



Investment Committee

Date: WEDNESDAY, 29 JANUARY 2014
Time: 1.45pm
Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

Members: Deputy Michael Cassidy (Interim Chairman)
Deputy Ken Ayers
Deputy John Barker
Roger Chadwick
Henry Colthurst
Simon Duckworth
George Gillon (Chief Commoner)
Brian Harris
Tom Hoffman
Michael Hudson
Deputy Robert Howard
Clare James
Deputy Keith Knowles
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)
Jeremy Mayhew (Ex-Officio Member)
Vacancy

Enquiries: Philippa Sewell
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Lunch for Members 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 24 July 2013.

For Decision
(Pages 1 - 4)
4. **MINUTES OF THE FINANCIAL INVESTMENT BOARD**
To note the public minutes and non-public summaries of the meetings held on 2 July 2013, 11 September 2013 and draft minutes of the meeting held on 9 December 2013.

For Information
(Pages 5 - 16)
5. **MINUTES OF THE PROPERTY INVESTMENT BOARD**
To note the public minutes and non-public summaries of the meetings held on 10 July 2013, 10 September 2013, 16 October 2013, 13 November 2013 and 3 December 2013.

For Information
(Pages 17 - 36)
6. **MINUTES OF THE SOCIAL INVESTMENT BOARD**
To note the public minutes and non-public summaries of the meetings held on 18 September 2013 and draft minutes of the meeting held on 13 December 2013.

For Information
(Pages 37 - 48)
7. **TERMS OF REFERENCE AND FREQUENCY OF MEETINGS**
Report of the Town Clerk.

For Decision
(Pages 49 - 52)
8. **APPOINTMENT TO BOARDS**
Report of the Town Clerk.

For Decision
(Pages 53 - 54)
9. **CORPORATE GOVERNANCE - SCHEME OF DELEGATIONS AND STANDING ORDERS**
Report of the Town Clerk.

For Decision
(Pages 55 - 62)

10. **RESOURCING OF SOCIAL INVESTMENT ACTIVITY**
Joint report of the Chief Grants Officer and Director of Economic Development.
For Information
(Pages 63 - 72)
11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
13. **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

14. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 24 July 2013.
For Decision
(Pages 73 - 76)
15. **NON-PUBLIC MINUTES OF THE FINANCIAL INVESTMENT BOARD**
To note the non-public minutes of the meetings held on 2 July 2013, 11 September 2013 and draft minutes of the meeting held on 9 December 2013.
For Information
(Pages 77 - 94)
16. **NON-PUBLIC MINUTES OF THE PROPERTY INVESTMENT BOARD**
To note the non-public minutes of the meetings held on 10 July 2013, 10 September 2013, 16 October 2013, 13 November 2013 and 3 December 2013.
For Information
(Pages 95 - 124)
17. **NON-PUBLIC MINUTES OF THE SOCIAL INVESTMENT BOARD**
To note the non-public minutes of the meetings held on 18 September 2013 and draft minutes of the meeting held on 13 December 2013.
For Information
(Pages 125 - 134)
18. **CITY'S ESTATE STRATEGIC REVIEW**
Report of the City Surveyor.
For Information
(Pages 135 - 156)
19. **STRATEGIC PROPERTY ESTATE - ANNUAL UPDATE**
Report of the City Surveyor.
For Information
(Pages 157 - 178)

20. **BRIDGE HOUSE ESTATES STRATEGIC REVIEW - ANNUAL UPDATE**

Report of the City Surveyor.

For Information
(Pages 179 - 198)

21. **CITY FUND STRATEGIC REVIEW - ANNUAL UPDATE**

Report of the City Surveyor.

For Information
(Pages 199 - 228)

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

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

Agenda Item 3

INVESTMENT COMMITTEE

Wednesday, 24 July 2013

Minutes of the meeting of the Investment Committee held at Guildhall, EC2 on
Wednesday, 24 July 2013 at 1.45pm

Present

Members:

Ray Catt (Chairman)
Deputy Michael Cassidy (Deputy Chairman)
Deputy Ken Ayers
Roger Chadwick
Henry Colthurst
George Gillon (Chief Commoner)
Tom Hoffman
Deputy Robert Howard
Clare James
Deputy Keith Knowles
Andrew McMurtrie
Dhruv Patel
John Scott
Ian Seaton
Tom Sleigh
Mark Boleat (Ex-Officio Member)
Deputy Catherine McGuinness (Ex-Officio Member)

Officers:

Jacqui Daniels	- 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 Alderman Sir Robert Finch, Brian Harris, Alastair Moss, Deputy Henry Pollard and 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 14 May 2013 be approved as a correct record, subject to the inclusion of George Gillon in the list of Members present.

4. **MINUTES OF THE FINANCIAL INVESTMENT BOARD**
The public minutes of the Financial Investment Board meeting held on 5 June 2013 were received.

Matters Arising

Equities Investment, Transition Manager Selection The Chairman reported that a slight reduction in Blackrock's fees had been achieved and work on the transition was well underway.

5. **MINUTES OF THE PROPERTY INVESTMENT BOARD**
The public minutes of the Property Investment Board meetings held on 14 May 2013 and 11 June 2013 were received.

6. **MINUTES OF THE SOCIAL INVESTMENT BOARD**
The public minutes of the Social Investment Board meetings held on 23 April 2013 and 20 June 2013 were received.

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 were no urgent items.

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 Nos.	Paragraph in Schedule 12A
10-14	3

10. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED: That the non-public minutes of the meeting held on 14 May 2013 be approved.

11. **NON-PUBLIC MINUTES OF THE FINANCIAL INVESTMENT BOARD**
The non-public minutes of the Financial Investment Board meeting held on 5 June 2013 were received.

12. **NON-PUBLIC MINUTES OF THE PROPERTY INVESTMENT BOARD**
The non-public minutes of the Property Investment Board meetings held on 14 May 2013 and 11 June were received.

13. **NON-PUBLIC MINUTES OF THE SOCIAL INVESTMENT BOARD**
The non-public minutes of the Social Investment Board meetings held on 23 April 2013 were received.

It was noted that the non-public minutes of the Social Investment Board of 20 June 2013 were not included within the papers and the Town Clerk undertook to submit them to the next meeting of the Investment Committee.

14. CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES - PERFORMANCE MONITORING TO 31 MARCH 2013

The Committee received a report of the City Surveyor monitoring the performance of the City Fund, the City's Estate and the Bridge House Estates.

15. QUESTIONS

The City Surveyor answered two questions concerning investment property and the Chairman thanked the Committee and the Officers for their work over recent months.

16. URGENT BUSINESS

There were no urgent items.

The meeting ended at 2.10pm

Chairman

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FINANCIAL INVESTMENT BOARD

Tuesday, 2 July 2013

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on
Tuesday, 2 July 2013 at 1.45pm

Present

Members:

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

Officers:

Chris Bilsland	- Chamberlain
Paul Mathews	- Corporate Treasurer
Mark Bryans	- Senior Investment Accountant
Daniel Hooper	- Policy Officer, Town Clerk's Department
Alistair MacLellan	- Town Clerk's Department
Emily Maguire	- Aon Hewitt
Gary Allen	- Aon Hewitt

1. APOLOGIES

Apologies were received from Philip Woodhouse.

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

Henry Pollard declared an interest in INVESCO in relation to the discussion over Item Nine – Investment of Surplus Cash.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the public minutes and non-public summary of the meeting held on Wednesday 5 June 2013 be agreed as an accurate record.

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

There were no questions.

5. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
Pension Reform

At the request of the Chairman the Chamberlain briefed the Board on emerging proposals for the reform of local authority pensions. He noted that the Minister had recently written an article querying whether or not too many local authority pension schemes existed, with too much associated administration. The Chamberlain explained that he had done some work for London Councils on developing an approach which concentrated around the concept of a Collective Investment Vehicle (CIV). He told the Board that there was time for the Corporation to make a formal response to the government consultation, but that he would welcome a decision from the Board at the meeting on whether or not they were content in principle with the CIV. If so, the Chamberlain explained that each local authority would commit up to £25,000 to the design scheme, although he observed that as some London local authorities had already signed up, the figure should be less to the scheme. He said that he was happy with the idea in principle and with the requirement to commit the monies. He concluded by informing the Board it may be likely that either the Corporation or Wandsworth may be requested to act as the lead authority in establishing the CIV.

The Board proceeded to discuss the proposal:

- A member queried the capacity of other London local authorities to participate in the scheme and the administrative burden of a London-wide scheme. He expressed the concern that in the event of the Corporation acting as lead authority, it would quickly become tied down and lose its freedom of action.
- A member said that he was pleased that central government was against a pooled Local Government Pension Scheme as this meant a lack of control.
- A member concurred, welcoming the greater control offered by a CIV.
- The Chairman noted his support for the Chamberlain's recommendations.
- The Chamberlain informed the Board that he had been nominated to the shadow joint local authority-central government board that was due to monitor the new scheme.
- Noting the possibility that the Corporation may be asked to be the lead authority in the new scheme, two members observed that it would be best if the Corporation was seen to be proactive in putting itself forward for the role as this would likely mean the Corporation would have early sight of emerging proposals.
- The Chairman concluded discussion by noting the matter was also before the Policy and Resources Committee.

6. **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.
7-14

Paragraph(s) in Schedule 12A
3

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

RESOLVED: That the non-public minutes of the meeting held on Wednesday 5 June be agreed as an accurate record.

