



Investment Committee

- Date:** WEDNESDAY, 24 JULY 2013
- Time:** 1.45pm
- Venue:** COMMITTEE ROOMS - WEST WING, GUILDHALL
- Members:** Ray Catt (Chairman)
Deputy Michael Cassidy (Deputy Chairman)
Deputy Ken Ayers
Roger Chadwick
Henry Colthurst
Simon Duckworth
Alderman Sir Robert Finch
George Gillon (Chief Commoner)
Brian Harris
Tom Hoffman
Deputy Robert Howard
Clare James
Deputy Keith Knowles
Edward Lord
Andrew McMurtrie
Alastair Moss
Dhruv Patel
Deputy Henry Pollard
John Scott
Ian Seaton
Tom Sleigh
Philip Woodhouse
Mark Boleat (Ex-Officio Member)
Deputy Catherine McGuinness (Ex-Officio Member)

Enquiries: **Matthew Pitt**
tel. no.: 020 7332 1425
matthew.pitt@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 14 May 2013.

For Decision
(Pages 1 - 6)
4. **MINUTES OF THE FINANCIAL INVESTMENT BOARD**
To note the public minutes and non-public summary of the Financial Investment Board meeting held on 5 June 2013.

For Information
(Pages 7 - 10)
5. **MINUTES OF THE PROPERTY INVESTMENT BOARD**
To note the public minutes and non-public summary of the meetings held on 14 May and 11 June 2013.

For Information
(Pages 11 - 18)
6. **MINUTES OF THE SOCIAL INVESTMENT BOARD**
To note the public minutes and non-public summary of the meetings held on 23 April and 20 June 2013.

For Information
(Pages 19 - 32)
7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
9. **EXCLUSION OF THE PUBLIC**
MOTION - 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.

Part 2 - Non-Public Agenda

10. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 14 May 2013.

For Decision
(Pages 33 - 34)

11. **NON-PUBLIC MINUTES OF THE FINANCIAL INVESTMENT BOARD**
To note the non-public minutes of the meeting held on 5 June 2013.
For Information
(Pages 35 - 40)
12. **NON-PUBLIC MINUTES OF THE PROPERTY INVESTMENT BOARD**
To note the non-public minutes of the meeting held on 14 May and 11 June 2013.
For Information
(Pages 41 - 50)
13. **NON-PUBLIC MINUTES OF THE SOCIAL INVESTMENT BOARD**
To note the non-public minutes of the Social Investment Board held on 23 April and 20 June 2013.
For Information
(Pages 51 - 56)
14. **CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES - PERFORMANCE MONITORING TO 31 MARCH 2013**
Report of the City Surveyor.
For Information
(Pages 57 - 64)
15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

This page is intentionally left blank

Agenda Item 3

INVESTMENT COMMITTEE

Tuesday, 14 May 2013

Minutes of the meeting of the Investment Committee held at Guildhall, EC2 on
Tuesday, 14 May 2013 at 1.45pm

Present

Members:

Deputy Ken Ayers
Ray Catt
Roger Chadwick
Henry Colthurst
Simon Duckworth
Alderman Sir Robert Finch
Tom Hoffman
Deputy Robert Howard
Deputy Keith Knowles
Edward Lord
Alastair Moss
Dhruv Patel
Deputy Henry Pollard
John Scott
Ian Seaton
Tom Sleigh
Philip Woodhouse
Mark Boleat (Ex-Officio Member)

Officers:

Matthew Pitt	- Town Clerk's Department
Lorraine Brook	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Mark Bryans	- Chamberlain's Department
Paul Mathews	- Chamberlain's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department

1. APOLOGIES

Apologies were received from Deputy Michael Cassidy and Brian Harris, Clare James and Deputy Catherine McGuinness.

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

There were no declarations.

3. ORDER OF THE COURT OF COMMON COUNCIL

The Committee received the order of the Court of Common Council, 25 April 2013 appointing the Committee and approving its terms of reference.

In response to a Member's question, it was:-

RESOLVED – That the appointment of the new Member of the Committee to the Financial or Property Investment Board, following their election at the Court of Common Council on 16 May 2013, be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Committee.

4. **APPOINTMENT OF BOARDS AND FREQUENCY OF MEETINGS**

The Town Clerk sought Members' approval the composition and terms of reference of the Social Investment Board.

RESOLVED – That the following composition for the Social Investment Board be agreed and its terms of reference be approved.

Social Investment Board

Chairman to be determined by the Board*

The Chairman of the Policy & Resources Committee for the time being or his/her nominee;

The Chairman of the Finance Committee for the time being or his/her nominee;

The Chairman of the City Bridge Trust Committee for the time being or his/her nominee;

The Chairman of the Financial Investment Board for the time being or his/her nominee;

One Member of the Financial Investment Board;

Two Members elected by the Court of Common Council, one of whom shall have fewer than five years' service on the Court at the time of their appointment.

The Town Clerk read a list of names who had indicated their wish to serve on the Financial Investment Board and with 13 Members indicating their willingness for up to 14 places, it was:-

RESOLVED – That the following Members be elected to the Financial Investment Board for the year ensuing.

