

Committee:	Date:
Social Investment Board	20 June 2013
Subject: Update on work of the City of London Corporation's Social Investment Advisor	Public
Report of: Director of Economic Development	For Information

Summary

This report covers the major areas of activity of the Social investment Adviser (SIA) in developing the social investment strategy, in addition to her work for the Social Investment Board.

Since your last meeting on 23rd April, key work has included:-

- participating as part of a small group advising the Treasury on the remit of the consultation on the tax relief, to be opened shortly
- involvement in the planning of the content of the G8 Symposium to be held on June 6th. Themes emerging from this will be picked up in further conferences to be hosted by the City of London Corporation in the summer and late Autumn
- work also continues in partnership with other leading organisations on the market challenges around access to appropriate forms of capital, to markets, to contracts and to supply chains for social sector organisations, both within the UK and in EU.

Main Report

The City of London Corporation's Social Investment Strategy

1. The work of the Social Investment Advisor (SIA) supports the City of London Corporation's Social Investment Strategy, under the leadership of the Chairman of Policy & Resources Committee. The post is co-funded by Policy & Resources and City Bridge Trust Committees. The SIA advises the Chief Grants Officer on matters relating to the City Bridge Trust and the Social

Investment Fund as well as the Director of Economic Development on delivery of the Strategy. The Strategy has the following aims:

- a) Increasing the supply of appropriate capital to social investment (including establishing and developing the Corporation's own Social Investment Fund)
- b) Supporting social organisations to generate income and to become investment-ready
- c) Working towards an enabling legal, regulatory and financial environment for social investment.

The overall aim is to work towards establishing London as a recognised global hub for social investment.

Events

2. Since your last meeting on 23rd April, the Social Investment Adviser (SIA) has worked as part of a small group advising the Treasury on the remit of the consultation on the tax relief for social investment, to be opened shortly.
3. The G8 Symposium is to be held on June 6th and SIA has been involved in planning the content of this event.
4. The SIA is preparing for two international events on impact investment which the City of London is hosting at the Guildhall. These are the International Impact Investing Policy Collaborative in July and the Global Impact Investors Network in October. The themes arising from the G8 Symposium will be carried through into these agendas.
5. Big Society Capital hosted a reception for its first year of operation, attended by Minister Nick Hurd, and members of the Houses of Commons and Lords. The CEO of Big Society Capital outlined the progress already made in terms of investments committed, and identified key areas going forward – including the better provision of unsecured loans, improved access to regional funds, and the development of retail products. The SIA facilitated a Panel Session at this event; speakers included Sir Ronald Cohen, Hazel Blears MP and Nick Hurd MP.

Research

6. The City of London is co-commissioning research into the economic impact of social investment; this is reaching the final stages of preparation. The report will be used to indicate the extent to which there is growth in the social investment marketplace in the UK, and the economic impact of that investment. The co-commissioners of this work include Cabinet Office, Department for Work and Pensions and Big Society Capital, and the findings will help inform future policy on access to finance.

Relationships with EU and Government

7. The approval of the European Union Social Entrepreneurship Fund allows fund managers seeking social investment from other countries to ‘passport’ their fund within the EU, as long as the Fund meets certain criteria relating to the social impact to be generated by the Fund. There is early interest in this as cross-border collaborations are beginning to develop; these are enhanced by the international conferences in train, including those to be held in London over the following five months.

Red Tape Challenge follow-up

8. The SIA continues to keep watch on the commitments that were arising from the Red Tape Challenge to ensure that these are forthcoming in the near future. In particular, the Law Commission is beginning its work around the fiduciary duties of the trustees of charitable trusts and pension funds.
9. Additionally, the SIA has fed in to the consultation processes undertaken by HM Treasury and Financial Conduct Authority (FCA) on consumer protection. The City of London Corporation’s responses to these consultations drew attention to the need to consider the impact on social investment of any review of the Financial Promotions Order. This review has come about as a result of the transfer of responsibilities on consumer credit from the Office of Fair Trading to the FCA.

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