



Investment Committee

Date: TUESDAY, 14 MAY 2013
Time: 1.45pm
Venue: COMMITTEE ROOM 2 - COMMITTEE ROOMS
Members: Deputy Ken Ayers
Deputy Michael Cassidy
Ray Catt
Roger Chadwick
Henry Colthurst
Simon Duckworth
Alderman Sir Robert Finch
George Gillon (Chief Commoner)
Brian Harris
Tom Hoffman
Deputy Robert Howard
Clare James
Deputy Keith Knowles
Deputy Edward Lord
Alastair Moss
Dhruv Patel
Deputy Henry Pollard
John Scott
Ian Seaton
Tom Sleigh
Philip Woodhouse
Vacancy
Mark Boleat (Ex-Officio Member)
Deputy Catherine McGuinness (Ex-Officio Member)

Enquiries: **Matthew Pitt**
tel. no.: 020 7332 1425
matthew.pitt@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **ORDER OF THE COURT OF COMMON COUNCIL**
To receive the Order of the Court of Common Council, 25 April 2013.

For information
(Pages 1 - 2)
4. **ELECTION OF CHAIRMAN**
To elect a Chairman in accordance with Standing Order 30.

For decision
5. **ELECTION OF DEPUTY CHAIRMAN**
To elect a Deputy Chairman in accordance with Standing Order 29.

For decision
6. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 9 January 2013.

For decision
(Pages 3 - 6)
7. **APPOINTMENT OF BOARDS AND FREQUENCY OF MEETINGS**
Report of the Town Clerk.

For decision
(Pages 7 - 18)
8. **MINUTES OF THE FINANCIAL INVESTMENT BOARD**
To note the public minutes and non-public summary of the meetings held on 10 December 2012 and 7 February 2013.

For information
(Pages 19 - 26)
9. **MINUTES OF THE PROPERTY INVESTMENT BOARD**
To note the public minutes and non-public summary of the meetings held on 4 December, 2012, 16 January 2013 and 18 February 2013.

For information
(Pages 27 - 38)

10. **MINUTES OF THE SOCIAL INVESTMENT BOARD**
To note the public minutes and non-public summary of the meeting held on 14 December 2012.
For information
(Pages 39 - 44)
11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
13. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

14. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 9 January 2013.
For decision
(Pages 45 - 48)
15. **NON-PUBLIC MINUTES OF THE FINANCIAL INVESTMENT BOARD**
To note the non-public minutes of the meetings held on 10 December 2012 and 7 February 2013.
For information
(Pages 49 - 54)
16. **NON-PUBLIC MINUTES OF THE PROPERTY INVESTMENT BOARD**
To note the non-public minutes of the meetings held on 4 December 2012, 16 January 2013 and 18 February 2013.
For information
(Pages 55 - 74)
17. **NON PUBLIC MINUTES OF THE SOCIAL INVESTMENT BOARD**
To note the non-public minutes of the meeting held on 14 December 2012.
For information
(Pages 75 - 78)
18. **STRATEGIC ASSET ALLOCATION REVIEW - CASH INVESTMENTS**
Report of the Chamberlain.
For decision
(Pages 79 - 98)

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

Agenda Item 3

GIFFORD, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on Thursday 25th April 2013, doth hereby appoint the following Committee until the first meeting of the Court in April, 2014.
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INVESTMENT COMMITTEE

1. **Constitution**
A Non-Ward Committee consisting of,
- 14 Members elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
 - eight Members nominated by the Policy & Resources Committee
 - the Chairman and a Deputy Chairman of the Policy & Resources Committee (ex-officio)
 - the Chairman and Deputy Chairman of the Finance Committee (ex-officio)

2. **Quorum**
The quorum consists of any seven Members.

3. **Membership 2013/14**
- 3 (3) Ian Christopher Norman Seaton, *for three years*
 - 3 (3) Michael John Cassidy, C.B.E., Deputy, *for three years*
 - 3 (3) Roger Arthur Holden Chadwick, *for three years*
 - 3 (3) Kenneth Edwin Ayers, M.B.E., Deputy
 - 1 (1) Henry Nicholas Almroth Colthurst, *for two years*
 - 3 (3) George Marr Flemington Gillon
 - * 3 (3) Jeremy Paul Mayhew, M.A., M.B.A.
 - 3 (2) Raymond Michael Catt
 - 2 (2) Tom Hoffman
 - 2 (2) Clare James, M.A.
 - 3 (1) Simon D'Olier Duckworth, D.L.
 - 3 (1) Brian Nicholas Harris
 - 1 (1) Robert Picton Seymour Howard, Deputy
 - 3 (1) James Henry George Pollard, Deputy

together with the Members referred to in paragraph 1.

* N.B. Jeremy Mayhew has resigned from the Committee therefore there is now one vacancy for the balance of term to expire in April 2015 which will be appointed at the May meeting of the Court of Common Council.

