatives of major Japanese investors in the UK, UK-Japanese trade and cultural associations, and representatives from major Japanese financial, educational and technological institutions, be invited to attend a dinner in the Crypts; it being it being referred to the Resource Allocation Sub-Committee to make the arrangements out of City's Cash within the approved cost parameters.

This would be a Sub-Committee event.

Read and agreed to.

(H) **70th Anniversary of the Battle of the Atlantic - report of action taken under urgency procedures**

25 February 2013

We report action taken as a matter of urgency, pursuant to Standing Order No.19, in approving arrangements for hospitality to mark the 70<sup>th</sup> Anniversary of the Battle of the Atlantic.

With 2013 marking the 70<sup>th</sup> Anniversary of the Battle of the Atlantic, commemorations had been planned to take place in London between the 8<sup>th</sup> and 10<sup>th</sup> May. As part of the commemorations, HMS Illustrious was to be in London from the 8<sup>th</sup> to the 13<sup>th</sup> May. Members will be aware that the City shares a strong affiliation with Illustrious, and it was likely that this would be the last time the vessel was in London before its decommissioning.

In honour of the occasion, a special Service of Evensong has been arranged by the Royal Navy to take place at St Paul's Cathedral on Wednesday 8<sup>th</sup> May 2013 and, to mark the event, it was recommended that the City a number of guests including senior military personnel, affiliated Ships veterans from the battle and representatives from HMS Illustrious' crew be invited to attend an early evening reception at the Mansion House immediately following the Service. The proposal was considered and approved



by both the Hospitality Working Party and the Policy and Resources Committee and, following advice from the Remembrancer that final approval was needed as soon as possible so as to allow for sufficient time to make the necessary preparations and to facilitate the co-ordination of public order arrangements with the City Police, final approval was accordingly sought and obtained from the Court of Common Council in accordance with Standing Order No.19. We hereby report the action taken.

This will be a full Court event.

Received.

**(I) 2013 Commonwealth Lecture - report of action taken under urgency procedures**

29 January 2013

We report action taken as a matter of urgency, pursuant to Standing Order No.19, in approving arrangements for hospitality following the 2013 Commonwealth Lecture.

On Tuesday 12<sup>th</sup> March, the 18<sup>th</sup> Annual Commonwealth Lecture is due to be held at Guildhall. The Lecture's focus on economically under-represented groups ties in with current City initiatives in philanthropy and social investment, and the event should also provide an opportunity for the City to further its institutional engagement with the Commonwealth. Significant emphasis has been placed on expanding the UK's trade links with emerging markets, and this has recently been a theme in Ministerial speeches including that given at the Lord Mayor's Banquet.

Given that, and to facilitate further discussion on the themes outlined above which are of benefit to the City, we consider that the opportunity should be taken to invite a number of guests including politicians, senior government officials, diplomats, policy makers, and representatives from charitable organisations and representatives from across the Commonwealth to attend a reception followed by a small private dinner at the conclusion of the Commonwealth Lecture (with the arrangements being left in the hands of the Policy and Resources Committee and the cost being met from City's Cash and within the approved cost parameters).

This opportunity emerged in January and there was not time to seek the approval of the Court in the usual manner, so we now report the action taken.

This will be a Committee event.

Received.

**ESTABLISHMENT COMMITTEE  
(John Alfred Barker, O.B.E., Deputy)**

31 January 2013

**Draft Pay Policy Statement**

The Localism Act 2011 requires the City of London Corporation to prepare and publish a Pay Policy Statement each year setting out its approach to pay for the most senior and junior members of staff. This must be agreed by the full Court of Common Council.

The Court approved the Corporation's first pay policy statement this time last year. This was published by 31<sup>st</sup> March 2012. A draft pay policy statement for 2013/14, which has been separately circulated has been approved by both the Establishment and the Policy and Resources Committee and, with your agreement, will be published by 31<sup>st</sup> March 2013.

We submit a printed and circulated report thereon **recommending** that the Court agree the separately circulated draft Pay Policy Statement for 2013/14 to ensure that the City Corporation meets its requirements under the Localism Act 2011.

Read and agreed to.

## **City's Cash Committees Reports**

**BOARD OF GOVERNORS OF THE CITY OF LONDON FREEMEN'S SCHOOL  
(John Alfred Bennett, Deputy)**

21 February 2013

### **Regulations for the admission and maintenance of Foundation Scholars**

In March 1960 the Court of Common Council agreed that the orphans of a deceased Freeman of the City of London would be eligible for consideration as a Foundation Scholar at the City of London Freeman's School following a recommendation from the Board of Governors. Any such scholarships would be funded from Freedom fee income.

Following a discussion at the January 2013 meeting of the Board of Governors it was recommended that delegated authority be sought for approving Foundation Scholarship applications to assist in the efficiency and expediency of the decision-making process. In addition, the Board felt that the Foundation Scholar guidelines should be updated to reflect both the day and boarding Foundation Scholars and to remove the reference to 'Freewoman' in the existing regulations, reverting to the original title of 'Freeman'. A change to the guidelines requires Court approval.

We submit a printed and circulated report submitting the updated guidelines for your approval together with a request for delegated authority for the Board of Governors to approve Foundation Scholarship applications and we **recommend** approval thereof.

Read and agreed to.

## **Rates Committees - Reports**

**PLANNING AND TRANSPORTATION COMMITTEE  
(Martin Charles Farr)**

18 June 2012

### **Holborn Circus Area Enhancement Scheme**

Our Streets & Walkways Sub Committee together with the Projects Sub Committee have considered a detailed design for major junction improvement works at Holborn Circus at an estimated total cost of £3,091,393. The proposed project will reduce accident rates, ease pedestrian flows and create a high quality public realm, making the area more pleasant, safer and easier to navigate. The project emerged as a result of extensive feasibility and consultation studies undertaken by the City, in partnership with the London Borough of Camden and Transport for London. The

matter has been given a great deal of consideration and we submit a printed and circulated report thereon, which we **recommend** for your approval.

Read and agreed to.

**PORT HEALTH AND ENVIRONMENTAL SERVICES COMMITTEE  
(John Tomlinson B.A. MSc.)**

8 January 2013

**Animal Reception Centre – Heathrow Airport: Annual Review of Charges**

It is necessary to submit periodic recommendations to the Court for an increase to be applied to the Schedule of Charges in respect of services provided at the Heathrow Animal Reception Centre (HARC), for the forthcoming financial year 2013/14.

The byelaws, incorporating a new schedule of charges for the services provided, can be found in Appendix A to a separately printed and circulated report and we **recommend** approval thereof; the Comptroller and City Solicitor being instructed to seal the Byelaws accordingly.

Read and agreed to.

Kenneth Edwin  
Ayers, M.B.E.,  
Deputy  
Roger Arthur  
Holden  
Chadwick

*Resolved* - That the public be excluded from the meeting for the following item of business below on the grounds that it involves the likely disclosure of exempt information, as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972:-

**Summary of exempt items considered whilst the public were excluded**

The Court approved recommendations of the Property Investment Board regarding the refurbishment of 1/5 London Wall Buildings, EC2.

**BARRADELL.**