

**INVESTMENT COMMITTEE**  
**Friday, 19 May 2023**

Minutes of the meeting of the Investment Committee held at Committee Rooms,  
Guildhall on Friday, 19 May 2023 at 11.00 am

**Present**

**Members:**

Deputy Randall Anderson  
Shahnan Bakth  
David Brooks Wilson  
Deputy Simon Duckworth  
Deputy Madush Gupta  
Deputy Christopher Hayward  
Deputy Andrien Meyers  
Paul Singh  
Deputy James Thomson

**Officers:**

Caroline Al-Beyerty	- The Chamberlain
Paul Wilkinson	- The City Surveyor
Alan Bennetts	- Comptroller and City Solicitor's Department
Andrew Cross	- City Surveyor's Department
Ben Dunleavy	- Town Clerk's Department
John Galvin	- City Surveyor's Department
John James	- Chamberlain's Department
Tom Leathart	- City Surveyor's Department
Kate Limna	- Chamberlain's Department
Robert Murphy	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Sarah Port	- Chamberlain's Department
Harinder Thandi	- City Surveyor's Department

**Also in attendance**

Lucy Tusa	- Mercer
Maria Cobbe	- Stanhope Capital
Ivo Coulson	- Stanhope Capital
James Lawlor	- Stanhope Capital

**1. APOLOGIES**

Deputy Randall Anderson, as the second most senior Common Councillor, moved that Deputy Simon Duckworth, as the most senior Common Councillor, should take the Chair until the election of the Chair at item 4. The motion was seconded and approved by the Committee and Deputy Duckworth accordingly took the Chair.

Apologies for absence were received from Claudine Blamey, Deputy Henry Colthurst, Alderman Alison Gowman, Deputy Henry Pollard, Nicholas Bensted Smith, and Deputy James Thomson.

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

There were none.

3. **ORDER OF THE COURT**

Members received the Order of the Court of Common Council dated 27 April 2023 appointing the Committee and setting its Terms of Reference.

4. **ELECTION OF A CHAIR**

The Committee proceeded to elect a Chair in accordance with Standing Order No. 29. Deputy Andrien Meyers, as the only Member expressing their willingness to serve, was duly elected as Chair for the ensuing year and took the Chair.

RESOLVED – That Deputy Andrien Meyers be elected Chair of the Investment Committee for the ensuing year.

Deputy Simon Duckworth moved a Vote of Thanks to Tom Sleigh, the past Chairman of the Investment Committee.

**RESOLVED UNANIMOUSLY - THAT** the Members of the Investment Committee wish to place on record their sincere thanks to

TOM SLEIGH

for his accomplished stewardship as Chair of the Investment Committee, and for the committed and innovative service he has demonstrated to the work of the Investment Committee and Investment Boards.

Tom has been a knowledgeable and dedicated Chair of the Committee and the Property Investment Board, both of which he served for eight years, chairing the Board and the Investment Committee through the unprecedented challenges of the Covid-19 pandemic. His imagination and enthusiasm as Chair, together with his understanding and strategic oversight have driven the Committee with a clear and expansive focus, despite the huge pressures and impact on the investment sector.

Tom was able to combine his leadership with the expertise of the members of the Board and the skills of the City Surveyor's Department to maximum benefit in reacting to the emergency of COVID-19, spearheading a programme of invaluable support to protect City businesses and the local economy.

By representing the Committee on the Policy and Resources Committee, Tom has provided a valuable link between the organisation's investments and wider strategic objectives, most evident in Tom's commitment to green and

sustainable investment, in alignment with the Climate Action Strategy. As Chair, he promoted a dynamic and collaborative approach that has helped to introduce new ideas and ways of working, also leading a working group to shape the future of the City's investment arrangements following an organisational restructure and wider governance review. Tom's Property Investment Board also utilised Co-opted Members to valuable effect, broadening the diversity of its knowledge and experience with a view to progressing our strategic aims.

During his tenure, the value and income of the City's funds have seen substantial increases. The Board has overseen a period of strong performance across its funds, with growth in the value of the Property Investment portfolio by over £1.2billion and Annual Income by £40million. This represents a top quartile performance as measured by MSCI, outperforming the London benchmark, and the Universe. In difficult circumstances, Tom's stewardship has progressed important schemes and transformational projects, and increased our exposure to the light industrial sector, which has helped to ensure the continuing strength of the City's property investment portfolio.

The Committee wishes to thank him for his leadership and expertise in investment matters. The ability that Tom has demonstrated as Chair is much appreciated by all Members of the Committee, and for this reason it is their hope that the City can continue to depend on his skills and experience, as he turns his attention to future challenges.

#### **5. ELECTION OF A DEPUTY CHAIR**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No. 30. Shahnan Bakth, as the only Member expressing their willingness to serve, was duly elected as Deputy Chair for the ensuing year.

RESOLVED, that – Shahnan Bakth be elected as the Deputy Chair for the ensuing year.

