



Social Investment Board

Date: WEDNESDAY, 13 DECEMBER 2017
Time: 11.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Nicholas Bensted-Smith
Chris Boden
Henry Colthurst (Deputy Chairman)
Elizabeth Corrado
Tim Haywood
Alderman Alison Gowman
Alderman Peter Hewitt (Chairman)
Deputy Edward Lord
Jeremy Mayhew
Andrien Meyers
Andrew McMurtrie
Laura Tumbridge

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Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**
To agree the public minutes and non-public summary of the meeting held on 13 September 2017.

For Decision
(Pages 1 - 4)
4. **DEVELOPING THE RETAIL SOCIAL INVESTMENT MARKET**
Presentation of Elizabeth Corley

For Information
5. **PROGRESS REPORT**
Report of the Chief Grants Officer

For Information
(Pages 5 - 8)
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
8. **EXCLUSION OF THE PUBLIC**
MOTION - 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.

For Decision

Part 2 - Non-Public Agenda

9. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 13 September 2017.

For Decision
(Pages 9 - 10)
10. **INVESTMENT REPORT - BETHNAL GREEN VENTURES II FUND**
Report of the Chamberlain and the Chief Grants Officer

For Decision
(Pages 11 - 42)

11. **PORTFOLIO UPDATE**
Report of the Chief Grants Officer

For Decision
(Pages 43 - 78)

12. **ESG SURVEY RESULTS**
Presentation of Mercer

For Discussion

13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

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

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SOCIAL INVESTMENT BOARD

Wednesday, 13 September 2017

Minutes of the meeting of the Social Investment Board held at the Guildhall EC2 at 1.45 pm

Present

Members:

Henry Colthurst (Deputy Chairman)	Jeremy Mayhew
Elizabeth Corrado (co-opted Member)	Andrien Meyers
Tim Haywood (co-opted Member)	Andrew McMurtrie
Deputy Edward Lord	Laura Tumbridge (co-opted Member)

Officers:

Karen Atkinson	-	Chamberlain's Department
Karen McHugh	-	Comptroller & City Solicitors
David Farnsworth	-	City Bridge Trust
Tim Wilson	-	City Bridge Trust
Hannah Davey	-	City Bridge Trust
Emma Sawers	-	Town Clerk's
Martin Newton	-	Town Clerk's

1. APOLOGIES

Apologies were received from Nicholas Bensted-Smith, Alderman Alison Gowman and Alderman Peter Hewitt.

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

Andrew McMurtrie declared a non-pecuniary interest by virtue of his position as Chair of the City of London Academies Trust.

3. MINUTES

RESOLVED – That the public minutes and non-public summary of the meeting held on 12 July 2017 be agreed as a correct record.

4. PROGRESS REPORT

Members received a progress report of the Chief Grants Officer updating on work undertaken since the July meeting to develop the idea of subsidised accommodation for teachers and to complete the fourth round of Stepping Stones. The Chief Grants Officer also welcomed a new recruit to the Trust's social investment team.

RESOLVED – that the report be noted.

5. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was one item of urgent business.

The Social Investment Board received a resolution from the Financial Investment Board regarding a Survey on the Board's investment beliefs on Environmental, Social and Governance considerations for investment policies, to then be followed on by a workshop.

The Social Investment Board asked that it and its members be mentioned in the Financial Investment Board's resolution if they are being asked to partake in the survey.

RESOLVED – that the resolution be noted.

7. **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 of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item No.

8-10

Exempt Paragraphs

3

8. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 12 July 2017 be agreed as a correct record.

9. **REPORT OF ACTION TAKEN**

The Board received a report of the Town Clerk.

10. **PORTFOLIO UPDATE**

The Board considered a report of the Chief Grants Officer.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

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

There was no other business.

The meeting closed at 2.50 pm

Chairman

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Committee	Dated:
Social Investment Board	13/12/2017
Subject: Progress Report	Public
Report of: Chief Grants Officer	For Information

Summary

This month's report introduces today's guests, particularly Elizabeth Corley who will speak to her work chairing a UK group examining ways to develop a retail social investment market. Your Chairman, Peter Hewitt, also sits on this Government-appointed group. The report provides an update on subsidised accommodation for teachers, the development of a possible loan-finance facility for the Stepping Stones Fund, a report on the first five years of the Fund and news of a positive review by Internal Audit. The report also seeks your suggestions for content for next year's strategic half away day.

Recommendations:

Members are asked to:

- note the report; and
- suggest topics and speakers for the 2018 strategic half away day.

Main Report

Guests and today's speaker

1. You will be joined today by several guests. In addition to Livery Company representatives, Elizabeth Corley (Allianz Global Investors) Jo Heywood (Big Society Capital), and Susan Kay (The Dunhill Medical Trust) will attend. Big Society Capital is the social investment market wholesaler and a key partner on several holdings in the City's social portfolio. The Dunhill Medical Trust is a leading charitable foundation concerned with ageing and age-related diseases. DMT has an interest in engaging with the social investment market. Jo is BSC's Relationships Director, Susan is DMT's Executive Director and both are joining to learn more about the City of London Corporation's Social Investment Fund.
2. Elizabeth Corley will present her work chairing a group advising the UK government on how to make socially themed investments more available to individuals. The advisory group, formed at the request of the Government in 2016, is made up of senior industry representatives from the savings, investment and social sectors. Alderman Peter Hewitt is a member. The group has been investigating how to increase individual participation in savings and investments that have a social impact and Elizabeth will speak to their findings.