Financial Investment Board

Deputy Ken Ayers

Ray Catt

Roger Chadwick

Henry Colthurst

Simon Duckworth

Tom Hoffman

Deputy Robert Howard

Clare James

Deputy Edward Lord

Deputy Henry Pollard

John Scott

Ian Seaton
Philip Woodhouse

The Town Clerk read a list of names who had indicated their wish to serve on the Property Investment Board and with 13 Members indicating their willingness for up to 14 places, it was:-

RESOLVED – That the following Members be elected to the Property Investment Board for the year ensuing.

Property Investment Board

Deputy Ken Ayers
Mark Boleat
Ray Catt
Deputy Michael Cassidy (Chairman)
Roger Chadwick
Alderman Sir Robert Finch
George Gillon
Brian Harris (Deputy Chairman)
Keith Knowles
Deputy Edward Lord
Alastair Moss
Dhruv Patel
Tom Sleigh

Election of Chairman and Deputy Chairman to the Financial Investment Board

The Town Clerk invited Members of the newly appointed Financial Investment Board to elect a Chairman in accordance with Standing Order 29. A list of Members eligible to stand was read out and Ray Catt being the only Member indicating his willingness to serve was declared to have been elected for the year ensuing.

The Town Clerk invited Members of the newly appointed Financial Investment Board to elect a Deputy Chairman in accordance with Standing Order 30. A list of Members eligible to stand was read out and Deputy Robert Howard being the only Member indicating his willingness to serve was declared to have been elected for the year ensuing.

Election of Chairman and Deputy Chairman to the Property Investment Board

The Town Clerk invited Members of the newly appointed Property Investment Board to elect a Chairman in accordance with Standing Order 29. A list of Members eligible to stand was read out and Deputy Michael Cassidy being the only Member indicating his willingness to serve was declared to have been elected for the year ensuing.

The Town Clerk invited Members of the newly appointed Property Investment Board to elect a Deputy Chairman in accordance with Standing Order 30. A list of Members eligible to stand was read out and Brian Harris being the only Member indicating his willingness to serve was declared to have been elected for the year ensuing.

5. **ELECTION OF CHAIRMAN**

Members were invited to elect a Chairman in accordance with Standing Order 29.

A list of Members eligible to stand was read out and Ray Catt being the only Member indicating his willingness to serve was declared to have been elected for the ensuing year.

6. **ELECTION OF DEPUTY CHAIRMAN**

Members were invited to elect a Deputy Chairman in accordance with Standing Order 30.

A list of Members eligible to stand was read out and Deputy Michael Cassidy being the only Member indicating his willingness to serve was declared to have been elected for the ensuing year.

7. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: That the public minutes and non-public summary of the meeting held on 08 January 2013 be approved.

8. **MINUTES OF THE FINANCIAL INVESTMENT BOARD**

The minutes of the Financial Investment Board meetings held on 10 December 2012 and 7 February 2013 were received.

RECEIVED.

9. **MINUTES OF THE PROPERTY INVESTMENT BOARD**

The minutes of the Property Investment Board meetings held on 4 December 2012, 16 January 2013 and 18 February 2013 were received.

RECEIVED.

10. **MINUTES OF THE SOCIAL INVESTMENT BOARD**

The minutes of the Social Investment Board held on 14 December 2012 were received.

RECEIVED.

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

There were no questions.

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

There was no other business.

13. **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.

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

The non-public minutes of the meeting held on 08 January 2013 were approved.

15. **NON-PUBLIC MINUTES OF THE FINANCIAL INVESTMENT BOARD**

The non-public minutes of the Financial Investment Board meetings held on 10 December 2012 and 7 February 2013 were received.

RECEIVED.

16. **NON-PUBLIC MINUTES OF THE PROPERTY INVESTMENT BOARD**

The non-public minutes of the Property Investment Board meetings held on 4 December 2012, 16 January 2013 and 18 February 2013 were received.

RECEIVED.

17. **NON PUBLIC MINUTES OF THE SOCIAL INVESTMENT BOARD**

The non-public minutes of the Social Investment Board held on 14 December 2012 were received.

RECEIVED.

18. **STRATEGIC ASSET ALLOCATION REVIEW - CASH INVESTMENTS**

The Committee approved a report of the Chamberlain.

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

There were no non-public questions.

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

There were no urgent items.

The meeting ended at 2.20pm

Chairman

Contact Officer: Matthew Pitt
tel. no.: 020 7332 1425
matthew.pitt@cityoflondon.gov.uk

FINANCIAL INVESTMENT BOARD

Wednesday, 5 June 2013

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on
Wednesday, 5 June 2013 at 1.45pm

Present

Members:

Ray Catt (Chairman)
Deputy Robert Howard (Deputy Chairman)
Deputy Ken Ayers
Simon Duckworth
Tom Hoffman
Clare James
Edward Lord
Deputy Henry Pollard
John Scott
Ian Seaton

Officers:

Chris Bilsland	- Chamberlain
Paul Mathews	- Chamberlain's Department
Mark Bryans	- Chamberlain's Department
Jacqui Daniels	- Town Clerk's Department
Alistair MacLellan	- Town Clerk's Department

Tapan Datta	- Aon Hewitt
Gary Allen	- Aon Hewitt

1. APOLOGIES

Apologies were received from Roger Chadwick, Henry Colthurst, Andrew McMurtrie and Philip Woodhouse. Notice was received from Deputy Ken Ayers that he would attend the Board in part.

