

FINANCE COMMITTEE

Tuesday, 10 December 2024

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 10 December 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	Deputy Andrien Meyers
Nicholas Bensted-Smith	Benjamin Murphy
Deputy Timothy Butcher	Hugh Selka
Deputy Simon Duckworth OBE DL	Paul Singh
Alderman Professor Emma Edhem	James St John Davis
Alderman Sir Peter Estlin	Deputy James Thomson CBE
Steve Goodman OBE	Luis Felipe Tilleria
Alderwoman Martha Grekos	James Tumbridge
Deputy Madush Gupta	Mark Wheatley
Michael Hudson	Deputy Keith Bottomley (Ex-Officio Member)

Officers:

Ian Thomas, CBE	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Katie Stewart	- Executive Director, Environment
Dionne Corradine	- Chief Strategy Officer
John James	- Chamberlain's Department
Lisa Moore	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
Nick Basye	- City of London Schools
Adrian Kelly	- Community and Children's Services Department
Joe Kingston	- Environment Department
Ben Dunleavy	- Town Clerk's Department

1. **APOLOGIES**

Apologies for absence were received from Shahnan Bakth, Deputy Christopher Hayward and Alderman Tim Levene.

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 12 November 2024 were approved as a correct record.

4. **ACTION TRACKER**

Members noted the Committee's Action Tracker.

The Town Clerk informed Members that the report on investment property thresholds would be presented in the New Year.

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

Members noted the Committee's Forward Plan.

6. **FINANCE COMMITTEE OPERATIONAL BUDGET ESTIMATE 2025/26**

Members considered a report of the Chamberlain concerning the Committee's operational budget.

At the request of the Chairman, the Chamberlain provided an overview of the process by which the operational budget estimates were set – namely that the Finance Committee, in its corporate role, recommended the overall budget envelope for the entire City of London Corporation for approval by the Court of Common Council. This exercise includes an estimated budget allocation for each of the service areas. Service Committees used the assumptions set by the Committee in this capacity (such as inflation and uplifts) to determine the best allocation of this estimated budget to deliver services, within the overall envelope. The report under consideration presented the budget estimates for those services for which the Finance Committee was responsible, and would be fed into the wider budget-setting process along with those of other Committees. Such work would be followed by a top-down approach to ensure a balanced budget, including any required amendments (for example, if savings or efficiencies had been allocated). The result would then be presented to the Finance Committee at its February meeting, before final approval at Court in March. After formal approval, Members would receive a final agreed budget setting out the changes to the original estimate.

The Chamberlain suggested that using the term 'final agreed budget' was appropriate as it reflected that the budget was the final one authorized by the Court, with any virements approved by the Court by the Chamberlain under her delegated powers. The Chamberlain and her team would look to clarify the terminology used to describe other elements of the process for the 2026/27 report.

The Chairman highlighted again his and other Member's concerns over the use of the term 'revised budget'. He felt strongly that any adjustments to the agreed budget should be noted as a separate line not least to ensure full transparency for "agreed amendments". Separately with regards to the setting of the 2025/26 budget, the Chairman hoped that departments and Service Committees would consider prudently the City Corporation's overall financial position, including taking a full account of the decisions taken on Ambition 25 and the Pay Award.

During discussion, the Committee re-emphasised its desire and the overarching need to simplify the City Corporation's financial reporting in order to improve proper understanding of the financial position.

At the request of a Member, officers undertook to circulate further information on the percentage increase of the insurance rises.

RESOLVED, that – Members:

- i) Note the Approved Revised Budget for 2024/25.
- ii) Review and approve the Estimate for 2025/26.
- iii) Note the approved capital and supplementary revenue budgets.
- iv) Agree to delegate amendments for the 2025/26 Estimate arising from changes to recharges or for any further implications arising from energy price increases and other reviews and changes to the capital charges during budget setting to the Chamberlain.

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

The public minutes and non-public summary of the Projects and Procurement Sub-Committee meeting held on 21 October 2024 were noted.

8. PROCUREMENT CODE REVIEW

Members considered a report of the Chamberlain relating to the Procurement Code.

During discussion, a Member suggested that the recommended increase in the procurement threshold should be retained permanently if it was deemed appropriate.

The Committee agreed that the revised Policy should include a reporting mechanism for expiring contracts, to enable Member oversight.

A Member raised a concern that smaller suppliers could be inhibited for competing for contracts by the responsible procurement commitments. They suggested that officers consider the Preston Model as an example. The Deputy Chairman, also the Chairman of the Projects and Procurement Sub-Committee, noted that the Sub-Committee was also concerned about this point. He said that the purpose of trying to reduce complexity through the development of a new Policy was to open opportunities for more suppliers.

