

FINANCE COMMITTEE

Tuesday, 29 April 2025

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 29 April 2025 at 12.45 pm

Present

Members:

Deputy Henry Colthurst (Chairman)	Adam Hogg
Deputy Andrien Meyers (Deputy Chair)	Sandra Jenner
Shahnan Bakth	Deputy Paul Martinelli
Brendan Barns	Alderman Bronek Masojada
Alderman Alexander Barr	Deputy Benjamin Murphy
Nicholas Bensted-Smith	Alderwoman Jennette Newman
Deputy Timothy Butcher	Fraser Peck
Deputy Bethany Coombs	Deputy Nighat Qureishi
Deputy Anne Corbett	Hugh Selka
Elizabeth Corrin	Deputy Oliver Sells KC
Simon Duckworth OBE DL	Deputy Sir Michael Snyder
Steve Goodman OBE	James St John Davis
Alderwoman Martha Grekos	Deputy James Thomson CBE
Deputy Madush Gupta	Deputy Keith Bottomley (Ex-Officio Member)
Stephen Hodgson	

Officers:

Ian Thomas, CBE	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Gregory Moore	- Deputy Town Clerk
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Dionne Corradine	- Corporate Strategy & Performance
Sonia Virdee	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Ben Dunleavy	- Town Clerk's Department
Phil Black	- Chamberlain's Department
John James	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department

1. APOLOGIES

At the outset of the meeting, Alderman Alexander Barr, as senior Member present, was moved into the Chair.

Apologies for absence were received from Alderman Prem Goyal and Deputy Christopher Hayward.

Shahnan Bakth, Josephine Hayes and Deputy Henry Pollard observed the meeting online.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations of interest.

3. **ORDER OF THE COURT**

The Committee received the Order of the Court of Common Council dated 25 April 2025.

4. **ELECTION OF CHAIR**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 28.

Deputy Henry Colthurst, as the only Member expressing their willingness to serve, was duly elected as Chairman for the ensuing year and took the Chair.

The Chairman thanked the Committee for its support, and took the opportunity to thank all Members who had served in the Committee over the past 12 months, including the former Deputy Chairman Randall Anderson. He welcomed those Members joining the Committee for the first time.

RESOLVED, that – Deputy Henry Colthurst be elected Chairman of the Finance Committee for the ensuing year.

5. **ELECTION OF DEPUTY CHAIR**

The Committee proceeded to elect a Deputy Chair in accordance with Standing Order No. 29.

The Town Clerk informed the Committee that Steve Goodman and Deputy Andrien Meyers had both expressed a willingness to serve, and that a ballot was therefore necessary.

A ballot having been taken, votes were cast as follows:-

Steve Goodman	- 8
Deputy Andrien Meyers	- 14

Deputy Andrien Meyers, having received the majority of votes, was duly elected as Deputy Chair for the ensuing year.

The Deputy Chair thanked the Committee for its support.

RESOLVED, that – Deputy Andrien Meyers be elected as Deputy Chairman of the Finance Committee for the ensuing year.

6. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the public minutes and non-public summary of the meeting held on 18 February 2025 be approved as an accurate record.

7. **ACTION TRACKER**

Members received the Committee's Action Tracker.

It was noted that a detailed report on Barbican leaseholder service charges would be submitted to the Finance Committee's June meeting.

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

Members received the Committee's Forward Plan.

It was noted that the report on the Procurement Code Review would be submitted to the Finance Committee's June meeting.

9. **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 4 February 2025 be noted.

10. **APPOINTMENTS TO COMMITTEES**

Members received a report of the Town Clerk concerning Committee and Sub-Committee appointments.

The Chairman informed the Committee that he was seeking a change to the composition of the Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee with the effect of granting nomination rights.

RESOLVED, that – Members:

- a) Agree the composition and Terms of Reference of the Projects and Procurement Sub-Committee
- b) Appoint the following Members of the Finance Committee to the Projects and Procurement Sub-Committee:
 - Ben Murphy
 - Stephen Hodgson
 - Anne Corbett (Chairman's nominee)
- c) Elect Deputy Benjamin Murphy as the Chair of the Projects and Procurement Sub-Committee and note that the Deputy Chair of the Sub-Committee will be elected by the Sub-Committee at its first meeting
- d) Note the appointment of the members of four other Committees to the Projects and Procurement Sub-Committee; a representative each from the Community and Children's Services Committee, the Digital Services Committee, the Police Authority Board and the Port Health and Environmental Services Committee