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

Note: The Property Investment Board, Financial Investment Board and Social Investment Board shall have the power to:-

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

Barradell

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Agenda Item 6

INVESTMENT COMMITTEE

Wednesday, 9 January 2013

Minutes of the meeting of the Investment Committee held at Guildhall, EC2 on
Wednesday, 9 January 2013 at 1.45pm

Present

Members:

Ray Catt (Chairman)
Deputy Michael Cassidy (Deputy Chairman)
Roger Chadwick
Martin Day
Simon Duckworth
Deputy Anthony Eskenzi
Martin Farr
Alderman Sir Robert Finch
Archie Galloway
George Gillon
Tom Hoffman
Michael Hudson
Deputy Edward Lord
Jeremy Mayhew
Deputy Henry Pollard
Ian Seaton

Officers:

John Barradell	- Town Clerk and Chief Executive
Matthew Pitt	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Mark Bryans	- Chamberlain's Department
Paul Mathews	- Chamberlain's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department

1. APOLOGIES

Apologies for absence were received from Deputy Ken Ayers, Mark Boleat, Anthony Llewelyn-Davies, Brian Harris, Robert Howard and Clare James.

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

The public minutes and summary of the meeting held on 20 July 2012 were approved.

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

The Committee received the public minutes and summary of the Financial Investment Board meetings held on 19 September 2012, 29 October 2012 and 01 November 2012.

RECEIVED.

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

The Committee received the public minutes and summary of the Property Investment Board meetings held on 18 July 2012, 18 September 2012, 10 October 2012 and 05 November 2012.

RECEIVED.

6. **ORDER OF THE COURT OF 6 DECEMBER 2012 CONCERNING THE POST-IMPLEMENTATION REVIEW OF THE GOVERNANCE ARRANGEMENTS**

The Committee received an Order of the Court of Common Council concerning the post-implementation review of the Governance Arrangements.

The Chamberlain advised Members that changes proposed in the Public Service Pensions Bill currently proceeding through Parliament would likely require the creation of a Pensions Board within the City Corporation. He added that the creation of such a body would need to consider how best to consolidate the existing pension fund management arrangements.

RECEIVED.

7. **TERMS OF REFERENCE**

The Committee considered a report of the Town Clerk inviting Members to review the Committee's Terms of Reference prior to their submission to the Court of Common Council in April 2013.

RESOLVED – That the current Terms of Reference be approved.

8. **APPOINTMENT TO THE FINANCIAL INVESTMENT BOARD**

The Committee considered a report of the Town Clerk concerning the appointment of Martin Day to the Financial Investment Board.

RESOLVED – That Martin Day be appointed to the Financial Investment Board.

9. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY PROCEDURES**

The Board received a report of the Town Clerk concerning decisions taken under Delegated Authority since the previous meeting.

The report informed Members that a decision had been taken in respect of the governance of the City Corporation's Social Investment Board.

RECEIVED.

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

There were no questions.

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

There was no other business.

12. **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.

Exempt Paragraphs	Paragraph(s) in Schedule 12A
13 – 17	3
18 & 19	-

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

The non-public minutes of the meeting held on 20 July 2012 were approved.

14. **NON-PUBLIC MINUTES OF THE FINANCIAL INVESTMENT BOARD**

The Committee received the non-public minutes of the Financial Investment Board meetings held on 19 September 2012, 29 October 2012 and 01 November 2012.

RECEIVED.

15. **NON-PUBLIC MINUTES OF THE PROPERTY INVESTMENT BOARD**

The Committee received the non-public minutes of the Property Investment Board meetings held on 18 July 2012, 18 September 2012, 10 October 2012 and 05 November 2012.

RECEIVED.

16. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY PROCEDURES**

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

17. **STRATEGIC ASSET ALLOCATION REVIEW**

The Committee approved a report of the Chamberlain.

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

There were no questions.

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

There were no urgent items.

The meeting ended at 2.39pm

Chairman

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Agenda Item 7

Committee(s):	Date(s):
Investment Committee	30 April 2013
Subject: Appointment of Boards and Frequency of Grand Committee and Board Meetings	Public
Report of: The Town Clerk	For Decision

Summary

The purpose of this report is to consider the appointment of the Committee's Boards, to approve their composition and to agree the frequency of meetings.

It is proposed that the Committee appoints the Social Investment Board in addition to the two Boards (Financial Investment and Property Investment) appointed for 2013/14. Details of all three Boards composition and terms of reference are set out in Appendix 1.

It is also proposed that the protocol for co-option to the Financial Investment Board and the Property Investment Board, as agreed for 2012/13, also be agreed for 2013/14 and apply also to the Social Investment Board. The form is set out at Appendix 2.

Recommendation(s):

It is recommended that:-

- a) consideration be given to the appointment, composition and terms of reference of the following Boards:
 - Financial Investment Board
 - Property Investment Board
 - Social Investment Board

- b) consideration be given to the frequency of meetings for the Investment Committee and the Financial Investment Board, the Property Investment Board and the Social Investment Board;

- c) it be noted that the Chairman and Deputy Chairman of the Investment Committee are ex-officio Members of the following Committees:
 - Policy & Resources
 - Finance

- d) the protocol for co-option to the Financial Investment Board, the Property Investment Board and the Social Investment Board be agreed.

Main Report

1. The Investment Committee is responsible for the strategic oversight and monitoring of all of the City of London Corporation's investments, in accordance with the investment strategy as determined by the Policy & Resources Committee. This is fulfilled by the appointment of a 'Financial Investment Board', a 'Property Investment Board' and a 'Social Investment Board' so the Committee should consider appointing Members to those three Boards.
2. This report also sets out the Terms of Reference for each of the Investment Committee's Boards and the proposed frequency of meetings.
3. The Committee's Boards are considered in turn below and details of their proposed composition and terms of reference are set out in Appendix 1 of this report.
4. As agreed at the meeting on 6 May 2011, the protocol for co-option to the Boards should be reviewed and agreed on an annual basis and is included at Appendix 2.

