

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

14TH SEPTEMBER 2017 • LONDON STOCK EXCHANGE

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GOOD INVESTMENT

9th Local Authority Treasurers Investment Forum

— Theatre Room

Speakers

James Bevan

Chief Investment Officer
CCLA

Stephanie Flanders

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

Lord Bob Kerslake

Chair of Trustees
Centre for Public Scrutiny

Simon Kilonback

Director of Group Treasury
Transport for London

FD's Summit

DIVERSIFYING REVENUE & RISK

— Atrium Room

Speakers

John Clancy

Birmingham City Council

Tony Travers

London School of Economics

Bhupinder Chana

Leeds City Council

Claire Williams Morris

Guildford Borough Council

Chris Naylor

LBBD

Andrew Burns

Staffordshire County Council

James Rolfe

Enfield Council

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Spelthorne Borough Council

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The Public Sector Deposit Fund is a UK domiciled, FCA regulated money market fund wholly aligned with the principles and values of the public sector. Public sector deposits in the fund have the advantages of scale and diversification, lower costs and expert active management.

The Local Authorities’ Property Fund has an objective of providing a high income and growth over time. This fund has an excellent record of generating investment income and of consistent outperformance. The Fund provides direct exposure to commercial property through a portfolio of good quality assets, diversified by sector and location across the UK. The portfolio is actively managed and has a clear focus on the individual assets held – which are selected for the potential to produce outperformance through hands on management activity. This product is only available to professional or elective professional clients.

The Diversified Income Fund is a balanced multi-asset investment fund providing an attractive and rising income with the potential for increased capital values over time. Risk control is a key part of the investment approach: the fund is structured to provide a higher income than cash but with lower risk than property or longer dated bonds.

These funds benefit from strong governance and transparency.

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Columbia Threadneedle Investments provides a broad range of actively managed investment strategies for individual, institutional, and public sector clients. Our 450 investment professionals, manage £373bn of assets around the globe. Our public sector treasury clients access diverse strategies including Short Dated and Strategic Bonds, Equity Income and UK Commercial Property.

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Federated Investors UK LLP is a specialist manager of AAA-rated money market funds, and is the London subsidiary of Federated Investors, Inc., one of the largest cash managers in the world, managing more than £183bn in money market assets as at 31 March 2016.

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Legal & General Investment Management (LGIM) is one of Europe’s largest asset managers and a major global investor, with total assets of £901.9 billion*. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

***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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J.P. Morgan Asset Management manages over £1.4 trillion in assets and is one of the largest institutional money market fund providers in the world serving over 100 local authority clients through its depth and breadth of sterling liquidity solutions.

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Payden & Rygel has a 10 year track record of actively managing local authority treasury cash with more than 35 local authority clients.

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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)

SPECIAL GUEST PRESENTATION
Why treasury matters in the public sector

The local government self-sufficiency agenda has brought with it a multitude of commercial ventures and capital projects and a rethink of the role treasury plays in driving forward corporate strategy. Just how much of a difference can a treasurer make to the overall objectives of an organisation? Transport for London’s Simon Kilonback opens the conference by sharing his experience of treasury at the top table.

Simon Kilonback
Director of Group Treasury
Transport for London



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, Europe
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?

Tim Seagrave
Finance Lead
Capital & Treasury Management
Manchester City Council

Other 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



Stephanie Flanders

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

Hetal Mehta
Senior European Economist
LGIM

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.

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.

MORNING CHAIR:
Luke Webster
CIO, GLA

AFTERNOON CHAIR:
Professor Tony Travers
London School of Economics

FD'S SUMMIT TIMINGS

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



KEYNOTE PRESENTATION
Melanie Dawes, CB
Permanent Secretary
Department for Communities
& Local Government
(subject to departmental business)



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

Steve Whyte
Head of Finance
Aberdeen City 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

Please complete the registration form here

<https://www.surveymonkey.co.uk/r/room151-2017-LA>

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

PRIVATE SECTOR DELEGATES REGISTRATION

PRIVATE SECTOR PLACES ARE ONLY OPEN IN 2017 TO SPONSORS AND EXHIBITORS.

For further information places contact events@room151.co.uk or call **020 8617 3119**.



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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