

INVESTMENT COMMITTEE

Friday, 20 July 2012

Minutes of the meeting of the Investment Committee held at Guildhall, EC2 on
Friday, 20 July 2012 at 1.45pm

Present

Members:

Ray Catt (Chairman)
Deputy Michael Cassidy (Deputy Chairman)
Roger Chadwick
Martin Day
Simon Duckworth
Archie Galloway
George Gillon
Brian Harris
Tom Hoffman
Robert Howard
Michael Hudson
Jeremy Mayhew
Ian Seaton
Mark Boleat (Ex-Officio Member)

Officers:

| | |
|---------------------|------------------------------------|
| Susan Attard | - Deputy Town Clerk |
| Claire Sherer | - Town Clerk's Department |
| Daniel Hooper | - Town Clerk's Department |
| Chris Bilsland | - Chamberlain |
| Caroline Al-Beyerty | - Chamberlain's Department |
| Mark Bryans | - Chamberlain's Department |
| Paul Mathews | - Chamberlain's Department |
| Peter Bennett | - City Surveyor |
| Nicholas Gill | - City Surveyor's Department |
| Paul Sizeland | - Director of Economic Development |
| Katie Hill | - Town Clerk's Department |
| Tim Wilson | - City Bridge Trust |

Part 1 - Public Agenda

1. APOLOGIES

Apologies were received from Martin Farr, Alderman Sir Robert Finch, Clare James, Deputy Keith Knowles, Anthony Llewelyn-Davies, Deputy Edward Lord, Henry Pollard and Stuart Fraser.

2. **DECLARATIONS BY MEMBERS OF ANY PERSONAL OR PREJUDICIAL INTERESTS**

There were no declarations.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: That the minutes and non-public summary of the meeting held on 9 May 2012 be agreed as an accurate record, subject to clarification that Ian Seaton had not been present at the meeting.

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

RESOLVED: That the minutes and non-public summaries of the Financial Investment Board meetings held on 9 May 2012, 16 May 2012 and 19 June 2012 be noted.

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

RESOLVED: That the minutes and non-public summaries of the of the Property Investment Board meetings held on 9 May 2012, 23 May 2012 and 20 June 2012 be noted, subject to Michael Hudson being marked as present at the 9 May 2012 meeting.

MATTERS ARISING:

The City Surveyor advised Members that further to the reference to the City Wi-Fi Network in the minutes from 20 June 2012 meeting, urgent approval would be sought from the Town Clerk in consultation with the Chairman and Deputy Chairman of the Policy & Resources Committee in order to ensure that free Wi-Fi would be available across the City in time for the Olympic Games.

6. **REVIEW OF THE GOVERNANCE ARRANGEMENTS IMPLEMENTED IN 2011**

The Committee considered a report which offered an opportunity to provide feedback on the governance arrangements implemented in 2011.

RESOLVED: That the Post-Implementation Working Party be asked to ensure that arrangements are in place to enable the Investment Committee to play its part fully in the process undertaken by the Resource Allocation Sub-Committee when determining the appropriate investment proportions between property and non-property assets.

7. **ROLE AND POWERS OF THE INVESTMENT COMMITTEE**

The Chairman welcomed the report which clarified the Terms of Reference, roles and responsibilities of the Investment Committee along with its Boards and the relationship with the Policy & Resources Committee and its Resource Allocation Sub Committee as had been requested by the Committee at its last meeting.

Members discussed how the Policy & Resources Committee and its Resource Allocation Sub Committee provide the overall strategy and resources whilst the

Financial Investment Board and Property Investment Board (with the Investment Committee providing oversight of both areas) undertake the operational aspects of delivering on the investment strategy.

One Member noted that it may be worth looking at whether the Investment Committee was the appropriate way to provide oversight of the financial and property investments although it was generally accepted that this was currently the best way of considering overarching matters and making joined up recommendations to the Resource Allocation Sub Committee.

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8. DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

There were no decisions taken under delegated authority or urgency procedures since the last meeting.

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

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Committee considered two items of AOB as follows:

10.1 - City of London Corporation Social Investment Fund – Proposed Management and Governance Arrangements

The Committee considered a report of the Town Clerk on the proposed management and governance arrangements of the City of London Corporation Social Investment Fund.

RESOLVED: That authority be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to approve the detailed arrangements for the management and governance of the Social Investment Fund. This would be subject to the approval of the Policy and Resources Committee and the Court of Common Council.

10.2 - City of London Corporation's Social Investment Fund: Proposal to invest in Oxfam/City of London Small Enterprise Impact Investing Fund

The Committee considered a report of the Director of Economic Development and Chief Grants Officer, City Bridge Trust on proposals to invest in the Oxfam/City of London Small Enterprise Impact Investing Fund (SEIIF).

The Chairman thanked Officers for the detailed report and for addressing the various questions he had posed, and endorsed the proposal to provide us \$500,000 funding at the first subscription closing at 31 July 2012.

The Director of Economic Development noted that it would have been better to have the governance arrangements in place before proposing this investment

but as it was for such a worthwhile cause it seemed appropriate to consider it at this time.

Members discussed the principle of using the first investment of the Social Investment Fund in a UK-based project. It was noted that the majority of the £20m Fund would be UK-based but 10% would be used for projects overseas, inclusive of this investment which would represent 1.6% of the £20m Fund.

Members highlighted the advantages for the City Corporation being a primary investor but it was noted that the terms of investment would not change if the investment was made in a future tranche. The Committee was generally supportive of the proposal, especially at the prospect of encouraging other investors at the second subscription stage in September 2012 but sought assurance that Oxfam were entering the agreement on the same terms as the City Corporation i.e. Oxfam were not on more favourable terms. The Chairman agreed that the City Corporation should be seeking terms equal to its co-investors.

Following a question, the Director of Economic Development confirmed that the target return to investors of 5% pa was after the 2% management fee had been deducted. Members felt that these fees may be a bit high but accepted them for the time being although sought assurance that the management fees would be reduced if the investment return was not achieved and suggested that Officers also consider any potential conflicts of interest in relation to 'Symbiotics' (the Fund Manager).

The Chairman noted that the Committee would like to be kept informed of the initiative, especially how it is performing against its return on investment target.

RESOLVED: That an investment of US \$500,000 from the Social Investment Fund be made as part of the first subscription with Oxfam by 31 July 2012 subject to confirmation that the City Corporation would be investing on the same terms as Oxfam.

11. 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 |
|----------|------------------------------|
| 12 – 15 | 3 |
| 16 – 18 | - |

Part 2 - Non-Public Agenda

12. NON-PUBLIC MINUTES OF THE FINANCIAL INVESTMENT BOARD

RESOLVED: That the non-public minutes of the Financial Investment Board meetings held on 16 May 2012 and 19 June 2012 be noted.

13. NON-PUBLIC MINUTES OF THE PROPERTY INVESTMENT BOARD

RESOLVED: That the non-public minutes of the Property Investment Board meetings held on 23 May 2012 and 20 June 2012 be noted.

14. TREASURY MANAGEMENT - INVESTMENT OF CASH

The Corporate Treasurer outlined the report on Treasury Management - Investment of Cash.

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15. CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES - PERFORMANCE MONITORING TO 31 MARCH 2012

The City Surveyor set out the results from the Investment Property Databank (IPD) annual performance of the City Fund, City's Estate, Bridge House Estates and the amalgamated House Fund for the year ending 31 March 2012 as detailed in the report.

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16. NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES

There were no non-public decisions taken under Delegated Authority or Urgency Procedures since the last meeting.

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

There were no non-public questions.

18. 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 2.45pm

Chairman

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