

FINANCE COMMITTEE

Tuesday, 24 September 2024

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 24 September 2024 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Alderwoman Elizabeth Anne King, BEM JP
Deputy Randall Anderson (Deputy Chairman)	Deputy Paul Martinelli
Deputy Rehana Ameer	Catherine McGuinness
Brendan Barns	Hugh Selka
Deputy Timothy Butcher	Oliver Sells KC
Alderman Professor Emma Edhem	Deputy Sir Michael Snyder
Sophie Anne Fernandes	Deputy James Thomson
Steve Goodman OBE	James Tumbridge
Deputy Madush Gupta	Philip Woodhouse
Michael Hudson	

Officers:

Ian Thomas, CBE	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Radwan Ahmed	- Chamberlain's Department
Daria Faeti	- Chamberlain's Department
Simon Gray	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Monica Patel	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Aga Watt	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
Graeme Low	- City Surveyor's Department
Jack Joslin	- City Bridge Foundation
Dionne Williams-Dodoo	- Human Resources Department
Liz Millington	- Innovation & Growth
Ben Dunleavy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Deputy Christopher Hayward, Deputy Keith Bottomley, Alderwoman Martha Grekos and Deputy James Thomson.

Shahnan Bakth, Benjamin Murphy and Mark Wheatley 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**

RESOLVED, that –the public minutes and non-public summary of the meeting held on 23 July 2024 be approved as an accurate record.

4. **ACTION TRACKER**

Members noted the Committee's Action Tracker.

The Chairman drew the Committee's attention to the action on financial thresholds in the Standing Orders and suggested that the thresholds for approval of investment property transactions by the relevant Committees and/or the Court could be increased. Members supported that aspiration, subject to the proper governance procedures.

5. **FORWARD PLANS**

a) **Finance Committee's Forward Plan**

Members noted the Committee's Forward Plan.

b) **Efficiency and Performance Working Party's Forward Plan**

Members noted the Working Party's Forward Plan.

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

RESOLVED, that - the public minutes and non-public summary of the Projects and Procurement Sub-Committee meeting held on 15 July 2024 be noted.

7. **ANNUAL REVIEW OF TERMS OF REFERENCE**

Members received a report of the Town Clerk relative to the Committee's terms of reference.

The Chairman, noting that there were minor adjustments to be made to the terms of reference, requested that a further paper be brought to the November meeting.

RESOLVED, that – the Town Clerk to bring a revised terms of reference to the November meeting.

8. **EXTENSION OF CENTRAL LONDON WORKS AND PIONEER SUPPORT PROGRAMMES**

Members received a report of the Executive Director, Innovation and Growth, concerning Central London Forward.

Members noted that the level of support that could be offered was linked to the amount of funding provided; accordingly, if DWP did not provide the full £8.3m, the programmes would only be able to support residents in proportion to funds actually received.

RESOLVED, that – Members recommend that the Court of Common Council approves the following:

- A seven-month extension of Central London Works and Pioneer Support, to the end of April 2025;
- CLF accepting up to £10m of additional funding from DWP to fund this extension;¹
- The signing of associated documents with DWP to accept the funding and extend the programme;
- The signing of associated documents with Ingeus to extend the programme.
- That the Court delegates to the Finance Committee the authority to:
 - vary the extension agreements with DWP if the transition period and/or funding arrangements change; and
 - vary the contract with the provider commissioned to deliver the programme (subject to approval by the CLF Programmes Board). This would enable CLF to accept any adjustment to the extended delivery period and funding, should this be proposed by DWP, and minimise the likelihood of associated gaps in provision.

9. CENTRAL CONTINGENCIES 2024/25

Members received a report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

RESOLVED, that - the Committee notes the report.

10. INTERNATIONAL DISASTER FUND - PROPOSALS FOR ALLOCATION

Members received a report of the Town Clerk concerning the City Corporation's International Disaster Fund.

The Chairman commended the proposal, which would streamline the process and, through REACT's work, allow for the City Corporation's funding to have more immediate impact to assist a disaster affected area. Several other Members supported the concept noting also that it could potentially help to depoliticize decision-making.

Other Members spoke against the proposals, feeling that the current arrangements allowed for more flexibility.

In response to questions from Members, officers confirmed that they had undertaken a full due diligence process on REACT and that any funding provided by the City Corporation would be restricted to humanitarian disasters.

The Central Grants Unit would work with REACT to ensure that the City Corporation's funding went to the right areas, as well as receiving feedback and monitoring information.

Members proceeded to vote on the proposals in the report, with a majority voting in favour.

RESOLVED, that – Members:

- approve initial funding of £75,000 over two financial years (2024/25 £50,000; 2025/26 Q1 £25,000) to REACT, to support with the costs of responding to International Humanitarian Disasters.
- approve funding of £50,000 to the DEC's Emergency Fund for this financial year, to support a rapid response to its next Appeal/s.
- note that a review will be undertaken and presented to the Committee during the 2025/26 financial year.

11. BUDGET MONITORING Q1 2024-25

Members received a report of the Chamberlain concerning the forecast positions for the City Corporation's Budgets.