Financial Investment Board

5. It is proposed that the Investment Committee appoints Members to its 'Financial Investment Board'. The proposed Terms of Reference and composition of the Board are given at Appendix 1.
6. It is proposed that the Terms of Reference continue as present and that the Board should continue to meet approximately six times a year.
7. The Financial Investment Board met eight times between April 2012 and April 2013 and at April 2013 the membership was as follows:-
 - Ray Catt (Chairman)
 - Henry Pollard (Deputy Chairman)
 - Deputy Ken Ayers
 - Roger Chadwick
 - Simon Duckworth
 - Deputy Anthony Eskenzi
 - Brian Harris
 - Tom Hoffman
 - Robert Howard
 - Clare James
 - Anthony Llewelyn-Davies
 - Deputy Edward Lord
 - Jeremy Mayhew
 - Ian Seaton
 - Stuart Fraser (Ex-Officio Member)

Property Investment Board

8. It is proposed that the Investment Committee appoints Members to its 'Property Investment Board'. The proposed Terms of Reference and composition of the Board are given at Appendix 1.
9. It is proposed that the Terms of Reference continue as present and that the Board should continue to meet approximately eight to ten times a year.
10. The Board met ten times between April 2012 and April 2013 and at April 2013 the membership was as follows:-
 - Deputy Michael Cassidy, Chairman
 - Archie Galloway, Deputy Chairman*
 - Deputy Kenneth Ayers
 - Mark Boleat (ex-officio)
 - Ray Catt (ex-officio Member)
 - Roger Chadwick
 - Deputy Anthony Eskenzi
 - Martin Farr*
 - Alderman Sir Robert Finch
 - George Gillon
 - Brian Harris
 - Michael Hudson
 - Deputy Keith Knowles
 - Deputy Edward Lord

* denotes individuals who were no longer Members of the Court of Common Council following elections held on 21 March 2013.

Social Investment Board

11. It is proposed that the Investment Committee appoints Members to its 'Social Investment Board'. The proposed Terms of Reference and composition of the Board are given at Appendix 1.
12. It is proposed that the Terms of Reference continue as present and that the Board should continue to meet approximately four times a year. Members are invited to comment on the frequency of meetings given that this is a relatively new forum.
13. The Board was formed in December 2012 and the Membership of the Board in 2012/13 was as follows:-
 - Alderman Peter Hewitt (Chairman)
 - Deputy Edward Lord (Deputy Chairman)
 - Deputy Ken Ayers
 - Ray Catt
 - Roger Chadwick
 - Deputy Robert Howard
 - Deputy Richard Regan

Ex-officio representation on other Committees

14. Note that the Chairman and Deputy Chairman of the Investment Committee are ex-officio Members of the following Committees:-

- Policy & Resources
- Finance

Frequency of meetings and future work programme of the Investment Committee

15. It is proposed that the Investment Committee continues to meet three times a year and these meetings should be held in January, April/May and July. An indicative work programme is shown below.

January

- Presentation by independent /external advisor (either a property or financial focus)
- Valuations/Income - property and finance (on a fund basis for the past year and for the coming 6 months)
- Total performance - budget position
- Headline property figures
- Securities - detailed breakdown

April / May

- Election of Chairman and Deputy Chairman
- Appointment of Financial Investment and Property Investment Board
- Presentation - overview of Economic position (Independent/external advisor)

July

- Presentation by independent /external advisor (either a property or financial focus, depending on presentation in January)
- Securities

Co-option arrangements

16. The Financial Investment Board, Property Investment Board and Social 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. Last year, the Committee agreed a protocol concerning the co-option arrangements for each Board and also agreed that this should, in future years, also be considered by the Boards at their first meeting of the year. The protocol is attached at Appendix 2 and Members are asked to endorse the protocol which will thereafter be considered by the Boards.

Appendices

- Appendix 1: Investment Committee Boards – Composition and Terms of Reference
- Appendix 2: Protocol for co-option to the Financial Investment Board, the Property Investment Board and the Social Investment Board.

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Investment Committee Boards – Composition and Terms of Reference

(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. Bridge House Estate
 - iii. Pension Fund
 - iv. Charities Pool
 - v. 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, Bridge House Estates, 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 Standing Orders 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.

(B) Property 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

To determine and approve management and investment matters relating to property within the City's Cash, City Fund and Bridge House Estates in accordance with the management plans and investment strategies;

- a) to acquire, manage or dispose of all City property within its remit;
- b) to determine specific property ownerships in accordance with policies established by the Policy and Resources Committee and the Court of Common Council in relation to the extent of properties to be held by the City of London Corporation for strategic purposes, including within the City itself;
- c) in relation to Leadenhall Market, to lease any shop or shops at less than the full market rent in order to obtain the stated objectives of securing a first class, balanced and varied market; and
- d) to report during the year to the Investment Committee in relation to its activities and the overall performance of the investment property portfolios.

There is provision within the Terms of Reference to enable the Chairmen of the Property Investment Board to report on and speak to the Board's activities and responsibilities in the Court of Common Council and to ensure that any decisions, especially those relating to property, are taken without undue delay.

