



Financial Investment Board

Date: THURSDAY, 20 MAY 2021

Time: 1.45 pm

Venue: VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members:	Nicholas Bensted-Smith (Chairman)	Deputy Robert Merrett
	Henry Colthurst (Deputy Chairman)	Deputy Andrien Meyers
	Anne Fairweather	John Petrie
	Alderman Prem Goyal	Deputy Henry Pollard
	Alderman Robert Howard	James de Sausmarez
	Alderman Robert Hughes-Penney	Ian Seaton
	Deputy Jamie Ingham Clark	Deputy Philip Woodhouse

Next Meetings: 30 June 2021 14 September 2021 30 November 2021

Enquiries: Joseph Anstee
joseph.anstee@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://youtu.be/McdunoivvUc>

This meeting will be a virtual meeting and therefore will not take place in a physical location. Any views reached by the Committee today will have to be considered by the Chamberlain after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15th April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available on line via the City Corporation's webpages.

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

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. **RESOLUTION OF THE INVESTMENT COMMITTEE**
To receive a resolution of the Investment Committee meeting on 6 May 2021 appointing the Board and approving its terms of reference.

For Information
(Pages 5 - 10)
4. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 9 February 2021.

For Decision
(Pages 11 - 14)
5. **OUTSTANDING ACTIONS**
Report of the Town Clerk

For Information
(Pages 15 - 16)
6. **TREASURY MANAGEMENT UPDATE AS AT 31 MARCH 2021**
Report of the Chamberlain

For Information
(Pages 17 - 34)
7. **RISK REGISTER FOR THE FINANCIAL INVESTMENT BOARD**
Report of the Chamberlain

For Decision
(Pages 35 - 50)
8. **REPORT OF ACTION TAKEN**
Report of the Town Clerk

For Information
(Pages 51 - 52)
9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

11. **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.

For Decision

Part 2 - Non-Public Agenda

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

To agree the non-public minutes of the meeting held on 9 February 2021.

For Decision
(Pages 53 - 58)

13. **NON-PUBLIC OUTSTANDING ACTIONS**

Report of the Town Clerk

For Information
(Pages 59 - 60)

14. **INVESTMENT PERFORMANCE MONITORING REPORTS**

For Information

- a) **Quarterly Monitoring Report to 31 March 2021** (Pages 61 - 78)
Report of Mercer
- b) **Performance Monitoring to 31 March 2021: Pension Fund** (Pages 79 – 106)
Report of the Chamberlain
- c) **Performance Monitoring to 31 March 2021: City's Cash and Bridge House Estates** (Pages 107 - 128)
Report of the Chamberlain

15. **YEAR 1 PLAN FOR CLIMATE ACTION**

Report of the Chamberlain

For Decision
(Pages 129 - 144)

16. **EQUITIES ALLOCATION DISCUSSION PAPER: ROLE OF UK EQUITIES AND VALUE MANAGERS**

Report of the Chamberlain

For Information
(Pages 145 - 158)

17. **BAILLIE GIFFORD GLOBAL ALPHA PARIS-ALIGNED FUND**
Report of the Chamberlain

For Information
(Pages 159 - 166)

18. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

RESOLUTION OF THE INVESTMENT COMMITTEE OF 6 MAY 2021

To: **Financial Investment Board**

20 May 2021

From: **Investment Committee**

21 July 2020

4. **APPOINTMENT OF THE BOARDS AND FREQUENCY OF MEETINGS**

The Committee considered a report of the Town Clerk seeking Members' approval on the composition, frequency of meetings, and co-option protocol for the Committee's Boards.

The Town Clerk read a list of names who had indicated their wish to serve on the Financial Investment Board. As there were 14 Members indicating their willingness to serve for 12 to 14 places, it was: -

RESOLVED – That the following Members be appointed to the Financial Investment Board for the year ensuing:

Nick Bensted-Smith
Henry Colthurst
Anne Fairweather
Alderman Prem Goyal
Alderman Robert Howard
Alderman Robert Hughes-Penney
Deputy Jamie Ingham Clark
Deputy Robert Merrett
Andrien Meyers
John Petrie
Deputy Henry Pollard
James de Sausmarez
Ian Seaton
Deputy Philip Woodhouse

Election of Chairman and Deputy Chairman to the Financial Investment Board

The Town Clerk invited Members of the newly appointed Financial Investment Board to elect a Chairman in accordance with Standing Order 29. Expressions of interest were invited and Nick Bensted-Smith, being the only Member indicating his willingness to serve, was declared to have been elected for the year ensuing.

The Town Clerk invited Members of the newly appointed Financial Investment Board to elect a Deputy Chairman in accordance with Standing Order 30. Expressions of interest were invited and Henry Colthurst, being the only Member indicating his willingness to serve, was declared to have been elected for the year ensuing.

RESOLVED - That the Investment Committee:

- a) Approve the appointment of the Financial and Property Investment Boards, and that the frequency of meetings, terms of reference and co-option protocol for the Committee's Boards be approved;
- b) Delegate authority to the Town Clerk, in consultation with the Chair and Deputy Chairman of Investment Committee, to appoint Members of the Investment Committee to the Boards where there is a vacancy and where a Member of Investment Committee expresses a willingness to serve; and
- c) Note that the Chair and Deputy Chairman of the Investment Committee are ex-officio Members of the following Committees:
 - Policy & Resources
 - Finance

(A) Financial Investment Board

Composition

- Chairman – To be determined by the Board
- 12-14 Members of the Investment Committee

Quorum

Any three Members of the Board.

Terms of Reference

- a) to approve the appointment of and to monitor the performance of investment managers of the following funds:

- i. City's Cash
- ii. Pension Fund
- iii. Charities Pool
- iv. Hampstead Heath Trust

Together with such other funds as are under the City of London Corporation's control;

- b) to review the investment strategy for the securities investments of the Pension Fund, City's Cash, Hampstead Heath Trust Fund and the Charities Pool;
- c) to authorise investments and approve the overall parameters within which the investment fund managers will be authorised to operate;
- d) to invest all new monies in respect of the Pension Fund and the Charities Pool;
- e) to invest such other sums as are from time to time allocated for this purpose;
and
- f) to monitor the activities of the Chamberlain in connection with his role as banker to the City of London Corporation.

There is provision within the Investment Committee's Terms of Reference to enable the Chairman of the Financial Investment Board to report on and speak to their activities and responsibilities in the Court of Common Council and to ensure that any decisions are taken without undue delay.

Financial Investment Board**Members appointed by Investment Committee 2021/22**

Nick Bensted-Smith (Chairman)
Henry Colthurst (Deputy Chairman)
Anne Fairweather
Alderman Prem Goyal
Alderman Robert Howard
Alderman Robert Hughes-Penney
Deputy Jamie Ingham Clark
Deputy Robert Merrett
Andrien Meyers
John Petrie
Deputy Henry Pollard
James de Sausmarez
Ian Seaton
Deputy Philip Woodhouse

Protocol for co-option to the Financial Investment Board and the Property Investment Board

1. The Financial Investment Board and the Property Investment Board are empowered to co-opt people with relevant expertise or experience, including non-Members of the Court of Common Council, to assist in their deliberations.
2. The arrangements for co-option and the co-opted membership of individuals to the Financial Investment Board and the Property Investment Board will be reviewed on an annual basis at the May meeting of the Investment Committee (and thereafter at the first meetings of the respective Boards).
3. Whilst being conscious of expertise and any required skill sets, Members should consider the gender (sex) and ethnic mix of the relevant Board when proposing co-options, and should seek to introduce new and talented people, from diverse backgrounds, who could make a contribution to the work of the Boards.
4. Members of the Court of Common Council can be co-opted to the Financial Investment Board or the Property Investment Board by agreement of the relevant Board, following proposal of the co-option at a meeting of the Board.
5. When suggesting external individuals with relevant expertise or experience for co-option, Members of the Financial Investment Board or the Property Investment Board will be required to:-
 - a. send a written request for co-option to the Town Clerk, specifying whom it is proposed should be co-opted to either the Financial Investment Board or the Property Investment Board and the reasons for their co-option;
 - b. send a CV or supporting statement, for the individual being suggested for co-option, to the Town Clerk. Bearing in mind the Board's terms of reference, the letter and supporting statement or CV should demonstrate the individual's relevant skills and experience.
6. For the Standards Committee, is it considered inappropriate for past Members of the Court of Common Council or former City Corporation employees to be eligible to serve as [independent] outside members and Members will need to consider if the same conditions should apply in respect of co-option to the Financial Investment Board or the Property Investment Board. It would be inappropriate for a close friend or relative of any Member or officer to serve or indeed an employee of any organisation of which the City Corporation is a client.
7. The Town Clerk will consult the relevant Chief Officer to discuss the co-option request and will, if necessary, prepare a report for the next meeting of the respective Board. Members of the respective Board will then be asked to consider the co-option request.

8. Unless co-option is time-banded or topic/project restricted, co-opted Members of the Financial Investment or the Property Investment Board will be entitled to attend all meetings of the respective Board for a maximum of 12 months (prior to the annual review in May) and to receive all committee-related documentation, including exempt papers, unless otherwise determined by the Town Clerk in consultation with the relevant Chief Officer.
9. The Financial Investment Board and the Property Investment Board are empowered to approve their own co-opted membership (majority vote) without prior consultation with, or agreement by, the Investment Committee. The Town Clerk will inform the Chairman and Deputy Chairman of the Committee once a Board has agreed co-option of an individual.
10. Co-opted Members would not have voting rights.
11. Co-opted Members of the Financial Investment Board or the Property Investment Board will be required to complete a Register of Interest form and declare personal and prejudicial interests when in attendance at meetings.