3. Elizabeth is non-executive Vice-Chair of Allianz Global Investors, a global asset manager wholly owned by Allianz, where she was Global CEO from 2012-2016 and European CEO from April 2005. She is a non-executive director of Pearson plc and BAE Systems plc, as well as a member of the European Securities and Markets Authority (ESMA) stakeholder group and an Advisory Council member of TheCityUK. Elizabeth is a member of the Committee of 200 and, in addition, she is a trustee of the British Museum and a member of their Investment Committee. Elizabeth is an Advisory Council member for the AQR Institute of Asset Management at London Business School. In 2015, Elizabeth was awarded a CBE for services to the financial sector. In May 2016, she was elected to the Board of Governors of the CFA Institute and is a fellow of the CFA Society of the UK. She is also a fellow of the Royal Society of Arts and a published author.

Accommodation for key workers

4. Your July meeting included a discussion of how the Fund might support the provision of subsidised accommodation for teachers. Subsequently, Finance Committee has provided funds for a detailed feasibility study, which will be in two parts: firstly, to clarify the legal parameters of any property investment of this type and the return requirements; secondly, the mechanics of delivering a scheme. We have been engaging with colleagues in City Solicitor's, Chamberlain's and City Surveyor's throughout, as well as sharing updates with prospective partners. I will provide a verbal update at your meeting.

First Five Years

5. December 2017 marks the fifth anniversary of the Social Investment Board's meetings. An illustrated report highlighting the progress made by the Fund in its first five years is in preparation and we are discussing a communication plan with the Media Team.

Strategic Half Away Day

6. Social Investment Board meeting dates for 2018 include a strategic half away day on 30th May. It would be helpful to hear your thoughts on the topics you would like to include during this meeting, as well as any guests or speakers you would like to invite.

Stepping Stones Fund

7. At your September meeting I noted that City Bridge Trust and UBS had made 16 awards of £617,000 under the fourth round of the Stepping Stones Fund (the social investment readiness scheme for London's charities and social enterprises). Since then officers have met prospective partners to discuss the potential to offer low cost, patient loan finance to Stepping Stones alumni. We hope to test this in 2018 as part of a fifth round of Stepping Stones. For information, a list of organisations funded during round four is appended to this report.

Internal Audit

8. The Fund was selected for review by Internal Audit in late 2017 as part of its rolling programme of quality control of Corporation activities. The audit objective was to examine the adequacy of arrangements for the administration and governance of the Fund. Although we have not yet received copies of the final report, the review is complete and verbal feedback from Internal Audit has been positive. One recommendation for change was to update the full Board on pipeline opportunities and proposals not coming for investment decision for sake of transparency. We have addressed this in today's Portfolio Report, and will continue to do so from this point forward.

Appendix 1: Stepping Stones, round 4 grant recipients

David Farnsworth

Chief Grants Officer, City Bridge Trust

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Appendix 1: Stepping Stones, round 4 grant recipients

Organisation	Purpose	Amount
Pure Leapfrog	To support the development of a non-profit energy supply company and dedicated community energy fund.	£49,000
Women's Aid	To pilot a Social Impact Bond for domestic abuse victims in London.	£49,000
Streets of Growth	To develop the revenue, and therefore investment potential, of a furniture up-cycling social enterprise.	£49,000
Family Action	To develop services and an outcomes framework for work with children and young people on the edge of statutory care that might be suitable for social investment.	£46,000
Naked House	To strengthen the organisation's financial model and impact framework for social investment.	£45,000
Trees for Cities	To test models for income diversification.	£45,000
Age UK East London	To build a robust evidence base and business case for a new hospital admission avoidance pathway for older people in East London.	£45,000
Migrant Helpline	To model and investment structure for refugee housing and employment services.	£45,000
Teens and Toddlers	To invest in academic verification for the charity's standards of evidence.	£40,000
Causeway Irish Housing Association	To explore options for social investment to cover costs of accommodation and lifeskills support for vulnerable young people.	£40,000
St Michael's Fellowship	To test the social investment potential of a service to improve the parenting skills of neglectful fathers.	£39,000
Four Corners Ltd	To undertake skills development in preparation of social investment which would support the organisation's income-generating initiatives.	£37,000
Longfield Hall Trust	To examine the potential for loan finance in order to improve the Hall's light and sound equipment.	£29,500
Khulisa	To invest in the organisation's M&E with a view to taking on social investment.	£28,500
London Play	To help set up a playground design trading arm to generate unrestricted income.	£20,000
London Youth Support Trust	To examine options for loan finance to expand the number of properties managed by LYST.	£10,000
Total		£617,000

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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