

**FINANCIAL INVESTMENT BOARD**  
**Wednesday, 23 September 2020**

Minutes of the meeting of the Financial Investment Board held at  
<https://youtu.be/6B9HnhxUjAc> on Wednesday, 23 September 2020 at 1.45 pm

**Present**

**Members:**

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

**Officers:**

Peter Kane	- The Chamberlain
Kate Limna	- Corporate Treasurer, City of London Corporation
James Graham	-

1. **APOLOGIES**

Apologies for absence were received from James de Sausmarez.

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

There were no declarations.

3. **RESOLUTION OF THE INVESTMENT COMMITTEE**

The Board received the resolution of the Investment Committee on 21 July 2020 appointing the Board and approving its terms of reference.

4. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** - That the public minutes and non-public summary of the meeting held on 13 July 2020 be agreed as a correct record.

5. **OUTSTANDING ACTIONS**

The Board received a list of outstanding actions. The Chamberlain advised that a section on Treasury Management for the Pension Fund had been

incorporated into the Pension Fund's Investment Strategy Statement, which was on the agenda for the Board's consideration.

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

6. **MONTHLY INVESTMENT ANALYSIS REVIEW**

The Board received a report of the Chamberlain concerning the monthly investment analysis review for July 2020. The Board noted the current investment list, total investment values and average rate of return set out in the report. In response to a request by the Chairman, the Chamberlain clarified the reporting of the rate of return in respect of the Board's investments in Short Dated Bond Funds, which included both income and unrealised gains on the investments.

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

7. **END OF YEAR TREASURY MANAGEMENT REVIEW 2019/20**

The Board received a report of the Chamberlain, providing an end of year report reviewing Treasury Management in 2019/20. The Chamberlain introduced the report and drew Members' attention to key points including cash balances and the impact of Covid-19 on monetary policy.

In response to a question from a Member on the increased cash balances, the Chamberlain advised that in addition to the receipt of borrowing proceeds from City's Cash, the receipt of the April Business Rates Levy had taken place one day earlier than usual, causing a further increase. However, this was an operational matter and not considered to be a cause for concern.

A Member queried whether the prospect of negative interest rates being introduced in the near future was a cause for concern or would necessitate any changes. The Chamberlain responded that due to significant decreases the Board was already operating in a very low interest rate environment, but in the event of further decreases to zero or negative interest rates, there could be increased pressure on the revenue budget for the Funds going forward. Members suggested that this be revisited as the Board may need to develop a strategy to manage any further developments. The Chairman asked that this be added as an outstanding action with an update to be brought to the next meeting on the Board, adding that swifter action may be required if circumstances were to change earlier than expected.

Bench options

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

8. **CLIMATE ACTION STRATEGY**

The Board received a report of the Town Clerk and Chief Executive containing a scoped and costed Climate Action Strategy for the City of London Corporation, to be considered by the Policy & Resources Committee in September and the Court of Common Council in October 2020. The Chairman introduced the item and reminded Members of the wider context surrounding

the report before handing over to the Director of Innovation and Growth to introduce the report.

The Director of Innovation and Growth then introduced the report and gave the Board an introduction to the Climate Action Strategy before outlining the headline figures and key points of the strategy. The Board was then advised of the action points for the Financial Investment Board to undertake as part of implementing the strategy.

The Chairman then advised that Mercer had been consulted on the Strategy's proposals and invited Mercer's comments on the report. Mercer advised that the

9. **CITY OF LONDON PENSION FUND - INVESTMENT STRATEGY STATEMENT**

The Board considered a report of the Chamberlain presenting a revised Investment Strategy Statement for the Pension Fund for approval. The Chamberlain introduced the report and confirmed the Statement was a public document and subject to periodic review at least every three years. The Chamberlain drew Members' attention to amendments made following review of the Statement by the Board, including a section on Treasury Management and added control ranges for each asset class within the strategic asset allocation.

**RESOLVED** – That the Financial Investment Board agree the revised Investment Strategy Statement as presented.

10. **LOCAL GOVERNMENT PENSIONS BOARD - PENSION FUND INVESTMENT ACTIVITIES 1 APRIL 2019 TO 31 MARCH 2020**

The Board considered a report of the Chamberlain providing an annual summary of investment activity in relation to the Pension Fund for onward referral to the Local Government Pensions Board. The Chamberlain introduced the report and invited any additional comments from Members to be incorporated before the report was submitted to the Local Government Pensions Board. The Board then approved the report for onward referral to the Local Government Pensions Board.

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

a) Note the report; and

b) Agree that the report be referred to the Local Government Pensions Board.

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

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 of the Schedule 12A of the Local Government Act.

<b>Item No.</b>	<b>Paragraph(s) in Schedule 12A</b>
14-19	3
20-21	-

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

**RESOLVED** - That the non-public minutes of the meeting held on 13 July 2020 be agreed as a correct record.

15. **NON-PUBLIC OUTSTANDING ACTIONS**

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

16. **INVESTMENT PERFORMANCE MONITORING REPORTS**

16.1 **Performance Monitoring to 31 July 2020: Pension Fund**

The Board received a report of the Chamberlain.

16.2 **Performance Monitoring to 31 July 2020: City's Cash and Bridge House Estates**

The Board received a report of the Chamberlain.

16.3 **Quarterly Monitoring Report to 30 June 2020**

The Board received a report of Mercer.

17. **PRI - ASSESSMENT UPDATE**

The Board received a report of the Chamberlain.

18. **METHODOLOGY FOR CARBON FOOTPRINTING INVESTMENTS**

The Board received a report of the Chamberlain.

19. **STEWARDSHIP PLAN**

The Board considered a report of the Chamberlain.

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

There were no non-public questions.

21. **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 3.25 pm**

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Chairman

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**Officer:**

**Joseph**

**Anstee**