Matters Arising

City Corporation Funds

The Corporate Treasurer reported that the City's external tax advisers had concurred that the three City Funds are legally separate entities, but that City Cash and City Fund could be used for group transfers. However the third fund – Bridge House Estate – had to be treated as a charity, and that the Pension Fund as part of the Local Government Pension Scheme was again a separate legal entity.

8. **CHAMBERLAIN'S UPDATE - CURRENT ISSUES**

The Corporate Treasurer introduced the Update on Current Issues and provided summaries on some of the issues arising on the agenda.

RECEIVED

9. **INVESTMENT OF SURPLUS CASH**

The Chamberlain introduced the report of Aon Hewitt on the investment of surplus cash.

10. **INFRASTRUCTURE INVESTMENT MANAGER SELECTION**

The Corporate Treasurer introduced the report on Infrastructure Manager Selection.

11. **STANDARD LIFE CAPITAL PARTNERS**

The Corporate Treasurer introduced the report of Aon Hewitt on Standard Life Capital Partners.

12. **STANDARD LIFE CAPITAL PARTNERS' 'SECONDARY OPPORTUNITIES FUND'**

The Board considered the overview report on Standard Life Capital Partners' 'Secondary Opportunities Fund'.

RECEIVED

13. **PROTECTING AGAINST EQUITY MARKET FALLS**

The Chairman introduced the report on protecting against equity market falls, noting that it had been submitted to the Board in response to its discussions at the meeting on 5 June.

14. **INTRODUCTION TO STRATEGIC RISK REVIEW**

The Board considered the report of Aon Hewitt introducing real yield risk within the context of the pension fund. It was agreed that further consideration should be given to protecting the City against interest rate and inflation risk and a further review of the strategic asset allocation of the pension fund be undertaken following consideration of the results of the March 2013 actuarial review towards the end of the year.

RECEIVED

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**

There was no other business.

The meeting ended at 3.32pm

Chairman

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FINANCIAL INVESTMENT BOARD

Wednesday, 11 September 2013

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on
Wednesday, 11 September 2013 at 1.45pm

Present

Members:

Ray Catt (Chairman)
Deputy Robert Howard (Deputy Chairman)
Deputy Ken Ayers
Roger Chadwick
Henry Colthurst
Tom Hoffman
Andrew McMurtrie
Deputy Henry Pollard
John Scott
Ian Seaton
Philip Woodhouse

Officers:

Chris Bilsland	- Chamberlain
Paul Mathews	- Chamberlain's Department
Mark Bryans	- Chamberlain's Department
Alistair MacLellan	- Town Clerk's Department
Philippa Sewell	- Town Clerk's Department
Emily McGuire	- Aon Hewitt
Tappan Datta	- Aon Hewitt

1. APOLOGIES

Apologies for absence were received from Clare James.

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

The Chairman declared a non-pecuniary interest in respect of item 12 due to being employed at a bank that operated as a major lender for IFM Global Infrastructure.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the public minutes and non-public summary of the meeting held on 2 July 2013 be agreed as an accurate record.

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

There were no questions.

5. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There was no other business.

6. **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
7-14	3

7. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED: That the non-public minutes of the meeting held on 2 July 2013 be agreed as an accurate record.

Matters Arising

Transition of the Equities Mandate

The Corporate Treasurer reported that following discussions with investment managers, the majority of the detailed arrangements were now in place and the transition was hoped to be finalised by 30 September 2013.

8. **INVESTMENTS PERFORMANCE MONITORING TO 30 JUNE 2013**
The Corporate Treasurer summarised a report on investment performance monitoring to 30 June 2013.

RESOLVED: that the report be noted.

9. **QUARTERLY INVESTMENT REPORT AS AT 30 JUNE 2013**
Aon Hewitt provided an overview of the Quarterly Investment Report as at 30 June 2013.

RESOLVED: that

- (a) The contents of the report be noted;
- (b) Figures regarding the performance of the GARS fund since the date of the initial investment decision up to the present time be brought to the next meeting.

10. **PRIVATE EQUITY PACING AND STRUCTURE OPTIONS**
Aon Hewitt presented a report considering the route to achieving the targeted Private Equity allocation and the portfolio structure options available.

11. **BANK LOANS AND ABSOLUTE RETURN BOND STRATEGIES MANAGER SELECTION**
The Chairman introduced the report of Aon Hewitt, which followed on from the discussions held at the Board meeting held on 2 July 2013 as to investment of surplus cash.

12. INFRASTRUCTURE MANAGER OPTIONS

Aon Hewitt introduced the report, which outlined a wider range of infrastructure manager options.

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 CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

The Chamberlain raised an item concerning the proposed future review of the actuarial position and it was agreed that this review be extended to consider the role of the City's independent investment advisers.

The meeting ended at 3.13pm

Chairman

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FINANCIAL INVESTMENT BOARD

Monday, 9 December 2013

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on Monday, 9 December 2013 at 1.45pm

Present

Members:

Deputy Robert Howard (Acting Chairman)
Deputy Ken Ayers
Clare James
Andrew McMurtrie
Deputy Henry Pollard
John Scott
Ian Seaton

Officers:

Chris Bilsland	- Chamberlain
Paul Mathews	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Mark Bryans	- Chamberlain's Department
Dan Hooper	- Town Clerk's Department
Emily McGuire	- Aon Hewitt
Hans Holmen	- Aon Hewitt

1. APOLOGIES

Apologies for absence were received from Henry Colthurst, Philip Woodhouse and Tom Hoffman.

1.1 Election of the Acting Deputy Chairman

Following the resignation of the Chairman it was agreed that the current Deputy Chairman would act-up until the first Financial Investment Board meeting in the new civic year. It was necessary to ballot for a Member to be appointed as acting Deputy Chairman for the remainder of the civic year. Following a ballot, Deputy Ken Ayers was elected as acting Deputy Chairman until May 2014.

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

None.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the public minutes and non-public summary of the meeting held on 11 September 2013 be agreed as an accurate record.

4. **APPOINTMENT OF FINANCIAL INVESTMENT BOARD MEMBER TO THE SOCIAL INVESTMENT BOARD**
RESOLVED: That Andrew McMurtrie be appointed as the representative of the Financial Investment Board on the Social Investment Board.
5. **CASH INVESTMENT PORTFOLIO - PERFORMANCE MEASUREMENT**
An updated was provided by the Corporate Treasurer. It was noted that the 2014/15 investment strategy will be presented to the relevant committees in early 2014.
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no questions.
7. **ANY OTHER BUSINESS THAT THE CHAIRMAN 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.
7-14

Paragraph(s) in Schedule 12A
3

9. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED: That the non-public minutes of the meeting held on 11 September 2013 be agreed as an accurate record.
10. **FINANCIAL INVESTMENTS PERFORMANCE MONITORING TO 30 SEPTEMBER 2013**
An updated was provided by the Chamberlain.
11. **QUARTERLY INVESTMENT REPORT AS AT 30 SEPTEMBER 2013**
An update was given by Aon Hewitt.
12. **PRIVATE EQUITY TACTICAL PLAN**
Aon Hewitt updated Members on a potential private equity investment vehicle.
13. **PROVISION OF INVESTMENT ADVICE TO THE BOARD**
The Chamberlain reported on the provision of Investment Advice.
14. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no non-public questions.

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

None.

The meeting ended at 3.15pm

Chairman

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PROPERTY INVESTMENT BOARD

Wednesday, 10 July 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 10 July 2013 at 1.45pm

Present

Members:

Brian Harris (Deputy Chairman)
Deputy Ken Ayers
Mark Boleat
Edward Lord
Alastair Moss
Dhruv Patel
Tom Sleigh

Officers:

Matthew Pitt	- Town Clerk's Department
Susan Attard	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
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

Apologies were received from Deputy Michael Cassidy, Ray Catt, Roger Chadwick, Alderman Sir Robert Finch, George Gillon and Deputy Keith Knowles.

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

Alastair Moss declared an interest in relation to item 16 on the agenda, 43 Conduit Street, W1 due to his position as Chairman of the Planning and City Development Committee of Westminster City Council.

Edward Lord declared an interest in relation to item 9 on the agenda due to his membership of the Leathersellers Company.

3. MINUTES

The public minutes and summary of the meeting held on 11 June 2013 were approved.

4. **LAW COMMISSION CONSULTATION ON RIGHTS TO LIGHT**
The Board received a joint report of the City Surveyor and the Remembrancer regarding the Law Commission Consultation on Rights to Light.
5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no urgent items.
7. **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.
8. **NON PUBLIC MINUTES**
The non-public minutes of the meeting on 11 June were approved.
9. **STRATEGIC ASSET ALLOCATION REVIEW - CASH INVESTMENTS**
The Board received a report of the Chamberlain.
10. **FORMER TENANTS RENT ETC ARREARS WRITE OFFS**
The Board approved a report of the Comptroller and City Solicitor.
11. **REVENUE OUTTURN 2012/13**
The Board received a joint report of the Chamberlain and the City Surveyor.
12. **CITY FUND, CITY'S ESTATE AND BRIDGE HOUSE ESTATES - PERFORMANCE MONITORING TO 31 MARCH 2013**
The Board received a report of the City Surveyor.
13. **QUARTERLY DELEGATED AUTHORITIES UPDATE - 1 APRIL 2013 TO 30 JUNE 2013**
The Board received a report of the City Surveyor.
14. **ARREARS OF RENT: MARCH 2013**
The Board received a report of the City Surveyor.
15. **SURRENDER OF LEASES SUITES E, G, AND H, 10 LINDSEY STREET, SMITHFIELD MARKET, EC1 & GRANT OF NEW LEASE AT SUITES E, G, AND H, 10 LINDSEY STREET, SMITHFIELD MARKET, EC1**
The Board approved a report of the City Surveyor.
16. **CITY'S ESTATE - LETTING REPORT**
The Board approved a report of the City Surveyor.