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

There were no declarations.

3. APPOINTMENT OF FINANCIAL INVESTMENT BOARD MEMBER TO THE SOCIAL INVESTMENT BOARD

A resolution from the Investment Committee on the appointment of the Financial Investment Board, its Chairman and Deputy Chairman, and the frequency of meetings was noted.

The Financial Investment Board was then asked to nominate one of its members - to sit alongside the Chairman - on the Social Investment Board.

RESOLVED:

- (i) That the Board's appointment, election of Chairman and Deputy Chairman of the Board which took place at the Investment Committee on 14 May 2013, and the frequency of its meetings, be ratified.
- (ii) That Edward Lord – alongside the Chairman - sit on the Social Investment Board as a representative of the Financial Investment Board.

4. MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the public minutes of the meeting held on 7 February 2013 be agreed as an accurate record, subject to an amendment noting the apologies of Clare James.

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

There were no questions.

6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

7. 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(s)	Paragraph
8-15	3
16	-

8. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

9. INVESTMENT PERFORMANCE MONITORING TO 31 MARCH 2013

The Corporate Treasurer summarised a report on investment performance monitoring to 31 March 2013.

RESOLVED: that the report be noted.

10. QUARTERLY INVESTMENT REPORT AS AT 31 MARCH 2013

Aon Hewitt provided an overview of the Quarterly Investment Report as at 31 March 2013.

RESOLVED: that

- (i) The contents of the report be noted
- (ii) The Chamberlain be requested to submit an options paper to the Financial Investment Board in July on the potential for hedging.

11. EQUITIES INVESTMENTS, TRANSITION MANAGER SELECTION

The Corporate Treasurer introduced the review report of Aon Hewitt and the recommendations report from the Chamberlain on the appointment of a Transition Manager.

RESOLVED: that, subject to further negotiation, BlackRock be appointed as Transition Manager for the proposed equities investments reorganisation.

12. PRESENTATION BY ANDY GILBERT, MANAGING DIRECTOR, TRANSITION MANAGEMENT, BLACKROCK

Andy Gilbert, Managing Director of Transition Management at BlackRock, addressed the Board on BlackRock's approach to Transition Management.

RESOLVED: that

- (i) The Chamberlain seek external legal counsel on whether the Corporation's three funds had to be treated as separate legal entities for the purposes of investment;
- (ii) The Chamberlain to receive feedback from BlackRock over whether their quoted fees may be reduced;
- (iii) The Chamberlain to report back to the Board on the potential movement of funds between pools and managers;
- (iv) Arrangements for adopting BlackRock as the preferred Transition Management candidate be progressed as quickly as possible, with demonstrable progress at the next Board meeting on 2 July;
- (v) The Chamberlain to circulate via email refreshed data on each of the accounts to the members of the Board.

13. INFRASTRUCTURE AS AN ASSET CLASS FOR INSTITUTIONAL INVESTORS

Gary Allen of Aon Hewitt introduced the report on infrastructure as an asset class for institutional investors.

RESOLVED: that the report be noted.

14. PRESENTATION BY STEWART HAY AND ROGER PIMM, STANDARD LIFE CAPITAL PARTNERS

Stewart Hay and Roger Pimm of Standard Life Capital Partners updated the committee on private equity, including an overview of their product offerings, including their Secondary Opportunities Fund (SOF).

RESOLVED:

- (i) That the presentation be noted; and

- (ii) The Chamberlain consider the options for private equity investment, including the Standard Life Secondary Opportunities Fund, and report back to the Board in July 2013.

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

There were no non-public questions.

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

City Cash

The Chairman noted that a paper on surplus City Cash was going to Resource Allocations Sub Committee on 13 June.

The meeting ended at 3.40pm

Chairman

Contact Officer: Alistair MacLellan
alistair.maclellan@cityoflondon.gov.uk

PROPERTY INVESTMENT BOARD

Tuesday, 14 May 2013

Minutes of the meeting of the Property Investment Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Tuesday, 14 May 2013 at 2.30pm

Present

Members:

Deputy Ken Ayers
Mark Boleat
Deputy Michael Cassidy
Ray Catt
Roger Chadwick
Alderman Sir Robert Finch
George Gillon (Chief Commoner)
Brian Harris
Deputy Keith Knowles
Edward Lord
Alastair Moss
Dhruv Patel
Tom Sleigh

In Attendance

Officers:

Matthew Pitt	- Town Clerk's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Trevor Nelson	- City Surveyor's Department
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

There were no apologies.

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

There were no declarations.

3. RESOLUTION OF THE INVESTMENT COMMITTEE

The Town Clerk read out the Membership of the Board, as approved at the Investment Committee meeting, 14 May 2013.

RESOLVED: That the Board ratify the election of Chairman and Deputy Chairman of the Board which took place at the Investment Committee on 14 May 2013.

4. **MINUTES**

The Board approved the public minutes and summary of the meeting held on 12 April 2013.

