

FINANCIAL INVESTMENT BOARD
Tuesday, 9 February 2021

Minutes of the virtual meeting of the Financial Investment Board held on Tuesday, 9
February 2021 at 1.45 pm

Present

Members:

Nicholas Bensted-Smith (Chairman)
Henry Colthurst (Deputy Chairman)
Anne Fairweather
Alderman Prem Goyal
Deputy Tom Hoffman
Alderman Robert Howard
Alderman Robert Hughes-Penney
Deputy Jamie Ingham Clark
Tim Levene
Deputy Andrien Meyers
Deputy Henry Pollard
Ian Seaton
Deputy Philip Woodhouse

Officers:

Peter Kane	- Chamberlain
Kate Limna	- Chamberlain's Department
James Graham	- Chamberlain's Department
Simi Shah	- Chamberlain's Department
Divindy Grant	- Chamberlain's Department
Joseph Anstee	- Town Clerk's Department
Chloe Rew	- Town Clerk's Department

Also in attendance:

Deborah Cairney	- Mercer
Lucy Tusa	- Mercer

1. APOLOGIES

Apologies for absence were received from Deputy Clare James and James de Sausmarez.

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 25 November 2020 be agreed as a correct record.

4. **OUTSTANDING ACTIONS**

The Board received a list of outstanding actions. The Chamberlain advised that a note covering both actions had been circulated to Members on 1 February and could be recirculated if needed.

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 December 2020. The Chamberlain advised of an error within the report and the Board noted that the average rate of return on the fixed-term deposit with Goldman Sachs was 0.13% and not 0.00%. The Chamberlain advised that this did not affect other calculations in the report, which were correct. The Board noted the current investment list, total investment values and average rate of return set out in the report.

The Chamberlain advised that typically calls on cash increased at this time of year and liquidity funds were useful for this purpose, but once this had been serviced, reallocations to achieve better value would be considered. The Chamberlain added that some reallocation to Ultra Short Dated Bond Funds had taken place in December and January, and this would be reflected in the next set of reports. In response to questions from Members, the Chamberlain clarified all values were net of fees.

Whilst noting the role of liquidity funds, Members were supportive of reallocation, particularly towards the Short and Ultra Short Dated Bond Funds if possible. Members also felt the Board would benefit from considering cashflow and balance sheet forecasts in order to identify what was required in implementing investment strategy.

The Chamberlain advised that the Treasury Management Strategy included a recommendation to consider additional investments, and that cashflow forecasts were monitored internally, with the Medium-Term Financial Plan reported to the Finance Committee. The Chamberlain added that a balance sheet review was under consideration and that officers would consider a format for reporting this information to the Board.

The Chairman proposed that the Board consider these matters further after agreeing the Treasury Management Strategy.

RESOLVED – That the report be noted.

6. **TREASURY MANAGEMENT STRATEGY 2021/22**

The Board considered a report of the Chamberlain setting out the City's Treasury Management Strategy Statement and Annual Investment Strategy (TMSS) for 2021/22. The Chamberlain clarified that the lending limit proposed for medium quality banks was £100 million rather than the £75 million set out in the covering report. The Chamberlain then introduced the report and drew Members' attention to the key points, including changes from the previous strategy. The Board noted that the proposed strategy included the aim of

meeting liquidity needs and ensuring cash was invested securely, with further detail on any opportunity for longer term cash investment to come to the Board in due course.

Members were satisfied with the Treasury Management Strategy, but observed that the decisions relating to the Strategy were largely binary. Members added that an accompanying forecast and options paper in respect of the investment strategy would increase debate, with greater clarity on possible directions of travel. The Chairman suggested the Board consider shorter-term proposals along the lines of those discussed by Members separately to the longer-term view, which may require further input from Investment Committee.

The Chamberlain advised that the scope of the Treasury Management Strategy related to managing the Corporation's cash balances and borrowing requirements, and did not include the longer term financial investment portfolios for City's Cash and Bridge House Estates. The Chairman reminded Members that changes could be made to the Treasury Management Strategy during the year if desired, and the Board could consider its own methods for achieving the desired return, with proposals for the short and medium term to be considered at the next Board meeting.

RESOLVED – That the Financial Investment Board has reviewed, and approves, the attached Treasury Management Strategy Statement and Annual Investment Strategy for 2021/22 for submission to the Finance Committee and the Court of Common Council as part of the City Fund – 2021 Budget Report for formal adoption.

7. REPORT OF ACTION TAKEN

The Board received a report of the Town Clerk advising Members of an action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chair, in accordance with Standing Order No. 41(b).

RESOLVED – That the report be noted.

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

There were no questions.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

10. 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.

11. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING
RESOLVED** - That the non-public minutes of the meeting held on 25 November 2020 be agreed as a correct record.
12. **NON-PUBLIC OUTSTANDING ACTIONS**
The Board received a list of non-public outstanding actions.
13. **PROGRESS UPDATE ON MOBILISATION FOR THE CLIMATE ACTION STRATEGY**
The Board considered a report of the Chamberlain.
14. **RESPONSIBLE INVESTMENT POLICY UPDATE**
The Board considered a report of the Chamberlain.
15. **INVESTMENT PERFORMANCE MONITORING REPORTS**
 - a) **Quarterly Monitoring Report to 31 December 2020**
The Board received a report of Mercer.
 - b) **Performance Monitoring to 31 December 2020: Pension Fund**
The Board received a report of the Chamberlain.
 - c) **Performance Monitoring to 31 December 2020: City's Cash and Bridge House Estates**
The Board received a report of the Chamberlain.
16. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no non-public questions.
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was no other business.

The meeting ended at 3.15 pm

Chairman

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