17. **FROBISHER CRESCENT : UPDATE REPORT ON 3 RETAINED FLATS AND RELATED MATTERS**
The Board received a report of the City Surveyor.
18. **10-16 BEVIS MARKS LONDON EC3 - DISPOSAL OF LONG LEASEHOLD INTEREST**
The Board approved a report of the City Surveyor.
19. **GATEWAY 3, 4 & 4C OUTLINE OPTIONS APPRAISAL - REDEVELOPMENT OR REFURBISHMENT OF BRIDGE HOUSE 181 QUEEN VICTORIA STREET EC4 AND THE ADJOINING CAR PARK - TO FOLLOW**
The item was withdrawn.
20. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no non-public questions.
21. **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 regarding delegations during the summer recess.

The meeting ended at 2.22pm

Chairman

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PROPERTY INVESTMENT BOARD

Tuesday, 10 September 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Tuesday, 10 September 2013 at 1.45pm

Present

Members:

Deputy Michael Cassidy (Chairman)
Deputy Ken Ayers
Roger Chadwick
Alderman Sir Robert Finch
George Gillon (Chief Commoner)
Deputy Keith Knowles
Edward Lord
Alastair Moss
Tom Sleigh

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

Apologies were received from Mark Boleat, Ray Catt, Brian Harris 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 10 July 2013 were approved.

4. APPOINTMENT OF ADDITIONAL MEMBER TO THE CORPORATE ASSET SUB (FINANCE) COMMITTEE

The Chairman requested that any Member willing to serve on the Corporate Asset Sub (Finance) Committee come forward. There being no Members who came forward, the vacancy remained unfilled.

5. **PLANNING ISSUES IN THE CITY**

The Board received a presentation of the City Planning Officer updating Members on planning issues in the City.

In response to a Member's question, the City Planning Officer responded that flexible leases, aimed at small and medium enterprises (SMEs) would be attractive to new occupiers. He also highlighted the importance of maintaining the City's breadth of offer to cater for different size businesses from multi-national corporations to SMEs.

In response to a Member's question, the City Planning Officer responded that it was important to achieve balance in the listing of buildings. He was concerned that certain parts of the City could become frozen in time if listing became too prevalent.

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

There were no questions.

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

There were no urgent items.

8. **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.

<u>Item no.</u>	<u>Paragraph no.</u>
9-18	3
19 & 20	-

9. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 10 July 2013.

10. **REPORT OF ACTION TAKEN BETWEEN MEETINGS**

The Board received a report of the Town Clerk detailing all action taken using delegated authority and urgency procedures since the last meeting.

11. **PROPERTY MARKET AND VALUATION PRESENTATION**

The Board received a presentation from representatives of the City's valuers Jones Lang La Salle.

12. **CITY SURVEYOR'S BUSINESS PLAN 2013-16: QUARTER 1 PROGRESS REPORT**

The Board received a report of the City Surveyor.

13. **VACANT ACCOMMODATION UPDATE AS AT 1 JUNE 2013**

The Board received a report of the City Surveyor.

14. **CITY'S RENTAL FORECASTS MONITORING REPORT**
The Board received a report of the City Surveyor.
15. **OUTSTANDING LEASE RENEWALS & RENT REVIEWS**
The Board received a report of the City Surveyor.
16. **CITY'S ESTATE LETTING REPORT - 216-217 TOTTENHAM COURT ROAD, LONDON, W1**
The Board approved a report of the City Surveyor.
17. **OUTCOME REPORT - TOWER BRIDGE ACCESS IMPROVEMENTS**
The Board received a report of the City Surveyor.
18. **PROGRESS REPORT - BRIDGE MASTER'S CAR PARK, TOWER BRIDGE ROAD, LONDON, SE1 - PROPOSED DEVELOPMENT OF CAR PARK FOR REPLACEMENT OPERATIONAL FACILITIES, AFFORDABLE HOUSING AND RETAIL UNITS**
The Board received a report of the City Surveyor.
19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
The following items of urgent business were raised –
 - Delegated Authority Requests - 99 New Bond Street, W1 & 200 Aldersgate, EC1

The meeting ended at 3.15pm

Chairman

Contact Officer: Matthew Pitt
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Matthew.Pitt@cityoflondon.gov.uk

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PROPERTY INVESTMENT BOARD

Wednesday, 16 October 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 16 October 2013 at 1.45pm

Present

Members:

Deputy Michael Cassidy (Chairman)
Brian Harris (Deputy Chairman)
Deputy Ken Ayers
Roger Chadwick
Alderman Sir Robert Finch
George Gillon (Chief Commoner)
Deputy Keith Knowles
Dhruv Patel
Tom Sleigh

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

Apologies were received from Mark Boleat, Ray Catt and Alistair Moss.

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 non-public summary of the meeting held on 10 September were approved.

4. APPOINTMENT OF ADDITIONAL MEMBER TO THE CORPORATE ASSET SUB (FINANCE) COMMITTEE

The Committee proceeded to elect one Member of the Board to serve on the Corporate Asset Sub Committee.

Two Members indicated their willingness to serve for a total of one vacancy and an election was therefore required. The results of the ballot were as follows: -

Alistair Moss	5
Dhruv Patel	4

It was therefore,

RESOLVED – That Alistair Moss be elected to serve on the Corporate Asset Sub Committee for the remainder of the year.

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

There were no questions.

**6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT
Vote of Thanks**

The Chairman joined the Committee in thanking Sir Robert Finch upon his retirement following 22 years' service to the City Corporation.

7. 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.

Item No.

8 – 14

15 & 16

Paragraph No.

3

3

8. NON PUBLIC MINUTES

The non-public minutes of the meeting held on 10 September 2013 were approved.

9. REPORT OF ACTION TAKEN BETWEEN MEETINGS

The Board received a report of the Town Clerk reporting the action taken under delegated authority and urgency procedures since the last meeting.

10. QUARTERLY DELEGATED AUTHORITIES UPDATE - 1 JULY 2013 TO 30 SEPTEMBER 2013

The Board received a report of the City Surveyor.

11. CITY FUND & CITY'S ESTATE REVISED HIGHWAY AIRSPACE DISPOSAL – WALBROOK SQUARE, EC4

The Board approved a report of the City Surveyor.

12. CITY FUND & CITY'S ESTATE HIGHWAY DISPOSAL - NO.1 THREADNEEDLE STREET, EC2

The Board approved a report of the City Surveyor.

13. CITY'S ESTATE - LETTING REPORT

The Board approved a report of the City Surveyor.

14. **DISPOSAL OF FREEHOLD SUBJECT TO 2,000 YEAR LEASE 51-52 NEW BOND STREET, LONDON W1**
The Board approved a report of the City Surveyor.
15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were four items of urgent business.

The meeting ended at 2.26pm

Chairman

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PROPERTY INVESTMENT BOARD

Wednesday, 13 November 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 13 November 2013 at 1.45pm

Present

Members:

Deputy Michael Cassidy (Chairman)
Deputy Ken Ayers
Roger Chadwick
George Gillon (Chief Commoner)
Alastair Moss
Dhruv Patel
Tom Sleigh

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
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mark Boleat, Brian Harris and Keith Knowles.

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 16 October 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.

<u>Item No.</u>	<u>Paragraph No.</u>
7 – 17	3
18 & 19	3

7. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 16 October 2013 were approved.

8. **REPORT OF ACTION TAKEN BETWEEN MEETINGS**

The Board received a report of the Town Clerk detailing action taken between meetings.

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

The Board received a report of the City Surveyor.

10. **CITY SURVEYOR'S BUSINESS PLAN 2013-16 - QUARTER 2 2013/16 PROGRESS REPORT**

The Board received a report of the City Surveyor.

11. **6-8 EASTCHEAP, LONDON EC3M 1AE - GATEWAY 7 OUTCOME REPORT**

The Board approved a report of the City Surveyor.

12. **53 NEW BROAD STREET EC2: COMBINED GATEWAY 3/4 /4B- OUTLINE OPTIONS AND DETAILED OPTION APPRAISAL - REFURBISHMENT OF VACANT OFFICE BUILDING**

The Board approved a report of the City Surveyor.

13. **37-38 NEW BOND STREET - DISPOSAL OF FREEHOLD SUBJECT TO 2,000 YEAR LEASES**

The Board approved a report of the City Surveyor.

14. **SALTERS HALL GARDEN, ST. ALPHAGE GARDENS, FORE STREET, EC2 – LEASE SURRENDER AND GRANT OF A NEW 249 YEAR LEASE**

The Board approved a report of the City Surveyor.

15. **4/14 TABERNACLE STREET - REFURBISHMENT/DEVELOPMENT - TO FOLLOW**

This item was withdrawn from the agenda.

16. **2 FANN STREET, EC2 - DISPOSAL COMPLETION TO REDROW HOMES LIMITED**

The Board received a report of the City Surveyor.

17. GATEWAY 5 AUTHORITY TO START WORK: 1-5 LONDON WALL BUILDINGS: PHASE 2 - REFURBISHMENT OF COMMON AREAS

The Board approved a report of the City Surveyor.