(C) Social Investment Board

Composition

- Chairman to be determined by the Board*
- The Chairman of the Policy & Resources Committee for the time being or his/her nominee;
- The Chairman of the Finance Committee for the time being or his/her nominee;
- The Chairman of the City Bridge Trust Committee for the time being or his/her nominee;
- The Chairman of the Financial Investment Board for the time being or his/her nominee;
- One Member of the Financial Investment Board;
- Two Members elected by the Court of Common Council, one of whom shall have fewer than five years' service on the Court at the time of their appointment.

All nominees must be Members of the Court of Common Council.

Quorum

The quorum consists of any 3 Members.

Terms of Reference

The terms of reference for the Social Investment Board shall be as follows:-

- a) to approve criteria for social investments and to authorise social investments in accordance with such criteria
- b) to approve the appointment of and monitor the performance of independent advisors tasked with undertaking due diligence of investment proposals; and
- c) all of the above to be consistent with the strategic investment policies determined by the Policy and Resources Committee and the Investment Committee.

There is provision within Standing Orders to enable the Chairman of the Social 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.

***Note on the Chairmanship**

The Social Investment Board shall elect annually a Chairman and a Deputy Chairman from amongst all of its Members (including ex-officio Members who shall also have the power to vote in such elections) with the exception of any co-opted people.

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

1. Both the Financial Investment Board, the Property Investment Board and the Social 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, the Property Investment Board and Social 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. When suggesting individuals with relevant expertise or experience for co-option, Members of the Financial Investment Board, the Property Investment Board or the Social 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.
4. 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, the Property Investment Board and Social 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.
5. 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.
6. Unless co-option is time-banded or topic/project restricted, co-opted Members of the Financial Investment, the Property Investment Board and Social 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.

7. The Financial Investment Board, the Property Investment Board and the Social 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.
8. Co-opted Members would not have voting rights.
9. Co-opted Members of the Financial Investment Board, the Property Investment Board and Social 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

Monday, 10 December 2012

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on Monday, 10 December 2012 at 1.45pm

Present

Members:

Ray Catt (Chairman)
Deputy Henry Pollard (Deputy Chairman)
Deputy Ken Ayers (Chief Commoner)
Roger Chadwick
Deputy Anthony Eskenzi
Brian Harris
Tom Hoffman
Robert Howard
Clare James
Anthony Llewelyn-Davies
Deputy Edward Lord
Ian Seaton
Stuart Fraser (Ex-Officio Member)

Officers:

Natasha Dogra	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Paul Mathews	- Chamberlain's Department
Mark Bryans	- Chamberlain's Department

Part 1 - Public Agenda

1. APOLOGIES

Apologies were received from Mr Simon Duckworth and Mr Jeremy Mayhew.

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 1 November 2012 be agreed as an accurate record.

4. ELECTION TO THE SOCIAL INVESTMENT BOARD

RESOLVED: Deputy Edward Lord volunteered and was elected to take up a position on the Social Investment Board.

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

There were no questions.

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

There was no other business.

7. **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.

8 – 14

Paragraph(s) in Schedule 12A

3

Part 2 - Non-Public Agenda

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

RESOLVED: That the non-public minutes of the meeting held on 01 November 2012 be agreed as an accurate record.

9. **INVESTMENTS PERFORMANCE MONITORING TO 30 SEPTEMBER 2012**

The Chamberlain reported on the investment performances of the Pension Fund, City's Cash and Bridge House Estates portfolios and of the various Investment Managers, based on total return figures produced by WM Performance Services.

RECEIVED

10. **SECURITIES INVESTMENTS - STRATEGY REVIEW; EQUALITIES MANDATES**

The Chamberlain reported the previously agreed key principles adopted for the investment strategy and manager structure review which were based on Member surveys and modelling from the City's independent investment advisers, Aon Hewitt.

RECEIVED

11. **INVESTMENT MANAGER AND PRODUCT EVALUATIONS**

RESOLVED: The Board noted Aon Hewitt's evaluations of Investment Managers and Products.

12. **EQUITIES MANAGERS - STYLE ANALYSIS**

RESOLVED: The Board noted Aon Hewitt's style analysis of Equities Managers.

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

One non-public question was raised.

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

There was one item of additional business.

The meeting ended at 2.44pm

Chairman

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FINANCIAL INVESTMENT BOARD

Thursday, 7 February 2013

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on Thursday, 7 February 2013 at 1.45pm

Present

Members:

Ray Catt (Chairman)
Deputy Ken Ayers (Chief Commoner)
Roger Chadwick
Deputy Anthony Eskenzi
Brian Harris
Tom Hoffman
Deputy Robert Howard
Anthony Llewelyn-Davies
Deputy Edward Lord
Jeremy Mayhew

Officers:

Claire Sherer	- Town Clerk's Department
Chris Bilsland	- Chamberlain
Paul Mathews	- Chamberlain's Department
Mark Bryans	- Chamberlain's Department

In attendance:

Emily McGuire - Aon Hewitt

Part 1 - Public Agenda

- 1. APOLOGIES**
Apologies were received from Deputy Henry Pollard (Deputy Chairman) and Stuart Fraser.
- 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 10 December 2012 be agreed as an accurate record.
- 4. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2013/14**
The Chamberlain gave an overview of the Treasury Management Strategy Statement and Annual Investment Strategy for 2013/14, informing Members

that the Corporation's debt free status and cash on deposit would be revisited at a future Board meeting as per the Board's earlier request.