FINANCIAL INVESTMENT BOARD Tuesday, 9 February 2021

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

Present

Members:

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

Officers:

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

Also in attendance:

Deborah Cairney	- Mercer
Lucy Tusa	- Mercer

1. APOLOGIES

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

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

There were no declarations.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the public minutes and non-public summary of the meeting held on 25 November 2020 be agreed as a correct record.

4. **OUTSTANDING ACTIONS**

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

RESOLVED – That the report be noted.

5. **MONTHLY INVESTMENT ANALYSIS REVIEW**

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

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

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

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

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

RESOLVED – That the report be noted.

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

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

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

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

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

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

7. REPORT OF ACTION TAKEN

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

RESOLVED – That the report be noted.

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

There were no questions.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

10. EXCLUSION OF THE PUBLIC

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

Item No.
11-15

Paragraph(s) in Schedule 12A
3

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

The meeting ended at 3.15 pm

Chairman

Contact Officer: Joseph Anstee
joseph.anstee@cityoflondon.gov.uk

Financial Investment Board – Outstanding Actions

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
There are currently no outstanding actions.					

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Committee: Financial Investment Board	Dated: 20 May 2021
Subject: Treasury Management Update as at 31 March 2021	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Information
Report author: James Graham – Chamberlain's Department	

Summary

This report provides a summary of the City of London Corporation's treasury management portfolio (investments) as at 31 March 2021. The report includes an update on the current asset allocation of the short term investment portfolio and its performance and also includes the latest cash flow forecast. A monthly investment review report produced by the Corporation's treasury management consultants, Link Asset Services, is included at Appendix 2.

Recommendation

Members are asked to note the report.

Main Report

Background

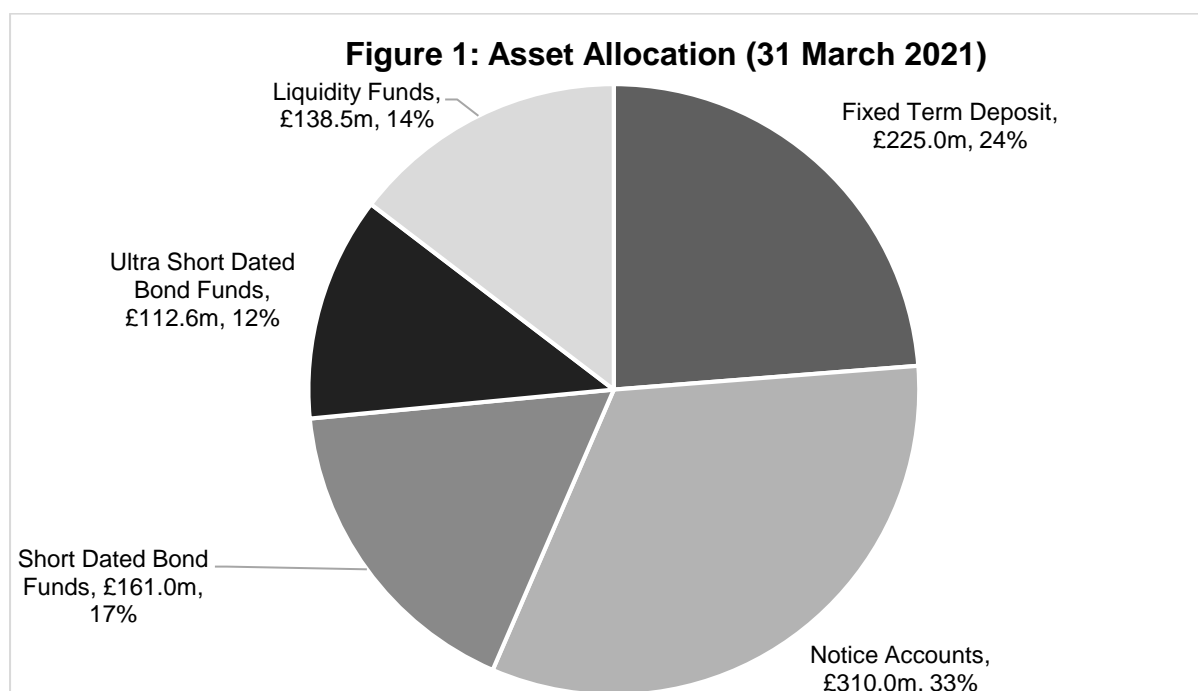
1. The Financial Investment Board receives an update on the treasury management portfolio at each meeting. At its meeting on 9 February 2021 the Board requested an update on the current cash flow forecast at its next meeting. Officers have compiled this report to provide additional context to the short term investment portfolio and the forecast for short term investments as at 31 March 2021.

Current Position

2. The treasury management investment portfolio had a market value of £947.1m as at 31 March 2021. This represents a net decrease in cash of £114.7m over the three-month period from 31 December 2020 (when the portfolio amounted to £1,061.8m), which is largely driven by the business rates retention system.

Asset Allocation

3. In accordance with the Treasury Management Strategy Statement 2021/22, surplus cash is invested first and foremost with the aim of securing the Corporation's financial assets and secondly in line with the organisation's liquidity requirements (i.e. ensuring the cash is available when needed to meet the Corporation's spending obligations). Once these two objectives have been satisfied, the Corporation targets the best returns available in the sterling money markets.
4. A summary of the asset allocation by instrument type as at 31 March 2021 is displayed in figure 1.

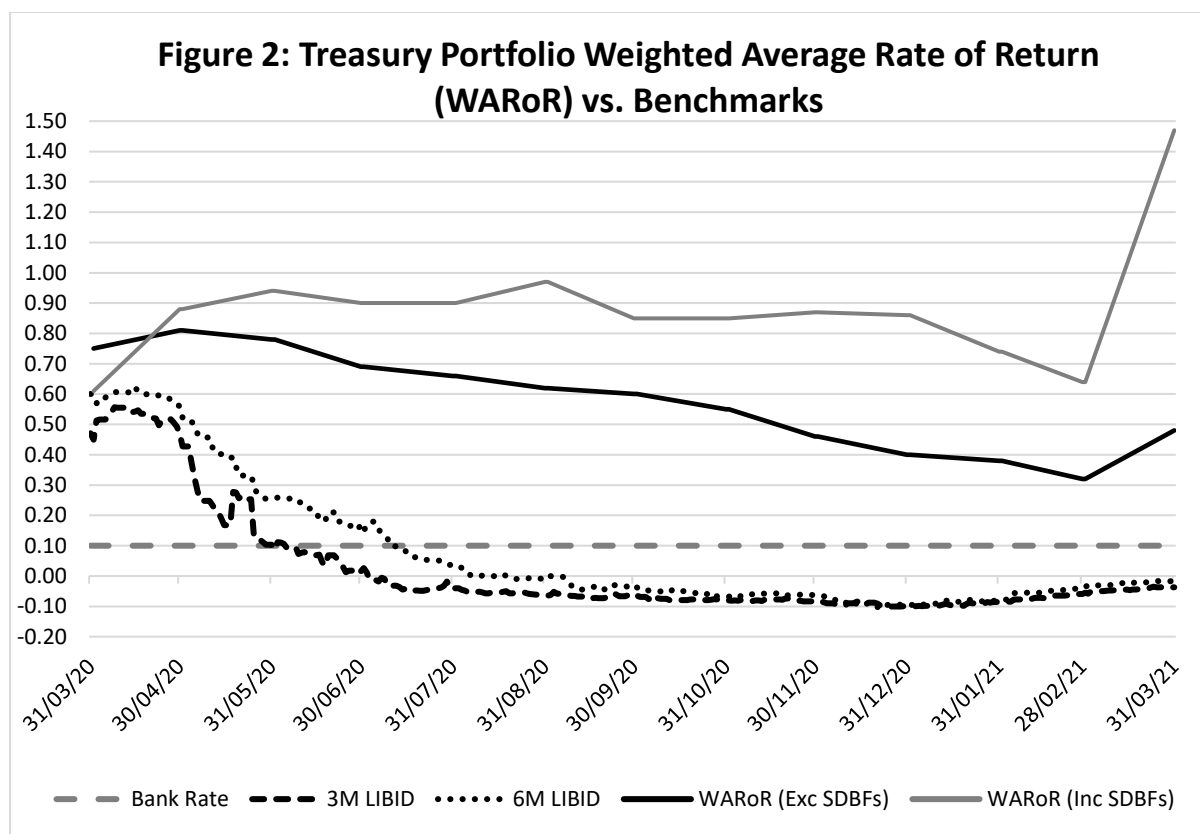


5. As at 31 March 2021, most of the Corporation's cash balances were invested on a short term (under one year) basis with eligible banks, building societies and local authorities via fixed term deposits (24%) and notice accounts (33%).
6. A further 14% was held in liquidity funds. These balances are very liquid and can be accessed on the day. 12% was invested in ultra-short dated bond funds. These instruments are also highly liquid (funds can be redeemed with two to three days' notice) but they are more volatile than liquidity funds. Ultra-short dated bond funds are suitable for surplus cash balances with an investment horizon of six months or more.
7. The remaining portion of the portfolio (17%) was invested in short dated bond funds at the reporting date. These funds are invested in investment grade credit instruments with an average duration of 2-3 years. Short dated bond funds can be volatile in the short term and should only be used for surplus cash balances with an investment horizon of at least two years.

