

FINANCIAL INVESTMENT BOARD
Monday, 13 July 2020

Minutes of the virtual meeting of the Financial Investment Board held on Monday, 13
July 2020 at 1.45 pm

Present

Members:

Nicholas Bensted-Smith (Chairman)
Henry Colthurst (Deputy Chairman)
Alderman Robert Howard
Deputy Jamie Ingham Clark
Tim Levene
Andrien Meyers
Deputy Henry Pollard
James de Sausmarez
Ian Seaton
Deputy Philip Woodhouse

Officers:

Peter Kane	- Chamberlain
Kate Limna	- Chamberlain's Department
James Graham	- Chamberlain's Department
Divindy Grant	- Chamberlain's Department
Lucy Tusa	- Mercer
Joseph Anstee	- Town Clerk's Department
James Gibson	- Town Clerk's Department

At the start of the meeting, the Chairman welcomed Members and those watching the live broadcast of the meeting via YouTube, before reminding Members of the guidance circulated for the conducting of remote meetings.

The Board then welcomed Lucy Tusa, representing Mercer, to the meeting.

1. APOLOGIES

Apologies for absence were received from Alderman Robert Hughes-Penney and Deputy 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

RESOLVED - That the public minutes and non-public summary of the meeting held on 3 June 2020 be agreed as a correct record.

4. **OUTSTANDING ACTIONS**

The Board received a list of outstanding actions. The Chairman advised that the Risk Register was on the agenda for the meeting, and that the Board would now provide an update to the Local Government Pensions Board in September, due to the cancellation of the Local Government Pensions Board's July meeting.

RESOLVED – That the report be noted.

5. **RISK REGISTER FOR FINANCIAL INVESTMENT BOARD**

The Board considered a report of the Chamberlain reviewing the Financial Investment Board's risk register. The Chairman introduced the item and advised that further amendments had been made to the Risk Register following discussion at the last Board meeting. In response to a question from a Member, the Chamberlain confirmed that the target score for risk CHB FIB 07 had been omitted in error, but was the same as the current score.

A Member suggested that there may be a bigger risk around targeted returns than was currently set out, due to the volatility of markets and capital. Whilst it was not necessarily a red risk, the Board could consider amending the risk scores.

In response to a question from a Member, the Chamberlain explained that whilst the overall maturity of the Pension Fund was monitored, and a cash balance of around £5 million held as a liquidity buffer, which was also monitored, there was no formal Treasury Management strategy specifically for the Pension Fund. The Chairman added that this would be a logical point for the Board to discuss, and requested that this be added to the Outstanding Actions list to be brought back to the Board for consideration.

RESOLVED – That the Financial Investment Board:

- a) Note the existing risks and actions present on the Financial Investment Board's Risk Register, and confirm that appropriate control measures are in place;
- b) Confirm that there are no further risks relating to the services overseen by the Financial Investment Board; and
- c) Request that officers amend the Register as suggested ahead of the Board's next scheduled review in November.

6. **MONTHLY INVESTMENT ANALYSIS REVIEW**

The Board received a report of the Chamberlain concerning the monthly investment analysis review for May 2020. The Board noted the current investment list, total investment values and average rate of return set out in the report.

The Deputy Chairman raised the possibility of introducing an overall limit on Local Authority lending in addition to the counterparty limit of £25 million. The

Chamberlain advised that an overall limit was applied to other types of lending, and if agreed, could be incorporated to the Treasury Management Strategy and reported to the Court of Common Council for ratification.

In response to a question from a Member, the Chamberlain advised that whilst the Board received treasury management advice from Link Asset Services and a number of appointed fund managers used Link Fund Solutions, there was no conflict of interest for the City of London Corporation arising from any potential legal procedure against Link Fund Solutions as administrator of the Woodford Equity Income Fund.

RESOLVED – That the Financial Investment Board:

- a) Note the report; and
- b) Recommend an overall limit of £250 million for Local Authority lending be incorporated into the Treasury Management Strategy.

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

There were no questions.

8. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

9. EXCLUSION OF THE PUBLIC

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

Item No.	Paragraph(s) in Schedule 12A
10 – 18	3
19 – 20	-

10. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the non-public minutes of the meeting held on 3 June 2020 be agreed as a correct record.

11. NON-PUBLIC OUTSTANDING ACTIONS

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

12. SIR WILLIAM COXEN TRUST FUND PERFORMANCE MONITORING TO 31 MARCH 2020

The Board considered a report of the Chamberlain.

13. PENSION FUND STRATEGY REVIEW

a) **Pension Fund - Rebalancing of the Multi Asset Allocation**

The Board considered a report of the Chamberlain.

- b) **Pension Fund Investment Strategy Review Update**
The Board received a report of Mercer.
- 14. **GREEN FINANCE WORKSHOP UPDATE**
The Board considered a report of the Chamberlain.
 - a) **Green Finance Workshop Update**
The Board received a report of the Chamberlain.
 - b) **Stewardship and Climate Action Strategy**
The Board considered a report of the Chamberlain.
- 15. **INVESTMENT PERFORMANCE MONITORING REPORTS**
 - a) **Performance Monitoring to 31 May 2020: Pension Fund**
The Board received a report of the Chamberlain.
 - b) **Performance Monitoring to 31 May 2020: City's Cash and Bridge House Estates**
The Board received a report of the Chamberlain.
- 16. **2020 STEWARDSHIP ASSESSMENT**
The Board considered a report of the Chamberlain.
- 17. **HAMPSTEAD HEATH TRUST & CHARITIES POOL INVESTMENT PERFORMANCE MONITORING TO 31 MARCH 2020**
The Board received a report of the Chamberlain.
- 18. **NON-PUBLIC REPORT OF ACTION TAKEN**
The Board received a report of the Town Clerk.
- 19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were no non-public questions.
- 20. **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 2.56 pm

Chairman

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