



Social Investment Board

N.B. Report appendices are circulated separately

Date: THURSDAY, 7 FEBRUARY 2019
Time: 12.00 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Henry Colthurst (Chairman)
Andrien Meyers (Deputy Chairman)
Nicholas Bensted-Smith
Alderman Alison Gowman
Jeremy Mayhew
Andrew McMurtrie
Dhruv Patel OBE
Deputy Henry Pollard
Elizabeth Corrado (Co-opted Member)
Laura Tumbridge (Co-opted Member)

Enquiries: Joseph Anstee
tel. no.: 020 7332 1480
joseph.anstee@cityoflondon.gov.uk

N.B. Part of this meeting may be subject to audio-visual recording.

**John Barradell
Town Clerk**

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 17 October 2018.

For Decision
(Pages 1 - 4)
4. **PROGRESS REPORT**
Report of the Chief Grants Officer and Director of City Bridge Trust (CGO)

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

8. **NON-PUBLIC MINUTES**
To agree the non-public minutes of the meeting held on 17 October 2018.

For Decision
(Pages 9 - 12)
9. **INVESTMENT REVIEW: GREENWICH LEISURE LIMITED 2021**
Report of the Chamberlain and the CGO

For Decision
(Pages 13 - 20)

10. **INVESTMENT REVIEW: BRIDGES SOCIAL OUTCOMES FUND II**
Report of the Chamberlain and the CGO

For Decision
(Pages 21 - 28)
11. **INVESTMENT REVIEW: SASC HOUSING FUND**
Report of the Chamberlain and the CGO

For Decision
(Pages 29 - 36)
12. **EXTENSION PROPOSAL: DARTINGTON HALL TRUST**
Report of the Chamberlain and the CGO

For Decision
(Pages 37 - 40)
13. **OPTIONS FOR THE FUTURE OF THE SOCIAL INVESTMENT FUND**
Report of the CGO

For Decision
(Pages 41 - 48)
14. **PORTFOLIO UPDATE**
Report of the CGO

For Decision
(Pages 49 - 58)
15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

This page is intentionally left blank

SOCIAL INVESTMENT BOARD

Wednesday, 17 October 2018

Minutes of the meeting of the Social Investment Board held at the Guildhall EC2 at 12.00 pm

Present

Members:

Henry Colthurst	Andrew McMurtrie
Nicholas Bensted-Smith	Deputy Henry Pollard
Alderman Alison Gowman	Elizabeth Corrado
Andrien Meyers	Laura Tumbridge

Officers:

Joseph Anstee	- Town Clerk's Department
Karen Atkinson	- Chamberlain's Department
Karen McHugh	- Comptroller & City Solicitors
David Farnsworth	- Chief Grants Officer & Director of City Bridge Trust
Tim Wilson	- City Bridge Trust
Hannah Davey	- City Bridge Trust

1. APOLOGIES

Apologies were received from Jeremy Mayhew.

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

There were no declarations.

3. MINUTES

The Board noted that Hamesh Patel from the Clothworkers' Company was listed as an officer in error.

RESOLVED – That, pending the above correction, the public minutes and non-public summary of the meeting held on 20 June 2018 be agreed as a correct record.

4. ELECTION OF DEPUTY CHAIRMAN

Andrien Meyers, being the only Member indicating his willingness to serve, was duly elected Deputy Chairman for the ensuing year.

5. PROGRESS REPORT

The Board considered a report of the Chief Grants Officer and Director of City Bridge Trust (CGO), providing updates on the Bridge House Estates review and the Stepping Stones Fund, and seeking permission for an investment decision on the Greenwich Leisure Limited bond.

The CGO advised the Board of the request from Greenwich Leisure Limited to extend its investment for a further three years at a reduced interest rate of 3% for the extension period. Officers had begun doing due diligence on the extended investment but due to the tight timeframe available for decision, were seeking delegated authority to extend the investment if it was considered to be suitable.

Members discussed the proposal and queried the request for the reduced interest rate. The CGO advised that Greenwich Leisure Limited had not disclosed the reason for the reduction and may just have asked for it as it was more favourable to them. Greenwich Leisure Limited had been a reliable and confident investee, and had other investors to appeal to beyond the Corporation.

Members discussed whether the Board would agree the terms on offer if it were a new investment rather than an extension, and how far the investment satisfied the social aspect of the Board's objectives. The CGO added that the reduced interest rate was still in line with the Board's target financial returns, and that there was a case for the social impact of the investment. In response to a query from a Member, the CGO reported that after completing refurbishment work of sites in the Olympic Park and at the Royal Greenwich Lido, Greenwich Leisure Limited was expanding its social enterprise operations.