8. Further analysis on the composition of the portfolio as at 31 March 2021 is provided in the Monthly Investment Report at Appendix 2. A summary of counterparty exposure is also included at Appendix 1.

Performance

9. The weighted average rate of return for the portfolio over the past 12 months is shown in figure 2 below. In this chart, the solid lines represent the level of returns achieved by the Corporation while the “dashed” lined represent suitable performance comparators.



10. Following the Bank of England's moves to reduce Bank Rate to 0.10% in March 2020, sterling money market returns have been on a declining trend for most of the past twelve months. This is indicated in figure 2 by the 3-month and 6-month London Interbank Bid Rate (LIBID) which both moved to as low as -0.10% in December. The benchmark rates have since recovered as economic prospects have improved and are currently at -0.4% and 0.1%, respectively as at the end of March.
11. The Corporation's short term investment portfolio has followed this trend (albeit with a lag) as existing, higher yielding deposits have matured and been replaced with new investments at a lower yield. This is visible in the weighted average return excluding short dated bond funds above (which omits the two longer-term short dated bond fund investments in the portfolio).

12. The average rate of return increased marginally in March as the Corporation reduced its holdings in lower-yielding liquidity fund investments to fund the cash flow requirements noted in paragraph 3 above.
13. As month-to-month returns from the ultra-short and short dated bond fund investments can be volatile, for these instruments, officers have used the trailing 12 month total return to 31 March 2021 in calculating the portfolio returns displayed in figure 2. The short dated bond funds have recovered strongly from the downturn in March 2020 as demonstrated by the sharp increase in the weighted average return including short dated bond funds (solid grey line) in March 2021 shown in figure 2 above.
14. To aid an effective assessment of performance, table 1 shows the historical return of the ultra-short and short dated bond fund investments on a total return basis over various time horizons under one year.

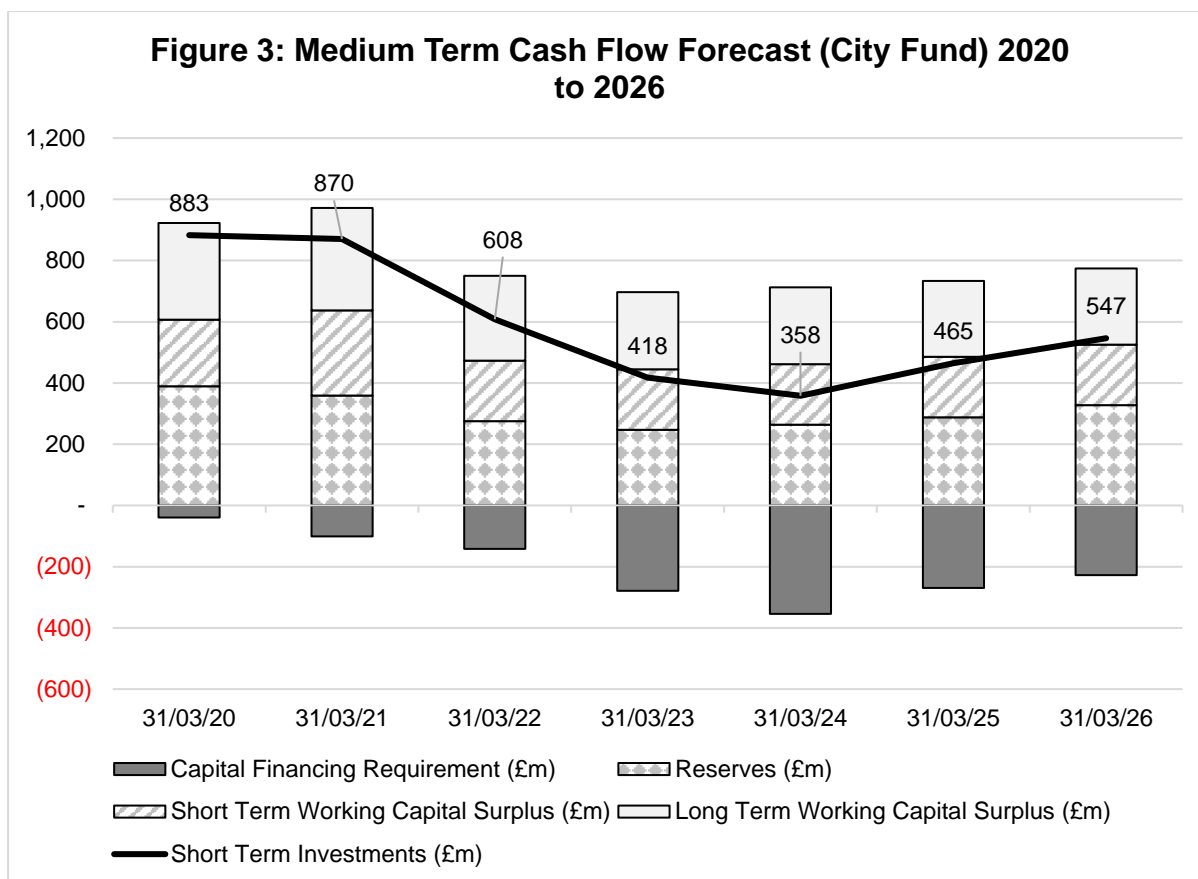
Table 1: Bond Fund Returns as at 31 March 2021

Fund	1 Month Return (28/02/2021 to 31/03/2021)	3 Month Return (31/12/2020 to 31/03/2021)	12 Month Return (31/03/2020 to 31/03/2021)
Federated Hermes Sterling Cash Plus Fund	-0.01%	-0.02%	0.27%
Aberdeen Standard Liquidity Fund Ultra Short Duration Sterling	0.04%	0.07%	1.15%
Payden Sterling Reserve Fund	0.07%	0.04%	2.76%
L&G Short Dated Sterling Corporate Bond Index Fund	0.05%	-0.55%	6.90%
Royal London Investment Grade Short Dated Credit Fund	0.66%	-0.43%	5.77%

15. The most conservative fund (Federated) is listed first in table 1 and the longer term investments (L&G and Royal London) are listed at the bottom to the table. All funds have produced positive returns over the year to the end of March 2021 and the two short dated bond funds managed by L&G and Royal London have performed very strongly. The short-dated bond funds gave some of their gains back early in Q1 as bond prices reduced in line with positive economic news.

Cash Flow Forecast

16. The City Fund's medium-term cash flow forecast is shown below in figure 3. City Fund's cash investments amount to £870m as at 31 March 2021, or 92% of the total cash under management in the treasury portfolio at that time. The remainder belongs to City's Cash (1%), Bridge House Estates (3%) and other bodies (4%).



17. Cash investments (represented by the black line in figure 3) are expected to be below historic levels over the next few years before recovering towards the end of the forecast period.

18. The chart shows the balance sheet activity that is driving the forecast (represented by the stacked columns in figure 3). As the capital programme advances, the borrowing requirement (or capital financing requirement) will increase. The above forecast currently assumes that there will be no external borrowing and therefore that this requirement will be met from the temporary use of internal resources (internal borrowing). At the same time, cash-backed reserves are also expected to be smaller in the next few years which will reduce short term investment balances.

19. The City Fund has historically maintained a short-term working capital surplus (i.e. current liabilities have exceeded current debtors) and the forecast assumes that this will persist in future. The long-term working capital surplus is comprised of cash that has been received by the organisation, but which is released over time as income (largely lease premiums and capital grants and contributions received in advance). Taken together short- and long-term working capital surpluses are expected to support cash balances over the forecast period.

20. While this forecast is based on the City Fund's current financial plans it includes several assumptions and it is unlikely that actual cash balances will materialise exactly as forecast. In particular, Members should note the following:

- Historically planned capital expenditure has been subject to re-profiling (“slippage”). If the City Fund’s current capital spending plans are re-profiled during the forecast period then the forecast will shift to the right.
- The forecast will need to be continually updated in line with the medium-term financial planning process and the Corporation’s financial decisions.
- The draft statement of accounts for 2020/21 is currently being prepared, and once finalised, officers will be able to update the forecast with a more accurate reading of the balance sheet as at 31 March 2021.
- Officers also expect to make methodological improvements to the forecast calculation to improve its accuracy.

Conclusion

21. This report has provided a summary of the City of London Corporation’s treasury management portfolio (investments) as at 31 March 2021. Cash is invested across a range of counterparties and instruments in accordance with the Corporation’s Treasury Management Strategy Statement 2021/22. Returns have been driven by the prevailing rates available in the sterling money markets, which in turn are dominated by an ultra-low interest rate environment. Performance from the ultra- and short dated bond fund investments has been positive over the year to date despite some negative returns in the past three months. The City Fund’s short term investment balances are forecast to decline gradually over the next few years before increasing again towards the end of the medium-term forecast period. The forecast is highly contingent on the pace of the capital programme.