The Board requested that a future report include the rationale for any cash levels held, with a distinction made between working capital and those potentially available for investment purposes. Members also requested clarification of the procedure for changing asset allocations and in particular, the role of the Investment Committee and the Resource Allocation Sub (Policy and Resources) Committee.

In reference to Appendix 5 (Approved Counterparties and Countries for Investments), Members asked that a more detailed analysis of the individual investments within the Money Market Funds be provided to the Board on a regular basis.

RESOLVED: That, subject to the addition of Japan at Appendix 6 (Approved Countries for Investments), the Treasury Management Strategy Statement and Annual Investment Strategy for 2013/14 be approved and submitted to the Court of Common Council for formal adoption.

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

There were no questions.

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

There was no other business.

7. **EXCLUSION OF THE PUBLIC**

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

Item No.	Paragraph(s) in Schedule 12A
9 - 10	3
11	-

Part 2 - Non-Public Agenda

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

The Board acknowledged that the non-public minutes were accurate but requested that, in future, more detailed minutes be provided where key decisions were being made.

The Town Clerk advised the Board that all Committee Clerks would be reminded of the Corporation's agreed minute style in order to aid consistency and completeness in the future.

RESOLVED: That the non-public minutes of the meeting held on 10 December 2012 be agreed as an accurate record.

9. **SECURITIES INVESTMENTS – STRATEGY REVIEW**

The Board considered a report which provided an update on the agreed investment strategy and associated fund manager structure and the plans for implementation.

RESOLVED: That -

- i. the contents of the report be noted; and
- ii. agreement of the detailed implementation arrangements be delegated to the Chamberlain, in consultation with the Chairman and Deputy Chairman.

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

There were no non-public questions.

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

There was no other business.

The meeting ended at 2.40pm

Chairman

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PROPERTY INVESTMENT BOARD

Tuesday, 4 December 2012

**Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Tuesday, 4 December 2012 at 1.45pm**

Present

Members:

Archie Galloway (Deputy Chairman)
Deputy Ken Ayers (Chief Commoner)
Roger Chadwick
Deputy Anthony Eskenzi
Martin Farr
Brian Harris
Michael Hudson
Deputy Keith Knowles
Deputy Edward Lord

Officers:

Matthew Pitt	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Stephen Lovell	- Comptroller & City Solicitor's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Trevor Nelson	- City Surveyor's Department
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Deputy Michael Cassidy, Ray Catt and George Gillon.

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

There were no declarations.

3. MINUTES

The public minutes and summary of the meeting held on 5 November 2012 were approved.

Matters Arising:

City Property Advisory Team Report

The City Surveyor circulated a letter from the Parliamentary Under-Secretary of State for Planning in which he confirmed the City's particular requirement to preserve commercial office space.

4. CITY'S ESTATE : LONDON FRUIT & WOOL EXCHANGE SITE, E1 - S.106 AGREEMENT

The Board received a report of the City Surveyor seeking approval for the City to be a party, as freeholder, to a S.106 Agreement which was required to be completed prior to the grant of a Planning Permission by the GLA for the London Fruit & Wool Exchange Site, EC1.

In response to a Member's query, the City Surveyor advised that the City would not be required to comply with the provisions of the S.106 agreement unless it undertook the redevelopment. It was noted that the developer, Exemplar, would only proceed if the scheme was funded.

RESOLVED - That approval be given to the City of London Corporation being a party to the proposed S.106 Agreement subject to the City Surveyor and Comptroller and City Solicitor being satisfied that (i) the City of London Corporation will be under no liability under the planning obligations therein unless the Corporation undertakes the development itself; (ii) that the relocation strategy for dealing with existing occupiers of the Site will not impose unacceptable obligations on the Corporation.

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

There were no questions.

6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

7. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act as follows: -

<u>Item No.</u>	<u>Exempt Paragraphs</u>
9 – 13	3
14 & 15	-

8. NON PUBLIC MINUTES

The non-public minutes of the meeting held on 5 November 2012 were approved.

9. REVENUE AND CAPITAL BUDGETS - 2012/13 AND 2013/14 - TO FOLLOW

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

10. **FORMER TENANTS RENT ETC ARREARS WRITE OFFS**
The Board approved a report of the Comptroller and City Solicitor.
11. **INTERNATIONAL HOUSE AND 1 MITRE SQUARE, EC3: VARIATION TO THE DEVELOPMENT AGREEMENT AND LEASE TO ENABLE FUNDING TRANSACTION - TO FOLLOW**
The Board approved a report of the City Surveyor.
12. **LETTING REPORT - 9-10 GRAFTON STREET, 22-24 BRUTON LANE & 8 GRAFTON STREET, W1S: GROUND LEASE RE-STRUCTURE**
The Board approved a report of the City Surveyor.
13. **LETTING REPORT - GLEN HOUSE, 200-208 TOTTENHAM COURT ROAD, W1**
The Board approved a report of the City Surveyor.
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was one urgent item.

The meeting ended at 2.46pm

Chairman

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PROPERTY INVESTMENT BOARD

Wednesday, 16 January 2013

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

Present

Members:

Deputy Michael Cassidy (Chairman)
Archie Galloway (Deputy Chairman)
Deputy Ken Ayers (Chief Commoner)
Roger Chadwick
Deputy Anthony Eskenzi
Martin Farr
Alderman Sir Robert Finch
George Gillon
Michael Hudson
Deputy Keith Knowles
Deputy Edward Lord

Officers:

Matthew Pitt	- Town Clerk's Department
Susan Attard	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Trevor Nelson	- City Surveyor's Department
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies were received from Mark Boleat, Ray Catt and Brian Harris.