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

There was one question.

19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There were no urgent items.

The meeting ended at 2.20pm

Chairman

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PROPERTY INVESTMENT BOARD

Tuesday, 3 December 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Tuesday, 3 December 2013 at 1.45pm

Present

Members:

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

In Attendance:

Deputy John Chapman

Officers:

Georgina Denis	- Town Clerk's Department
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
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies were received from Mark Boleat 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 13 November 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.

<u>Item No.</u>	<u>Paragraph No.</u>
7 - 16	3
17 & 18	3

7. **NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 13 November 2013 were approved.

8. **FORMER TENANTS RENT ETC ARREARS WRITE OFFS**

The Board approved a report of the Comptroller and City Solicitor.

9. **REVENUE AND CAPITAL BUDGETS - 2013/14 AND 2014/15**

The Board approved a joint report of the Chamberlain and the City Surveyor.

10. **CITY FUND - ST. ALBAN'S TOWER, WOOD STREET - LEASEHOLD ENFRANCHISEMENT**

The Board approved a report of the City Surveyor.

11. **BARBICAN CENTRE EXHIBITION HALL 1: LONDON FILM SCHOOL PROPOSAL**

The Board approved a joint report of the City Surveyor and the Managing Director, Barbican Centre.

12. **CLOCKMAKERS' MUSEUM: PROPOSED LEASE TERMS FROM 2015**

The Board approved a report of the City Surveyor.

13. **CITY'S ESTATE STRATEGY REPORT - ANNUAL UPDATE**

The Board received a report of the City Surveyor.

14. **CITY'S ESTATE, LETTING REPORT - RENEWAL OF LEASE AT SUITE D, 1 LINDSEY STREET, SMITHFIELD MARKET, LONDON EC1**

The Board approved a report of the City Surveyor.

15. **CITY'S ESTATE - LETTING REPORT**

The Board approved a report of the City Surveyor.

16. **OUTLINE OPTIONS APPRAISAL - 42 NORTH ROAD, LONDON, N7 - CITY'S ESTATE**

The Board approved a report of the City Surveyor.

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

There were no questions.

18. 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 2.27pm

Chairman

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SOCIAL INVESTMENT BOARD

Wednesday, 18 September 2013

Minutes of the meeting of the Social Investment Board held at the Guildhall
EC2 at 11.30am

Present

Members:

Alderman Peter Hewitt (Chairman)
Deputy Ken Ayers
Ray Catt

Roger Chadwick
Deputy Robert Howard

Officers:

Xanthe Couture	- Town Clerk's Department
Alistair MacLellan	- Town Clerk's Department
Katie Hill	- Town Clerk's Department
David Farnsworth	- City Bridge Trust
Tim Wilson	- City Bridge Trust
Martin Hall	- City Bridge Trust
Liz Skelcher	- Economic Development Office
Paul Mathews	- Chamberlain's Department
Deborah Cluett	- Comptroller and City Solicitor's Department
Karen McHugh	- Comptroller & City Solicitor's Department
Sanjay Odedra	- Public Relations Office

In attendance:

Andrew McMurtrie CC	- Member for Coleman Street
John Kingston	- Social Finance
Richard Todd	- Social Finance

1. APOLOGIES

Apologies were received from Edward Lord and Reverend Dr Martin Dudley.

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 20 June 2013 were agreed as a correct record.

4. MEETINGS ATTENDED

The Board considered a report of the Chief Grants Officer on recent events and meetings involving relevant City of London Corporation staff. In response to a

query from the Chairman, the Social Investment Advisor outlined the duties and remit of the role of the City Corporation's Corporate Responsibility Manager.

5. **PROGRESS REPORT**

The Board considered a report of the Chief Grants Officer on the progress made in allocating monies from the social investment fund during its first year.

The Chairman noted the comment in paragraph 8 of the report stated that social investment in the UK at present was characterised by an 'overemphasis' on the financial, as opposed to social, return from capital invested. He said that such a characterisation did not fully represent the approach of the Social Investment Board nor that of Social Investment generally. He stated that it was essential that prudent investments were made with as near certain (as possible) 'exits' so that the reputation of the nascent social investment market as a whole, would not be tarnished by failing investments. Accordingly it was important for the Board to strike the right balance between obtaining a financial and social return from the capital it invested.

Furthermore he noted with interest the prediction that there would be a demand for £1billion of social investment over the next five years.

There was a discussion regarding the running costs for the City Corporation's Social Investment Fund and it was noted that they were comparatively modest compared to the private sector. In response to a question from a Member, the Chief Grants Officer said that social investment currently occupied circa 3.5 days per week of officer time but that this was expected to increase as the work of the Board became more established and the volume of investments increased. He noted that his team would be liaising with colleagues in the Economic Development Office over the resource needs to deliver social investment work, and a business case for additional resources would be jointly submitted to the Policy and Resources Committee.

RESOLVED:-

- That the report be received and its contents noted;
- That officers prepare a report for the Court of Common Council on the first year of the social investment fund's operation and the Corporation's policy work on social investment.

6. **HIGH-RISK, HIGH-IMPACT INVESTMENTS**

The Board considered a report of the Chief Grants Officer on high risk, high impact investments. The Chief Grants Officer indicated that he would welcome feedback from the Board on the principle of financing early stage social enterprise activity in principle before the Board went on to consider setting aside a small percentage of the investment fund to high impact investments.

Members were concerned about calling the investments 'High Risk' as this was clearly in contravention to their fiduciary duties as Trustees. Whilst agreeing

with the general principle of a high impact element being attractive, members were not yet convinced that the proposals as drafted worked. Accordingly officers were asked to reconsider how such a proposal might work and to establish whether it was possible to draw such a fund from another source that might not have such high level fiduciary obligations.

RESOLVED, that:

- The contents of the report be noted;
- The social investment fund would be used to make investments with a high social impact, whilst acknowledging such investments may entail higher risk than the City of London is accustomed to. Such investments would be made in light of the fact that the social investment market is in its early stages and in need of encouragement and support, and that each investment would be considered on a case-by-case basis.
- Officers to prepare a paper identifying possible sources of funds, detailed disbursement and investment criteria for a £250,000 - £500,000 fund targeting high impact social investments for the next meeting of the Board in December 2013.
- Officers to reconsider how such proposed investments might work and to establish whether it was possible to draw such a fund from another source that might not have such high level fiduciary obligations.

7. UPDATE ON THE WORK OF THE SOCIAL INVESTMENT ADVISOR

The Social Investment Advisor introduced a report outlining major activities designed to develop both the City of London's social investment strategy and the social investment fund, noting in particular the recent appointment of the Chairman of the Policy and Resources Committee to the UK Advisory Board to the G8 Social Impact Investment Taskforce, and the publication of a jointly-commissioned (by the City of London, Big Society Capital, Big Lottery Fund and HM Government) report on growing the social investment market.

A Member expressed concern whether, once the social investment market was more established and more investors joined it, thus promoting competition, this would impact negatively on the Corporation's efforts to identify promising social investment opportunities. In response the Social Investment Advisor replied that the market was still in its very early stages and competitiveness not an issue at present, and indeed such a situation, if and when it emerged, would be a promising indicator of the market's development.

In response to a request from a Member over how the impact of a social investment could be assessed and measured, officers noted that organisations such as Big Society Capital were dedicating significant time to this issue. Key indicators included the estimated cost savings that a social investment offered: i.e. the amount of public money saved in terms of social services on a local issue such as homelessness, versus the social investment in a project providing stable accommodation. It was noted that it was harder to assess

impact if the focus of the social investment was on prevention, rather than on immediate cost-saving, and if an investment was spread over a wide geographic area rather than in one location.

In response to wider discussion over how the impact of a proposed investment could be gauged by the Board, the Chairman suggested that officers review methods of presenting information in their reports. It was generally agreed by Members and officers that the adoption of a 'traffic light' system in monitoring and reporting would be useful, with the Chief Grants Officer noting such a review by officers would be particularly useful once the forthcoming Global Impact Investing Network (GIIN) conference had taken place. Lastly, the Board noted that each investment that came before the Board would be examined on its merits and that a degree of intuition would be a factor.

RESOLVED, that:

- Officers conduct a wider review on the reporting and monitoring format of both proposed and existing investments including the adoption of a Red, Amber, Green (RAG) system, and report back to the Board at the next meeting with their recommendations.

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

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 100A(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.

Items	Paragraph(s)
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11-16	3
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11. NON-PUBLIC MINUTES

The non-public minutes of the meeting held on 20 June 2013 were agreed as a correct record.

Matters Arising

Golden Lane Housing 2013 Bond

In response to a query from a Member, officers agreed to provide clarification over the terms of investment agreed over the Corporation of London's investment in the Golden Lane Housing 2013 bond.

Members proceeded to discuss in more general terms the potential for a standardised investment agreement to govern future investments made by the Board, so that costs could be kept to a minimum

RESOLVED, that:

- Clarification to be provided to the Board on the details of the Golden Lane Housing 2013 Bond investment terms;
- Officers to draw up a standard form checklist to review criteria, terms and conditions for future investments for consideration by the Board.

12. PORTFOLIO UPDATE

The Chief Grants Officer introduced an update on issues affecting the social investment fund portfolio and its current investments.

The Board proceeded to discuss the preferred format and content of future portfolio updates before going on to outline the character of future investments.

