

INVESTMENT COMMITTEE
Thursday, 3 October 2024

Minutes of the meeting of the Investment Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 3 October 2024 at 2.00 pm

Present

Members:

Deputy Andrien Meyers (Chair)
Shahnan Bakth (Deputy Chairman)
Deputy Randall Anderson
David Brooks Wilson (External Member)
Deputy Henry Colthurst (Ex-Officio Member)
Deputy Madush Gupta
Steve Goodman OBE
Deputy Christopher Hayward (Ex-Officio Member)
Deputy James Thomson
Philip Woodhouse
Deputy Henry Pollard

In Attendance

Deputy Marianne Fredericks
Alderman Simon Pryke

Officers:

Caroline Al-Beyerty	- Chamberlain
Paul Wilkinson	- City Surveyor
Kate Limna	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Andrew Cross	- City Surveyor's Department
Robert Murphy	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Kirpal Kaur	- Comptroller & City Solicitor's Department
Ben Dunleavy	- Town Clerk's Department

Also in attendance

Steve Turner	- Mercer
Charles Franklin	- Stanhope

1. APOLOGIES

Apologies for absence were received from Nick Bensted-Smith, Claudine Blamey, Deputy Keith Bottomley and Alderman Alison Gowman.

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

The Town Clerk informed Members of several change to David Brook Wilson's standing register of interests. An updated form would be published online.

3. **MINUTES**

The public minutes and non-public summary of the meeting held on 25 July 2024 were approved as a correct record.

4. **FORWARD PLAN**

Members received the Committee's forward plan.

5. **ANNUAL TERMS OF REFERENCE REVIEW**

Members received a report of the Town Clerk concerning the Committee's terms of reference.

Members agreed that the terms of reference should be reviewed to provide clarity on the relationship with the Resource Allocation Sub-Committee.

Members discussed whether the Committee's composition should continue to include the two positions co-opted by the Committee from the Court, or whether these should be changed to positions appointed directly by the Court. Those supporting a change felt that it would be fairer to increase the number of places elected by the Court, while others felt that the current balance was appropriate as the co-option mechanism allowed the Committee to select Members based on investment experience. However, it was noted that Members standing for Court appointed positions were required to submit supporting statements, and that the Court should be trusted to make decisions based on these.

Following a vote, it was agreed that the composition should be amended to increase the number of Members appointed by the Court of Common Council

RESOLVED, that – Members instruct officers to return with a report setting out:

- The governance relationship between the Committee and the Resource Allocation Sub-Committee
- Revisions to the Committee's composition to increase the number of Members appointed by the Court of Common Council from six to eight, and to remove the positions co-opted by the Committee from the Court.

6. **RISK REGISTER UPDATE FOR INVESTMENT COMMITTEE**

Members received a joint report of the Chamberlain and the City Surveyor concerning the risks overseen by the Committee.

A Member, noting the difference between historic and projected inflation, asked officers to consider whether the risk scoring on SUR SMT 005 Construction and Service Contracts Price Inflation was correct and if it was an appropriate risk to be presented to the Committee, which was responsible for managing real estate investment rather than construction. He also did not think contractual failure was a significant risk. In reply, the City Surveyor said that the Investment

Committee was responsible for several construction projects and was still experiencing pressure due to market factors such as the after-effects of inflation from the Russian invasion of Ukraine, labour scarcities and ISG going into administration. Officers undertook to review the scoring level

A Member asked if the City Corporation could insure against contractual failure. In reply, the City Surveyor said that doing an interim valuation was more critical. It was also highlighted that the City Corporation was subject to public procurement processes which constrained its ability to put contingency measures in place.

A Member asked what ability the City Corporation had to recover fees from consultants, and if it kept a graded list of contractors. The Chamberlain replied that the City Corporation's critical control over this area was due diligence in the procurement process, which should raise any issues with contractors.

RESOLVED, that – Members:

- Consider the overarching risks and mitigations relating to the overall investment portfolio overseen by the Investment Committee (Appendix A)
- Note the actions taken across the organisation to effectively monitor and manage risks in the City Surveyor's operations (Appendix B) and review the existing risks and actions on the IC Financial Investments risk register (Appendix C) and confirm that appropriate control measures are in place.

7. TREASURY MANAGEMENT OUTTURN 2023/24

Members received a report of the Chamberlain concerning treasury management.

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

8. TREASURY MANAGEMENT UPDATE AS AT 31 AUGUST 2024

Members received a report of the Chamberlain concerning treasury management.

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

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

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no other business.

11. 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 or relate to functions of the Court of Common Council which are not subject to the provisions of Part VA and Schedule 12A of the Local Government Act 1972.

12. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 25 July 2024 were approved as a correct record.

13. **INVESTMENT STRATEGY IMPLEMENTATION PLAN FOR FINANCIAL INVESTMENTS**

Members received a report of the Chamberlain concerning the financial investment portfolio.

14. **RECOMMENDATIONS TO RESOURCE ALLOCATION SUB-COMMITTEE**

Members received an oral update from the Chamberlain concerning asset allocation.

15. **LEADENHALL MARKET - ASSET STRATEGY**

Members received a report of the City Surveyor concerning Leadenhall Market.

16. **ORACLE PROPERTY MANAGER REPLACEMENT PROGRAMME - MRI HORIZON**

Members received a report of the City Surveyor concerning the City Corporation's property management system.

17. **DELEGATIONS REQUEST**

Members received a report of the City Surveyor containing several requests for delegated authority.

18. **PERFORMANCE MONITORING**

18.1 **City's Estate Quarterly Monitoring Report**

Members received the Quarterly Monitoring report for Q2 2024; this report was produced by Mercer.

18.2 **Performance Monitoring to 31 July 2024: City's Estate**

Members received a report of the Chamberlain concerning performance monitoring to 31 July 2024.

19. **CITY FUND & CITY'S ESTATE RENTAL ESTIMATES**

Members received a report of the City Surveyor concerning rental estimates.

20. **REPORT OF ACTION TAKEN**

Members received a report of the Town Clerk concerning action taken between meetings.

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

There was one question in the non-public session.

22. 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 3.43 pm

Chairman

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