

## FINANCIAL INVESTMENT BOARD

Thursday, 1 February 2018

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

### Present

#### Members:

Andrew McMurtrie (Chairman)	Deputy Clare James
Nicholas Bensted-Smith (Deputy Chairman)	Andrien Meyers
Alexander Barr	Deputy Henry Pollard
Henry Colthurst	James de Sausmarez
Alderman Robert Howard	Ian Seaton
Deputy Jamie Ingham Clark	

#### Officers:

Joseph Anstee	-	Town Clerk's Department
Peter Kane	-	Chamberlain
Caroline Al-Beyerty	-	Chamberlain's Department
Tom Broughton	-	Chamberlain's Department
Kate Limna	-	Chamberlain's Department
Catrina Arbuckle	-	Mercer

#### 1. APOLOGIES

Apologies for absence were received from Alderman Peter Hewitt, Deputy Philip Woodhouse and Tim Levene.

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

Alexander Barr declared a standing interest in Aberdeen Standard Investments.

Deputy Pollard declared a personal interest in the London CIV.

Henry Colthurst declared an interest by virtue of being a member of the Hackney Pensions Board.

#### 3. MINUTES OF THE PREVIOUS MEETING

**RESOLVED** - That the public minutes and non-public summary of the meeting held on 30 November 2017 be agreed as a correct record.

#### 4. OUTSTANDING ACTIONS

The Board received a list of outstanding actions. The Board noted that fund managers would have to formally consider CoL credentials to be deemed a

professional investor under MIFID II rules before taking part in ‘beauty parades’.

**RESOLVED** – That the report be noted.

5. **MONTHLY INVESTMENT ANALYSIS REVIEW**

The Board received a report of the Chamberlain concerning the monthly investment analysis review for December 2017. The report detailed the list of current investments and their performance and provided an update on the general economic outlook.

Members noted that the Corporation’s current treasury investments amounted to £873m with a weighted average rate of return of 0.56%. The recent rise in base rate was beginning to filter through. The Board noted that cashflow planning was important as potentially significant expenditure on upcoming capital building projects were likely to influence investment decisions.

**RESOLVED** – That the report be noted.

6. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2018-19**

The Board considered a report of the Chamberlain considering the Treasury Management Strategy Statement and Annual Investment Strategy (TMSS) for 2018/19. The report was an annual review and would go on to the Finance Committee and Court of Common Council for approval. The Chamberlain proposed to request that if the strategy was agreed by the Court of Common Council, it should be implemented from the day it is agreed, as opposed to the start of the next financial year.

The Board noted that a ten-year cashflow forecast was being prepared at the request of the Resource Allocation Sub-Committee, and cash balances would be reviewed in light of the forecast. The Board noted the addition of Short Dated Bond Funds to the list of non-specified investments and the recategorization of Money Market Funds under ESMA rules in the list of specified investments. The latest Minimum Revenue Provision (MRP) policy statement (for 2017/18) was included in the appendix and this would be updated with the 2018/19 MRP policy statement which was currently being drafted before the TMSS is considered by Finance Committee and then submitted to the Court.

The Board noted that the treasury management services at Capita Asset Services (who are the City’s treasury advisors) had been sold to Link Asset Services. The Chamberlain proposed that a short training event be organised for the Board. The training would be delivered by Link Asset Services in the new municipal year and would cover all aspect of Treasury Management with particular attention to borrowing. Members asked that the training be short, or arranged over more than one session if necessary.

**RESOLVED** – That the Financial Investment Board:

- (i) Approves the Treasury Management Strategy Statement and Annual Investment Strategy for 2018/19, and submits it to the Court for formal adoption, requesting it be implemented from the day it is agreed; and
- (ii) Agrees that a short training event be organised for the Board in the new municipal year.

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

There were no questions.

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

There was no other business.

**9. EXCLUSION OF THE PUBLIC**

**RESOLVED** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

<b>Item No.</b>	<b>Paragraph(s) in Schedule 12A</b>
10-15	3
16-17	-

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

**RESOLVED** - That the non-public minutes of the meeting held on 30 November 2017 be agreed as a correct record.

**11. NON-PUBLIC OUTSTANDING ACTIONS**

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

**12. PRESENTATION - LONDON CIV**

The Board received a presentation from the London CIV.

**13. RESPONSIBLE INVESTMENT: ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) DRAFT POLICY AND ACTION PLAN**

The Board considered a report of the Chamberlain on responsible investment.

**14. INVESTMENT STRATEGY REVIEW PROPOSAL - CITY'S CASH AND BRIDGE HOUSE ESTATES**

The Board considered a report of the Chamberlain concerning investment strategy review for City's Cash and Bridge House Estates.

**15. INVESTMENT PERFORMANCE MONITORING REPORT TO 30 NOVEMBER 2017**

The Board received a report of the Chamberlain.

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

There were no non-public questions.

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

There was no other business.

The Chairman reminded the Board of the Investment Committee dinner which would take place at the Barbican.

The next meeting of the Financial Investment Board was scheduled for Thursday 22 March 2018.

**The meeting closed at 3.08 pm**

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Chairman

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