RESOLVED, that:

- The portfolio report be received and its contents noted;
- Officers note suggestions from the Board over the preferred format of investment reporting;
- Officers note the preference of the Board for direct investment, or at least indirect investment in only one fund manager rather than funds of funds;
- An overview of the social investment fund targets for year 2 be submitted to the Board at its next meeting in December 2013.

13. INVESTMENT REVIEW: FRAMEWORK HOUSING

The Board considered an investment review of Framework Housing.

RESOLVED, that:

- The investment in Framework Housing be approved subject to the conditions outlined in the report.

14. INVESTMENT REVIEW: MIDLANDS TOGETHER

The Board considered an investment review of Midlands Together.

RESOLVED, that:

The investment in Midlands Together be approved subject to the conditions outlined in the report and the caveats set by the Board.

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

Product Development

At the suggestion of the Chairman, the Board agreed that officers investigate the viability of the City of London entering into the development of its own bond type product.

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 other business.

The meeting closed at 1.10pm

Chairman

Contact Officer: Alistair MacLellan

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SOCIAL INVESTMENT BOARD

Friday, 13 December 2013

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

Present

Members:

Alderman Peter Hewitt (Chairman)
Deputy Ken Ayers

Revd Dr Martin Dudley
Deputy Robert Howard

Officers:

Alistair MacLellan	- Town Clerk's Department
David Farnsworth	- City Bridge Trust
Tim Wilson	- City Bridge Trust
Martin Hall	- The City Bridge Trust
Katie Hill	- Town Clerk's Department
Liz Skelcher	- Economic Development Office
Paul Mathews	- Corporate Treasurer

In Attendance:

John Kingston	- Social Finance
Richard Todd	- Social Finance
Simon Chisholm	- Reasonance
Susan Fallis	- Real Lettings

1. APOLOGIES

Apologies were received from Roger Chadwick and Andrew McMurtrie.

**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 summary of the meeting held on 18 September 2013 were agreed as a correct record.

Matters Arising

G8 Social Impact Investment Taskforce

The Social Investment Advisor provided an update on the G8 Social Impact Investment Taskforce following the Chairman of the Policy & Resources Committee's appointment as a member of the UK's Advisory Board to this taskforce. She noted that the task force had met twice to date, in Washington and in London and the National Advisory Board was scheduled to meet next in January 2014. She added that the UK National Advisory Group which informs

the task force is focusing on two areas: advantages of different corporate forms for social enterprises and how social enterprises can identify and secure a larger share of public contracts by social enterprises. She noted that the task force had appointed four sub groups and had also adopted a work plan. She concluded by noting the task force would meet in September 2014 to finalise its findings. The Chairman thanked the Social Investment Advisor for her update and requested that copies of the task force's meeting minutes be provided to the Board when these became available.

4. **EVENTS AND MEETINGS ATTENDED**

The Board received a summary of recent meetings and events attended by officers. The Chairman commented that the range of meetings was impressive and requested that members of the Board be made aware of any future high-profile meetings as and when these arose so that they had the opportunity to attend.

RECEIVED

5. **PRESENTATION FROM REAL LETTINGS PROPERTY FUND**

Following a presentation to the Board by the Real Lettings Property Fund, the Chairman gave thanks for the presentation and noted that it was useful for the Board to see the practical impact of investments made by the Board.

In response to a question from a member, Mr Chisholm confirmed that Real Lettings was monitoring government proposals for a potential tax relief on social investment which might attract more capital to the market.

In response to a question from the Principal Grants Officer, Mr Chisholm confirmed that the Real Lettings Property Fund had been awarded *Highly Commended* in the 2013 Social Investment Deal of the Year awards.

6. **PROGRESS REPORT**

The Board considered a report of the Chief Grants Officer on the achievements of the Social Investment Fund in its first year of operation. The Chief Grants Officer noted that the investment target had been exceeded and that officers intended to continue to develop links with colleagues in the Economic Development Office and the Chamberlain's Department in year two for the purpose of investment review and market appraisal.

The Board went on to discuss the report and the following points were made:

- The Chairman welcomed the work done to date on examining the feasibility of a City initiated social investment product, given a recurring issue in the social investment field to date was the difficulty in identifying suitable products for investment.

- The Chairman welcomed the recommendation of Albion Ventures as advisor to the Social Investment Fund, and noted in particular that the Chief Executive came highly recommended.
- The Chairman requested that the report to the Court of Common Council refer to *the capital* from Bridge House Estates to give an accurate account of the Board's fiduciary duty as charitable trustees. Similarly, current investments should not be described as *active*, and that the overall social investment market should be described as *expected to grow further* in addition to the forecasted £202million in 2011/12.
- In response to the Chairman, the Principal Grants Officer confirmed that current investments were in line with expectations with one exception which was discussed further in the non-public papers to the meeting.
- A member requested that a paragraph commenting on the percentage commitments of the Social Investment Fund be included in the report annex.
- The Chairman requested that the annex include a general comment on performance of current investments.

RESOLVED:

- That the contents of the report be noted;
- The attached annex be approved and submitted, subject to comments and amendments, to the Court of Common Council;
- That an investment target of £3million for the second year of the Social Investment Fund be approved;
- That Albion Ventures be appointed as advisor to the Social Investment Fund on the same terms as existing advisors.

7. **MEMBERS' HANDBOOK**

The Board considered a report of the Chief Grants Officer on a proposed Social Investment Board Members' Handbook. The following comments were made:

- The handbook include the date from which social investment advisors had been appointed, and the telephone numbers and email addresses of City of London Corporation staff;
- The definition of crowd funding in the glossary be updated.

RESOLVED:

- That the contents of the report be noted;

- That subject to amendments the Social Investment Board Members' Handbook be published on the City of London intranet.

8. **RESEARCH AND DEVELOPMENT FUND**

The Board received a report of the Chief Grants Officer on the potential establishment of a Research and Development Fund. The Chief Grants Officer argued that such a fund was much needed as it would allow the City of London Corporation to identify trends within the social investment market and similarly to identify any gaps in the provision of social investments.

The Chairman welcomed the report and emphasised the fact that most investments made to date were between £300,000 and £500,000, and that whilst these had social impact, the fund was not designed to make investments in the smaller investment opportunities of c. £30,000-£50,000 as these often sought unsecured finance.

During the ensuing discussion the following points were made:

- Funds were available from The City Bridge Trust to finance a Research and Development Fund/ programme?;
- Work under the Research and Development Fund would start with a market analysis to identify trends within the social investment market and identify gaps in provision.

RECEIVED

9. **SOCIAL IMPACT MEASUREMENT**

The Board received a report of the Chief Grants Officer outlining how social investors were working to measure the social impact of their investments.

RECEIVED

10. **UPDATE ON THE WORK OF THE SOCIAL INVESTMENT ADVISOR**

The Social Investment Advisor (SIA) introduced a report of the Director of Economic Development on work undertaken by the SIA since September 2013, including:

- The hosting of the first ever Global Impact Investment Network (GIIN) conference at Guildhall;
- The launch of the Social Investment Market Research Council and subsequent commissioning of research projects, currently underway on new sources of capital, pricing of social investment and an analysis of the Financial Promotions Regulations on social investment.

- The SIA's role on the EU's expert panel on social investment, including work towards a 'Strasbourg Declaration' at an EU social investment conference in January 2014;
- A City of London Corporation response to a consultation on crowd-funding recently launched by the Financial Conduct Authority (FCA);

The Assistant Director of Economic Development took the opportunity to inform the Board that the Social Investment Advisor's work, along with other partners, had influenced recent public policy in the social investment field.

RECEIVED

Rev Dr Martin Dudley left at this point of the meeting.

- 11. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
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 or Schedule 12A of the Act:

Item(s) 14-19	Paragraph(s) 3
----------------------	-----------------------
- 14. NON-PUBLIC MINUTES**
RESOLVED: that the non-public minutes of the meeting held on 18 September 2013 be agreed as a correct record.
- 15. REPORT ON URGENT ACTION TAKEN SINCE LAST MEETING**
The Board received a report of the Town Clerk.

RECEIVED

- 16. PORTFOLIO UPDATE**
The Board considered a portfolio update from the Chief Grants Officer on the Social Investment Fund.

RECEIVED

- 17. INVESTMENT REVIEW - GREENWICH LEISURE LIMITED**
The Board considered an Investment Review concerning Greenwich Leisure Limited.

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

There were no questions.

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

There was no other business.

The meeting closed at 3.16pm

Chairman

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Agenda Item 7

Committee: Investment Committee	Date: 29 January 2014
Subject: Terms of Reference of the Investment Committee	Public
Report of: Town Clerk	For Decision
<u>Summary</u>	
<ol style="list-style-type: none">1. As part of the post-implementation review of the changes made to the governance arrangements in 2011 it was agreed that all Committees should review their terms of reference annually. This will enable any proposed changes to be considered in time for the reappointment of Committees by the Court of Common Council.2. The terms of reference of the Investment Committee are attached as an appendix to this report for your consideration as to whether they reflect the Committee's activities.3. Currently the Investment Committee meets three times a year and these meetings should be held in January, April/May and July.	
<u>Recommendations</u>	
<ol style="list-style-type: none">4. That, subject to any comments, the terms of reference as set out in the appendix and frequency of meetings be approved for submission to the Court.	