- e) Agree the revised composition and Terms of Reference of the Efficiency and Performance Working Party
- f) Appoint the following Members of the Committee to the Efficiency and Performance Working Party
 - Nick Bensted-Smith
 - Deputy Benjamin Murphy
 - Stephen Hodgson
 - Adam Hogg
- g) agree the appointments of representatives to the following Committees and Sub-Committees:
 - i. Corporate Services Committee – Adam Hogg
 - ii. Investment Committee – Simon Duckworth and Deputy Madush Gupta (following a ballot)
 - iii. Streets and Walkways Sub (Planning & Transportation) Committee - Deputy Timothy Butcher
- h) agree the appointment of the Chairman and the Deputy Chairman as representatives of the Finance Committee for informal consultation with the Court of Aldermen and the Policy and Resources Committee on Mayoralty and Shrievalty Allowances
- i) Note that the Chairman and/or Deputy Chairman are appointed to, or serve as ex-officio Members on, the following Committees, and have nomination rights:
 - i. Audit and Risk Management Committee – James St John Davis
 - ii. Digital Services Committee – Sue Farrington
 - iii. Investment Committee – Deputy Henry Colthurst
 - iv. Capital Buildings Board – Deputy Henry Colthurst.
 - v. Civic Affairs Sub Committee – Deputy Henry Colthurst
 - vi. Communications & Corporate Affairs Sub (Policy & Resources) Committee – James Tumbridge
 - vii. Resource, Risk & Estates (Police) Committee – Deputy Bethany Coombs.
 - viii. House Committee of the Guildhall Club – Adam Hogg
- j) Note that the Chairman and/or Deputy Chairman are appointed to, or serve as ex-officio Members on, the following Committees, without nomination rights:
 - i. Policy & Resources Committee (ex-officio)
 - ii. Resource Allocation Sub (Policy and Resources) Committee
 - iii. Fraud and Cyber Crime Reporting and Analysis Service Procurement Committee

- k) Note that the Chairman will be a Member of the Mayoral Visits Advisory Committee;
- l) agree that the Committee should meet no less than eight times a year.

11. **REVIEW OF FINANCIAL REGULATIONS**

Members considered a report of the Chamberlain concerning the Financial Regulations.

The Town Clerk informed the Committee of a required correction to the recommendations – the requirement to consult the Town Clerk on the use of central contingencies should be retained.

The Chairman highlighted four points for the Committee to note: the increase in the level of thresholds, the need to support these with a comparable level of controls, ongoing work on the revised Procurement Code and the accounting model for the Natural Environment Charities was also important.

The Chamberlain also highlighted that the Regulations were being updated to comply with the new IFRS 16 standards. The Chairman noted that the capitalisation threshold seemed low at £50,000; officers undertook to look at comparators.

A Member asked what work had been done on monitoring and reporting on the effect of increasing the thresholds. The Chairman reiterated his point on the need to increase the thresholds requiring member scrutiny and reiterated that robustness of controls were important for assurance. The Chamberlain said that the threshold changes for member scrutiny were largely driven by the procurement and project thresholds. Officer governance below these levels require robust controls and arrangements and these were being specified. Internal Audit and the Audit and Risk Management Committee were reviewing signs of a drop-off in compliance with some controls, particularly with the project procedure. The Chamberlain assured the Committee that strong measures were being implemented to address this. The Chairman requested that the results of that this review also be brought to the Finance Committee for information.

The Deputy Chairman, noting these compliance issues, asked if the recommendations regarding provision of information to Internal Audit (as set out at Section 4.5 of the Regulations) should be strengthened. In reply, the Chamberlain felt that Audit and Risk Management should consider any points of concern, and share these with the Finance Committee as part of the review.

A Member asked if the number of outside trustees sitting on the City Corporation's Natural Environment charity committees, such as the West Ham Park Committee, was compliant with current charitable law. Some of these trustees had been on the committees for several years, leading to what they felt was an unsatisfactory situation where City Corporation trustees changed frequently while the outside ones did not. A Member, also the Chair of the Epping Forest and Commons Committee, said that the current governance arrangements for the Natural Environment charities were under review.

A Member asked if it was appropriate for the City Corporation to have petty cash accounts. In reply, the Chamberlain said that petty cash was still required in certain areas, but she hoped it would reduce over time.

A Member, noted that the revisions brought significant control back to the Chamberlain, and asked the Chamberlain if she felt she had sufficient capacity to manage that requirement. In reply, the Chamberlain said that the Financial Services team was now fully recruited, with work continuing on developing the skills of the team. She also set out the governance arrangements for spending within the organisation.