5. **PROPERTY INVESTMENT BOARD - TERMS OF REFERENCE, FREQUENCY OF MEETINGS AND 2013/14 WORK PROGRAMME**

The Board considered a report of the Town Clerk concerning its Terms of Reference, frequency of meetings and 2013/14 work programme.

RESOLVED – That the proposed work programme and frequency of meetings for 2013/14 be approved.

6. **MARCHE INTERNATIONAL DES PROFESSIONNELS D'IMMOBILIER (MIPIN CONFERENCE) 2013**

The Board considered a report of the City Surveyor informing Members of the City Corporation's activities at the Marche International des Professionnels d'Immobilier (MPIM) conference and seeking approval for funding to attend in 2014.

RESOLVED – That attendance of the City of London Corporation at MIPIM 2014 and a total budget not exceeding £85,000 be approved.

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

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

There was no other business.

9. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) 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 1 of Schedule 12A of the Local Government Act.

10. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 12 April 2013 were approved.

11. **CITY'S RENTAL FORECASTS MONITORING REPORT**

The Board received a report of the City Surveyor.

RECEIVED.

12. **CROSSRAIL PROPERTY INVESTMENT STRATEGY REVIEW**

The Board approved a report of the City Surveyor.

13. **CITY SURVEYOR'S DEPARTMENT REORGANISATION: CHANGE MANAGEMENT PROJECT - STAFF CONSULTATION**
The item was withdrawn from the agenda.
14. **CITY FUND & CITY'S ESTATE HIGHWAY DISPOSAL - 46/50 ST MARY AXE, EC3**
The Board approved a report of the City Surveyor.
15. **BRIDGE HOUSE ESTATES - LETTING REPORT**
The Board approved a report of the City Surveyor.
16. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were three items of urgent business.

The meeting ended at 3.14pm

Chairman

Contact Officer: Matthew Pitt
tel. no.: 020 7332 1425
Matthew.Pitt@cityoflondon.gov.uk

This page is intentionally left blank

PROPERTY INVESTMENT BOARD

Tuesday, 11 June 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Tuesday, 11 June 2013 at 1.45pm

Present

Members:

Deputy Michael Cassidy (Chairman)
Brian Harris (Deputy Chairman)
Deputy Ken Ayers
Roger Chadwick
George Gillon (Chief Commoner)
Edward Lord
Alastair Moss
Tom Sleigh

Officers:

Jacqui Daniels	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
John James	- Chamberlain's Department
Tim Rhodes	- Comptroller & City Solicitor's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies were received from Mark Boleat, Ray Catt, Alderman Sir Robert Finch, Deputy Keith Knowles and Dhruv Patel.

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

There were no declarations.

3. MINUTES

The public minutes and summary of the meeting held on 14 May 2013 were approved.

4. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

5. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

6. **EXCLUSION OF THE PUBLIC**
RESOLVED – That under Section 100A(4) 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 1 of Schedule 12A of the Local Government Act.
7. **NON PUBLIC MINUTES**
The non-public minutes of the meeting held on 14 May 2013 were approved.
8. **CITY FUND, CITY'S ESTATE, AND BRIDGE HOUSE ESTATES AND STRATEGIC PROPERTY ESTATE - ANNUAL VALUATION**
The Board received a report of the City Surveyor.

RECEIVED.
9. **CITY SURVEYOR'S DEPARTMENT REORGANISATION CHANGE MANAGEMENT PROJECT - STAFF CONSULTATION**
The Board received a report of the City Surveyor.

RECEIVED.
10. **ORACLE UPGRADE TO RELEASE 12 AND MANHATTAN SYSTEM REPLACEMENT - GATEWAY 4, DETAILED OPTIONS APPRAISAL**
The Board received a joint report of the Chamberlain and the City Surveyor.

RECEIVED.
11. **2 FANN STREET, EC2 - LONG LEASE DISPOSAL TO REDROW HOMES LIMITED**
The Board approved a report of the City Surveyor.
12. **21 GRAFTON STREET, W1 - DISPOSAL OF FREEHOLD INTEREST**
The Board approved a report of the City Surveyor.
13. **BRIDGE HOUSE ESTATES - LETTING REPORT**
The Board approved a report of the City Surveyor.
14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was one urgent item.

The meeting ended at 2.25pm

Chairman

Contact Officer: Matthew Pitt
tel. no.: 020 7332 1425
Matthew.Pitt@cityoflondon.gov.uk

This page is intentionally left blank

SOCIAL INVESTMENT BOARD

Tuesday, 23 April 2013

**Minutes of the meeting of the Social Investment Board held at the Guildhall
EC2 on TUESDAY 23 APRIL at 11.00am**

Present

Members:

Alderman Peter Hewitt (Chairman)	Roger Chadwick
Deputy Edward Lord (Deputy Chairman)	Deputy Robert Howard
Deputy Ken Ayers	Deputy Richard Regan
Ray Catt	

Officers:

Simon Murrells	- Assistant Town Clerk
Natasha Dogra	- Town Clerk's Department
Xanthe Couture	- Town Clerk's Department
Tim Wilson	- City Bridge Trust
Martin Hall	- City Bridge Trust
Paul Mathews	- Corporate Treasurer
Deborah Cluett	- Comptroller and City Solicitor's Department
Liz Skelcher	- Economic Development Office
Katie Hill	- Social Investment Adviser, Economic Development Office

In Attendance:

John Kingston	- Social Finance Ltd.
Richard Todd	- Social Finance Ltd.