#### **6. PROTOCOL FOR THE CO-OPTION OF MEMBERS**

Members received a report of the Town Clerk relative to the protocol for the co-option of Members.

The Chair informed Members that four of the two co-opted positions had been filled by members co-opted by the former Property Investment Board, with two further vacancies to be filled. Members agreed that it would be beneficial to seek to fill these vacancies with candidates with a background in financial investment, in order to provide a balanced set of skills and experience.

RESOLVED, that – Members authorise the Town Clerk, in consultation with the Chair and Deputy Chair, to draft and approve a protocol for the co-option of Members.

#### **7. WORK OF THE INVESTMENT COMMITTEE**

Members received a presentation from the Chamberlain providing an overview of the assets managed by the Investment Committee and introducing officers from the Investment Property Group and the Corporate Treasurer's team.

During discussion on the presentation, the following points were noted:

- The net position of assets in City Fund and City's Cash, including treasury cash was £4.8bn
- Investments for Bridge House Estates and Pensions fell under the remit of the Bridge House Estates Board and the Pensions Committee respectively
- The financial portfolio had a net zero target of 2040 with interim targets of 2025 and 2030. Officers undertook to return to the Committee with reports on climate action risks for the City's property and investment portfolios (noting that these are two separate workstreams within the City's Climate Action Strategy) in due course, and create a reporting routine on this subject
- Officers would look to arrange a range of training for Members, including CIPFA's Treasury Management training and an introduction to financial investments. Training that Members had received from their roles outside of the City could be taken into account for MIFID2, but not for CIPFA's Treasury Management training.
- Officers would also look to conduct a short survey to gather information on Members' financial investment beliefs. The Chair suggested that the survey should explore overarching investment beliefs for the entire investment portfolio, or that a parallel survey on property investment beliefs should also be carried out. Members noted that there were significant differences between financial investments and property investment. A Member suggested that it would be helpful to coordinate any investment belief surveys with the Audit and Risk Management Committee's risk appetite survey. The Chamberlain said that one of the key principles within the Statement of Investment Principles would be the Investment Committee's risk appetite, which might vary between the two portfolios. She felt the Audit and Risk Management Committee would likely scrutinise any risk appetite set by the Investment Committee.

RESOLVED, that – the presentation be received and its contents noted.

#### 8. **INTRODUCTION TO CIO TEAM**

The Chamberlain introduced officers from Stanhope Capital, explaining that the City Corporation had outsourced its Chief Investment Officer function to this firm.

#### 9. **FORWARD PLAN**

Members received a joint report of the Chamberlain and the City Surveyor providing a forward plan.

Members noted that the forward plan provided an oversight of the routine work that the Committee would see over the average calendar year.

In response to a question about the balance between the level of reporting from the property investment side compared to the financial investment side, the Chairman said that nature of the decisions required for property investment meant that it would report more frequently, with financial investments tending to report on a quarterly basis.

Members discussed how to strategically manage the relationship with the investment fund managers to create the right balance of reporting. The Chamberlain said that it was critical for the Committee to have the chance to scrutinise the managers. The Chair proposed that a framework could be established in which meetings with managers could be set up by reference to a set of performance criteria. A Member suggested that these meetings could be taken outside the formal Committee structure by creating smaller panels of Members. Officers confirmed that a practice similar to this had previously been followed: the Chair, Deputy Chair and available Members would meet managers for an hour, with a summary report being provided at the next formal Committee meeting.

Following a request from a Member, with particular reference to reports on property investment decisions, the Chair confirmed he had consulted the City Surveyor and that plans were under way to reduce the size of reports.

The Chamberlain emphasised that the forward plan was intended as a start, and that it could be restructured to help emphasise where the strategic decisions for the Committee would fall.

RESOLVED, that – the report be received and its contents noted.

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

A Member asked if officers could avoid where possible sending supplementary agendas at short notice before meetings. The Chair replied that he would be work with officers to avoid this happening. The Chamberlain added that, as the first meeting of the Committee, the organisation of the agenda had been somewhat exceptional.

**11. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no urgent business.

**12. EXCLUSION OF THE PUBLIC**

**13. WORK OF THE INVESTMENT COMMITTEE**

Members received the non-public section of the presentation from the Chamberlain providing an overview of the work of the Committee.

**14. LEADENHALL MARKET**

Members received a report of the City Surveyor relative to Leadenhall Market.

**15. 6 BROAD ST PL & 15-17 ELDON ST**

Members received a report of the City Surveyor relative to an updated funding plan for the refurbishment project at 6 Broad Street Place and 15-17 Eldon Street.

16. **CITY'S ESTATE: 3-9 BREWERY ROAD, LONDON, N7**

Members received a report of the City Surveyor relative to the purchase of a leasehold interest.

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

There were no questions in the non-public session.

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

18.1 **Request for delegations**

The Board agreed to delegate authority to the Town Clerk, in consultation with the Chair and Deputy Chairman, to consider one item.

**The meeting ended at 12.58 pm**

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Chairman

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