RESOLVED, that – Members

1. Approve the development of a new Procurement Policy and supporting framework to replace the existing Procurement Code.
2. Authorise the Chamberlain in consultation with the Chairman and Deputy Chairman, to approve changes to the Procurement Code and supporting framework to align with the new Procurement Act 2023.
3. Approve the temporary increase of the threshold for the approval of procurement options and contract awards by the Court of Common Council to £20m until 31 July 2025 whilst the new Procurement Policy is developed.

9. **RESPONSIBLE PROCUREMENT MIDYEAR IMPACT REPORT**

Members considered a report of the Chamberlain relating to the Responsible Procurement Strategy.

A Member, noting that the Impact Report was attached as a restricted appendix, gave notice of a question for the non-public session, which might affect the Committee's decision. The Committee agreed to defer consideration of the report to the non-public session, with the decision to be recorded in the public minutes.

RESOLVED, that – Members approve the publication of the amended Responsible Procurement Mid-Year Impact Report 24-25 on the City Corporation's external website and note the information on Responsible Procurement treatment.

10. **EXTENSION OF CONTRACT FOR THE PAN-LONDON SEXUAL HEALTH E-SERVICES CONTRACT**

Members considered a report of the Chamberlain concerning a contract extension.

RESOLVED, that – Members recommend to the Court of Common Council that the current E-services contract with Preventx Ltd dated 15 August 2017 currently due to expire on the 15 August 2025 is extended for a further year to expire on 15 August 2026.

11. **CENTRAL CONTINGENCIES**

Members received a report of the Chamberlain regarding the current balance of the Finance Committee Contingency Funds.

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

12. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**

Members received a report of the Chamberlain concerning the departmental risk register.

The Chairman asked the Chamberlain if the risk rating for CR38 Unsustainable Medium-Term Finances – City's Estate would reduce following the Court's decision to cease the Market Co-Location Programme and 'de-marketise' Smithfield and Billingsgate. In reply, the Chamberlain said the report had been

drafted before that decision and City's Estate risk profile was now being re-modelled.

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

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

There were no questions.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

15. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

Item No.	Paragraphs in Schedule 12A
16-20, 24, 26-27	3
21	7
25	1 and 3

16. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

It was noted that Deputy Simon Duckworth had observed and spoken at the previous meeting as a virtual participant in the non-public session. The Town Clerk undertook to correct the minutes.

The non-public minutes of the meeting held on 12 November 2024 were approved as an accurate record, as amended.

17. NON-PUBLIC ACTION TRACKER

Members noted the Committee's non-public Action Tracker.

18. MAJOR PROJECT DASHBOARD - PERIOD 7 2024/25 (AS AT THE END OF OCTOBER)

Members received a report of the Chamberlain concerning major projects.

19. 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 21 October 2024 were noted.

20. EXTENSION OF LONDON WIDE HAZARDOUS WASTE COLLECTION AND DISPOSAL SERVICE CONTRACT

Members considered a report of the Executive Director, Environment concerning a contract extension.

21. **POLICE CYBER ALARM APPROVAL TO PUBLISH TENDER PRIOR TO NEW PROCUREMENT**
Members considered a report of the Police Commissioner concerning a procurement strategy.
22. **EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN**
The Working Party's Forward Plan was noted.
23. **DRAFT MINUTES OF THE EFFICIENCY AND PERFORMANCE WORKING PARTY**
The draft minutes of the Working Party meeting on 6 November 2024 were noted.
24. **TRANSFORMATION FOR THE NATURAL ENVIRONMENT CHARITIES – OUTCOMES OF THE NATURAL ENVIRONMENT CHARITIES REVIEW**
The report had been withdrawn by officers.
25. **DELEGATION REQUESTS**
Members considered a report of the City Surveyor containing several requests concerning City Fund investment properties.
26. **AUTUMN 2024 BUDGET UPDATE**
Members received a report of the Chamberlain concerning the Autumn Budget.
27. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**
Members received a report of the Town Clerk detailing non-public decisions taken under delegated authority and urgency procedures since the last meeting.
28. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
29. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The Committee considered a report relating to the City Junior School, circulated as a late item.
 - a) **Request to Extend Loan Term for City Junior School**
Members considered a joint report of the Heads of the City of London School for Girls and the City of London School concerning a loan extension.
30. **CONFIDENTIAL MINUTES**
The confidential minutes of the meeting held on 12 November 2024 were approved as a correct record in the public session.

The meeting ended at 1.49 pm

Chairman

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