Contact:

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INVESTMENT COMMITTEE

Terms of Reference

- (a) To be responsible for the strategic oversight and monitoring of the performance of all of the City of London Corporation's investments, in accordance with the investment strategy determined by the Policy & Resources Committee.
- (b) To fulfil (a) above by means of the appointment of a Property Investment Board, a Financial Investment Board and a Social Investment Board responsible for property, financial investments and social investments, respectively.
- (c) To provide the Resource Allocation Sub-Committee with proportions between property and non-property assets as part of the resource allocation process with the final decision remaining with the Resource Allocation Sub-Committee.

Note: The Boards shall have the power to:-

- i) co-opt people with relevant expertise or experience, including non-Members of the Court; and
- ii) submit reports on matters relevant to their responsibilities directly to the Court of Common Council.

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Agenda Item 8

Committee: Investment Committee	Date: 29 January 2014
Subject: Appointment to Boards	Public
Report of: The Town Clerk	For Decision
<p>The purpose of this report is to decide:</p> <ul style="list-style-type: none">- Whether to appoint up to two Members to the Financial Investment Board; and- To appoint two to four Members to the Property Investment Board. <p>Recommendation(s):</p> <p>It is recommended that:</p> <ul style="list-style-type: none">a) No new Members be appointed to the Financial Investment Board; andb) At least two, and at most four, Members are appointed to the Property Investment Board.	
<p><u>Main Report</u></p> <p><u>Financial Investment Board</u></p> <ol style="list-style-type: none">1. The Financial Investment Board is composed of 12-14 Members of the Investment Committee; currently there are 12 serving Members.2. As there is only one Financial Investment Board meeting scheduled before Annual Court on 1 May 2014 and the minimum number of serving Members is in place, it is advised that no new Members need to be appointed before this point. <p><u>Property Investment Board</u></p> <ol style="list-style-type: none">3. The Property Investment Board is composed of 12-14 Members of the Investment Committee; currently there are 10 serving Members.4. As there are two Property Investment Board meetings scheduled before Annual Court on 1 May 2014 it is advised that at least two, and at most four, Members are appointed to serve until the end of the municipal year.	

Contact:

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Agenda Item 9

Committee: Investment Committee	Date: 29 January 2014
Subject: Corporate Governance – Scheme of Delegations and Standing Orders	Public
Report of: Town Clerk	For Decision
Summary	
<p>As part of the City Corporation's arrangements for ensuring good governance the Scheme of Delegation to Chief Officers has been reviewed and a number of changes have been proposed. The changes, which principally reflect changes to legislation and previously agreed City Corporation's policies, are due to be considered by Policy and Resources Committee on 23 January 2014 before being submitted to the Court of Common Council.</p> <p>The Policy Committee is responsible for the review and for the co-ordination of the City Corporation's governance arrangements. The Committee will therefore be considering the Scheme in its entirety including the general framework and conditions of the delegations and an amendment to Standing Orders which relate to the declaration of operation property assets which are surplus to requirements.</p> <p>All service committees are required to consider those elements for which they have responsibility. A copy of the revised sections applicable to this Committee is attached as an appendix to this report for your consideration.</p>	
Recommendations	
<ol style="list-style-type: none">1. Subject to the approval of the Policy and Resources Committee of the overall Scheme of Delegation, the delegations relating to the Chamberlain and City Surveyor as set out in the appendix to this report be approved; and2. Note the proposed amendment to Standing Orders relating to the declaration of operation property assets which are surplus to requirements.	

Main Report

Background

1. As a corporate body all decisions are vested in the Court of Common Council. To facilitate the administration of the City Corporation's many and complex functions, the Court delegates the majority of its functions to its committees and officers. The committee terms of reference set out the functions delegated to committees whilst the Scheme of Delegations sets out those functions which have been delegated to officers.

Scheme of Delegations

2. The Scheme of Delegations has recently been reviewed and a number of changes are proposed which on the whole reflect changing legislation, amendments to corporate policy and operational needs. A copy of the revised Chief Officer delegations relevant to this Committee is attached as an appendix to this report. Whilst none of the changes involve a significant new delegation of powers, where new powers are proposed for delegation, these have been highlighted.
3. A full copy of the Scheme is available for Members to view in the Members' Reading Room and is also available on request.
4. The Policy and Resources Committee are responsible for the review and co-ordination of the City Corporation's governance arrangements which includes amongst other things, committees and Standing Orders.

Corporate & Strategic Implications

5. The proposed changes to the Scheme of Delegations and Standing Orders are intended to support the effective governance of the City of London and ensure that decision making is effective and transparent.

- Appendix 1 – Revision(s) to Scheme of Delegations

Angela Roach

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CHAMBERLAIN

The following powers are delegated to the Chamberlain.

Operational

1. To be the officer responsible for the conduct of the City of London Corporation's financial affairs and, in particular, to be the proper officer for the purpose of Section 6 of the Local Government Housing Act 1989.
2. In consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee to authorise the carry forward of unspent balances within the revenue budgets.
3. To authorise all virements within locally controlled budgets
4. To exercise such powers as may from time to time be delegated to him through the Treasury Policy Statement.
5. To authorise the payment of precepts, levies and contributions to the national non-domestic rates pool.
6. To operate market force supplements for Chamberlain's Department staff within the set maximums.
7. To determine the financing of capital expenditure.
8. To deal with and agree claims received under the Riot (Damages) Act, 1886
9. To write off all debts due to the City of London Corporation which are irrecoverable, except for non-domestic rates and council tax up to £5000 under Standing Order No. 52.
10. To write on all unclaimed credit amounts.
11. To authorise the granting of discretionary rate relief under Section 47 of the Local Government Finance Act 1988 up to £2,500 per case per annum.
12. To agree Section 44A Allowances (empty rate relief on partly occupied properties).
13. To agree minor amendments to the ordinance of City Companies and Livery Companies in conjunction with the Chairman of the General Purposes Committee of Aldermen.
14. To act as Head of Profession for Finance, IS, and Procurement , with the right to issue technical standards and guidance for use throughout the City of London Corporation and to be consulted on staffing arrangements for any of those functions within other Departments.
15. To sign grant claims and other returns on behalf of the City of London Corporation.
16. To authorise the suspension of pension contributions.
17. To carry out all functions in relation to the Trophy Tax.
18. In give approvals in respect of contract lettings and waivers in accordance with the Procurement Regulations

Delegations to other Officers

19. The following authorities are also delegated to the Officers identified to be exercised either
 - (a) at the direction of the Chamberlain; or,
 - (b) in the absence of the Chamberlain

Financial Services Director	}	
Chief Accountant	}	Items 5 and 16

Corporate Treasurer	}	
Head of Revenues	-	Items 10, 11 (up to £5,000), 12 and 13
Technical Officer	-	Item 13
Business Support Director	-	Item 11 (over £5,000) and Item 15

CITY SURVEYOR

The following powers are delegated to the City Surveyor.

Operational

1. To act in accordance with the general powers detailed below, and in consultation with the relevant Chief Officer, in relation to all property owned by the City of London Corporation. .

Property Management

2. To act in respect of:
 - (a) all lettings, including lease renewals, with an annual rent of not more than £100,000 which are for a term of 25 years or less, providing the terms are at or above market value;
 - (b) all quarterly tenancies, tenancies at will, licences, easements, wayleaves, Rights of Light, crane oversail, hoarding licences and similar arrangements;
 - (c) to negotiate and agree all rent reviews, including nil increase reviews, except where the increase is in excess of £50,000 per annum;

and to report all such cases to the Property Investment Board on a quarterly basis.

3. To negotiate terms and accept surrenders of leases where the rent is less than £100,000 per annum and where the premium is no more than £250,000;
4. To act in respect of a change in the identity of a tenant after terms have been approved by Committee, subject to there being no other material change in the terms and the financial covenant being no less strong;
5. To agree minor variations to the terms of ground lease restructurings, disposals, acquisitions and other complex transactions, together with leases being taken by the City of London Corporation as tenant, where the main terms have been approved by Committee and where the variations are necessary to complete the transaction expediently, such delegated authority to be exercised in consultation with the Comptroller & City Solicitor and the Chamberlain on financial matters;
6. To act in respect of any variation to the terms of any existing Lease, Tenancy, Licence or other agreement relating to property which do not affect the duration of, or income from such Lease or Tenancy by either:-
 - (a) more than plus or minus 10%, or
 - (b) where a premium of no more than £100,000 is payable to the estate
7. For land where the City of London Corporation is freeholder and the land is proposed to be redeveloped, subject to a Planning Agreement under Section 106 of the Town & Country Planning Act 1990 to:

- (a) make it a condition of any freehold or leasehold disposal that the freeholder or leaseholder is required to enter into planning obligations on like terms with the Planning Agreement; and
 - (b) consent to the City of London Corporation's land being bound by the planning obligations in the Planning Agreement.
8. To review periodically all operational and corporate property assets and to make recommendations to the Corporate Asset Sub-Committee for their better utilisation and improved efficiency.
 9. To approve licences for works, scaffolding, demolition or other works pursuant to or necessary for the implementation of an existing Committee approval.
 10. To deal with party wall matters including being the Appointing Officer to make such appointments as are required in Section 20 of the Party Wall etc. Act 1996.

Property Maintenance

1. To be responsible for the maintenance and upkeep of property owned by the City of London Corporation other than within the remit of the Community and Children Services Committee
2. To approve schemes for refurbishment of up to £250,000 per scheme/ per property, with funding either from the sales pool, providing the sales pool is in credit with sufficient funds to cover the total cost of the scheme, or from other appropriate sources such as the Additional Works Programme.