Appendices

Appendix 1: Counterparty Exposure as at 31 March 2021

Appendix 2: Monthly Investment Analysis Review March 2021

Background Papers

James Graham

Group Accountant – Pensions & Treasury Management

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APPENDIX 1: COUNTERPARTY EXPOSURE AS AT 31 MARCH 2021

	Counterparty Limit £M	Total Invested as at 31-Mar-21 £M	Average Rate of Return %
<u>TOTAL INVESTED</u>		<u>947.1</u>	<u>1.47%</u>
<u>FIXED TERM DEPOSITS</u>			
<u>UK BANKS</u>			
Barclays	100.0	20.0	0.19%
Goldman Sachs	100.0	20.0	0.13%
Lloyds	150.0	40.0	0.10%
NatWest	100.0	95.0	0.26%
		<u>175.0</u>	
<u>BUILDING SOCIETIES</u>			
Leeds	20.0	20.0	0.10%
Skipton	20.0	5.0	0.35%
		<u>25.0</u>	
<u>FOREIGN BANKS</u>			
Australia & New Zealand	100.0	10.0	0.12%
		<u>10.0</u>	
<u>LOCAL AUTHORITIES</u>			
LB Waltham Forest	25.0	5.0	0.33%
Stockport City Council	25.0	10.0	0.10%
		<u>15.0</u>	
<u>LIQUIDITY FUNDS</u>			
Aberdeen SLI Liquidity Fund	100.0	26.5	0.01%
CCLA - Public Sector Deposit Fund	100.0	44.0	0.04%
Deutsche Global Liquidity Fund	100.0	8.8	0.00%
Federated Prime Liquidity Fund	100.0	15.4	0.01%
Invesco Sterling Liquidity Fund	100.0	43.8	0.02%
		<u>138.5</u>	
<u>ULTRA SHORT DATED BOND FUNDS</u>			
Payden Sterling Reserve Fund	100.0	61.9	2.75%
Aberdeen SLI Short Duration Fund	100.0	25.4	1.15%
Federated Sterling Cash Plus Fund	100.0	25.4	0.27%
		<u>112.6</u>	
<u>SHORT DATED BOND FUNDS</u>			
L&G	100.0	80.6	6.90%
Royal London	100.0	80.4	5.77%
		<u>161.0</u>	

	Counterparty Limit £M	Total Invested as at 31-Mar-21 £M	Average Rate of Return %
<u>NOTICE ACCOUNTS</u>			
Australia and New Zealand 185 Days Accol	100.0	90.0	0.40%
Goldman Sachs 185 Days Account	100.0	20.0	0.24%
Goldman Sachs 185 Days Account	100.0	20.0	0.23%
Goldman Sachs 185 Days Account	100.0	20.0	0.23%
Goldman Sachs 270 Days Account	100.0	20.0	0.53%
Lloyds 95 Days Account	150.0	40.0	0.05%
Santander 95 Days Account	100.0	20.0	0.40%
Santander 180 Days Account	100.0	30.0	0.58%
Santander 365 Days Account	100.0	50.0	0.68%
		<hr/> 310.0	
<u>TOTAL</u>		<hr/> 947.1	



City of London Corporation

Monthly Investment Analysis Review

March 2021

Monthly Economic Summary

General Economy

The UK Flash (i.e. provisional) manufacturing PMI increased to 57.9 in March from 55.1 in February. This signalled the strongest rate of factory output growth since November 2017, despite COVID-19 restrictions remaining in place. The Flash Services PMI, meanwhile, rose to 56.8 in March from 49.7 in February, signalling the first month of expansion in the services sector since October 2020. Together, these gains saw the Flash Composite PMI (which incorporates both sectors), rise to 56.6 in March compared to 49.8 in February, and above the no change 50 mark for the first time in three months. The construction PMI, meanwhile, which is released one month behind, rose to 53.3 in February from 49.2 in January, as project starts increased ahead of the impending end of the third national lockdown.

Monthly GDP data for January revealed that the reimposition of national lockdown measures on the economy at the end of December resulted in output contracting by 2.9% m/m, compared to December's 1.2% m/m expansion. Although this left GDP 9.2% lower than a year ago, the decline was better than the 4.9% contraction expected by the consensus and significantly better than the contractions witnessed during the first lockdown, which started in March last year, suggesting that the economy has become more resilient to lockdowns. Trade data, meanwhile, revealed that an 18.5% fall in imports outweighed a record 11.5% contraction in exports during January, ultimately causing the UK's trade deficit to fall to £1.6 billion in January from £6.2 billion in December. According to analysts, the stockpiling of goods ahead of Brexit and the impact of COVID-19 lockdowns in the UK and Europe contributed to the decline.

The UK's unemployment rate fell to 5% in the three months to January, compared to 5.1% in the previous period, registering its first decline since September 2019. To an extent, this result highlighted the effectiveness of the government's Job Retention Scheme (extended until September during the month), which is currently estimated to be supporting about 4 million jobs. However, it also reflects the combined impact of 147,000 job losses recorded during the period being offset by a 136,000 fall in the labour force, meaning that unemployment only rose by a net 11,000 during the three months. More timely data, however, suggests that the number of people claiming unemployment benefits in the UK increased by 86,600 to 2.7 million during February. Although average weekly earnings including bonuses surged 4.8% y/y in the three months to January, this partly reflects the loss of low paid jobs during the pandemic. Excluding this effect, earnings were estimated to have risen at a 3.2% y/y rate.

UK inflation, as measured by the Consumer Price Index, surprisingly eased to 0.4% y/y in February from 0.7% y/y in January, below market forecasts of a rise to 0.8% y/y. The smaller than expected result was largely due to a 5.7% fall in clothing and footwear prices, which represented the largest annual decline since November 2009. On a monthly basis, consumer prices rose by 0.1% in February, compared to a 0.2% fall in January and market forecasts of a 0.4% drop. With the annual rate still well below the Monetary Policy Committee's 2% target, the Committee voted unanimously to keep Bank Rate at 0.1% and left its bond-buying programme unchanged during its March meeting.

Retail sales, meanwhile, matched market forecasts by rising 2.1% m/m in February, rebounding strongly from the 8.2% contraction recorded in January. As a result, sales remained 3.7% lower than a year earlier, although this represented an improvement on the 5.9% y/y contraction posted in January. The GfK Consumer Confidence index also registered an improvement, rising 7 points to -16 in March, ahead of market forecasts of -20. This was the highest reading since March last year, as prospects for economic recovery

improved amid vaccination rollouts. Reflecting the impact of public health measures and government policies to support the economy during the coronavirus pandemic, the UK’s public sector net borrowing (excluding public sector banks) reached £19.1 billion in February, £17.6 billion more than during the same month last year. Borrowing in the first 11 months of this financial year, meanwhile, is estimated to have been £278.8 billion, £228.2 billion more than in the same period last year and the highest public sector borrowing in any April to February period since records began in 1993. The fiscal burden is likely to remain high in the near term, given that the Chancellor provided further support amounting to approximately £70bn in this year’s Spring Budget. Aided by an easing of COVID restrictions and an acceleration of vaccinations, the US economy added 379,000 jobs in February, outperforming market expectations of a 182,000 rise. This enabled the unemployment rate to ease to 6.2% in February from 6.3% in January. The third and final estimate of GDP, meanwhile, confirmed that the US economy expanded by an annualised 4.3% rate during Q4 2020. Future growth prospects also received a boost following the signing into law of President Biden’s \$1.9 trillion stimulus package. Against this backdrop, prices (as measured by the Federal Reserve’s preferred core Personal Consumption Expenditure deflator), rose 1.6% y/y in February compared to expectations of 1.7% y/y and the Federal Reserve’s 2% average target. With inflation still below target, the Federal Reserve maintained their ultra-accommodative monetary policy stance during its March meeting, signalling that the Federal Funds Rate is unlikely to rise before 2023. The third and final estimate of GDP confirmed that the Eurozone economy shrank by 0.7% q/q in Q4 2020 compared to the previous estimate of a 0.6% fall. Core inflation, meanwhile, fell from 1.4% y/y in January to 0.9% y/y in February. With inflation still well below the ECB’s 2% target, the central bank left interest rates unchanged at their record lows during its March meeting. However, the ECB announced that “bond purchases under the PEPP over the next quarter [would be] conducted at a significantly higher pace than during the first months of this year”, as the central bank aimed to lower government bond yields and support Eurozone economic recovery.

Housing

House prices rose by 5.7% y/y during March according to the Nationwide house price index and 5.2% y/y in February according to the Halifax house price index. On a monthly basis however, prices fell by 0.2% and 0.1% respectively, likely reflecting a softening of demand ahead of the original end of the stamp duty holiday before the Chancellor announced its extension in the Budget.

Currency

Sterling improved against the Euro as the UK’s vaccine rollout progressed as planned whilst parts Europe witnessed rising COVID 19 cases. However, the passage of President Biden’s stimulus package boosted US growth prospects further, which contributed to Sterling easing against the Dollar.

March	Start	End	High	Low
GBP/USD	\$1.3938	\$1.3797	\$1.3991	\$1.3712
GBP/EUR	€1.1565	€1.1739	€1.1739	€1.1565

Forecast

Both Link Group and Capital Economics have made no change to their interest rate forecasts. Bank Rate is forecast to remain unchanged at 0.1% throughout 2021.