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

There were no declarations.

3. MINUTES

The public minutes and summary of the meeting held on 4 December 2012 were approved.

4. **PROPOSAL FOR UNRESTRICTED FREE USE OF CITY WIFI NETWORK**
The Board received a report of the City Surveyor setting out proposals for the delivery of free and unrestricted user access across the City WiFi network. Members noted that the proposals had been approved by the Finance Committee and Policy and Resources Committee at their December meetings.

RECEIVED.

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no urgent items.

7. **EXCLUSION OF THE PUBLIC**
RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act as follows: -

8. **NON PUBLIC MINUTES**
The non-public minutes of the meeting held on 4 December 2012 were approved.

9. **ARREARS OF RENT ETC.**
The Board received a report of the City Surveyor.

RECEIVED.

10. **QUARTERLY DELEGATED AUTHORITIES UPDATE - 1 OCTOBER 2012 TO 31 DECEMBER 2012**
The Board received a report of the City Surveyor.

RECEIVED.

11. **OUTSTANDING LEASE RENEWALS & RENT REVIEWS**
The Board received a report of the City Surveyor.

RECEIVED.

12. **OUTLINE OPTIONS APPRAISAL (GATEWAY 3) - FLEET HOUSE, 8-12 NEW BRIDGE STREET, LONDON EC4**
The Board approved a report of the City Surveyor.

13. **THE TOWER OF ST MARY SOMERSET, UPPER THAMES STREET, LONDON EC4 - VARIATION OF THE DEVELOPMENT AGREEMENT**
The Board approved a report of the City Surveyor.

14. **HIGHWAY DISPOSAL - NEW STREET SQUARE, EC4**
The Board approved a report of the City Surveyor.

15. **CITY FUND - LETTING REPORT**
The Board approved a report of the City Surveyor.
16. **BRIDGE HOUSE ESTATES - LETTING REPORT**
The Board approved a report of the City Surveyor.
17. **DETAILED OPTIONS APPRAISAL - GATEWAY 4: 1/5 LONDON WALL BUILDINGS, EC2**
The Board approved a report of the City Surveyor.
18. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There were six urgent items.

The meeting ended at 2.20pm

Chairman

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PROPERTY INVESTMENT BOARD

Monday, 18 February 2013

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Monday, 18 February 2013 at 1.45pm

Present

Members:

Deputy Michael Cassidy (Chairman)
Archie Galloway (Deputy Chairman)
Deputy Ken Ayers (Chief Commoner)
Ray Catt (Ex-Officio Member)
Roger Chadwick
Brian Harris
Michael Hudson
Deputy Keith Knowles
Deputy Edward Lord

Officers:

Matthew Pitt	- Town Clerk's Department
Susan Attard	- Town Clerk's Department
Daniel Hooper	- Town Clerk's Department
Marcus Denton	- Chamberlain's Department
John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Peter Bennett	- City Surveyor
Nicholas Gill	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Trevor Nelson	- City Surveyor's Department
Colin Wilcox	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies were received from Mark Boleat, Alderman Sir Robert Finch and George Gillon.

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

The Chairman declared an interest in Item 8 owing to his position as Chairman of the Museum of London. He advised that the Deputy Chairman would therefore Chair the item.

3. MINUTES

The Board approved the public minutes and summary of the meeting held on 16 January 2013.

4. **ORACLE ENTERPRISE RESOURCE PLANNING (ERP) PROJECT (THE REPLACEMENT / UPGRADE OF CBIS AND MANHATTAN SYSTEMS)**

The Board received a report of the Chamberlain updating Members on the Oracle Enterprise Resource Planning project which sought to upgrade/replace the CBIS and Manhattan systems.

In response to a Member's query, the Chamberlain confirmed that the proposed software package could be adapted to the needs of the City Corporation.

RECEIVED.

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

There were no questions.

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

There were no urgent items.

7. **EXCLUSION OF THE PUBLIC**

RESOLUTION – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

8. **NON PUBLIC MINUTES**

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

DEPUTY CHAIRMAN IN THE CHAIR

At the Chairman's request, the Deputy Chairman assumed the chair for the duration of item 8.

9. **MUSEUM OF LONDON - 150 LONDON WALL CAPITAL FUNDING**

The Board received a report of the Town Clerk.

RECEIVED.

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

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

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

The Board received a report of the City Surveyor.

RECEIVED.

12. **VACANT ACCOMMODATION UPDATE AS AT 1 DECEMBER 2012**

The Board received a report of the City Surveyor.

RECEIVED.

13. **FIRST REGISTRATION OF THE CITY'S FREEHOLD TITLES - PROGRESS SINCE FEB 2012**

The Board received a joint report of the City Surveyor and the Comptroller and City Solicitor.

RECEIVED.

14. **CITY SURVEYOR'S BUSINESS PLAN 2012-15 QUARTER 3 2012/13 UPDATE**

The Board received a report of the City Surveyor.

RECEIVED.

15. **42 NEW BROAD STREET EC2 - GRANT OF NEW LEASE**

The Board approved a report of the City Surveyor.

