

## Room 151's Annual Conference: Two Events In One Day

14<sup>TH</sup> SEPTEMBER 2017 • LONDON STOCK EXCHANGE

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**CCLA**

GOOD INVESTMENT

# 9<sup>th</sup> Local Authority Treasurers Investment Forum

— Theatre Room

### Speakers

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**James Bevan**

Chief Investment Officer  
CCLA

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**Stephanie Flanders**

Managing Director  
Chief Market Strategist  
for UK and Europe  
J.P. Morgan Asset Management

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**Lord Bob Kerslake**

Chair of Trustees  
Centre for Public Scrutiny

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**FREE FOR LOCAL**

**GOVERNMENT  
TREASURERS & CFOs**

## FD's Summit

### DIVERSIFYING REVENUE & RISK

— Atrium Room

### Speakers

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**John Clancy**

Birmingham City Council

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**Tony Travers**

London School of Economics

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**Bhupinder Chana**

Leeds City Council

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**Claire Williams Morris**

Guildford Borough Council

---

**Chris Naylor**

LBBD

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**Andrew Burns**

Staffordshire County Council

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**James Rolfe**

Enfield Council

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**Terry Collier**

Spelthorne Borough Council

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*\*\*as at 31 December 2016, including derivative positions and advisory assets. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor.*

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Welcome

Dear Delegates,

Ten years on from the early rumblings of what was to become an unprecedented financial shock, and treasury investment looks and feels like a very different world.

In our main stream, LATIF, we continue to explore the rapidly evolving landscape of local government treasury investment in combination with the relatively slow moving world of regulation and industry standards. Both promise to throw risks and opportunities the way of practitioners that may not yet be fully grasped. We shall also devote several sessions this year to the social side of investing and ask whether strategies that engender a social benefit as well as a yield, are conducive to the local government treasurer’s objectives.

Our inaugural FD’s Summit was warmly received last year and we look forward to inviting back an audience of s151 officers. In the intervening period the spotlight has been thrown on local government development and borrowing, and while column inches have focussed on the risk of direct property investment, authorities continue to look for new ways to shape their financial futures. Our theme of *Diversifying Revenue & Risk* will underpin case studies, panel debates and Q&A sessions aimed at fostering a collaborative approach to understanding new risks and new opportunities.

We look forward to seeing delegates new and old, in both streams, on September 14th.

Yours Sincerely,

**Peter Findlay**  
Publisher, Room151



# 9th Local Authority Treasurers Investment Forum



LATIF AGENDA | 09.30 - 17.00 — Theatre Room |

The agenda, speakers and timings are subject to change. Check back for updates – further speakers and topics to be announced.

CHAIR: Richard Harbord

### LATIF TIMINGS

- 09.00 Registration
- 09.30 Opening Remarks
- 13.00 Lunch
- 14.00 Afternoon Session
- 17.00 Closing Remarks
- 17.10 Drinks Reception (Atrium)

### PRESENTATION Room151 2017 Investment Survey Results & Analysis

Last year’s survey analysis illustrated a continued step change in local government treasury investment with the DMADF almost obsolete for most investors and risk assets taking firm root in the aggregate TMS. Lead sponsor, CCLA, interprets this year’s results.

John Kelly  
Client Director  
CCLA



### PANEL SESSION Alternative sources of income in a low-to-no yield world

They said low rates were the new normal...and they were not wrong. Since the start of LATIF nine years ago, treasurers have opened up their strategies to a much wider range of investment vehicles in a bid to escape unwanted bank risk and to return something on their capital while interest rates have stagnated. But as the prospect of inflation looms large, where will income come from next and which of the new alternative investment strategies offers the kind of risk profile local authorities are comfortable with?