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

12. CITY FUND AND PENSION FUND - 2023-24 STATEMENT OF ACCOUNTS AND AUDIT FINDINGS UPDATE

Members received a report of the Chamberlain concerning City Fund and Pension Fund.

The Chairman and the Committee congratulated the Chamberlain and her team for their work in resolving the issues with the Statement of Accounts for the past few years and reaching the stage where the 2023-24 Statement could be signed by the September deadline.

RESOLVED, that – Members:

- Approve the 2023-24 Statement of Accounts and agree that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.
- Authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30th September 2024.
- Consider the Audit Findings Report for the City Fund and Pension Fund 2023-24 as set out in Appendix 2 and Appendix 3.
- Note Grant Thornton's audit progress and sector update as set out in Appendix 4.

13. CITY RE LIMITED - PERFORMANCE MONITORING

Members received a report of the Chamberlain concerning performance monitoring for City Re Limited.

During discussion, it was noted that City Re was actively considering whether and how it might increase insurances accepted under the captive arrangement. In response to a Member asking if City Re could include third-party risks the Chairman advised that such point was among those topics under discussion.

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

14. CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE

Members received a report of the Chamberlain providing an update regarding the top risks within the Departmental Risk Register.

A Member asked if the mitigation deadline of 31 March 2025 was appropriate for the RED Corporate Risk CR38j Unsustainable Medium-Term Finances - City's Estate: Plans in place to reduce future deficits. In reply, the Chamberlain said that by this date, the Court of Common Council should have made several key decisions on major programmes which she expected would change the cumulative deficit, but felt that two years would be a more realistic time period if pressures remained at the current level.

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

15. ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME UPDATE REPORT

Members received a report of the Chamberlain concerning the Enterprise Resource Planning programme.

The Chairman requested that the Committee received quarterly updates on the ERP programme.

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

16. REVIEW OF RECHARGES

Members received a report of the Chamberlain concerning recharges.

During discussion, several Members expressed concern that the process for recharges in the financial year 2024/25, as set out in the report, would require in-year budgetary changes. It was felt that this route was unreasonable and could set a dangerous precedent. The Chamberlain undertook to return with a revised report to address these concerns. A Member requested that the revised report included the rationale for reapportionment, particularly on sensitive funds.

RESOLVED, that – officers return with a revised paper addressing the Committee's concerns.

17. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

The Committee considered a report of the Town Clerk which provided information of the action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Orders 41(a) and 41(b).

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

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

There were no questions.

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

The Chairman asked the Chamberlain to provide an update on the rates position for small and medium-sized enterprises (SMEs).

In reply, the Chamberlain said that the rates were set by the Government, though the City Corporation set the business rate premium. The City Corporation's role was to act as an advocate for SMEs. With regard to changes to the business rate system, the Chamberlain understood that the Government was currently focused on redistribution rather than a complete change. The Autumn Budget would provide greater clarity on the Government's focus, including on how rates might apply to businesses with no physical premises. The City Corporation would be refreshing its guidance to SMEs on rates relief in the meantime.

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 23 July 2024 were approved as an accurate record.

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

The non-public minutes of the Projects and Procurement Sub-Committee meeting held on 15 July 2024 were noted.

23. **BARBICAN CENTRE CATERING SERVICES - PROCUREMENT STAGE 2 AWARD REPORT**

Members received a report of the Interim CEO, Barbican Centre concerning a catering contract.

24. **THE NPCC CYBERCRIME PROGRAMME NATIONAL FRAMEWORK AGREEMENT FOR THE PROVISION OF CRYPTOCURRENCY STORAGE AND REALISATION SERVICES - COMPLIANT EXTENSION OF CONTRACT TERM**
Members received and approved a report of the Temporary Commissioner, City of London Police, concerning a contract extension.
25. **STAGE 1 AND 2 REPORT FOR THE PROVISION OF ELECTRICITY AND GAS SUPPLIES**
Members received a report of the City Surveyor concerning the procurement of electric and gas supplies.
26. **PROVISION FOR BAD AND DOUBTFUL DEBTS AT 31ST MARCH 2024**
Members received a report of the Chamberlain concerning bad and doubtful debts.
27. **MAJOR PROJECT DASHBOARD - PERIOD 4 (P4) 2024/25 (AS AT THE END OF JULY)**
. Members received a report of the Chamberlain concerning major projects.
28. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
The Committee received a report of the Town Clerk detailing non-public decisions taken under delegated authority and urgency procedures since the last meeting.
29. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There was one question in the non-public session.
30. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The Committee considered one item of urgent business relating to the Finance Contingency fund.
31. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**
The confidential minutes of the meeting held on 23 July 2024 were approved as a correct record.
32. **MANAGED SERVICE TEMPORARY AGENCY RESOURCE - PROCUREMENT STAGE 2 AWARD REPORT**
Members received and approved a report of the Executive Director of HR concerning a contract for contingent labour.
33. **PAY AWARD UPDATE**
Members received an oral update from the Chamberlain concerning the Staff Pay Award.

The meeting ended at 2.35 pm

Chairman

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