

<b>Committee</b>	<b>Dated:</b>
Social Investment Board	06/11/2019
<b>Subject:</b> Progress Report	<b>Public</b>
<b>Report of:</b> Chief Grants Officer and Director of City Bridge Trust (CGO)	<b>For Information</b>

### Summary

This month's report introduces speakers from Social and Sustainable Capital who will provide an update on work delivered by the housing fund you have recently supported. The report also provides short updates on the Bridge House Estates governance review, City Bridge Invest, the UN Sustainable Development Goals and Greenwich Leisure Limited's approach to social impact measurement.

### Recommendations:

Members are asked to:

- Note the report.

### Main Report

#### Today's Speakers

1. Your February 2019 meeting approved an investment of £1m in the Social and Sustainable Capital Housing Fund (now known as *SASH*). Members will recall this scheme offers finance to social-purpose organisations who wish to purchase residential properties for service delivery with their client groups. It was expected that the scheme would be particularly attractive to those working in support of young care leavers, asylum seekers, domestic violence victims, adults with addiction and ex-offenders, especially if the alternative was property rental from private landlords. Investors receive income from net rental receipts with capital repaid at term (13 years) through property sales (either to the social-purpose organisations at discount or on the open market). Social and Sustainable Capital was seeking to raise £100m by the end of 2019. Your investment was conditional on *SASH* raising at least £25m, which it has achieved. *SASH* launched in May 2019 with £26.5m
2. Since launch, *SASH* has committed £15.4m to five investees and has drawn down £130,639 of the City's investment. *SASH*'s pipeline indicates that *SASH* is confident it will have committed all first close investments by the start of 2020 and so it is seeking to raise additional funds, which may include a request for the City to increase its investment.

3. Ben Rick, MD and founder of Social and Sustainable Capital (SASC), and Gilly Orr, Fund Development Director, will give an update on SASH's work over the last few months as well as future plans.

### **Bridge House Estates Strategic Governance Review**

4. The work on the Bridge House Estates (BHE) Strategic Governance Review continues to progress, with a view to ensuring that BHE is effectively administered to best fulfil its objects. To note in particular, in September 2019, BHE procured the services of Crowe U.K LLP to develop an overarching investment strategy for the charity to encompass the investment of its permanent endowment fund and unrestricted income fund. The strategy will encompass property, financial and social investments.
5. On 24 October, your Chairman and Deputy Chairman met with Crowe, alongside the Chairman and Deputy Chairman of Investment Committee, Property Investment Board and Financial Investment Board, to discuss and input into the draft strategy. Further engagement with Members will take place over the next three months through a variety of forms, including a dedicated Member briefing session where the draft strategy will be presented for comment and feedback. It is the intention that the final strategy will be presented to committees from February 2020 onwards, with a view to launch in April 2020.
6. Other workstreams that are part of the review, including proposed governance changes, continued to be progressed with the relevant internal and external parties with a view to completion by summer 2020. A detailed progress report will be presented to Members in the non-public agendas of the Finance, Planning and Transportation, Policy and Resources and City Bridge Trust committees in December 2019 and January 2020. Any changes or workstreams that impact the Social Investment Board will be reported at future meetings.

### **City Bridge Invest**

7. Your July 2019 away half-day focused on the social investment fund's future strategy. Members were broadly supportive of the proposed direction of travel (provisionally titled *City Bridge Invest*), and officers have commissioned a leading social investment specialist (Finance for Sustainability) to undertake some market testing. This will provide independent feedback on market appetite for what City Bridge Invest might deliver, and how well this fits with the work of other key social investment market actors such as Access, Social Finance, UnLtd and Big Society Capital. A summary report is expected imminently and officers can provide a verbal update at your meeting.

### **UN Sustainable Development Goals**

8. Your July 2019 away half-day also included discussion whether the UN Sustainable Development Goals (UN SDGs) would be useful to frame the Fund's future investment strategy. One possible direction for your social investment fund is to align the social themes with City Bridge Trust's grant making strategy, Bridging Divides.

9. There are some clear synergies between the UN SDGs covered by the current COLCSIF portfolio and those in the 'Bridging Divides' strategy. Each of the 17 UN SDGs has a broad remit, and many indicators are more suitable for activity in the Global South than work in a world economic centre like London. However, given Bridging Divides' focus on disadvantage and inequality, the five UN SDGs which appear to be closest fit are:
  - a. Reducing Inequalities
  - b. Good Health and Well-being
  - c. Sustainable Cities and communities
  - d. Quality education
  - e. Decent work and economic growth
10. Officers will report further on work to develop City Bridge Invest and its possible relationship with the UN SDGs at your February meeting.

### **Greenwich Leisure Limited**

11. In February 2019 Members approved an investment of £0.5m in Greenwich Leisure Limited to continue its work to provide affordable health and fitness centres in London and the wider UK. Members sought further detail on how the organisation measured and reported social impact.
12. GLL's overall aim is stated as "improving the health and happiness of local people". It typically includes notices about its work with communities in its centres, along with details of its carbon footprint and its efforts to ensure employees have both voice in the running of the organisation as well as opportunities for career progression.
13. GLL publishes an annual report of its work against the following objectives:
  - work with volunteers, clubs, national governing bodies, health and social service organisations to provide improved lifestyles, health and education for local communities;
  - deliver across the environmental and sustainability agenda;
  - promote values that social enterprise can bring;
  - promote the Olympic and Paralympic Games legacy agendas and ideals and to maximise the associated benefits;
  - acknowledge and reward young individuals with sporting talent through the GLL Sport Foundation programme and associated partner schemes; and,
  - to reinvest all surpluses into delivering social aims.
14. Alongside this GLL also has a Sports Foundation, which is the largest independent athlete support programme in the UK. The Foundation offers £360,000 direct cash to Olympic, Paralympic, Commonwealth, Deaflympic and Special Olympic athletes per annum in local authority and public sector areas that GLL operates.
15. It also operates a Community Foundation to support projects which encourage local people to be active, learn and play together, with grants of up to £5,000. In London

examples of funded projects are a tea dance club in Tower Hamlets for elderly people and free sports activities during school holidays for 'at-risk' teenagers.

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