

FINANCIAL INVESTMENT BOARD

Tuesday, 11 February 2020

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on Tuesday, 11 February 2020 at 1.45 pm

Present

Members:

Nicholas Bensted-Smith (Chairman)
Henry Colthurst (Deputy Chairman)
Simon Duckworth
Alderman Robert Hughes-Penney
Deputy Jamie Ingham Clark
Tim Levene
Andrien Meyers
Deputy Henry Pollard

Officers:

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

1. APOLOGIES

Apologies for absence were received from Alderman Robert Howard, Deputy Clare James, James de Sausmarez, Ian Seaton and Deputy Philip Woodhouse.

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

Simon Duckworth declared an interest in Item 9 by virtue of being a Director of the Green Finance Institute.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the public minutes and non-public summary of the meeting held on 29 November 2019 be agreed as a correct record.

4. OUTSTANDING ACTIONS

The Board received a list of outstanding actions.

RESOLVED – That the outstanding actions be noted.

5. MONTHLY INVESTMENT ANALYSIS REVIEW

The Board received a report of the Chamberlain concerning the monthly investment analysis review for December 2019. The Board noted the current investment list, total investment values and average rate of return set out in the

report, and that there was a significant increase in cash balances due to recent borrowing.

RESOLVED – That the report be noted.

6. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2020/21**

The Board considered a report of the Chamberlain setting out the City's Treasury Management Strategy and Annual Investment Statement (TMSS) for 2020/21. The Board was advised of changes to some figures within the report since the publication of the agenda, with the Chamberlain tabling the revisions for Members' consideration. The Chamberlain then introduced the report and drew Members' attention to the key points, setting out changes to the TMSS from last year.

In response to a question from a Member, the Chamberlain explained how extra financing needs would be met up to 2023 and gave further details on forecasting for the City of London Corporation's capital reserves and how this might impact assets, adding that the position may change over the course of the programme. The Chamberlain further advised that Phase 1 of the Fundamental Review was factored into forecasts, with further work to be done to account for Phase 2. The Board noted that the Investment Committee would be asked to consider a report on asset disposal at its May meeting.

The Board then noted the proposal to increase the overall limit on 'non-specified investments' and maximum principal sums invested for more than one year from £300m to £500m.

Arising from the discussion, the Chairman asked whether Members were content to approve the TMSS, noting the tabled changes since the publication of the agenda, and this was agreed.

RESOLVED – That the Financial Investment Board approves the Treasury Management Strategy Statement and Annual Investment Strategy for 2020/21 and submits it to the Finance Committee and the Court of Common Council as part of the City Fund – 2020 Budget Report for formal adoption.

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

There were no questions.

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

The Board considered a resolution of the Local Government Pensions Board, which had met on 4 February 2020, after the publication of the agenda. The resolution requested that an annual summation of investment activity in relation to the Pension Fund be provided to the Local Government Pensions Board to provide assurance. The Chamberlain explained the context of the request and advised that the next meeting of the Local Government Pensions Board was on 5 June 2020, after the next meeting of the Financial Investment Board.

Members agreed that an informative note should be provided for the Local Government Pensions Board, adding that such a note should include information about the Board's experiences with the LCIV (London Collective Investment Vehicle).

RESOLVED – That the resolution be noted, and that the Chamberlain provide a note on the Board's activities to the Local Government Pensions Board on behalf of the Financial Investment Board.

9. **PRESENTATION - GREEN FINANCE INSTITUTE**

The Board received a presentation on the Green Finance Institute (GFI) from the Innovation & Growth team, covering the GFI's development from the co-founding of a Green Finance Initiative in 2016 to the formal launch of the GFI in July 2019, the GFI work programme and its relevance to the City of London Corporation's Corporate Plan, plus its other strategic partnerships and international work.

Following questions from Members, the Board discussed Member involvement with the GFI, engagement with the USA and Asian economies, potential capital allocation and flows in respect of the three coalitions the GFI had established, the green bond market, the 2020 United Nations Climate Change Conference (COP 26), HM Government engagement with the GFI, and social investment.

The Chamberlain then advised the Board on a recent meeting involving Members, officers and external stakeholders on green investment and advised that this would be carried forward. There would need to be a process of familiarisation through a dedicated workshop and this would work best as a standalone session for Members. The Chairman noted that the Financial Investment Board would then need to consider the suitability of any potential 'green' investment strategy within the investment portfolios.

The Board then thanked officers for their presentation and contributions to the meeting.

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.	Paragraph(s) in Schedule 12A
11 - 20	3
21 - 22	-

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

RESOLVED - That the non-public minutes of the meeting held on 29 November 2019 be agreed as a correct record.

12. **NON-PUBLIC OUTSTANDING ACTIONS**

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

13. INVESTMENT MONITORING REPORTS

a) Performance Monitoring to 31 December 2019: Pension Fund

The Board received a report of the Chamberlain.

b) Performance Monitoring to 31 December 2019: City's Cash and Bridge House Estates

The Board received a report of the Chamberlain.

c) Quarterly Monitoring Report

The Board received a report of Mercer.

14. STEWARDSHIP REVIEW - UPDATE

The Board considered a report of the Chamberlain.

15. RESOLUTION FROM THE COMMITTEE OF ALDERMEN TO ADMINISTER THE SIR WILLIAM COXEN TRUST FUND

The Board considered a resolution of the Committee of Aldermen to Administer the Sir William Coxen Trust Fund.

16. CHARITIES POOL - VERBAL UPDATE

The Board received an oral update on the Charities Pool.

17. REPORT OF ACTION TAKEN

The Board received a report of the Town Clerk.

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

There were no non-public questions.

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

There was other business.

The meeting ended at 3.20 pm

Chairman

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