Blue Plaque Scheme

3. Accept and determine applications for Blue Plaques;
4. To deal with the replacement of damaged and authorise the erection of replacement plaques in different locations using altered wording if, in the opinion of the City Surveyor (taking into account evidence supplied by the Director of Culture, Heritage & Libraries) a different location or different wording would be more accurate or otherwise more appropriate;
5. Approve reasonable third party professional fees up to £2,500 plus VAT from the City Surveyor's Blue Plaques budget; and,
6. Enter into formal licence agreements with a building owners for the erection of a Blue Plaques.

Delegations to other Officers

7. The above-mentioned authorities are also delegated to the Officers identified to be exercised either,
 - (a) at the direction of the City Surveyor or
 - (b) in the absence of the City Surveyor

Investment Property Director, Corporate Property Director, Operations Director or Property Projects Director or his nominated Assistant Director .

8. The following specific authority is delegated to the Officer identified in accordance with the requirements of Section 12(2) of the Trustee Act 2002 which requires that a specific individual be authorised to give advice on the disposing of Properties and granting of leases in accord with the Charities Act 1993:-

Nicholas Gill (Investment Property Director) or his appointed deputies to exercise asset management functions as agent for the Trustee of the Bridge House Estates.

Delegations in Emergency

9. To carry out all necessary repair works to bridge and other structures in an emergency. To take all appropriate actions in an emergency to resolve Health and Safety property matters.

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Committee:	Date:
Finance (for decision) Policy & Resources (for decision) Investment Committee (for information) Social Investment Board (for information) <i>(Draft version already submitted to City Bridge Trust Committee on 8 Jan)</i>	21 st January 2014 23 rd January 2014 29 th January 2014 26 th February 2014
Subject: Resourcing for the City of London Corporation's Social Investment Activity	Public
Joint report of: Director of Economic Development Chief Grants Officer	For Information

Summary

The purpose of this report is to update the above Committees on the City Corporation's Social Investment activity, (including when acting as trustee of Bridge House Estates (BHE)) and to make recommendations on the future management and resourcing of the programme.

Details of the City Corporation's Social Investment strategy, together with its three main objectives, are contained in paragraph 4 of the main report. Achievements in implementing the strategy are also set out at paragraphs 6 – 9.

Over the past three years, considerable progress has been made in implementing the strategy and the City Corporation is now recognised as a significant partner in the UK social investment sector.

The challenge is how best to maintain the momentum and impact in these areas and ensure that the activities are adequately resourced from the financial year 2014/15 onwards.

Resources needed for future years have been identified as set out in the recommendations – at a level not dissimilar to the current year. These total £162,000 in 2014/15 and £176,000 in 2015/16 (of which £20,000 will be met from existing budgets). A further requirement in 2013/14 of £20,000 has also been identified for specialist investment analyst support for the Social Investment Fund. Details of the costs and new resources required are set out in the table in the main report. The recommendations below set out the amounts requested from each Committee.

All of this work will continue to be overseen by senior staff within the Economic Development (EDO), City Bridge Trust (CBT) and the Chamberlain's Department and these costs will also be absorbed within existing budgets.

Recommendation

Approval is requested as follows:

- a) to continue to engage a **Social Investment Advisor (SIA)**, currently Katie

Hill, to pursue the implementation of the social investment strategy (including primary responsibility for the policy influencing work) for up to a further two years from April 2014 on a 3 day a week basis (reduced from 4 days), and that the Policy and Resources Committee agree to a budget uplift to meet the costs of £50,000 (rounded) in each of 2014/15 and 2015/16.

- b) to engage a **dedicated investment analyst to assist the City Corporation (as trustee of BHE) with its management of the Social Investment Fund (on a short term consultancy contract) for the remainder of 2013/14** primarily to appraise the growing pipeline of investment opportunities and monitor active investments and that the Finance Committee approve an allocation of £20,000 from its Bridge House Estates contingency; and

to secure the necessary resources for the **City Corporation's management of the Social Investment Fund as trustee of BHE for 2014/15 onwards**

- the employment of a **dedicated Investment Analyst** for the Social Investment Fund on a permanent basis (for 3 days per week in 2014/15, expected to rise to 4-5 days in 2015/16) – primarily to appraise the growing pipeline of investment opportunities and monitor active investments
- **dedicated administrative support for the Fund** of 2 days per week
- **operational/specialist advice for the Fund** by means of specialist independent advisers, to analyse applications for investment from the charity, legal fees and IT costs.

for which the Policy and Resources Committee is requested to agree a budget adjustment for 2014/15 (£92,800) and 2015/16 (£106,800); the intention being that investment returns would cover the fund management costs over the medium term.

- c) It be noted that the **Social Investment Adviser (SIA) events/operational budget** of £20,000 will be met from savings in either the SIA budget or EDO budget in 2014/15 and 2015/16.
- d) the Finance Committee are requested to approve a waiver of the City's Procurement Regulations to allow an extension of up to an additional 2 years to the Social Investment Advisor contract (to 31 March 2016).
- e) That the Investment Committee and Social Investment Board note the report.
- f) It be noted that a separate paper has been submitted to the City Bridge Trust Committee to confirm the resourcing implications set out in this report.

Background

1. One reason for London's long-term success as a financial centre has been its ability to spot opportunities, develop new products and create imaginative solutions to problems. The growing market for social investment is one such new opportunity which the City Corporation has grasped.

2. In July 2011, the City Bridge Trust (CBT) and Economic Development Office (EDO) launched a piece of co-funded research “Investor Perspectives on Social Enterprise Financing” which proved the City Corporation’s most popular piece of research to date. As opposed to charitable grants, social investment; where a financial and social return is sought, provides the opportunity to recycle capital for ongoing social benefit.
3. Over the last 3 years, the EDO and CBT have been working together, with the Chamberlain’s and Comptroller and City Solicitor’s departments on the social investment agenda, specifically the financing of social organisations.
4. This work has taken place in pursuit of the City Corporation’s Social Investment Strategy which has had three core areas:
 - a. Encouraging and steering a growing supply of appropriate finance into social investment (including establishing and developing the City Corporation’s own £20 million Social Investment Fund through its trusteeship of the Bridge House Estates (BHE) charity whose capital is being invested as part of the charity’s balanced portfolio of investments);
 - b. Working to improve the regulatory and fiscal framework needed to support the social investment marketplace;
 - c. Developing the capacity of social organisations to access investment and secure contracts and markets (including through the CBT grants programme which is funded by the BHE charity).

The overall aim has been to work towards establishing London as a recognised global hub for social investment.

5. As a result of this work, the City Corporation is now recognised as a significant and influential player in the UK social investment sector.

Current Position

Achievements

6. In its first year the Social Investment Fund has committed, as trustee of Bridge House Estates (BHE), £2.1 million across five social investments. £1.6 million of this commitment has been placed, with the remaining £500,000 pledged subject to completion of satisfactory legal agreements (currently underway).
7. The City Corporation is part of a small market stewardship group with Big Society Capital, Cabinet Office, Big Lottery Fund and Social Enterprise UK to ensure there is a strategic vision and coordinated action across the sector. The City Corporation is also a co-founder member of a new Social Investment Research Council comprising the market stewardship members and Citibank. This work provides understanding of the needs of social enterprises as well as the needs of the social investment market.
8. The City Corporation has established a significant reputation in the area of social investment policy (thanks in large part to the work of its Social Investment Adviser, Katie Hill), and built strong relations with the EU, Cabinet Office,

Treasury and the institutional investment community on this topic. The City Corporation's policy and advocacy work has engaged all political parties and supported a range of market-enabling outcomes including:

- the introduction of a Social Investment Tax relief with effect from 2014, as detailed in the December 2013 Autumn Statement, underpinned by detailed research commissioned by City Corporation and Big Society Capital on the rationale and likely impact of introducing such a relief;
 - the engagement of the Financial Conduct Authority with the social investment market;
 - recognition in the Financial Services Bill of the motivations of a social investor and a review of the Community Interest Company structure to see how it could encourage investors more effectively;
 - debate in the European Union as to how Structural Funds could be used to support the strengthening of the social sector organisations across Europe; and
 - representation, by the Chairman of Policy & Resources on the UK National Advisory Board to the G8 Taskforce on social impact investment.
9. The City Corporation has also hosted a large range of events (including an international conference attracting over 300 potential investors from 35 countries), meetings and delegations with a view to promoting the opportunities of social investment to new investors, and to understand and unlock the barriers faced for their involvement. The total value of new social investment funds (some of which are still raising capital) will provide in excess of £100m additional finance to the stock of capital available. Meanwhile, demand for social investment from the UK social enterprise sector has risen from £165m in 2010- 2011 to £202m in 2011-2012.
10. At a point when significant momentum and profile has been developed, Officers believe it is time to review the resources available for the City Corporation's social investment work.

Resourcing

11. With growing momentum behind its own social investment activity and the wider market, in 2012 the City Corporation recruited Katie Hill as Social Investment Advisor (SIA) on a one year consultancy contract (4 days per week). The role (and associated operational costs) was approved by the City Bridge Trust Committee and the Policy and Resources Committee and funded 50% from City Bridge Trust grant (ie from Bridge House Estates income), and 50% by the Policy Initiatives Fund (£50k each). The £100,000 comprised £65,600 for the SIA role and an operational budget of £34,400. The consultancy was extended for a second year and this is due to expire in March 2014. The SIA has worked alongside EDO's Corporate Responsibility Manager on policy influencing activity.
12. When the City Corporation's Social Investment Fund was established in October 2012, through an allocation of Bridge House Estates capital for investment as part of the charity's portfolio of investments, it was agreed that resources until the end of March 2013 would be met from City Bridge Trust's

local risk budget, with a budget uplift sought from the Policy and Resources Committee for subsequent years. Work on the fund has been managed by Principal Grants Officer, Tim Wilson, with support from the SIA together with approximately 2 days per week of administrative support from within the City Bridge Trust and support from the Chamberlain's and Comptroller and City Solicitor's Departments.

