

INVESTMENT COMMITTEE

Wednesday, 19 May 2021

Minutes of the meeting of the Investment Committee held at Guildhall, EC2 on
Wednesday, 19 May 2021 at 1.45 pm

Present

Members:

Deputy Tom Sleight (Chair)
Nicholas Bensted-Smith (Deputy Chairman)
Henry Colthurst
Anne Fairweather
Alderman Alison Gowman
Alderman Prem Goyal
Alderman Robert Howard
Michael Hudson
Alderman Robert Hughes-Penney
Deputy Clare James
Shravan Joshi
Tim Levene
Deputy Robert Merrett
Andrien Meyers
Dhruv Patel
John Petrie
James de Sausmarez
Ian Seaton
Deputy Catherine McGuinness (Ex-Officio Member)
Sheriff Christopher Hayward (Ex-Officio Member)
Jeremy Mayhew (Ex-Officio Member)
Deputy Jamie Ingham Clark (Ex-Officio Member)

Officers:

Joseph Anstee	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain
Kate Limna	- Chamberlain's Department
David Farnsworth	- Managing Director of BHE
Nicholas Gill	- City Surveyor's Department
James Graham	- Chamberlain's Department

The Chair welcomed all those in attendance to the meeting and thanked members of the public observing the meeting for their participation.

1. APOLOGIES

Apologies were received from Deputy Henry Pollard and Deputy Philip Woodhouse.

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

There were no declarations.

3. **MINUTES**

RESOLVED – That the public minutes and non-public summary of the meeting held on 20 January 2021 and the special meeting on 6 May 2021 be approved as an accurate record.

Matters Arising

The Town Clerk advised that two further Members had submitted expressions of interest in serving on the Financial Investment Board, having missed the Appointment of the Boards at the special meeting on 6 May 2021, and asked the Committee to consider expanding the constitution of the Board by two places in order to appoint these Members to the Financial Investment Board.

RESOLVED – That the Investment Committee agree to expand the constitution of the Financial Investment Board by two places, and subsequently to appoint Deputy Clare James and Tim Levene to the Financial Investment Board.

4. **MINUTES OF THE INVESTMENT BOARDS**

a) **Minutes of the Financial Investment Board**

RESOLVED - That the public minutes and non-public summary of the Financial Investment Board meeting held on 9 February 2021 be noted.

b) **Minutes of the Property Investment Board**

RESOLVED - That the public minutes and non-public summary of the Property Investment Board meeting held on 27 January 2021 and 17 March 2021 be noted.

c) **Minutes of the Social Investment Board**

RESOLVED - That the public minutes and non-public summary of the Social Investment Board meeting held on 3 February 2021 be noted.

5. **BRIDGE HOUSE ESTATES**

The Committee considered a report of the Town Clerk presenting a resolution of the Bridge House Estates Board at its meeting on 4 May 2021. The Town Clerk introduced the item and gave Members some further context in respect of the resolution to Investment Committee.

The Managing Director of Bridge House Estates (BHE) then advised that the BHE Board had agreed as a priority to proactively seek advice and draw on the expertise of other Committees, with a healthy dialogue on important matters, in order to facilitate business as usual and inform the Board's decision-making, pending further deliberations regarding the BHE Board's governance.

A Member noted that the resolution could be more specific in distinguishing between advice in respect of investment strategy and advice in respect of specific investments, and suggested that the Committee delegate advisory roles relating to property and non-property investments to the Property Investment Board and Financial Investment Board respectively, as they met more frequently than the Grand Committee. The Chair endorsed the proposal to delegate to the Boards, adding that it was difficult to justify setting up new or parallel bodies at this time.

A Member commented that the Committee, in conjunction with the Investment and BHE Boards, should begin to consider the longer-term arrangements for managing investments, particularly BHE investments, and suggested that the BHE Board be encouraged to make recommendations with a view to reaching a consensus on what should happen. The Member added that the likelihood that a Pensions Committee would need to be established in due course would also need to be taken into account as part of the longer-term arrangements.

Members further commented that the resolution was an appropriate first step and should be agreed, and that strategic and management matters could be separated out if necessary. A Member noted that the Boards could not advise on the weightings between property and non-property investments. The Chair added that the Committee had an advisory role on this under the existing arrangements, as decisions on asset allocation were reserved to the Resource Allocation Sub Committee, although this function had not been exercised for some time.

A Member advised that the wider review of BHE pre-dated the Lisvane Review, and that this was a measure that would contribute towards the outcome of both pieces of work, which should be supported. The Member added that with the Lisvane Review still in progress, Members should keep options open for the longer-term arrangements as there were a number of matters still to be resolved as part of the Lisvane Review which may have an impact on them.

A Member suggested that the appointment of a Chief Investment Officer be kept under consideration, adding that he could not recall any major decisions being made on asset allocation in recent years, and that perhaps it was an area that might benefit from increased officer support, as even a small uplift in returns would generate significant funds that could be used for the benefit of the City. Another Member queried whether the BHE review would set precedents from a governance perspective, particularly for other charities, as there was a longer-term strategic question around running various composite parts of the organisation independently.

In response to comments from Members regarding governance matters, the Chamberlain advised that similar discussions had taken place elsewhere and the points raised were under consideration. The Chamberlain added that the point regarding the potential appointment of a Chief Investment Officer would be worked through as part of the Target Operating Model work, noting that currently there was more of Chamberlain's Department presence at Financial

Investment Board, and City Surveyor's Department at Property Investment Board.

In response to the point raised on wider governance implications, the Managing Director of BHE advised that some aspects of the work undertaken as part of the BHE Review could be rolled over towards work on other charity matters. The Managing Director of BHE added that with some matters reserved to the Court of Common Council, all functions relating to BHE were now under the BHE Board. However, whilst positive links had already been made, work was ongoing on fleshing out practical arrangements, and on a Supplemental Royal Charter which would hopefully enable the charity to do more in areas such as social investment.

The Chair thanked Members and officers for their contributions to the discussion and suggested that a meeting be set up between the leadership of the Committee, BHE Board, and Investment Boards with a view to discussing any further detail required regarding practical and longer-term arrangements for investments.

RESOLVED – That the resolution of the Bridge House Estates Board on 4th May 2021 as set out in the appendix to the report be approved, and that responsibility for advising on matters relating to property and non-property investments be delegated to the Property Investment Board and Financial Investment Board respectively.

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

There were no questions.

7. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no other business.

8. **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 the Schedule 12A of the Local Government Act.

Item No.	Paragraph(s) in Schedule 12A
9	3
10 a-c	3
11	3
12	3
13-14	-

9. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the non-public minutes of the meeting held on 20 January 2021 be approved as an accurate record.

10. **NON-PUBLIC MINUTES OF THE INVESTMENT BOARDS**

a) **Non-public minutes of the Financial Investment Board**

RESOLVED - That the non-public minutes of the Financial Investment Board meeting held on 9 February 2021 be noted.

b) **Non-public minutes of the Property Investment Board**

RESOLVED - That the non-public minutes of the Property Investment Board meetings held on 27 January 2021 and 17 March 2021 be noted.

c) **Non-public minutes of the Social Investment Board**

RESOLVED - That the non-public minutes of the Social Investment Board meeting held on 4 May 2021 be noted.

11. **FUTURE GOVERNANCE WORKING GROUP UPDATE**

The Committee discussed future governance.

12. **UPDATE ON THE ACTIVITIES OF THE FINANCIAL INVESTMENT BOARD**

The Committee received a report of the Chamberlain.

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

There were no non-public questions.

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

There was no other business.

The meeting ended at 3.05 pm

Chair

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