Bank Rate													
	Now	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Capital Economics	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-	

City of London Corporation

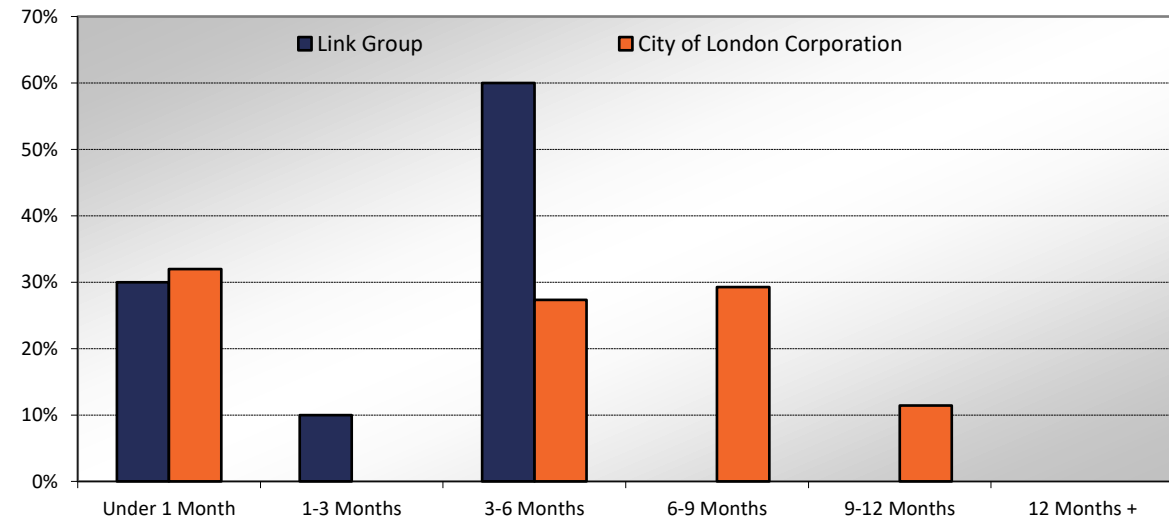
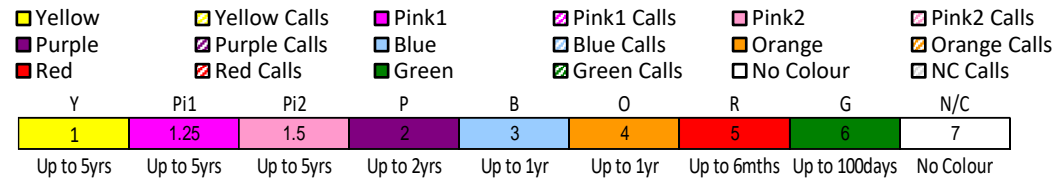
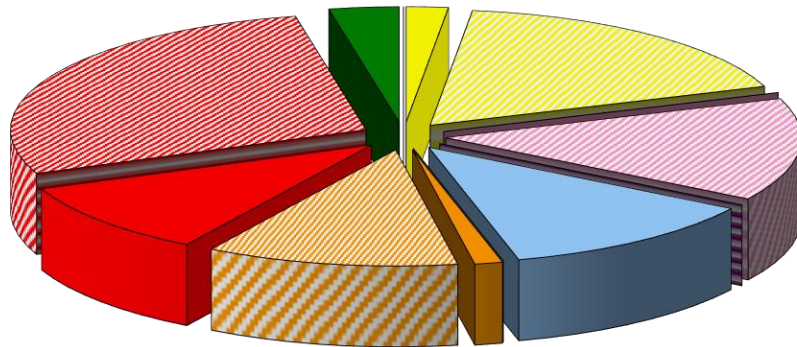
Current Investment List

	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
	MMF Aberdeen Standard Investments	26,500,000	0.01%		MMF	AAAm		
	MMF CCLA	44,000,000	0.04%		MMF	AAAm		
	MMF Deutsche	8,800,000	0.01%		MMF	AAAm		
	MMF Federated Investors (UK)	15,400,000	0.01%		MMF	AAAm		
	MMF Invesco	43,800,000	0.02%		MMF	AAAm		
	USDBF Aberdeen Standard Investments	25,388,945	1.15%		USDBF	AAAf		
	USDBF Federated Sterling Cash Plus Fund	25,351,099	0.27%		USDBF	AAAf		
	USDBF Payden Sterling Reserve Fund	61,864,284	2.75%		USDBF	AAAf		
	Leeds Building Society	20,000,000	0.10%	29/03/2021	02/07/2021	A-	0.012%	2402
	Santander UK Plc	20,000,000	0.40%		Call95	A	0.012%	2454
	Lloyds Bank Plc (RFB)	40,000,000	0.05%		Call95	A+	0.012%	4908
	National Westminster Bank Plc (RFB)	20,000,000	0.42%	03/07/2020	05/07/2021	A	0.012%	2480
	National Westminster Bank Plc (RFB)	25,000,000	0.27%	07/08/2020	09/08/2021	A	0.017%	4230
	National Westminster Bank Plc (RFB)	25,000,000	0.26%	14/08/2020	13/08/2021	A	0.017%	4359
	Skipton Building Society	5,000,000	0.35%	09/09/2020	08/09/2021	BBB+	0.062%	3116
	Santander UK Plc	30,000,000	0.58%		Call180	A	0.023%	6975
	National Westminster Bank Plc (RFB)	25,000,000	0.14%	26/03/2021	27/09/2021	A	0.023%	5812
	London Borough of Waltham Forest	5,000,000	0.33%	30/09/2020	29/09/2021	AA-	0.012%	0
	Australia and New Zealand Banking Group Ltd	90,000,000	0.40%		Call185	A+	0.024%	21505
	Goldman Sachs International Bank	20,000,000	0.24%		Call185	A+	0.024%	4779
	Goldman Sachs International Bank	20,000,000	0.23%		Call185	A+	0.024%	4779
	Goldman Sachs International Bank	20,000,000	0.23%		Call185	A+	0.024%	4779
	Goldman Sachs International Bank	20,000,000	0.13%	08/12/2020	08/12/2021	A+	0.033%	6510
	Lloyds Bank Plc (RFB)	20,000,000	0.10%	16/12/2020	16/12/2021	A+	0.034%	6716
	Goldman Sachs International Bank	20,000,000	0.53%		Call270	A+	0.035%	6975
	Lloyds Bank Plc (RFB)	20,000,000	0.10%	29/12/2020	29/12/2021	A+	0.035%	7052
	Australia and New Zealand Banking Group Ltd	10,000,000	0.12%	08/02/2021	08/02/2022	A+	0.041%	4056
	Stockport Metropolitan Borough Council	10,000,000	0.10%	26/02/2021	25/02/2022	AA-	0.021%	0
	Barclays Bank Plc (NRFB)	20,000,000	0.19%	26/03/2021	28/03/2022	A	0.047%	9351
	Santander UK Plc	50,000,000	0.68%		Call365	A	0.047%	23572
	Borrower - Funds	Principal (£)	Interest Rate	Start Date	Maturity Date			
	L&G	80,563,899	6.90%					
	ROYAL LONDON	80,404,358	5.77%					
	Total Investments	£947,072,586	1.47%					
	Total Investments - excluding Funds	£786,104,328	0.48%				0.026%	£136,809
	Total Investments - Funds Only	£160,968,257	6.34%					

Note: An historic risk of default and expected credit loss are only provided if a counterparty has a counterparty credit rating and are not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default and expected credit loss therefore measure the historic risk of default and expected credit loss attached only to those investments for which a counterparty has a counterparty credit rating and also do not include investments which are not rated.

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2020 for Fitch, 1983-2020 for Moody's and 1981-2020 for S&P.

Portfolio Composition by Link Group's Suggested Lending Criteria



Portfolios weighted average risk number = **3.38**

WARoR = Weighted Average Rate of Return

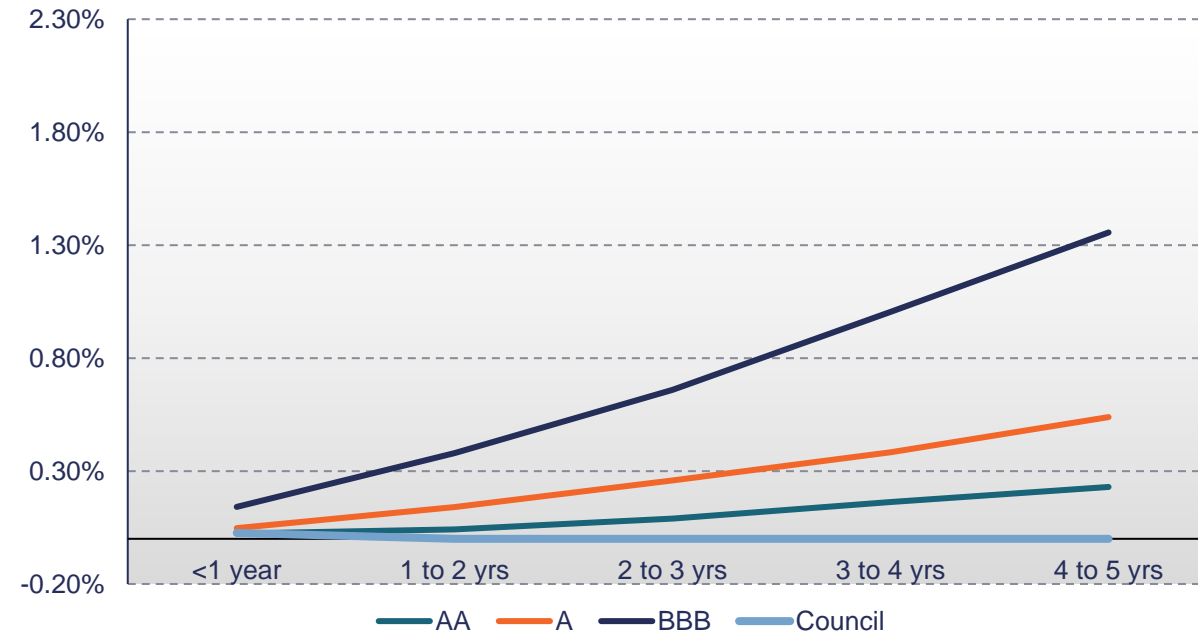
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs	
									WAM	WAM at Execution
Yellow	19.53%	£153,500,000	90.23%	£138,500,000	17.62%	0.04%	27	36	281	364
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	14.32%	£112,604,328	100.00%	£112,604,328	14.32%	1.83%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	12.08%	£95,000,000	0.00%	£0	0.00%	0.26%	138	318	138	318
Orange	12.72%	£100,000,000	90.00%	£90,000,000	11.45%	0.37%	198	203	314	365
Red	38.16%	£300,000,000	73.33%	£220,000,000	27.99%	0.32%	229	250	287	366
Green	3.18%	£25,000,000	0.00%	£0	0.00%	0.15%	107	149	107	149
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
	100.00%	£786,104,328	71.38%	£561,104,328	71.38%	0.48%	138	171	205	321

