

Committee	Dated:
Social Investment Board	27/05/2020
Subject: Progress Report	Public
Report of: Chief Grants Officer and Director of City Bridge Trust	For Discussion

Summary

This month's report provides short updates on the Bridge House Estates Governance Review and the development of our future social investment strategy (City Bridge Invest).

Recommendation:

Members are asked to discuss the presentation made at the meeting by Richard Speak and Elizabeth Corrado (as per paragraphs 4-8).

Main Report

Bridge House Estates Strategic Governance Review

1. The work on the Bridge House Estates (BHE) Strategic Governance Review continues to a progress. To note in particular, on 5th March 2020 the Court of Common Council approved a policy requiring free reserves of £35m to be held to cover unknown eventualities that may arise, and the allocation of £200m of surplus income funds to be applied under the Bridging Divides Policy, delivered by City Bridge Trust. Work is also progressing on the BHE Investment Strategy; however, final timings for the presentation of this strategy at committee are currently being re-considered due to the impacts of COVID-19.
2. Progress continues to be made with the governance changes being pursued by way of a Supplemental Charter in consultation with the Privy Council Office, including for example a new social investment power for the ancillary object. The timeframes for formal consideration by the PCO will be subject to the impact upon Privy Council business arising from COVID-19.
3. Other workstreams that are part of the review, including the development of a BHE overarching strategy, continued to be progressed. A detailed update report will be presented to Members in the non-public agendas of the Policy and Resources, Finance, Planning & Transportation, and City Bridge Trust Committees in June and July 2020. Any changes or workstreams that impact the Social Investment Board will be reported at future committees.

City Bridge Invest

4. The Board has had regular discussions and updates on the social investment fund's future strategy. At the February 2020 meeting, the Board requested a business plan, reflecting the discussions with the Privy Council Office and the BHE Investment Strategy. This was before the scale of the COVID-pandemic was known, and as with paragraphs 1 & 2 (above), we expect some adjustments to the original timetable for the wider work on BHE which may in turn delay delivery of the business plan.
5. Some preparatory work has started and will be aligned with wider work on BHE. Officers have commissioned Finance for Sustainability and Impulse (a new advisory firm providing advice on social investment fund design), to develop and test a detailed investment strategy, structure and delivery plan. This work will form the basis of the business plan requested by the Board.
6. Members will hear from the two principals at Finance for Sustainability and Impulse, Richard Speak and Elizabeth Corrado. Elizabeth is already known to you as a co-opted Member of this Board and her engagement in this exercise has been approved by the Chairman, Deputy Chairman and the Corporation's Procurement team. Richard Speak undertook a review at the end of 2019 which highlighted that City Bridge Trust is recognised as a social investment market leader and could play a strong role encouraging others to make moves into the sector.
7. The project team has undertaken a high-level review of the purpose and activities of BHE, the grant-making work of City Bridge Trust, the Bridging Divides strategy and the social investment strategy (including the current investment portfolio). Over the coming months, the project team will work with officers to design City Bridge Invest in consultation with key internal and external stakeholders. This work will include needs-analysis, evidence of demand and pipeline, examination of suitable forms of financing and recommendations for resourcing the subsequent delivery of this social investment approach.
8. Richard and Elizabeth will share their initial thoughts and discuss some of the key considerations for the design of City Bridge Invest.

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