David Green  
Strategic Director  
Arlingclose

Neil Hutchison  
Lead Portfolio Manager  
Managed Reserves  
J.P. Morgan Asset Management

Roy Nolan  
Head of Public Sector Liaison  
RP Martin

Moderated by  
John Kelly, Client Director, CCLA

### PRESENTATION Reviewing counterparty risk: what’s keeping us awake at night?

Bank counterparties, whether held directly or indirectly via money market funds, still account for the lion’s share of local government treasury investment risk. So what has 2017 brought? Are UK and European banks and building societies out of the woods? Are there opportunities in Asia? Federated Investors, one of the largest MMF providers to the public sector, profiles their view on a range of widely and not so widely held counterparties.

Gary Skedge  
Senior Portfolio Manager  
Federated Investors

### PRESENTATION A PM’s guide to risk and return in a corporate bond portfolio

Security, liquidity and yield, in that order, is the rhetorical foundation upon which local government treasury strategies are built. But how does the mantra translate into real investment decisions in a corporate bond portfolio? Nigel Jenkins dissects his fixed income fund to illustrate the subtle interplay between counterparty risk, duration risk and return objectives.

Nigel Jenkins  
Managing Principal  
Payden & Rygel

### TMS PANEL Q&A on strategic directions in treasury management

- How are your liquidity management needs changing?
- What are your plans for borrowing and will this impact on investment activity?
- What are the risks that concern you most today?
- What would you like to see from the new treasury management code?

Speakers TBC

### SESSION From sunlight to student digs: alternative and diversified sources of income

With conventional sources of income offering little to the treasury investor, the search for innovative and asset-backed opportunities has gathered pace. CCLA’s director of multi-asset investing, Charlotte Ryland, outlines the risks, rewards and ethical considerations in student accommodation, airplane leasing, solar power and GP’s surgeries.

Charlotte Ryland  
Director – Investments  
CCLA

### PRESENTATION Can corporate bonds provide social impact in addition to financial return?

When we think of corporate bond investing, we don’t usually associate it with the impact it may or may not have on society. However, Columbia Threadneedle argue that there is an opportunity to deliver long-term stable returns while also generating a social value.

David Oliphant  
Executive Director – Fixed Income  
Columbia Threadneedle

### PANEL SESSION Treasury investment, banking and social value

The Social Value Act 2012 requires that local authority commissioners factor social value into the process of procuring services. How readily does this extend to treasury investment and banking where the priority is largely capital security? And how can banks, fund managers and social impact ventures make a measurable difference to society on behalf of those that invest with them?

Moderator  
Faisal Rahman, OBE  
Managing Director  
Fair Finance

Mark Hannam  
Deputy Chair of the Board of Governors  
University of East London

Karen Shackleton  
Non-Executive Director  
Resonance Limited

### FINANCIAL MARKETS PANEL Brexit, bull-runs and bubbles

The first half of 2017 has seen buoyant boats floating on the Trump trade tide and a resilient UK market that surprised many. Yet some market commentators warn of storm clouds gathering. Our panel of investment experts assess the long-term impact of Brexit, prospects for economic growth, and the knock on effect for treasury investment risk.

James Bevan  
Chief Investment Officer  
CCLA

Steven Bell  
Director of Macro Strategies  
BMO Global Asset Management

Stephanie Flanders  
Managing Director and Chief Market  
Strategist for UK and Europe  
J.P. Morgan Asset Management

### KEYNOTE PRESENTATION Lord Bob Kerslake Chair of Trustees Centre for Public Scrutiny

In his recent foreword to the CfPS publication entitled *Treasure Your Assets*, Lord Kerslake noted that: “Treasury management is often seen as a part of councils’ financial responsibilities that is dry and arcane, but in a world of limited resources it is vitally important.” We are delighted to welcome Lord Kerslake to this year’s LATIF to give a keynote address on the political implications of a changing treasury function.



Stephanie Flanders



FD's SUMMIT AGENDA | 11.00 - 17.00 — Atrium Room |

The agenda, speakers and timings are subject to change. Check back for updates – further speakers and topics to be announced.

CHAIR: Professor Tony Travers  
London School of Economics

FD'S SUMMIT TIMINGS

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- 11.00 Opening Remarks
- 12.45 Lunch
- 13.45 Afternoon Session
- 17.00 Closing Remarks
- 17.10 Drinks Reception (Atrium)

PANEL DISCUSSION  
Are councils building a 'credit bubble'?