Members discussed the proposal further, and suggested offering to invest a greater sum at a higher interest rate, or to allow the original loan to mature if the extension could not be agreed at 4% or more. The CGO advised that officers had spoken to Greenwich Leisure Limited and the organisation was clear that it sought finance at 3%. It was not known whether other investors had already agreed these terms, but it was likely that they could find investors on the basis of their financial position.

Board Members felt that further attempts should be made to secure a higher interest rate, but ultimately the loan could be extended at 3% if this was not possible.

RESOLVED – That the Social Investment Board:

- a) Note the report; and
- b) Agree to delegate the decision to extend the Fund's holding in Greenwich Leisure Limited to the Town Clerk in consultation with the Chairman and Deputy Chairman.

6. SIB - GOVERNANCE AND FUTURE DIRECTION

The Board considered a report of the Town Clerk concerning the terms of reference and governance of the Social Investment Board following discussion at the previous meeting.

The Chairman gave Members an overview of the points agreed at the last meeting. A resolution on the proposals from the Social Investment Board would be presented to the meeting of the Investment Committee in January 2019, before the reconstitution of the Grand Committee and Sub-Committees following the April 2019 meeting of the Court of Common Council.

Members agreed that a three-year term for Board Members, with three being appointed from the Investment Committee, City Bridge Trust Committee, and from the wider Court, made more sense given the Board's long-term horizon. However, Members agreed that tenures should be staggered in order to provide consistency, also noting that Common Council elections may also result in changes to the membership. Members also agreed that a limit of three terms, a maximum of nine years on the Board, would be sensible.

The Chairman suggested that the skillset for Members drawn from the Court might include an interest in social investment rather than be restricted to financial expertise, and that this description should be amended in the proposals. The CGO recommended that the Board should meet in early November rather than September, as then all meetings would be in line to report quarterly data. The suggested calendar for the Board would be to meet in May, July, November and January, with the meeting in July also serving as the Board's strategic away half-day.

The Board agreed that the proposals as amended should go forward, with the final wording on the resolution to be delegated to the Town Clerk in consultation with the Chairman and the Deputy Chairman.

RESOLVED - That the Social Investment Board propose to the Investment Committee the following changes to the governance of the Social Investment Board, to be effective as of the next municipal year:

- That the Social Investment Board meet four times a year, including the strategic away half-day, in January, May, July and November; and
- That the composition of the Board should be three Members from the Investment Committee, three Members from the City Bridge Trust Committee, and three Members with social investment interest from the wider Court of Common Council, plus up to three co-opted Members appointed according to the existing process; and
- That Members of the Social Investment Board should serve a three-year term, rather than one year, with a maximum of three consecutive terms per Member. Within each group, appointments for one, two- and three-year terms respectively should be appointed for the next municipal year; and
- That co-opted Members should serve a three-year term, rather than four; and

- That meetings of the Social Investment Board be convened ideally as a working lunch meeting, with refreshments to be arranged by the Town Clerk.

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

There were no questions.

8. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chairman asked the Town Clerk that the date of the following meeting be printed on the agenda for future meetings.

9. 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.	Exempt Paragraphs
10 - 12	3
13 - 14	-

10. NON-PUBLIC MINUTES

RESOLVED – That the non-public minutes of the meeting held on 20 June 2018 be agreed as a correct record.

11. PORTFOLIO UPDATE REPORT

The Board received a report of the CGO.

12. NON-PUBLIC REPORT OF ACTION TAKEN

The Board received a report of the Town Clerk.

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

There were no questions.

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

There were two items of other business.

The meeting closed at 1.00 pm

Chairman

Contact Officer: Joseph Anstee
tel. no.: 020 7332 1480
joseph.anstee@cityoflondon.gov.uk

Agenda Item 4

Committee	Dated:
Social Investment Board	7/02/2019
Subject: Progress Report	Public
Report of: Chief Grants Officer and Director of City Bridge Trust	For Decision

Summary

This month's report provides updates on the Bridge House Estates review and the Stepping Stones Fund; and seeks your permission for the recruitment of a new co-opted Member to join the Board.

Recommendations:

Members are asked to:

- delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman, for the recruitment of a new co-opted Member to be recommended to your 22nd May meeting.

Main Report

Bridge House Estates Review

1. The Bridge House Estates governance review continues. A significant outcome since you last met is confirmation that a substantial portion of the charity's assets are held as permanent endowment. The financial statements have been reconstituted to reflect this position, with further detail available in the Bridge House Estates' Annual report and financial statements for year ended 31 March 2018. This document can be found here: <https://1vfva1igmeah9lhs11aj1e1d-wpengine.netdna-ssl.com/wp-content/uploads/2019/01/BHE-Annual-Report-2017-18.pdf>
2. The Chief Grants Officer will provide a verbal update in the non-public section meeting, and your non-public papers include an initial think piece with options for the future direction of Bridge House Estates' social investment work.