1. APOLOGIES

There were no apologies.

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

There were no declarations of interest.

3. MINUTES

The minutes of the meeting held on 14 December 2012 were agreed as an accurate record.

Matters arising:

Members discussed whether it would be sensible to set up two additional meetings of the Social Investment Board to ensure the Board met regularly to discuss proposals. A decision could be taken nearer the date as to whether the meeting was needed and ensure decisions were being taken. It was agreed the

Town Clerk would liaise with the Chairman to arrange suitable dates accordingly.

In response to a query concerning possible partnership involvement between the Kuwait Investment Authority and the British Red Cross a Member clarified that no further action was required.

RESOLVED: That the minutes be agreed as an accurate record.

4. **MEETINGS ATTENDED**

The Chief Grants Officer reported meetings which officers had attended since December 2012. In response to a query from Members, the Chief Grants Officer stated that a meeting had been held with Triodos Bank and Bristol Together Community Interest Company. Officers had discussed a possible housing-based social investment product in the Midlands, and this was now being investigated.

Officers reported that a meeting had been held with Social Finance Ltd to discuss a possible product in the field of health and social care. The Chairman and officers had also met with Berenberg Bank and discussed the Impact Venture UK Fund. Berenberg gave an interesting presentation and overview of their history and activities.

RECEIVED: Members noted the report.

5. **CHIEF GRANTS OFFICER'S REPORT**

The Board received a report summarising the activities officers had undertaken since the Social Investment Board's first meeting held in December 2012. Members were provided with an update on progress in developing a 'pool' of social investment advisors. This action was taken forward and a call to submit an expression of interest was sent to thirteen appropriately qualified organisations. By the deadline of 5th April 2013, six of these had responded. The list covered a range of both mainstream and social investment organisations, fund managers, advisors and intermediaries, offering a wide range of sector expertise and including experts in both financial risk and risk assessment, with an understanding of impact measurement and who are FSA registered.

The Chairman and Deputy Chairman were due to meet representatives from the three organisations which most closely measure up to the specification; who, if approved, would be included in a 'pool' of advisors. Their services would be spot purchased, and matched according as to the suitability of their expertise to the proposal in question. The 'pool' would be reviewed from time to time and may be enlarged occasionally, should additional expertise be required.

Members were also provided with an update on the recruitment of co-opted Board Members. Members were informed that following an informal meeting with the Chairmen of the Social Investment Board and the Investment

Committee, Town Clerk, Comptroller & City Solicitor and officers, it was decided to defer the search for co-opted members until later in the year, by which time Members would be better positioned to assess which areas of expertise were needed on the Board.

Officers informed the Board that following a Member's concern that the costs of placing a social investment appear high relative to mainstream market norms (especially for funds of funds where fees are typically 2% - 2.5%) officers had examined the reasons for this and whether there was potential for fees to reduce in the near future. Officers clarified that the social investment market remained a nascent market and did not yet benefit from standardisation of investment deals. In addition, investees incurred the costs of additional monitoring and reporting of social benefit which was not commonly required in mainstream investments, and this could result in higher fees.

Members noted that funds of funds, in which investors placed capital into a pool from which onward investments were made into organisations, had helped to tackle both social and mainstream investors' requirements for scale, risk mitigation and size of investment. The approach allowed for sector or geographic specific focus and provided investors with larger investment opportunities. The effect of this was to increase the reach of social investment to more organisations.

In response to a query from Members, it was stated that over time as more deals were done and replication could follow, fee rates should drop to nearer the mainstream levels of 1.5% - 2%. The City of London Corporation's participation in the market, and willingness to accept (at this stage) relatively higher fee levels should help in the longer term to lower benchmark fees.

Members were satisfied with the further clarification set out on the role of the Social Investment Trustee.

In response to a query regarding naming rights the Chief Grants Officer reported that there appeared to be no great advantage in being associated with a further fund and it may serve to confuse and be a reputational risk, should this fund take investment decisions contrary to the Corporation's own best judgement. Whilst this risk could be mitigated by direct engagement with such a fund, this had considerable personnel and resource implications. Furthermore, whilst investment propositions were not yet so plentiful, there was the likelihood of repetition of investments and City of London might be exposed to risk on two counts.

RESOLVED - That the option to consider naming rights be not agreed but remain open, should there be a compelling reason for reconsidering this.

6. **INVESTMENT CRITERIA**

The Board received a report on the investment criteria which were approved by the Court of Common Council at its meeting on 25 October 2012, and which were supplemented at the first meeting of the Social Investment Board on 14 December 2012.

Officers reported that the two main objectives of the Board were to provide loan finance, quasi-equity and equity that provided development and risk capital to organisations working towards charitable ends or with social purpose; and to help develop the social investment market.