13. In addition to staffing costs, expenditure has been required for the Fund on independent specialist advisers (one of the conditions on which the Fund was set up), and legal costs associated with the placing of investments and IT.
14. In 2013-14 total expenditure on social investment (policy and fund work) will amount to £179,230¹ excluding the costs of the Corporate Responsibility Manager, Principal Grants Officer and Chamberlain).

Proposals

15. The City Corporation's social investment work has gained a good deal of recognition and momentum . The challenge is how best to maintain the momentum and impact in these areas and ensure that the activities are adequately resourced from the financial year 2014/15 onwards to enable continuing implementation of the policy as set out in paragraph 4.
16. Therefore, Officers have concerns about reducing our contribution to this area from April 2014 on the expiry of the Social Investment Advisor's current contract. We have considered how we might embed this work within existing resources within EDO, but have concluded that we neither have the spare capacity nor the specific skills in house.
17. In the light of our experience of investing the first £2m from the Social Investment Fund, we are now in a better position to identify the resources required to manage the Fund. Officers have considered the additional resources that are necessary and these are summarised in the table below:-

¹ This includes a sum of £20k which has yet to be approved for an Investment Analyst in the current year

	2013/14 £000	2014/15 £000	2015/16 £000
Policy role			
Social Investment Advisor role (fixed term role for up to 2 years)	65.6 4 days pw (Source: P&R and CBT Committees)	49.2 3 days pw	49.2 3 days pw
Support for the Fund			
-Investment analyst	20.0*	36.0 3 days pw	50.0 4 days pw
-Admin support for the Fund	14.6 2 days pw (Source: CBT Local Risk)	14.6 2 days pw	14.6
-Operational/ Specialist advice for the Fund: <ul style="list-style-type: none"> • Legal • IT • Social investment 	44.6 (Source: CBT Local Risk)	42.2	42.2
Other costs Social Investment Advisor - policy associated costs /events	34.4 (Source: P&R and CBT Committees)	20	20
Total costs	179.2	162	176
Amount available from existing budgets	159.2	20	20
Balance of resources required. (See the Recommendations section above and paras 26-30 below for details of the split across Committees)	20	142	156

* not currently budgeted for

18. It is envisaged that by September 2015 or the latest by April 2016, the Social Investment Advisor's policy influencing work will largely be completed and the activity can then be absorbed within the work of EDO. As a result, Officers recommend continuing to engage a Social Investment Advisor for up to a further two years from April 2014 on a 3 day a week consultancy basis (a reduction from the current 4 days per week). This would involve 2 days based in EDO on general policy influencing and (one day a week) also to be spent assisting Members and Officers on the Fund's strategy (based in City Bridge Trust). Because of the specialist nature of the role, it does not lend itself to a direct employment contract with City Corporation. Once the fund is established

and the City Corporation becomes more experienced in making investments (i.e. beyond 2016), this advisory service, if needed, can be bought in on an ad hoc basis.

19. In addition, there is a need for a dedicated Investment Analyst role on a permanent basis (for 3 days per week in year one, expected to rise to 4-5 days in year 2 as the number of investments increases). The analyst will appraise the growing pipeline of investment opportunities, providing in-depth review before passing the most promising prospects across to the Fund's third party advisors for due diligence. The analyst will also monitor active investments and provide some advisory support to organisations with formative proposals which may be suitable for the Fund in due course.
20. This role would be based in both the Chamberlain's Department and City Bridge Trust, bridging the financial and social impact areas of expertise within the City Corporation and supporting the cross learning so vital to this area of work. It is suggested that this analyst be engaged, on a short term consultancy contract for the first 6 – 9 months, by an individual with experience of the "City" investment community and the charitable sector, with a view to informing permanent recruitment. The role of a permanent Investment Analyst is under review by the Finance Investment Board as part of the restructuring of the Corporate Treasury function within the Chamberlain's department, with a view to the possibility of a wider Investment Analyst function being performed in-house.
21. Overall coordination of Fund management (as required by the Court in October 2012) will continue to be the responsibility of the Chief Grants Officer of City Bridge Trust. This will continue to be delivered through the work of the Principal Grants Officer.
22. In addition to this management time, the Social Investment Fund work will need to be supported by dedicated administrative support in City Bridge Trust continuing at present level of 2 days per week.
23. The resource requirement in future years, of £42,200 for operational/specialist advice for the charity (ie specialist independent advisers to analyse applications for investment to the charity, as required by the Court, together with legal fees and IT costs) is expected to be very slightly less than in the current year.
24. An associated costs/events budget of £20,000 should also be allocated for the Social Investment Advisor, a reduction on the previous budget. This has proved very useful for research, such as the examination of the role of tax relief in encouraging market development and events such as two seminars with Independent Financial Advisers hosted at Guildhall.

Implications

Costs

25. The proposed level of resources, for continuing these Social Investment activities in 2014/15, is not dissimilar to the level in the current year. In addition to the on-going staff time from City Bridge Trust (Chief Grants Officer and Principal Grants Officer) and the Economic Development Office (Assistant Director and Corporate Responsibility Manager) the total amount of resource

required to manage the social investment policy work and the Social Investment Fund is £162,000 in 2014/5 and £176,000 in 2015/16 as set out below.

Funds required

26. It is proposed that a request be made to the Policy and Resources Committee for a budget uplift of £50,000 per annum for the **Social Investment Advisor** role, for up to 2 years from 2014/15 . There may be a saving in the second year if the need for the role ceases within a shorter time.
27. To cover the costs of a **dedicated Investment Analyst** on a short term contract with the Corporation for the remainder of this financial year, (which is not currently budgeted for) a sum of £20,000 is requested in 2013/14 from Finance Committee's Bridge House Estates contingency.
28. To accommodate the **management costs of the social investment fund** (comprising the investment analyst, administrative support and operational costs including specialist legal, IT and social investment advice), it is proposed that the Policy and Resources Committee approve a budget adjustment to be made from Bridge House Estates (£92,800 for 2014/15 and £106,800 for 2015/16).
29. The **associated/events budget for the Social Investment Advisor's policy related work** of £20,000 per annum in 2014/15 and 2015/16 will be met from existing budgets through any savings in the SIA budget in the previous years and/or the EDO local risk budget.
30. The City Bridge Trust will continue to contribute the time of the Chief Grants Officer and Principal Grants Officer over the next 2 years and the Economic Development Office's Assistant Director and Corporate Responsibility Officer will continue to oversee the Social Investment Adviser's policy-related activity.

Procurement waiver

31. The current Social Investment Advisor provides excellent value for money for the City Corporation and has technical expertise which is not widely available (including in the EU and beyond). If the consultancy were extended for the full maximum of two years, the aggregated value (taking into account service to date) would exceed the EU procurement thresholds in accordance with Regulation 12 of the City's Procurement Regulations July 2012. As the funding for the contract is outside the City's local and Police authority it is considered prudent not to apply the provisions of the EU Directive on this occasion and to seek a waiver from the Finance Committee.

Corporate & Strategic Implications

32. The City Corporation's social investment activity contributes to following The City Together Strategy themes:
 - a. ...is competitive and promotes opportunities
 - b. ...supports our communities

and contributes the achievement of these objectives in the City's own Corporate Plan:-

"The City Corporation aims to maximise the opportunities and benefits afforded by our role as a good neighbour"

"To encourage and support services and initiatives which benefit communities within the City and City fringes, contributing to local prosperity"

33. The work of the City Corporation in this area is also supported through its trusteeship of the Bridge House Estates charity both through the Social Investment Fund, a designated capital fund; and through the charity's Grants Programme funded from BHE income. The City Bridge Trust Grants Policy 2013-18 includes a priority to support charitable involvement in social investment, specifically focussed on developing a programme of work to support grantees to access social investment opportunities.
34. The Social Investment Fund's work complements the City Corporation's social investment policy and advocacy work. The Fund is managed in accordance with the investment policies for the BHE charity, which are consistent with the other funds under the City Corporation's control. The capital Fund is managed as part of the charity's balanced investment portfolio. In accordance with the decision of the Court of Common Council on the 24 May 2012 the £20 million capital was designated for investments in activities that produce both financial returns at a rate not less than the average interest rate earned on the City's cash holdings and which also achieve a demonstrable social benefit.
35. An equalities impact assessment has been undertaken, concluding that the proposed work would not have an adverse impact on equalities.

Conclusion

36. The City Corporation has made good progress in implementing its Social Investment Strategy including through influencing the national policy framework and in establishing its own Social Investment Fund through its trusteeship of the Bridge House Estates charity. Having established a significant reputation in the social investment arena, and in order to build on this position, your Officers believe that it is now necessary to put in place appropriate resourcing for future years.

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Agenda Item 15

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Agenda Item 16

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Agenda Item 17

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Agenda Item 18

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Agenda Item 19

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Agenda Item 20

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Agenda Item 21

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