

Agenda Item No.

TO: **POLICY & RESOURCES COMMITTEE**

FROM: **FINANCIAL INVESTMENT BOARD** and
PROPERTY INVESTMENT BOARD

Tuesday 31 May 2022 and
Monday 20 June 2022

Noting that this is the first year of each Board following their reconstitution under the new governance arrangements, the reconstituted Property Investment Board and Financial Investment Board each discussed their terms of reference as agreed by the Policy & Resources Committee on 5 May 2022, at their first meetings after this date. Arising from a number of points raised by Members, the Boards agreed to jointly resolve proposals to amend the terms of reference for each Board going forward in order to seek constitutional clarity and optimise efficiency and good practice. These range from points of clarification and housekeeping to more substantive matters, with some being relevant to both Boards and some specific to only one Board, and are set out below. The Policy & Resources Committee is asked to consider that following changes be made and, should the Committee be amenable to these, that they be made with immediate effect:

Financial Investment Board and Property Investment Board

- A single reporting line to Policy and Resources Committee as the grand committee be agreed in place of the dual reporting line to both Policy & Resources Committee and Finance Committee;
- The length of appointment for Members appointed by the Policy & Resources Committee and Finance Committee be increased from one year to three years; and
- External Co-opted Members be made full voting Members

Financial Investment Board

- Should the Board agree that fewer than four external Members are required, these places may be redistributed to the Policy & Resources Committee and Finance Committee, or used to co-opt additional Members from the Court;
- At paragraph f, the reference to the Chamberlain be amended to 'their' rather than 'his'; and
- The reference to the Property Investment Board within the footnote be corrected.

Property Investment Board

- A reference to regular monitoring of relevant transformational projects be added to the terms of reference;

- The line '(one appointment each)' from the sixth bullet point of the Boards terms of reference be removed as this was not applicable to the Board; and
- Provision be made for the Board to comment on Bridge House Estates investment property matters when requested by the Bridge House Estates Board.

Appendix 1a – Financial Investment Board, 31 May 2022, Minute Extract

5. **TERMS OF REFERENCE**

The Board received its terms of reference as agreed by the Policy & Resources Committee on 5 May 2022.

Noting that this was the first year of the Board following its reconstitution under the new governance arrangements, Members discussed the Board's constitution and terms of reference. A Member commented that a single reporting line to a Grand Committee was preferable to dual reporting to both Policy & Resources Committee and Finance Committee. The Member added that the Board was an important sub-committee and that its constitution should be reviewed with a view to reaching an optimal position over time.

Members further noted typographical errors which required correction, such as a reference to the Property Investment Board. The Board also noted that the constitution included provision for up to four external Co-opted Members, in addition to the two Members co-opted from the Court of Common Council. Members discussed whether this was an appropriate balance, noting that it was possible that internal co-option may satisfy the relevant experience required for the Financial Investment Board. A Member suggested that it may be appropriate to undertake a skills matrix to assess the Board's needs in this regard, adding that an external perspective may be beneficial.

The Board further noted that under the current constitution, a majority of Board Members were appointed on an annual basis, and Members felt that this may not be appropriate for the Financial Investment Board, given the City Corporation's position as a long-term investor. A Member commented that if the Property Investment Board had similar comments regarding their governance following reconstitution, the Boards could put a joint resolution to the parent Grand Committees outlining the issues raised and to suggest amendments.

The Board agreed that, in addition to the correction of typographical errors, the Board should raise the matters of reporting lines, length of appointment, and constitution, preferably via a joint resolution to Policy & Resources Committee and Finance Committee with the Property Investment Board. The Board agreed to delegate authority to agree the terms of the resolution to the Chair and suggested that this be circulated to Board Members prior to submission.

7. TERMS OF REFERENCE

The Board agreed to discuss the item immediately before Item 8 as the two items had a strong element of interconnection. The Board received its terms of reference as agreed by the Policy & Resources Committee on 5 May 2022.

A Member requested further information on the Board's responsibility for the London Wall West project and questioned whether specific reference to this project should be added to the Board's terms of reference. The Chair explained that the terms of reference were written to capture the work of the Board rather than being project specific. The City Surveyor confirmed that the Board was, and would remain even after Planning approval was sought, the sponsoring committee for the London Wall West project. The Board agreed that a standing item on the London Wall West project be added to the Board's agendas going forward and that a reference to regular monitoring of relevant transformational projects be added to the terms of reference.

Members agreed to remove the line '(one appointment each)' from the sixth bullet point of the Board's terms of reference as this was not applicable to the Board.

Following proposal by the Chair the Board agreed a joint resolution with Financial Investment Board on the terms of reference with reference to Member appointments being for a period of four years, external co-opted Members to be made full voting members of the Board and that provision be made for Board to comment on matters when requested by the Bridge House Estates Board, making clear that the decision making authority for Bridge House Estates investment property is still held by the Bridge House Estates Board.

RESOLVED- That the Board agreed a joint resolution with the Financial Investment Board to the Policy and Resources Committee regarding the Board's terms of reference.