Co-opted Members

3. The Social Investment Board has the power to co-opt up to three people with relevant expertise or experience, including non-Members of the Court. The Board currently has two co-opted Members, both of whom were appointed for four-year terms from March 2016. These co-options are subject to annual

reappointment at the first meeting of the Social Investment Board after Annual Court in April.

4. Your terms of reference and governance arrangements were updated at your October 2018 meeting, and these changes were ratified by the Investment Committee in January 2019. The material change for newly co-opted members is the length of their term, which is three rather than four years, in line with other Members of the Social Investment Board. The co-opted protocol is appended to this paper for reference.
5. Given Tim Haywood's resignation from the Board, Officers propose to recruit to the vacant co-opted Membership. In order to make continued progress to the Board's gender balance, Officers recommend that the adverts go to Women on Boards as well as the Women in Social Finance Network.
6. Members are asked to delegate approval to the Town Clerk in consultation with the Chairman and Deputy Chairman for the wording of the advert, role description as well as where the vacancy will be advertised. We will look to bring a recommendation for a new co-option to your meeting on 22nd May.

Stepping Stones Fund

7. City Bridge Trust launched a new market-development initiative on 25th January alongside its partners UBS and the Clothworkers' Foundation. The Stepping Stones Finance Facility will offer repayable finance to charities and social enterprises who have completed work through the Stepping Stones grants programme. Intended to serve as affordable 'first finance' and to address the shortage of small-ticket start-up loans in the social investment market, loans will be capped at £50,000 and a rate of 4%. They will be offered over a 5-year term with provision for early repayment. The Trust plans to re-open the Stepping Stones grants programme on a rolling basis shortly.

David Farnsworth

Chief Grants Officer, City Bridge Trust

T: 020 7332 3713 | E: david.farnsworth@cityoflondon.gov.uk

Appendix 1: Protocol for co-option to the Financial Investment Board, the Property Investment Board and the Social Investment Board.

Protocol for co-option to the Financial Investment Board, the Property Investment Board and the Social Investment Board

1. The Financial Investment Board, the Property Investment Board and the Social Investment Board are empowered to co-opt people with relevant expertise or experience, including non-Members of the Court of Common Council, to assist in their deliberations.
2. The arrangements for co-option and the co-opted membership of individuals to the Financial Investment Board, the Property Investment Board and Social Investment Board will be reviewed on an annual basis at the May meeting of the Investment Committee (and thereafter at the first meetings of the respective Boards).
3. When suggesting individuals with relevant expertise or experience for co-option, Members of the Financial Investment Board, the Property Investment Board or the Social Investment Board will be required to:-
 - a. send a written request for co-option to the Town Clerk, specifying whom it is proposed should be co-opted to either the Financial Investment Board or the Property Investment Board or the Social Investment Board and the reasons for their co-option;
 - b. send a CV or supporting statement, for the individual being suggested for co-option, to the Town Clerk. Bearing in mind the Board's terms of reference, the letter and supporting statement or CV should demonstrate the individual's relevant skills and experience.
4. For the Standards Committee, is it considered inappropriate for past Members of the Court of Common Council or former City Corporation employees to be eligible to serve as [independent] outside members and Members will need to consider if the same conditions should apply in respect of co-option to the Financial Investment Board, the Property Investment Board and Social Investment Board. It would be inappropriate for a close friend or relative of any Member or officer to serve or indeed an employee of any organisation of which the City Corporation is a client.
5. The Town Clerk will consult the relevant Chief Officer to discuss the co-option request and will, if necessary, prepare a report for the next meeting of the respective Board. Members of the respective Board will then be asked to consider the co-option request.
6. Unless co-option is time-banded or topic/project restricted, co-opted Members of the Financial Investment, the Property Investment Board and Social Investment Board will be entitled to attend all meetings of the respective Board for a maximum of 12 months (prior to the annual review in May) and to receive all committee-related documentation, including exempt papers, unless otherwise determined by the Town Clerk in consultation with the relevant Chief Officer.

7. The Financial Investment Board, the Property Investment Board and the Social Investment Board are empowered to approve their own co-opted membership (majority vote) without prior consultation with, or agreement by, the Investment Committee. The Town Clerk will inform the Chairman and Deputy Chairman of the Committee once a Board has agreed co-option of an individual.
8. Co-opted Members would not have voting rights.
9. Co-opted Members of the Financial Investment Board, the Property Investment Board and Social Investment Board will be required to complete a Register of Interest form and declare personal and prejudicial interests when in attendance at meetings.

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank