

FINANCIAL INVESTMENT BOARD

Tuesday, 30 November 2021

Minutes of the meeting of the Financial Investment Board held at Guildhall, EC2 on
Tuesday, 30 November 2021 at 11.00 am

Present

Members:

Nicholas Bensted-Smith (Chairman)
Henry Colthurst (Deputy Chairman)
Anne Fairweather
Alderman Prem Goyal
Alderman Robert Hughes-Penney
Deputy Clare James
Deputy Andrien Meyers
John Petrie
James de Sausmarez
Ian Seaton
Deputy Philip Woodhouse

Officers:

Joseph Anstee	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
James Graham	- Chamberlain's Department
Lucy Tusa	- Mercer

1. APOLOGIES

Apologies for absence were received from Alderman Robert Howard, Tim Levene, Deputy Robert Merrett and Deputy Henry Pollard.

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

Deputy Clare James and Deputy Andrien Meyers declared personal interests in respect of Item 14 by virtue of their professional roles elsewhere, and advised that they would abstain from voting on this item.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the public minutes and non-public summary of the meeting held on 14 September 2021 be agreed as a correct record.

4. OUTSTANDING ACTIONS

There were no public outstanding actions.

5. **TREASURY MANAGEMENT UPDATE AS AT 31 OCTOBER 2021**

The Board received a report of the Chamberlain providing a summary of the City of London Corporation's treasury management portfolio (investments) as at 31 October 2021. The Chamberlain introduced the report and drew Members' attention to the key points. The Board noted that capital financing requirements were likely to change as the City of London Corporation moved through the Medium-Term Financial Plan.

The Chamberlain advised that the key metric used for measuring interest rate risk on bond funds was duration, with a 1% increase in interest rates generally approximated as equalling a 3% decrease in value. However, as the Corporation treats these investments as longer-term holdings, it should expect such losses to be offset by improved yields over its investment horizon of around three years. In response to a question from a Member, the Chamberlain advised that there were two tranches of Crossrail funding outstanding for City's Cash, which were still currently invested and would be paid on completion.

A Member queried whether the recent increase in inflation had impacted officers' views in respect of Treasury Management Strategy. The Chamberlain responded that officers intended to review all conditions and circumstances under the next Treasury Management Strategy for 2022/23 to assess whether any measures were required to mitigate the impact of inflation on the value of short-term investment balances.

RESOLVED – That the report be noted.

6. **MID-YEAR TREASURY MANAGEMENT REVIEW 2021/22**

The Board received a report of the Chamberlain presenting the Mid-Year Treasury Management review for 2021/22, noting that this was a requirement under the CIPFA Code of Practice on Treasury Management. The Chamberlain introduced the report and outlined the key points for Members. The Board noted that officers were not recommending any changes to the Treasury Management Strategy for the second half of the year.

RESOLVED – That the report be noted.

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

The Board considered a report of the Chamberlain reviewing the key Risk Register for the Financial Investment Board. The Chamberlain introduced the report and outlined amendments and continuities on the Risk Register since the previous review.

The Deputy Chairman commented that consideration should be given to amending the Risk Register to separate out the three funds, as the fundamental risks affecting each fund were different, although there were some common risks. The Deputy Chairman also suggested adding a longer-term risk relating to sustainability of strategy, which would separate environmental and governance issues. A Member then commented that the risk in respect of targeted returns should also cover asset allocation. The Chamberlain advised that officers would take Members' feedback away, and would bring

amendments around asset allocation to the February meeting of the Board and also consider how to introduce longer-term changes following the Court of Common Council elections in March 2022.

RESOLVED – That the Financial Investment Board:

- a) 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
- b) Confirm that there are no further risks relating to the services overseen by the Financial Investment Board.

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.	Paragraph(s) in Schedule 12A
11 - 16	3
17 - 18	-

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

RESOLVED - That the non-public minutes of the meeting held on 14 September 2021 be agreed as a correct record.

12. **NON-PUBLIC OUTSTANDING ACTIONS**

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

13. **INVESTMENT PERFORMANCE MONITORING REPORTS**

a) **Quarterly Monitoring Report Q3 2021**

The Board received a report of Mercer.

b) **Performance Monitoring to 30 September 2021: Pension Fund**

The Board received a report of the Chamberlain.

c) **Performance Monitoring to 30 September 2021: City's Cash**

The Board received a report of the Chamberlain.

d) **Performance Monitoring to 30 September 2021: Bridge House Estates**

The Board received a report of the Chamberlain.

14. **LCIV MAC FUND**

The Board considered a report of the Chamberlain.

15. **CMA ORDER 2019 - PART 7 COMPLIANCE STATEMENT: INVESTMENT CONSULTANT STRATEGIC OBJECTIVES (LGPS ONLY): REQUEST FOR DELEGATED AUTHORITY**

The Board considered a report of the Chamberlain.

16. **SIR WILLIAM COXEN TRUST FUND PERFORMANCE MONITORING TO 31 MARCH 2021**

The Board considered a report of the Chamberlain.

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

There was one non-public question.

18. **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 other business.

The meeting ended at 12.13 pm

Chairman

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