

Committee(s)	Dated:
Investment Committee	19 May 2023
Subject: Protocol for the co-option of Members	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk	
Report author: Ben Dunleavy, Town Clerk's Department	For Discussion

Summary

The Investment Committee, formed to replace the Financial Investment Board and Property Investment Board, is empowered to appoint two Members from the Court of Common Council and up to four co-opted External Members. Currently, the Committee has two co-opted external members appointed who previously served on the Property Investment Board. The former Boards had a protocol for the co-option of Members; this is attached as an appendix to help guide Members in considering whether they would like to implement a similar protocol for the Investment Committee.

Recommendations

It is recommended that Members consider:

- a) Whether the Investment Committee should establish a protocol and process for co-option of Members;
- b) Whether to co-opt two further External Members

Main Report

Background

1. In 2011, the former Investment Committee agreed a protocol concerning arrangements for the co-option of Members for the Financial Investment Board and Property Investment Board. This protocol was considered annually by the Committee and Boards. The former co-option protocol is attached at Appendix 1.

2. The protocol set out the purpose of the co-opted Members and the process for co-option. The co-opted Members could be from either the Court of Common Council or recruited externally.
3. The Property Investment Board also agreed in September 2021 to implement a process for the nomination of external members to be considered for co-option, to complement the protocol.
4. This process, agreed by the Board, established that co-opted membership positions would be advertised on appropriate external facing sites and publications. Applicants would be requested to provide a curriculum vitae and supporting statement, as outlined in the co-option protocol. After the closing date, applications would be reviewed by officers to establish an appropriate shortlist of individuals to be invited for interview. Following the shortlisting, individuals would be invited to interview by an interview panel. After the interviews, a list of potential external members for co-option would be recommended to the Board for appointment at the next suitable meeting of the Board.
5. The cost of advertising the positions for recruitment to the Property Investment Board was met by the City Surveyor's Local Risk Budget. The panel consisted of the Chair and Deputy Chairman of the Board, and the Investment Property Director.
6. At the time of their final meetings, the Property Investment Board had two co-opted External Members, while the Financial Investment Board did not have any co-opted Members.

Current Position

7. The composition of the new Investment Committee, as laid out in the Court Order at item 3 of the agenda, provides for the Committee to appoint two Members from the Court of Common Council and up to four co-opted External Members.
8. Owing to the decision of the Court to form the initial membership of the Investment Committee from the former membership of the Financial Investment Board and Property Investment Board, one of the current spaces for a Member co-opted from the Court has been filled for the ensuing year by a previous Board Member. From April 2024, this position will revert to being available for a Member co-opted from the Court. The other position is currently vacant.
9. The two co-opted External Members from the Property Investment Board continue to sit on the new Investment Committee. The Committee therefore has the power to co-opt up to two further External Members.

Proposals

10. Members are asked to consider whether they would like to introduce a protocol for the co-option of Members to the Committee, for both External and Court Members.
11. It is suggested that, should Members wish to introduce such a protocol, that elements of the process agreed by the Property Investment Board in September 2021 are introduced to meet best practice of recruitment of external members.
12. Members may also wish to consider if they would like to recruit two further co-opted External Members to reach a total of four, and the expertise and experience they would seek in doing so. It is suggested that, as the two current External Members were recruited by the Property Investment Board for their expertise in property investment, it would be appropriate to consider seeking candidates with experience in financial investment.
13. Members are also asked to consider the appropriate source of funding for the cost of advertising for these positions.

Corporate & Strategic Implications

Strategic implications – By maintaining a range of perspectives on the Committee through the appointment of external representatives with relevant skills and experience, the Board will have a qualified view and effectively exercise its responsibilities. This will allow the Committee to continue to provide effective management of the City of London Corporation's investments.

Financial implications – Should a protocol be agreed with the suggested recruitment process, there would be associated costs, mainly to do with advertising. The Committee would need to decide on the appropriate source of funding.

Resource implications – There will be some staff resource required to complete the proposed appointment process.

Legal implications – To the extent that the Committee acts in a local authority capacity (such as in respect of City Fund properties), it must carry out its functions in accordance with local authority statutory powers. Section 102(3) of the Local Government Act 1972 allows for the appointment of members to a committee or Sub-committee who are not members of the authority.

Risk implications – None identified.

Equalities implications – The Public Sector Equalities Duty aims to make sure public authorities have due regard to the elimination of unlawful discrimination; the advancement of equal opportunity between people who share a protected characteristic and those who don't; and the encouragement of good relations between people who share a protected characteristic and those who don't. It is felt that by introducing this process for the appointment of co-opted members the Committee will be better equipped to deliver on this requirement.

Climate implications – None

Security implications – None

Conclusion

14. The adoption of a co-option protocol with a defined process for external recruitment will allow for the Investment Committee to appoint Members with the requisite experience to provide effective management and oversight of its responsibilities.

Appendices

Appendix 1 – Former co-option protocol

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