Some argue that the austerity agenda necessitated the further commercialisation of councils and that property, particularly commercial property, was an obvious place to start. But local government property development has attracted much criticism, not least from private sector developers who find themselves increasingly outbid by councils. Does this amount though to a credit bubble and have councils fully understood the risks they are taking?

Andrew Burns  
Director of Finance and Resources  
Staffordshire County Council

Bhupinder Chana  
Head of Finance  
Leeds City Council

Terry Collier  
Deputy Chief Executive  
Chief Finance Officer  
Spelthorne Borough Council

Claire Williams Morris  
Deputy Chief Financial Officer  
Guildford Borough Council

CASE STUDY  
Municipal power in the energy sector

Speaking to Room151 earlier this year, Enfield Council's cabinet member, Alan Sitkin, said that Energetik, a new council-owned energy company was, "a ground-breaking venture which will return £225m of economic, environmental and social benefits to residents and businesses in Enfield and the wider community." Enfield's CFO, James Rolfe reveals the business case behind the ambition.

James Rolfe  
Executive Director of Finance  
Enfield Council

CASE STUDY  
The challenge of local banking  
As well as providing potentially stable long-term returns, a local bank can help develop a growing tax base. However, the financial, not to mention reputational risk of bad debt and loan defaults is problematic for a local authority. Danny Mather presents Warrington Council's financial strategy for investing in Redwood Banks.

Danny Mather  
Corporate Finance Manager  
Warrington Borough Council

DIVERSIFYING REVENUE & RISK

CASE STUDY  
The role of PRS in attaining self-sufficiency

Local authorities recognise the need to close the funding gap and generate revenues in areas that play to their core strengths. As housing in the social sector is one of those strengths, is the private rented sector a commercial opportunity that plays well to the council skillset and how is it done well?

Speaker to be confirmed

CASE STUDY  
Alternative sources of revenue from the treasury function

The treasury function in local government has undergone a radical transformation in recent years and is now seen as a valuable source of diversified revenue for many councils. Sean Clark of Thurrock Council describes how their treasury strategy has evolved to incorporate investments such a solar power.

Sean Clark  
Director of Finance & IT  
Thurrock Council

PANEL SESSION  
Local infrastructure and property development funding

Why would a local authority look beyond the PWLB to finance its capital programme? It's a frequently posed question but councils often do look beyond the PWLB for infrastructure and housing projects. What are the pros and cons? What are the competing sources of finance? And which option suits your development best?

John Clancy  
Leader  
Birmingham City Council

Chris Naylor  
Chief Executive  
London Borough of Barking & Dagenham

Fiona Miller  
Head of Pensions & Financial Services  
Cumbria County Council



Diversifying revenue & risk - local government in 2020 and beyond

Picking up on the theme for this year's FD's Summit, our guest speaker will review the major talking points of the day and offer up a road map for the commercial council of the future.

Speaker to be confirmed



# 9th Local Authority Treasurers Investment Forum & FD's Summit



## PUBLIC SECTOR DELEGATES REGISTRATION

### Please read carefully

Limited free places are available only to qualifying finance officers at UK local authorities and other public sector bodies.

### Please only complete the registration form if you fully expect to attend the conference

Delegates who register and then do not attend may be charged to attend future Room151 conferences.

### Registration for public sector delegates is only available online

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**Delegate places are subject to availability and the terms and conditions outlined in the registration form.**

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## WHERE & WHEN?

**Thursday September 14th, 2017**

**Registration:** LATIF: 09.00 – 09.30  
FD's Summit: 10.30 – 11.00

### London Stock Exchange

10 Paternoster Square, London EC4M 7LS

**Tel:** 44 (0)20 7797 1000

**Nearest Tube:** St. Paul's (Central Line)

Delegates are responsible for arranging and paying for their own accommodation and travel

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