In response to a query from Members it was reported that Officers would continue to present the criteria to Social Investment Board meetings as a standing item and would propose amendments or updates where appropriate. The criteria were available online so that prospective investees had a better understanding of what the Fund would and would not invest in.

RECEIVED.

7. **FINANCIAL RETURN - PROPOSED TARGETS**

The Board were informed that in October 2012 Common Council agreed that the Fund should achieve an overall financial return: “at a rate of not less than the average interest earned on the City’s cash holdings”. Members were informed that given that the Fund would consider a number of investment proposals where individual investments are expected to return a lower financial return than the CPI inflation rate they would only be considered if there was a significant case that the social outcomes compensate for the loss of income.

In response to a comment by Members, officers were tasked with altering the wording of the criteria to read as follows: “*The Social Investment Board should seek a **total** return equivalent to the CPI inflation rate (2.7%) on the day when the £20m allocation was made (25 October 2012) and that the individual investments should seek a return which at least matches the average cash rate achievable on that date (2%).*”

Officers informed Members that targets would be reviewed and revised on their 3rd anniversary (25 October 2015) in line with the usual investment term for assessing the performance of other City traditional investments. The Board would receive updates from the Corporate Treasurer on the average interest earned on the City’s cash holdings at each meeting.

Officers would submit a report to Members outlining the opportunities and risks presented by housing association bond options as a source of potential Fund investment opportunities. As well as potential housing association bond option Fund investment opportunities that may exist.

In addition, officers would submit a report to Members advising on ring-fencing funds for high impact, earlier stage and potentially higher risk social investments that were potentially not secured by assets. Officers would research what high impact and high risk projects could be potential investment opportunities and details of what these projects may involve.

– RESOLVED – That,

a) the proposed targets and review date be agreed; and

b) the investment criteria be updated and republished in its amended form

8. **UPDATE ON THE WORK OF THE CITY OF LONDON SOCIAL INVESTMENT ADVISOR**

The Chief Grants Officer informed the Board that since the last meeting on 14th December 2012, the Social Investment Advisor (SIA) had continued to build up external relationships with public and private sector bodies involved in social investment both in the UK and internationally.

Policy highlights since December included a budget commitment to introduce a social investment tax relief, a significant role for the City of London Corporation in the formation of the G8 agenda, which featured social impact investment for the first time.

Members were informed that the conclusion from the Cabinet Office's Red Tape Challenge was a commitment to examine the key barriers to the take up of social investment, as identified in the City of London Corporation's submission. The social investment agenda was also well reflected in the amendments to the Financial Services Bill. A range of other initiatives had attracted further interest to social investment from financial advisors and asset managers.

RESOLVED - That the Advisor's report be a standing item which included updates on investments approved by Big Society Capital.

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions raised on matters relating to the work of the Board.

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

There was no business that the Chairman considered urgent.

11. **EXCLUSION OF THE PUBLIC**

RESOLVED: - That under Section 100 A (4) of the Local Government Act 1972,

the public be excluded from the meeting for the following items of business 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 as follows:-

Item Nos.	Exempt Paragraphs
12 - 16	3

12. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes be agreed as an accurate record.

13. **PORTFOLIO UPDATE**

The Board received the report of the Chief Grants Officer.

14. **INVESTMENT PROPOSAL**

The Board received the report of the Chief Grants Officer.

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions on matters relating to the work of the Board.

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

There was no business that the Chairman considered urgent.

The meeting closed at 12.10pm

Chairman

**Contact Officer: Natasha Dogra
tel. no.: 020 7332 1434
Natasha.Dogra@cityoflondon.gov.uk**

SOCIAL INVESTMENT BOARD

Thursday, 20 June 2013

Minutes of the meeting of the Social Investment Board held at the Guildhall EC2 at 1.45pm

Present

Members:

Alderman Peter Hewitt (Chairman)
Edward Lord (Deputy Chairman)

Deputy Ken Ayers
Deputy Robert Howard

Officers:

Lorraine Brook	- Town Clerk's Department
Clare Thomas	- Chief Grants Officer, The City Bridge Trust
	- Chief Grants Officer (designate), The City Bridge Trust
David Farnsworth	- The City Bridge Trust
Tim Wilson	- The City Bridge Trust
Martin Hall	- Director of Economic Development
Paul Sizeland	- Chamberlain's Department
Paul Mathews	- Comptroller & City Solicitor's Department
Anne Pietsch	- Comptroller & City Solicitor's Department
Karen McHugh	- Social Investment Advisor, Economic Development Office
Katie Hill	- Public Relations Office
Susanna Lascelles	

In attendance:

Vincent Dufresne (Symbiotics)(item 6)
Fabio Sofia (Symbiotics) (item 6)
Nicholas Colloff (Oxfam) (item 6)

(Deputy Ken Ayers in the Chair until item 5.)

The order of business was amended as follows.

1. APOLOGIES

Apologies for absence were received from Ray Catt, Roger Chadwick (Chairman, Finance Committee) and The Revd Dr Martin Dudley.

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

Edward Lord declared a disclosable interest in respect of item 8 on the agenda due to his position as a remunerated non-executive director of The Social Investment Business Group.