The Deputy Chair asked if the recommendations regarding provision of information to Internal Audit should be strengthened. In reply, the Chamberlain said that the Chief Internal Auditor had a new system to help in his work. She felt that any areas of concern should first be tackled by the Executive Leadership Board, but should concerns remain, she would appreciate the assistance of the Committee.

RESOLVED, that – Members:

1. Agree the revised Financial Regulations set out in Appendix B;
2. Approve the continued delegation to the Chamberlain, in consultation with the Town Clerk/Chief Executive to manage Central Contingencies, held under Finance Committee, as set out in para 2.2 of the Financial Regulations, noting this delegation excluded the Finance Committee's own contingency which will continue to be managed by the Committee; and
3. Agree a delegation to the Chamberlain to amend the regulations in respect of any further changes that may need to be made as a result of the review of Project Procedure, the Procurement Code, accounting for Natural Environment charities and to tidy up numbering and formatting of the Financial Regulations document.

12. QUARTERLY PROGRAMME SAPPHIRE (ERP) UPDATE REPORT - Q4 2024/25

Members received a report of the Chamberlain concerning Programme Sapphire.

The Chairman encouraged Members of the Committee to consider standing for the vacant positions on the Digital Services Committee, given the importance of a successful Programme Sapphire project.

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

13. CHAMBERLAIN'S BUSINESS PLAN QUARTER 4 2024/25 UPDATE

Members received a report of the Chamberlain concerning the departmental business plan.

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

14. CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE

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

The Chamberlain introduced the report, highlighting the key risks including the fiscal sustainability of City Fund and the status of the Housing Revenue Account (HRA). The latter was in a fragile state; it was only just breaking even on income and expenditure, had low reserves and virtually no borrowing capacity headroom. A Working Group had been established, including senior Members and officers from the Chamberlain's and Community and Children's Services Departments to explore solutions. It was a national problem requiring national solutions, and the City Corporation was working with HM Treasury and the Ministry for Housing, Communities and Local Government on some of the more innovative solutions.

A Member, welcoming the Chamberlain's comments, noted that it was important to remember the conditions of residents' homes, and said that the status of the HRA needed to remain a priority for the Committee.

In reply to a question on how the City Corporation compared to other local authorities, the Chamberlain said that many other local authorities were in a similar position on the HRA. The City Corporation was relatively well placed in its other funds, but faced similar political dynamics on prioritisation.

A Member asked for further information on the Working Group's reporting mechanisms. The Chamberlain said that the Working Group would look through solutions and report back to the Housing Management and Almshouses Sub-Committee, the Community and Children's Committee and the Finance Committee. The Chairman requested that officers return to the Committee with an update at an appropriate time.

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

15. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

Members received a report of the Town Clerk providing information on action taken between meetings.

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

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

A Member noted that she, alongside other Members, had received emails from residents in their Ward seeking information on the introduction of the second-homes premium. While acknowledging that there was no legal need to consult, she said that she had been told that residents had been notified of the introduction of the premium through various ways, but the residents she had spoken to did not feel that had received any communication. She encouraged

officers to consider improved ways of disseminating decisions, especially when these would have financial consequences.

The Chairman said that he felt the high-level communication around the introduction of the second-homes premium had been good, but asked officers to take the Members' point on board. In reply, officers said that while they had not seen anything to suggest other local authorities had taken a different approach, they would continue to review and speak to the Communications Team.

17. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Town Clerk informed the Committee of a request for delegated authority from the Central London Forward team. Officers were seeking delegated authority to accept £83,400 of GLA funding to support the extension of the Integration Hub.

RESOLVED, that – the Committee delegates authority to the Town Clerk to approve the acceptance of the GLA funding.

18. 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

19. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes of the meeting held on 18 February 2025 were approved as an accurate record.

20. 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 4 February 2025 were noted.

21. DRAFT MINUTES OF THE EFFICIENCY AND PERFORMANCE WORKING PARTY

The draft minutes of the Efficiency and Performance Working Party meeting held on 3 March 2025 were noted.

22. EFFICIENCY AND PERFORMANCE WORKING PARTY'S FORWARD PLAN

The Efficiency and Performance Working Party's Forward Plan was noted.

23. MAJOR PROJECT DASHBOARD - PERIOD 11, 2024/25

Members received a report of the Chamberlain concerning major projects.

24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no non-public questions relating to the work of the Committee.

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

There were two items of other business.

26. **MARKETS SITES REGENERATION PROGRAMME**

Members considered a confidential report of the Comptroller and City Solicitor and the City Surveyor concerning the Markets sites.

The meeting ended at 2.11 pm

Chairman

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