

Committee(s): Policy and Resources Committee	Date: 19 September 2019
Subject: Nomination of a new Guarantor to Innovate Finance's Board of Guarantors	Public
Report of: Damian Nussbaum, Director of Innovation and Growth Directorate	For Decision
Report author: Heather Wilson, Policy Advisor, Innovation and Growth Directorate	

Summary

In 2016, Innovate Finance, as recommended by the City Corporation, appointed Alderman William Russell as Guarantor and Co-Chair to Innovate Finance's Board of Guarantors.

Given a potential conflict of interest, Alderman Russell has recommended that he step-down from the position as soon as his Mayoralty commences in November 2019.

In response to Alderman Russells request, it is recommended that Deputy Tom Sleigh is nominated to take over this role. This recommendation is based on Deputy Sleigh's position as Vice Chair of the Policy and Resources Committee.

Recommendation

Members are asked to nominate Deputy Tom Sleigh as a Guarantor and Co-Chair of the Board of Guarantors for Innovate Finance. This appointment would come into effect once Alderman Russell steps down from this position in November 2019.

Main Report

Background

1. The City Corporation is Innovate Finance's lead sponsor, providing £1.35m over four years from 2014/15 and, following approval last February, the Policy and Resources Committee agreed to an additional three year's sponsorship of £750,000 from March 2018.

Current Position

2. In 2016, Innovate Finance, as recommended by the City Corporation, appointed Alderman William Russell as Guarantor and Co-Chair to Innovate Finance's Board of Guarantors.
3. Given a potential conflict of interest, Alderman Russell has recommended that he step-down from the position as soon as his Mayoralty commences in November 2019.
4. In response to this request, your Officers have recommended that the City Corporation nominates Deputy Tom Sleigh to take over this role. This recommendation is based on Deputy Sleigh's position as Vice Chair of Policy and Recourses.

Proposal

5. Innovate Finance is a company limited by guarantee and the Guarantors are its company members. Innovate Finance has approved a governance model which proposes that the Guarantors would be very senior individuals with proven reputations in the sector and influencers. They could come from anywhere in the world and they may also be the representatives of significant benevolent investors (such as the City of London Corporation). They would meet infrequently and have a limited number of responsibilities, namely:
 - Appointment and removal of the Executive Board Chair and members;
 - Holding the Chair of the Executive Board to account for the performance of the company;
 - Long term strategy setting;
 - Dispute resolution for Subscribers.
6. There would be no maximum number of Guarantors.
7. The Guarantors meet twice a year, once in General Meeting with the Board and only convene in addition if their dispute resolution function was needed. It is suggested that Guarantors carry out a minimum three year term.

8. However, it is proposed that Deputy Sleigh be under no obligation to pursue the role for the suggested full three year term if he chooses otherwise.

Corporate & Strategic Implications

9. Our partnership with Innovate Finance provides unique support for our own corporate objectives, in particular to support a thriving economy to ensure we are a global hub for innovation in financial and professional services.

Implications

10. There are no financial implications to this decision.

Conclusion

11. While the UK has made significant progress in building a thriving FinTech sector, competition is fierce and all the more so with the backdrop of Brexit. It is therefore imperative that we continue to support Innovate Finance to ensure we can harness the full potential of the sector and retain our competitive advantage.

Appendices

None

Background Papers

Report to Policy & Resources Committee requesting approval for additional sponsorship to support Innovate Finance, September 2016

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