

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

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