16. **CITY FUND - STRATEGIC UPDATE**

The Board received a report of the City Surveyor.

RECEIVED.

17. **BRIDGE HOUSE ESTATES - LETTING REPORT**

The Board approved a report of the City Surveyor.

18. **BRIDGE HOUSE ESTATES- STRATEGIC REVIEW**

The Board received a report of the City Surveyor.

RECEIVED.

19. **CITY'S ESTATE - NEW LEASES OF SUITES K AND L, 1 EAST POULTRY AVENUE, SMITHFIELD MARKET**

The Board approved a report of the City Surveyor.

20. **GATEWAY 3/4 - OPTIONS APPRAISAL - REFURBISHMENT OF VACANT OFFICE SPACE - 2ND AND 3RD FLOORS AND OFFICE RECEPTION AREA, GLEN HOUSE, 200-208 TOTTENHAM COURT ROAD, LONDON, W1**

The Board approved a report of the City Surveyor.

21. **COMBINED GATEWAY 3/4/4C - OUTLINE OPTIONS & DETAILED OPTIONS APPRAISAL- REFURBISHMENT OF VACANT OFFICE BUILDING - 35/37 ALFRED PLACE, LONDON WC1**

The Board approved a report of the City Surveyor.

22. **DEED OF VARIATION TO THE DEVELOPMENT AGREEMENT RELATING TO 5 - 7 GILTSPUR STREET, LONDON, EC1A**

The Board approved a report of the City Surveyor.

23. **CITY'S ESTATE STRATEGIC REVIEW**

The Board received a report of the City Surveyor.

RECEIVED.

24. **STRATEGIC PROPERTY ESTATE - UPDATE**

The Board received a report of the City Surveyor.

RECEIVED.

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

There was one question.

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

There was one urgent item.

The meeting ended at 2.45pm

Chairman

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SOCIAL INVESTMENT BOARD

FRIDAY, 14 DECEMBER 2012

Minutes of the meeting of the SOCIAL INVESTMENT BOARD held at the
GUILDHALL, EC2 at 10.00am

Present

Members:

Deputy Ken Ayers, Chief Commoner
Ray Catt
Roger Chadwick
Robert Howard
Deputy Edward Lord

Officers:

Simon Murrells	- Assistant Town Clerk
Greg Moore	- Town Clerk's Department
Clare Thomas	- Chief Grants Officer
Tim Wilson	- City Bridge Trust
Paul Mathews	- Chamberlain's Department
Anne Pietsch	- Comptroller & City Solicitor's Department
Sanjay Odedra	- Public Relations Office
Katie Hill	- Social Investment Adviser, Economic Development Office

In Attendance:

John Kingston	- Social Finance Ltd
Trupti Patel	- Social Finance Ltd

1. **APOLOGIES**

Apologies were received from Alderman Peter Hewitt and Deputy Richard Regan.

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

Deputy Ken Ayers declared a personal non-prejudicial interest in respect of item 14 by virtue of having previously worked with some of the individuals involved in the proposed project.

3. **ELECTION OF CHAIRMAN**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 29. A list of Members eligible to stand was read, and both Alderman Peter Hewitt and Deputy Edward Lord declared their willingness to serve if elected.

A ballot having been taken, votes were cast as follows:-

Alderman Peter Hewitt	-	3 votes
Deputy Edward Lord	-	2 votes

Alderman Peter Hewitt was therefore duly elected as Chairman for the ensuing year.

4. **ELECTION OF DEPUTY CHAIRMAN**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No.30. The Town Clerk read a list of Members eligible to stand and Deputy Edward Lord, being the only Member who expressed his willingness to serve, was duly elected as Deputy Chairman of the Board for the ensuing year.

5. **PROGRESS REPORT ON THE ESTABLISHMENT OF THE SOCIAL INVESTMENT BOARD**

The Board considered a report of the Chief Grants Officer summarising the decisions taken so far to establish the governance and operating arrangements of the Social Investment Board, proposing a schedule for papers to future meetings, recommending the appointment of Social Finance Limited as an independent adviser authorised to undertake investment reviews, and recommending delegation arrangements to allow for investment when opportunities arise outside of scheduled meetings.

John Kingston and Trupti Patel withdrew from the room for discussion of this item.

In answer to a query as to the terms of appointment for Social Finance Ltd, it was advised that they were currently appointed on a case by case basis. The suggestion was made that it might be appropriate to seek sounder footing, perhaps through appointing them on a retainer basis, but it was clarified that this might not provide value for money given that there were relatively few investments in the pipeline and that Social Finance were often involved at an earlier stage in applications coming for approval and therefore it would not be appropriate for them to review every investment opportunity. The Deputy Chairman suggested that it would be useful to look for other advisers as well as Social Finance so that there was a pool of approved companies that could be drawn from whenever necessary. Members accordingly agreed to delegate authority to the Town Clerk in consultation with the Chairman and Deputy Chairman to come up with a list of suitable names for approval at the next meeting, along with some standard terms of approval to allow the list to be added to as appropriate.

It was noted that the intention was for the Board to generally meet three times a year, but it was agreed that in the first year it would be more sensible to meet quarterly and the Town Clerk undertook to liaise with the Chairman to arrange suitable dates accordingly.