City of London Corporation

Investment Risk and Rating Exposure

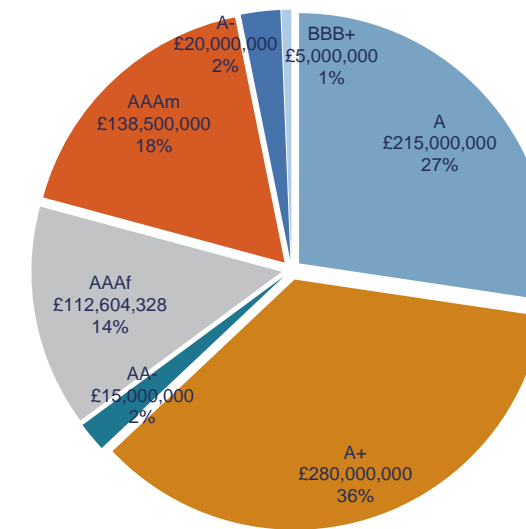
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.09%	0.16%	0.23%
A	0.05%	0.14%	0.26%	0.38%	0.54%
BBB	0.14%	0.38%	0.66%	1.01%	1.36%
Council	0.026%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

City of London Corporation

Monthly Credit Rating Changes
FITCH

Date	Update Number	Institution	Country	Rating Action
03/03/2021	1795	UBS AG	Switzerland	The Outlook on the Long Term Rating was changed to Stable from Negative.
04/03/2021	1796	Commerzbank AG	Germany	All ratings were affirmed and simultaneously withdrawn.

City of London Corporation

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
31/03/2021	1798	Credit Suisse AG	Switzerland	The Outlook on the Long Term Rating was changed to Negative from Stable.

City of London Corporation

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
01/03/2021	1793	Nordea Bank Abp	Finland	The Outlook on the Long Term Rating was changed to Stable from Negative.
01/03/2021	1793	Deutsche Bank AG	Germany	The Outlook on the Long Term Rating was changed to Positive from Negative.
01/03/2021	1794	Barclays Bank PLC (NRFB)	United Kingdom	The Outlook on the Long Term Rating was changed to Stable from Negative.
01/03/2021	1794	Barclays Bank UK PLC (RFB)	United Kingdom	The Outlook on the Long Term Rating was changed to Stable from Negative.
30/03/2021	1797	Credit Suisse AG	Switzerland	The Outlook on the Long Term Rating was changed to Negative from Stable.

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Committee: Financial Investment Board	Dated: 20 May 2021
Subject: Risk Register for Financial Investment Board	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Decision
Report author: James Graham – Chamberlain's Department	

Summary

This report reviews the key Risk Register for the Financial Investment Board. The Risk Register details the key risks that the Board has identified alongside a risk score which indicates the likelihood of a risk being realised together with the potential impact to the organisation and the appropriate mitigations. Officers have conducted a preliminary review of the Risk Register and recommend that the current scores for all risks are maintained at their existing levels.

The narrative "risk update" and "latest note" on associated actions has been updated where necessary. Officers do not recommend that any new risks are added to the register and neither do they advise that any existing risks should be removed.

Responsibility for managing the financial investments of the Bridge House Estates transferred to the newly constituted Bridge House Estates Board on 15 April 2021. That body is currently reviewing the investment arrangements for the charity. The Financial Investment Board's Risk Register still references risks associated with Bridge House Estates' investments, but the narrative notes explain the change in governance arrangements. It is anticipated that the Risk Register will need to be reviewed once the BHE Board has concluded its review of the charity's investment arrangements.

The Risk Register is included at Appendix 2 with risk updates underlined throughout. The Risk Register is reviewed semi-annually by the Financial Investment Board and more frequently by officers, who report any material changes or new risks identified in between reviews on an exceptions basis.

Recommendations

Members are asked to:

- review the existing risks and actions present on the Financial Investment Board's Risk Register, and confirm that appropriate control measures are in place; and
- confirm that there are no further risks relating to the services overseen by the Financial Investment Board.

Main Report

Background






















1. The Financial Investment Board instituted a Risk Register on 22 March 2018 to help identify and manage the strategic risks facing the Board in discharging its responsibilities to oversee the City's non-property investments. The current Risk Register, as agreed by the Board on 25 November 2020, is included as Appendix 2.
2. The Financial Investment Board should review the register semi-annually. Officers review the register more frequently and report any material changes between reviews on an exceptions basis to the Board. This is in line with standard risk review procedures across the rest of the City of London Corporation.

Review of Risks

3. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy approved by the Audit and Risk Management Committee in May 2014. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty-two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised "green", "amber" or "red".
4. The Risk Register to be reviewed is set out in Appendix 2.

Update on risks

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
CHB FIB 01	Insufficient assets - Pension Fund, City's Cash and Bridge House Estates	8			
CHB FIB 04	Counterparty failure - Treasury Management	8			
CHB FIB 02	Targeted returns - Pension Fund, City's Cash and Bridge House Estates	6			
CHB FIB 07	Failure to discharge responsible investment duties	6			
CHB FIB 03	Service provider failure - Pension Fund, City's Cash and Bridge House Estates	4			
CHB FIB 05	Insufficient Cash - Treasury Management	4			
CHB FIB 06	Governance	4			

5. The Risk Register contains seven risks which are summarised above. In the table, "Trend Icon" refers to the direction of travel since the last review for a given risk whilst

“Flight Path” illustrates a risk’s score over time, with the current risk score shown on the right hand side of the graphic. The risks are ranked by current risk score.

6. Officers have reviewed the Risk Register and consider that the risk environment has not materially changed since the Board last reviewed the Register in November 2020. The scores for all risks have been maintained at their previous levels, although these risks have each been reviewed and updated where necessary in the Register itself. Updates to the Risk Register are underlined throughout.
7. As a result of the review, officers consider that the four risks listed at the top of Table 1 are currently the most serious risks on the Register and require active risk management by Members and officers. All other risks continue to have a “green” risk score.
8. Officers have also considered whether any new risks have emerged since the last review. Although the Board’s operating environment continually changes officers have determined that the existing Register captures the material risks facing the Board and enables the Board to concentrate on the most prescient risks.
9. Responsibility for managing the financial investments of the Bridge House Estates transferred to the newly constituted Bridge House Estates Board on 15 April 2021. That body is currently reviewing the investment arrangements for the charity. The Financial Investment Board’s Risk Register still references risks associated with Bridge house Estates’ investments, but the narrative notes explain the change in governance arrangements. It is anticipated that the Risk Register will need to be reviewed once the BHE Board has concluded its review of the charity’s investment arrangements.
10. Each risk presented in the Risk Register is accompanied by one or more “action(s)” which reflect how the risk is managed and mitigated. A “due date” for required completion is set against each action. Due to the nature of the risks overseen by the Board, in many cases it is impossible to entirely eliminate a risk, and therefore corresponding actions will always remain live. These ongoing actions are necessary in order to maintain the current risk score. Where this is the case the Risk Register includes an annual due date, which will be renewed each year.

Conclusion

11. The risks overseen by the Financial Investment Board are primarily of low likelihoods but represent substantial impact, particularly with regards to financial loss and reputational damage. The Board is requested to confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the Risk Register.

Appendices

- Appendix 1 - City of London Corporation Risk Matrix
- Appendix 2 – Financial Investment Board Risk Register

James Graham

Group Accountant – Pensions & Treasury Management
Chamberlains Department

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City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or fine less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people. Objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or fine in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood	Impact			
	X	Minor (1)	Serious (2)	Major (4)
	Likely (4)	4 Green	8 Amber	16 Red
	Possible (3)	3 Green	6 Amber	12 Amber
	Unlikely (2)	2 Green	4 Green	8 Amber
	Rare (1)	1 Green	2 Green	4 Green
				8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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CHB FIB Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: James Graham

Generated on: 11 May 2021

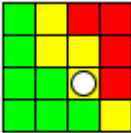
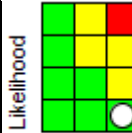


Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
P CHB FIB 01 Insufficient assets - Pension Fund, City's Cash and Bridge House Estates	Cause: The asset allocation of each investment portfolio (Pension Fund, City's Cash and Bridge House Estates) are unable to fund long term liabilities and expenditure requirements due to market movements. Event: There are insufficient assets to meet liabilities or expenditure requirements. Effect: Reduced income or lower than anticipated growth which could impact on the Corporation's medium term financial plans. Employers of the Pension Fund are required to provide further funding through contributions to finance liabilities. City's Cash and Bridge House Estates would be required to sell financial assets to fund expenditure requirements.	 Likelihood	8	The Pension Fund's absolute return target has been set at 5.2% annually from 1st April 2020 whilst the absolute return targets for City's Cash and Bridge House Estate are both currently set at CPI +4%. <u>All three funds performed strongly in the year to 31 March 2021, following the Covid-19 driven downturn in markets in the first quarter of 2020. All three Funds are now meeting their absolute return targets over all time horizons and have also either outperformed or matched their asset allocation targets. The score for this risk has been maintained to reflect the judgement that the likelihood of this risk materialising is "unlikely". Although this risk continues to refer to Bridge House Estates, with effect from 15 April 2021 responsibility for the charity's investment assets now</u>	 Likelihood	8	<u>31-Mar-2022</u>	

08-Mar-2018				<u>resides with the Bridge House Estates Board.</u> <u>11 May 2021</u>					<u>Constant</u>
<u>Caroline Al-Beyerty</u>									

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB FIB 01a	The Investment strategy of the Pension Fund, Bridge House Estates and City's Cash is reviewed at least every three years by the Financial Investment Board.	The Pension Fund's triennial valuation is carried out by the Fund's actuary as required by statute every three years and this serves as foundation for the Pension Fund's Investment Strategy, which in turn provides the basic themes and framework for the City's Cash and Bridge House Estates' investment strategy reviews. The Pension Fund investment strategy was reviewed following the 2019 triennial valuation and approved by the Financial Investment Board on 13 July 2020. <u>The Bridge House Estates investment strategy is currently being reviewed by the Bridge House Estates Board. The City's Cash investment strategy is due to be reviewed.</u>	Caroline Al-Beyerty; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>
CHB FIB 01b	The investment performance of the Pension Fund, City's Cash and the Bridge House Estates is measured against absolute return targets required to meet long term objectives. This is reported to the Financial Investment Board throughout the year and is supplemented by market insight from the Corporation's investment consultants which will assist any strategic decisions required in between the three-year formal strategy reviews.	Individual Fund investment performance is brought to each Financial Investment Board for consideration. <u>It is unclear if the Board will continue to receive investment performance information relating to Bridge House Estates for periods after 31 March 2021 as responsibility for this activity now lies with the BHE Board.</u>	James Graham; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB FIB 04 Counterparty failure - Treasury Management 08-Mar-2018 Caroline Al-Beverly	Cause: External events, including cybersecurity incidents, threaten the solvency of counterparties the Corporation has lent to. Event: Failure of counterparty to fulfil obligation to the Corporation, i.e. default on repayments. Effect: Asset valuations at risk.	 Likelihood Impact	8	Treasury Management Strategy Statement was agreed at Court of Common Council on 4th March 2021. The current Treasury Management Strategy restricts lending to high-quality counterparties and remains fit for purpose. 11 May 2021	 Likelihood Impact	4	31-Mar-2021	Constant

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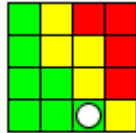
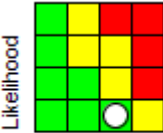

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB FIB 04a	Detailed due diligence is carried out when new counterparties are onboarded.	<p>Independent analysis and consultation with treasury investment advisor when adding additional counterparties.</p> <p>Where the Corporation invests in money market funds, officers have increased monitoring of the funds' daily and weekly liquidity profiles to ensure the vehicles retain adequate liquidity. At present, there are no liquidity concerns with any of the Corporation's existing fund counterparties. These funds invest in very short term and very high-quality instruments, so default risk is low.</p> <p>The Corporation's short dated bond fund investments are more sensitive to changes in economic conditions and performance is more volatile. These funds suffered temporary reductions in value during March 2020 but recovered fully over the summer and have since performed strongly. The short-dated bond fund investments are much longer term in nature and therefore the Corporation has a greater tolerance for volatility in returns.</p> <p>Officers also continue to monitor changes in the credit standing of direct counterparties via ratings changes from the three main credit rating agencies and other news.</p>	James Graham; Kate Limna	11-May-2021	31-Mar-2022
CHB FIB 04b	When lending directly to counterparties, ensure they meet the minimum credit criteria as set out in the most recent	All lending continues to be conducted within the parameters of the 2021/22 Treasury Management Strategy Statement as agreed by Court of Common Council on 4th March 2021.	James Graham;	11-May-2021	31-Mar-2022

	Treasury Management Strategy Statement.	Additionally, officers have implemented financial metric-based criteria for determining the eligibility of local authority borrowers.	Kate Limna		
CHB FIB 04c	Monitor markets regularly through credit rating updates and financial publications, plus seeking the advice of treasury investment advisors when appropriate	Officers continually monitor for credit rating updates, also financial press and industry publications in search of any news regarding the Corporation's counterparties. Treasury investment advisors provide rating agency credit watches and other market data including Credit Default Swap prices on money market participants.	James Graham; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB FIB 02 Targeted returns - Pension Fund, City's Cash and Bridge House Estates Page 44 08-Mar-2018 <u>Caroline Al-Beyerty</u>	Cause: Fund managers fail to achieve the targeted investment returns because <ul style="list-style-type: none"> the Board appoints unsuitable fund managers, individual fund managers underperform against the benchmarks agreed by the Board, aggregate fund manager performance fails to achieve the Board's long-term targets Event: Failure to be seen to manage the funds responsibly. Effect: Supervisory intervention over management of the Funds.		6	The performance of fund managers and their aggregate performance is reported against target to each Financial Investment Board. <u>The Board sets a diversified investment strategy to mitigate volatility and as such it expects different parts of the strategy to outperform at different times. Most appointed managers are currently outperforming their assigned targets over longer term time horizons, although several are not.</u> Where relative returns are negative, Members and officers seek to understand why in order to determine whether there is continued conviction in the manager's strategy to recover performance. <u>11 May 2021</u>		6	<u>31-Mar-2022</u>	 Constant




Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB FIB 02a	Investment managers' performance and their aggregate	<u>The latest performance reports to the Board from officers and the investment consultant</u>	James	<u>11-May-</u>	<u>31-Mar-</u>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB FIB 07a	Reporting on responsible investment activities to the Principles for Responsible Investment is completed on an annual basis. The Board receives an annual Transparency Report from the PRI from which it can evaluate progress against responsible investment goals.	<u>Officers submitted the latest annual submission to the PRI, which covered the Board's responsible investment activities in the calendar year 2020, ahead of the PRI's deadline on 10 May 2021. An assessment report is expected to be received in the summer which will be reported to Board at the earliest opportunity.</u>	James Graham; Kate Limna	<u>11-May-2021</u>	<u>14-Sep-2021</u>
CHB FIB 07c	As part of the regular management and monitoring of investment mandates, the Board and responsible officers challenge investment managers on ESG issues arising in the portfolio. The Investment Consultant reports to the Board on its monitoring of ESG risks on a quarterly basis.	The Board receives regular updates on ESG standings amongst its appointed investment managers from the Investment Consultant on a quarterly basis. <u>Members met with Baillie Gifford in February 2021 to review the manager's Paris-Aligned variant of the Global Alpha Growth strategy in which the City is currently invested. Members also attended meetings with the Pension Fund's three property funds which covered the managers' responsible investment practices.</u>	James Graham; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>
CHB FIB 07e	The Board has committed to meeting the standards of the new 2020 UK Stewardship Code and needs to ensure compliance is developed. The Board reviews asset stewardship across its investment mandates on an annual basis and uses the exercise encourage better ESG outcomes amongst its existing managers.	The Board has established an asset stewardship plan to help develop compliance towards the new UK Stewardship Code with an aim to publish its first Annual Stewardship Report in Q1 2022. The plan includes various other actions that will help the Board develop its responsible investment role and manage climate risks.		<u>11-May-2021</u>	28-Feb-2022
CHB FIB 07f	The Board has been assigned several key actions which will enable the Corporation to deliver its Climate Action Strategy. Key to this is achieving a clear plan on how to achieve Paris-alignment by 2040.	<u>A programme of officer-level meetings with the Board's appointed managers was undertaken in Q4 2020 / Q1 2021 to discuss implementing the climate commitments and further understanding current exposure and available disclosures. This enabled the Board to reset expectations with its appointed external managers via a revised Responsible Investment Policy which the Board approved in February 2021, and which was subsequently circulated to managers. The Board has commissioned the development of a climate transition pathway and scenario analysis which will examine how the Corporation's financial investments are likely to perform under various climate transition scenarios. Following a competitive exercise an external consultant has been selected and appointed to develop the transition pathway and perform scenario analysis. Relevant training opportunities for the Board have also been arranged for Q2 2021.</u>		<u>11-May-2021</u>	<u>31-Mar-2022</u>

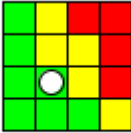
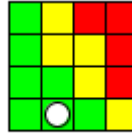
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB FIB 03 Service provider failure - Pension Fund, City's Cash and Bridge House Estates 08-Mar-2018 Caroline Al-Beyerty	Cause: Corporate, financial, economic or cybersecurity threats result in service provision withdrawal or liquidation of partner organisations. Event: Failure of fund manager, investment consultant or other service provider without notice. Effect: Pension Fund, City's Cash or Bridge House Estates' asset valuations at risk or a period of time without service provision.	 Likelihood Impact	4	Officers meet regularly with fund managers, investment consultants and other service providers. Officers write to all counterparties requesting latest internal control report from fund managers and custodian ahead of the closure of accounts. Social and commercial restrictions have been imposed in many countries as authorities have attempted to control the impact of Covid-19. Appointed fund managers and ancillary service providers have all delivered business continuity successfully during this period. <u>11 May 2021</u>	 Likelihood Impact	4	<u>31-Mar-2022</u>	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB FIB 03a	Detailed due diligence is carried out when new fund managers, investment consultant or other service provider are appointed.	New manager due diligence undertaken in consultation with investment consultant. There are currently no plans to appoint any additional managers. The investment consultant was appointed via the National LGPS procurement framework in 2015 and this contract will expire in October 2021. <u>Officers are currently progressing a competitive tender exercise via the National LGPS framework to arrange a new investment consultancy contract.</u>	James Graham; Kate Limna	<u>11-May-2021</u>	<u>30-Sep-2021</u>
CHB FIB 03b	Review of internal control reports on annual basis.	Corporate Treasury compile an archive of the most up to date relevant annual internal control reports issued by all issuing fund managers and custodian as part of statement of account compilation across Funds. All internal control reports from the pooled fund managers have been received where available.	James Graham; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>
CHB FIB03c	Monitor markets regularly through financial publications	Officers regularly monitor financial press and industry publications particularly in search of	James	<u>11-May-</u>	<u>31-Mar-</u>

	and seek advice of managers and investment consultant when appropriate.	any news regarding entities that have an existing relationship across the Corporation's Funds.	Graham; Kate Limna	<u>2021</u>	<u>2022</u>
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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB FIB 05 Insufficient Cash - Treasury Management 08-Mar-2018 Caroline Al-Beyerty	Cause: Inaccurate cash flow modelling for Corporation as a whole. Event: There is insufficient cash available to meet day to day obligations. The organisation is forced to liquidate long term investment assets without adequate planning or fails to identify external borrowing requirements. Effect: Overdrawn position incurs unnecessary expenditure and missed payments damage the Corporation's reputation. Inefficient treasury management decisions increase costs.	 Likelihood	4	Officers continue to maintain a cash flow model projecting the Corporation's combined known and unknown cash flow requirements for the forthcoming year on an on-going basis. Cash flow monitoring is regularly monitored and short-term cash balances are invested over appropriate time horizons. <u>11 May 2021</u>	 Likelihood	4	<u>31-Mar-2022</u>	 Constant

Action no	Action description	Latest Note		Action owner	Latest Note Date	Due Date
CHB FIB 05a	Combined cashflow daily forecast maintained to project inflows and outflows over the year forward to ensure a sufficient level of on-going liquidity. Cashflow requirement is the fundamental consideration when agreeing duration of fixed term deposits or placing capital in money market funds.	Cash flow model maintained daily, incorporating known flows and estimating payments and income of uncertain timing based on historic cash flow profiles and estimations for the timing and value of future payments and receipts.		James Graham; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>
CHB FIB 05d	A balance sheet review exercise enables the Corporation to further understand the likely timing of any future need to liquidate long term investment assets or external borrowing requirement.	<u>Officers have developed a medium-term cash flow forecast based on City Fund's projected balance sheet which is to be shared with the Board at its meeting on 20 May 2021. This forecast will be updated once the 2020/21 statement of accounts is finalised and once the medium term financial plan has been updated.</u>			<u>11-May-2021</u>	<u>14-Sep-2021</u>

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB FIB 06 Governance <div>Page 49</div> 08-Mar-2018 Caroline Al-Beyerty	<p>Cause: Lack of understanding of the applicable statutory requirements such as investment regulations, prudential code etc. Inadequate oversight of the operations and developments at the regional pool operator, the London CIV.</p> <p>Event: Board Members and officers do not have appropriate skills or knowledge to discharge their responsibilities. Regulatory breach. The Pension Fund's pooled assets are managed inappropriately.</p> <p>Effect: Inappropriate decisions are made leading to a financial impact or a breach of legislation or service not provided in line with best practice and legal requirements. Potential regulatory fines. The financial value of the Pension Fund's assets is impaired.</p>	<div>Likelihood</div>  <div>Impact</div>	4	<p>Member and officer experience and knowledge was assembled as part of the MiFID II opt up process and deemed sufficient by all fund managers, advisors and counterparties to substantiate opt up to 'professional' client status. <u>Members most recently undertook treasury management training in February 2019; investment strategy training in June 2020; sustainable index training in June and September 2020; and are due to receive further responsible investment/climate risk training in Q2 2021. Members also routinely receive advice from the Investment Consultant at all Board meetings. Officers monitor changes in applicable regulations and advise Members accordingly.</u></p> <p><u>11 May 2021</u></p>	<div>Likelihood</div>  <div>Impact</div>	2	31-Mar-2022	<div>Constant</div>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB FIB 06a	Training provided to Board Members on a range of investment topics and asset classes on a needs basis. Continued Professional Development (CPD) records maintained and updated annually.	Training record created in support of MiFID II application to professional client status and will be updated annually. Members received training at the June 2020 Financial Investment Board meeting from the Investment Consultant in relation to the Pension Fund Investment Strategy review. Further training was provided by FTSE Russell on the subject of constructing a sustainable index fund in September 2020. <u>Training on responsible investment and climate risk is due to take place in Q2 2021.</u>	James Graham; Kate Limna	11-May-2021	28-Jun-2021

CHB FIB 06b	Job descriptions used at recruitment to attract candidates with skills and experience related to investment finance. The Corporation maintains membership of CIPFA's Pension Network, CIPFA's Treasury Management Network plus the LAPFF, LPFA and PLSA – all providing access to training opportunities via courses, seminars and conferences.	Officers continue to attend training courses, seminars and conferences where deemed appropriate to enhance understanding of markets, financial instruments, regulatory and statutory reporting issues.	Caroline Al-Beyerty; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>
CHB FIB 06c	Training plans in place for all staff as part of the performance appraisal arrangements, which are reviewed every six months.	<u>Investment consultants provide focused training sessions as and when required. Training was provided on 3 June 2020 when the Investment consultant led a review of the Pension Fund investment strategy. Training was also provided by FTSE Russell on 17 June and 16 September 2020 on the subject of sustainable index funds.</u>	Caroline Al-Beyerty; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>
CHB FIB 06d	External professional advice sought where required.	Investment consultants provide focused training sessions as and when required. Training was provided on 3 June 2020 when the Investment consultant led a review of the Pension Fund investment strategy. Training was also provided by FTSE Russell on 17 June and 16 September 2020 on the subject of sustainable index funds.	James Graham; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>
CHB FIB 06e	The Board maintains regular oversight of the London CIV.	Senior management of the London CIV met the Financial Investment Board in September 2019. Officers monitor developments at the London CIV and report meaningful developments at each Board meeting via a dedicated section of the Pension Fund Investment Monitoring Report (or in between Board meetings if necessary).	James Graham; Kate Limna	<u>11-May-2021</u>	<u>31-Mar-2022</u>

Committee(s): Financial Investment Board	Dated: 20 th May 2021
Subject: Report of Action Taken	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	As set out in the full report presented for delegated decision
Does this proposal require extra revenue and/or capital spending?	
If so, how much?	
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	
Report of: Town Clerk	For Information
Report author: Joseph Anstee	

Summary

This report advises Members of an action taken by the Town Clerk since the last meeting of the Committee, in consultation with the Chairman and Deputy Chair, in accordance with Standing Order Nos. 41(b). These actions related to:

PRI SUBMISSION

Recommendation

Members are asked to note the report.

Main report

28 April 2021

1. At the Financial Investment Board meeting on 25 November 2020, Members received a report outlining the changes that had been made to the Principles for Responsible Investment (PRI) Reporting Framework for 2021 including the requirement to have a "C-Level" Senior Leadership Statement to accompany the annual reporting.
2. The reporting cycle usually opens in early January with submissions having to be completed by 31 March. This has been deferred until 10 May by the PRI for all signatories. Members agreed to delegate authority to Town Clerk in consultation with the Chairman and Deputy Chairman of the Financial Investment Board to approve the Senior Leadership Statement. A delegated report of the Chamberlain has therefore been submitted regarding the draft submission to the PRI and to agree the Senior Leadership Statement.

Action Taken

3. The Town Clerk, in consultation with the Chairman and Deputy Chairman, agreed to note the draft submission to the PRI, and agree the Senior Leadership Statement.

Background Papers

4. The full report presented for delegated decision, including the PRI submission and Senior Leadership Statement (non-public), can be circulated to Members on request.

Contact:

Joseph Anstee

Senior Committee and Services Officer, Town Clerk's Department

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