

FINANCIAL INVESTMENT BOARD

Thursday, 12 July 2018

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

Present

Members:

Andrew McMurtrie (Chairman)	Deputy Jamie Ingham Clark
Nicholas Bensted-Smith (Deputy Chairman)	Deputy Henry Pollard Ian Seaton
Henry Colthurst	
Alderman Robert Howard	

Officers:

Joseph Anstee	- Town Clerk's Department
Tom Broughton	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Catrina Arbuckle	- Mercer

1. APOLOGIES

Apologies for absence were received from Deputy Tom Hoffman, Deputy Clare James, Tim Levene, Andrien Meyers, James de Sausmarez 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 OF THE PREVIOUS MEETING

RESOLVED - That the public minutes and non-public summary of the meeting held on 24 May 2018 be agreed as a correct record.

Following a Member query, the Chamberlain was asked to resend the briefing note on local authority lending.

4. OUTSTANDING ACTIONS

The Board was advised that Treasury Management training would be scheduled for Financial Investment Board and Finance Committee Members after the summer recess. The training would be important if the City of London Corporation decided to borrow in the future.

RESOLVED – That the report be noted.

5. **MONTHLY INVESTMENT ANALYSIS REVIEW**

The Board received a report of the Chamberlain concerning the monthly investment analysis review for May 2018. The Board noted the current investment list and total investment values set out in the report, which now included the two short dated bond funds. Members noted that the Board had the option to consider further investment in short dated bond funds in the autumn if appropriate. The Board was advised that funds could be drawn down from the short dated bond funds relatively quickly if necessary.

The Board noted an error in the report wherein an investment had been attributed an average rate of return of 0.0%, which would be corrected.

RESOLVED – That the report be noted.

6. **ESG AND THE DRAFT STATEMENT OF COMMITMENT TO THE UK STEWARDSHIP CODE**

The Board considered a report of the Chamberlain providing an update on points raised by Members following a presentation from colleagues at Principles of Responsible Investment (PRI), and on the advice/comments received from the Financial Reporting Council (FRC) following the submission of a draft Statement of Commitment to the UK Stewardship Code.

The Board was advised that following the previous meeting, the Chamberlain had spoken with PRI regarding reputational risk, and the outcome of these discussions were set out in the report. The City of London Corporation, if signing up, would voluntarily report in the first year, and in subsequent years would be required to report, but would not be required to publish PRI feedback on the report.

The Statement of Commitment to the UK Stewardship Code was presented to the Board for re-approval following advice and comments from the FRC. If approved, the statement would be submitted for formal assessment. The aim was to be awarded Tier 1 status, and the Board was asked to delegate authority to the Town Clerk in consultation with the Chairman and Deputy Chairman to agree any further changes necessary to achieve Tier 1 status.

The Board was advised by Mercer that the strands of work the Corporation had already undertaken would put them in a strong position to receive a positive end of year report. Members noted that the Corporation did not have to sign up immediately, but there was appetite for the Corporation to take the lead in this area and set an example. The first year would be the most burdensome, but reporting would become easier to manage once the process for doing so was set up following the first year. Mercer would be able to provide assistance in the process, such as by reviewing fund managers and writing to managers who were less compliant. It was noted that Mercer would undertake an annual assessment of the stewardship activities of the City's equity and multi-asset managers which would be published on the Corporation's website by virtue of it being reported to the Financial Investment Board as a public report, but could be promoted more widely if this was desired.

RESOLVED – That the Financial Investment Board:

- i. Agree the revised Statement of Commitment to the UK Stewardship Code (the Statement) and for Mercer to submit it to the FRC for formal assessment;
- ii. Confirm their agreement to progress the City’s application to PRI; and
- iii. Agree to delegate authority to the Town Clerk in consultation with the Chairman and Deputy Chairman to agree any further changes to the Statement, in the event the FRC do not assess it at Tier 1.

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

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 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
10 - 17	3
18 - 19	-

10. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the non-public minutes of the meeting held on 24 May 2018 be agreed as a correct record.

11. NON-PUBLIC OUTSTANDING ACTIONS

The Board received a list of non-public outstanding actions.

12. INVESTMENT PERFORMANCE MONITORING TO 31 MAY 2018

The Board received a report of the Chamberlain.

13. MULTI ASSET MANAGER SEARCH - CITY'S CASH AND BRIDGE HOUSE ESTATES

The Board considered a report of the Chamberlain and Mercer.

14. PENSION FUND - LCIV GLOBAL FUND MANAGERS

The Board considered a report of the Chamberlain.

15. EQUITY PORTFOLIO MANAGER STRUCTURE REVIEW

The Board considered a report of the Chamberlain and Mercer.

16. **SIR WILLIAM COXEN TRUST FUND PERFORMANCE MONITORING TO 31 MARCH 2018**

The Board considered a report of the Chamberlain.

17. **HAMPSTEAD HEATH TRUST & CHARITIES POOL INVESTMENT MONITORING TO 31 MARCH 2018**

The Board considered a report of the Chamberlain.

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

There were no non-public questions.

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

There were three items of other business.

The meeting closed at 2.50 pm

Chairman

**Contact Officer: Joseph Anstee
tel. no.: 020 7332 1480
joseph.anstee@cityoflondon.gov.uk**