Reference was made to an existing social investment fund in the City of London with a similar name, and officers were asked if thought had been given to a

potential change of the Fund's own branding. The Chief Grants Officer advised that potential name changes would be explored but, given the positive publicity to be gained by the City of London Corporation through association with the Social Investment Fund's work it could well be preferable to stick with the current branding.

With regard to the composition of the Board, the Deputy Chairman took the opportunity to suggest that the ability to co-opt was utilised to allow for a greater diversity of skills, background and ethnicity to be brought on to the Board. The Chief Grants Officer echoed the Deputy Chairman's suggestion, commenting that the inclusion of individuals with relevant experience and knowledge who are independent of the Corporation would be extremely beneficial and enhance the transparency of the Board. It was consequently agreed that a Panel, comprising the Chairman and Deputy Chairman along with the Chairman of the Investment Committee, be formed to establish a recruitment process with a view to identifying some suitable candidates to suggest at the next meeting.

RESOLVED:

- (a) That the appointment of Social Finance Limited as an independent adviser be approved;
- (b) That a further report be submitted seeking approval to appoint further advisers with a view to creating a pool of expertise that can be engaged in appropriate circumstances;
- (c) That the schedule of papers as proposed in paragraph number 26 be approved;
- (d) That authority to approve investments of up to £500,000 (when investment opportunity deadlines occur outside of regular meetings of the Board) be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Social Investment Board.
- (e) That a Panel comprising the Chairman and Deputy Chairman, along with the Chairman of the Investment Committee, be established to consider potential candidates for co-option to be considered at the next meeting of the Board.

6. INVESTMENT CRITERIA

Members considered a report of the Chief Grants Officer setting out the investment criteria of the Social Investment Fund as approved by the Court of Common Council and proposing additional criteria to help guide investment decisions.

A Member expressed concern at the wording of the "Fund Aims", suggesting it was currently too nebulous, with a lack of clarity over whether the average interest referred to was on a short, medium or long-term basis. Discussion was also had as to the rate of return, with the suggestion made that a 2% benchmark should be set, as a fixed rate would allow for more accurate

measurement of success. However, the desire to retain some flexibility was also felt to be important, and so officers were asked to explore the issue and alter the proposed wording to give a clearer idea on what the targeted return should be. The trade-off between the investment return and the social benefits achieved was also noted, and whilst it was of course difficult to quantify social benefit, some sort of method of measuring impact to enable Members to see where it offset a lower investment return would be beneficial.

In reference to returns on indirect investments being capped, the Chief Grants Officer advised that this was in line with criteria set by Big Society Capital, with the idea behind the cap being that it would ensure that the planned social benefit of an investment would not be diminished for a better return. The Deputy Chairman added that this was where the line was drawn between commercial and social enterprise, thus distinguishing a social investment from a standard investment.

The Chief Grants Officer advised that the publishing of investment criteria online would be important, as this would encourage applications from those who were eligible as well as deterring applications from those who would not qualify. Members supported the proposal, and suggested that the criteria should be reviewed after a year once the Board had gained a good level of experience and were better placed to propose improvements. It was further agreed that a seminar for the Board should be held in the New Year to assist Members in developing a fuller understanding of the social investment market.

RESOLVED:

- (a) That the new investment criteria as set out in paragraphs 10 to 15 of the report be agreed; and,
- (b) That officers make the investment criteria available online to help guide prospective investees.

7. UPDATE ON WORK OF THE CITY OF LONDON CORPORATION'S SOCIAL INVESTMENT ADVISER

The Board received a report of the Chief Grants Officer providing an update on the work delivered to date by the City of London Corporation's Social Investment Adviser, who has enabled the Corporation to strengthen relationships with a number of public, private and charitable-sector organisations involved in social investment.

In response to a Member's query concerning partnership involvement it was advised that all potential options were being explored, including partnerships, such as the arrangement already in place with Oxfam. The Member commented that he was aware that the British Red Cross and the Kuwait Investment Authority could be interested in such a joint venture and he would direct them to the Social Investment Adviser for further discussions should their interest continue.

RECEIVED.

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

There were no questions.

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

There were no urgent items.

10. **EXCLUSION OF THE PUBLIC**

RESOLVED: - That under Section 100 A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act as follows:-

Item Nos.

11 - 14

Exempt Paragraphs

3

11. **PORTFOLIO UPDATE**

The Board considered a report of the Chief Grants Officer summarising investment opportunities received by the City of London Corporation Social Investment Fund to date, introducing the application and appraisal processes, and setting out opportunities for naming rights.

12. **INVESTMENT REVIEW: SCOPE**

The Board considered a joint report of the Chamberlain and Chief Grants Officer concerning an investment proposal in the Scope Note Programme.

13. **INVESTMENT REVIEW: SOCIAL JUSTICE AND HUMAN RIGHTS CENTRE LTD**

The Board considered a joint report of the Chamberlain and Chief Grants Officer concerning a proposed investment in the Social Justice and Human Rights Centre Ltd.

14. **INVESTMENT REVIEW: REAL LETTINGS PROPERTY FUND**

The Board considered a joint report of the Chamberlain and Chief Grants Officer concerning a proposed investment in the Real Lettings Property Fund.

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

There were no questions.

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

There were no urgent items.

The meeting closed at 11.45am

Chairman

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Agenda Item 14

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Agenda Item 15

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Agenda Item 16

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Agenda Item 17

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of the Local Government Act 1972.

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Agenda Item 18

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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