3. **APPOINTMENT OF THE SOCIAL INVESTMENT BOARD: -**

Following consideration by the Investment Committee on 14th May 2013, the Board considered its terms of reference, its membership and its frequency of meetings in 2013/14.

NOTED.

4. **ELECTION OF CHAIRMAN**

The Board proceeded to elect a Chairman in accordance with Standing Order No. 29.

The Town Clerk read out a list of Members eligible to stand as Chairman and Alderman Peter Hewitt, being the only Member indicating his willingness to serve, was duly elected Chairman for the ensuing year, and took the Chair.

Having moved into the Chair, the Chairman welcomed David Farnsworth (Chief Grants Officer) to the meeting and invited him to provide Members with a brief introduction to his background. The Chairman then went on to extend, on behalf of the Board, his sincere thanks to Clare Thomas (outgoing Chief Grants Officer) for her contribution to the work of the Board and progress made thus far in respect of the social investment agenda. Clare Thomas thanked the Chairman and the Board for its foresight and wished Members well for the future.

RESOLVED – That:-

- (i) Alderman Peter Hewitt be elected as Chairman of the Social Investment Board for the ensuing year; and
- (ii) the Board extend its thanks and best wishes to Clare Thomas in view of her imminent departure from the City of London Corporation and her position as Chief Grants Officer.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Board proceeded to elect a Deputy Chairman in accordance with Standing Order No. 30.

The Town Clerk read out a list of Members eligible to stand as Deputy Chairman and Edward Lord, being the only Member indicating his willingness to serve, was duly elected Deputy Chairman for the ensuing year.

RESOLVED – That Edward Lord be elected as Deputy Chairman of the Social Investment Board for the ensuing year.

6. **PRESENTATION FROM SYMBIOTICS AND OXFAM**

Vincent Dufresne (Head of Asset Management, Symbiotics), Fabio Sofia (Head of Investor Relations, Symbiotics) and Nicholas Colloff (Director of Innovation, Oxfam) were welcomed to the meeting. The Chairman then invited them to provide the Board with an overview of the Small Enterprise Impact Investment Fund (SEIIF), which emerged from work led by Oxfam, with support from the City of London Corporation, to strengthen economic development in low income countries by focussing on the provision of affordable credit to small and

medium sized enterprises to generate positive social returns as well as financial returns for investors.

Vincent Dufresne and Fabio Sofia commented on Symbiotics' current microfinance funding activities, the status of the investment portfolio in 2012/13, fund management and investor arrangements for the Small Enterprise Impact Investment Fund (SEIIF); and anticipated funding targets by July 2014. In respect of future investment opportunities, it was noted that further investments in South America and Sub-Saharan Africa were being considered.

Members were advised that all SEIIF investees were required to gather impact information to ensure that Symbiotics could assess overall benefit for end clients and provide investors with collated data on the impact of the fund portfolio. Clarification was provided in respect of monitoring methods used, including data point collation, semi-annual reporting and Portfolio Analysis (static/dynamic). Members were advised that, in some instances, it was difficult to generate information as certain investees did not have suitable systems or processes in place. Consequently, Symbiotics was working closely with Oxfam who provide investees with technical assistance, to improve impact reporting arrangements. Whilst this was a challenging issue, it was felt that over time, there would be much improved assessments of impact for all end-clients.

In respect of future activities, Members were advised about the opening of a Symbiotics office in London in August 2013 and further business development with Oxfam around the provision of technical support and assistance in respect of impact measurement and data collation systems, which was cutting-edge.

At the conclusion of the presentation the Board was invited to ask questions.

The Chairman sought clarification regarding investment exit routes and the agreed policy of recovery in the event that a loan could not be repaid. He was advised that investors were, through fixed investments, tied for 36 months but thereafter they could have their finances returned or reinvested. In respect of equity investments, the commitment was far greater (in excess of 7 years) due to the complexity of the investments. In respect of the policy on recovery, Vincent Dufresne advised that due diligence was undertaken by personnel at Symbiotics through visits and comprehensive reviews of financial data. On the basis of those investigations and credit risk assessments, the Investment Committee would then take a view on the institution's potential to repay a loan after 36 months. Close monitoring would also be undertaken throughout the lifetime of the loan, however it was noted that there remained a risk of default.

In respect of the investment pipeline and a query about the possibility of making investment commitments before the necessary funding had been raised, Members were advised that the capital held in other Symbiotic funds could not be used to invest in SEIIF opportunities so consequently these could only be progressed once funding had been raised.

In response to a query regarding an anticipated FSA ban on certain specialised funds and the possibility of having to convert the SEIIF to a regulated fund (i.e.

for retail clients), Fabio Sofia explained that the fund required better liquidity and it remained suitable for qualified investors only so the fund would not be moved to retail in the future.

The Chief Grants Officer, Clare Thomas sought further clarification regarding the current impact measurements that were used, in particular the 22 data points per end-client and the range of metrics. Nicholas Colloff explained that two sets of metrics were used – (i) core and (ii) wider (for those SME's that were expected to grow). In respect of the core metric, this included an assessment of whether the business was developing, who owns the business and who benefits in terms of employment creation; and payment levels. The Board acknowledged that excessive metrics created resistance and that the current approach not only encouraged institutions to use data to create effective business plans but also ensured that impact remained integral to making business decisions.

Following a query regarding whether Symbiotics would create financial intermediaries if they were not already in place, Members were advised that institutions should already exist to effectively manage initiatives on the ground and that this was not the purpose of the fund. They were further advised that it was very important to utilise local expertise and capacity through established local intermediaries who were best positioned to work with clients.

The Board welcomed the opening of the London office and asked for further information to be provided to ensure that the City Corporation could assist practically, if possible, but also to maximise Symbiotics' profile.

The Board thanked the representatives from Symbiotics and Oxfam for attending the meeting.

7. **MINUTES**

The public minutes of the last meeting held on 23rd April 2013 were approved as an accurate record subject to a correction to the formatting of the information in respect of those Officers present at the meeting.

8. **MEETINGS ATTENDED**

The Committee considered a report of the Chief Grants Officer relative to events and meetings attended between 12th April and 6th June 2013.

Members praised Officers for their hard work in progressing the Corporation's social investment agenda through those events and meetings that had been attended.

RECEIVED.

9. **PROGRESS REPORT**

[In advance of the discussion about appointment of two additional Fund advisors, Edward Lord withdrew from the meeting.]

The Board considered a report of the Chief Grants Officer relative to progress in respect of investment opportunities, the possibility of ring-fencing part of the Social Investment Fund for a high-risk allocation and the appointment of Fund advisors.

In respect of future investment in housing bonds, Members were advised that Officers had, at the Board's request, now investigated the opportunities to invest in housing association bonds. The Principal Grants Officer explained that whilst such investment opportunities had initially been promoted, existing housing association bonds were not now deemed to be suitable given the investment criteria, the difficulty in relating such investments to specific social impact and the generally long maturity on these products.

In-line with the Board's decision of 14th December 2012 to appoint a "pool" of social investment advisors with a range of experience and views, the Principal Grants Officer explained that following a comprehensive selection process the FSE Group and the Social Investment Business Group/Investing for Good/ The Good Analyst were recommended for approval as additional Fund advisors.

At the Board's request it was agreed that Officers should provide clarification to the newly appointed advisors about those areas that should be addressed.

RESOLVED – That:-

- (i) the contents of the report be noted;
- (ii) Officers be authorised to bring indirect investments to the Social Investment Board for consideration at future meetings;
- (iii) no consideration be given to investing in existing housing association bonds;
- (iv) the FSE Group and Social Investment Business/Investing for Good be appointed as advisors to the Fund on the same arrangement as the current advisor, Social Finance; and
- (v) Officers prepare a report on options for a high-risk allocation for the Board's September meeting.

10. UPDATE ON THE WORK OF THE SOCIAL INVESTMENT ADVISOR

The Board received an update in respect of the work of the City Corporation's Social Investment Advisor in developing the Social Investment Strategy, in addition to her work on the Social Investment Fund. Particular reference was made to the advisory work with the Treasury on the remit of the consultation on tax relief for social investment and it was acknowledged that whilst much work had been undertaken in advance of circulation of the report, further work would be necessary to ensure that key issues, including the definition around eligible investee organisations, were appropriately addressed. Members welcomed this work and also the contributions made to the G8 policy debate in respect of social investment.

In respect of future events, the Board requested that advance notification be sent to all Board Members at the earliest opportunity as events were schedule in order to avoid diary clashes.

RECEIVED.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were none.

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

Future meeting dates

The Board considered its future meeting dates.

RESOLVED – That:-

(i) the proposed meetings of the Social Investment Board in July 2013 and October 2013 be cancelled; and

(ii) the 2014/15 meeting dates be confirmed in writing in due course.

13. **EXCLUSION OF THE PUBLIC**

RESOLVED: - That under Section 100 A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business 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 as follows:-

Item Nos.	Exempt Paragraphs
14 – 16, 18(i)	3

14. **NON-PUBLIC MINUTES**

The non-public minutes of the last meeting held on 23rd April 2013 were approved as an accurate record.

15. **PORTFOLIO UPDATE**

The Board received a report of the Chief Grants Officer relative to an update on the Social Investment Fund portfolio.

16. **SOCIAL JUSTICE AND HUMAN RIGHTS CENTRE**

The Board received a report of the Chief Grants Officer relative to an update on the Social Justice and Human Rights Centre.

17. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were none.

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

With the Chairman's consent the following item of urgent business was considered:-

(i) Report of Action taken under Delegated Authority since the last meeting

The Committee noted a verbal update from the Town Clerk in respect of a decision that was taken under delegated authority (in accordance with Standing Order No. 41 (b)) since the last meeting, in respect of an investment proposal.

NOTED.

The meeting closed at 3.08pm

Chairman

**Contact Officer:
Lorraine Brook
Tel.: 020 8332 1409
lorraine.brook@cityoflondon.gov.uk**

This page is intentionally left blank

Agenda Item 10

Document is Restricted

This page is intentionally left blank

Agenda Item 11

Document is Restricted

This page is intentionally left blank

Agenda Item 12

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Agenda Item 13

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Agenda Item 14

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank