

SOCIAL INVESTMENT BOARD

Wednesday, 26 February 2014

**Minutes of the meeting of the Social Investment Board held at the Guildhall
EC2 at 11.00am**

Present

Members:

Alderman Peter Hewitt (Chairman)
Deputy Ken Ayers
Revd Dr Martin Dudley

Deputy Robert Howard
Andrew McMurtrie

Officers:

Sean Cable	- Town Clerk's Department
Alistair MacLellan	- Town Clerk's Department
David Farnsworth	- City Bridge Trust
Tim Wilson	- City Bridge Trust
Martin Hall	- City Bridge Trust
Katie Hill	- Economic Development Office
Liz Skelcher	- Economic Development Office
Paul Mathews	- Chamberlain's Department
Anne Pietsch	- Comptroller & City Solicitor's Department
Karen McHugh	- Comptroller & City Solicitor's Department

In Attendance:

George Gillon	- Chief Commoner
Patrick Reeves	- Albion Ventures LLP
Robert Whitby-Smith	- Albion Ventures LLP
John Kingston	- Social Finance
Richard Todd	- Social Finance

- 1. APOLOGIES**
There were no apologies.
- 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
There were no declarations.
- 3. ELECTION OF DEPUTY CHAIRMAN**
The Town Clerk conducted an election for Deputy Chairman in accordance with Standing Order 30. Deputy Robert Howard, being the only member expressing his willingness to serve, was elected as Deputy Chairman for the remainder of the municipal year.

4. **MINUTES**

RESOLVED – that the public minutes and summary of the meeting held on Friday 13 December 2013 be approved as a correct record, subject to the typographical errors ‘canto’ (Item 3) and ‘programme?’ (Item 8) being corrected.

**Matters Arising
Meetings and Events**

The Chairman emphasised that members of the Board should be invited to high level events. In response the Chief Grants Officer noted that several such events were due to take place over the coming weeks, including Threadneedle Investments (12 March) New Entrepreneur Foundation (29 April) and a roundtable of wealth advisers (date to be confirmed). He noted that members would be informed of event details in due course.

5. **EVENTS AND MEETINGS ATTENDED**

The Board received a record of events and meetings attended for the period 4 December 2013 – 12 February 2014.

In response to a question from a member, the Principal Grants Officer provided feedback on officers’ 9 December 2013 meeting with City YMCA, noting that they were now based outside of the City itself and, given they were primarily interested in seeking grant funding, had been advised by officers to apply to the City Bridge Trust.

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6. **PRESENTATION FROM ALBION VENTURES**

The Board received a presentation from Patrick Reeve and Robert Whitby-Smith of Albion Ventures, after which members of the Board took the opportunity to pose questions.

In response to a question from the Chairman regarding the relative merits of the Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCTs), Mr Reeve replied that it was his opinion that social investment benefited more from longer term approaches, and therefore VCTs were the more appropriate vehicle for social investment.

In response to a further question from the Chairman, Mr Reeve replied that the tax breaks on both schemes were very similar in that both offered up-front tax relief to investors – however he noted that dividend income from VCTs was tax free whereas dividend income from EIS was not.

In response to an observation from the Deputy Chairman, Mr Reeve replied that VCTs should ideally be reformed to feature, for example, a lower up-front tax break. The Deputy Chairman noted that the Financial Conduct Authority was looking to make retail investment into non-mainstream investments such as EIS more difficult.

RESOLVED –

- In response to a suggestion from the Deputy Chairman, officers agreed to invite Big Society Capital to make a presentation about their new strategy to the Board sometime after late summer 2014.

7. **PROGRESS REPORT**

The Chief Grants Officer (CGO) introduced a progress report on social investment activity within the City of London Corporation. He noted that the Finance Committee had approved resources for the recruitment of a social investment analyst.

Commenting upon the wider body of the report, the CGO noted that the City Bridge Trust was developing a new programme to support charitable organisations to engage with the social investment market. It was intended that this programme would complement the work of the Social Investment Board.

The CGO concluded by noting that the report requested the Board to approve delegated authority for both the CGO to enter into non-disclosure agreements with potential investees as well as being able to approve any minor variations in investment terms with investees that had previously been approved by the Board.

In response to a suggestion from a member that the delegation to approve minor variations in investment terms be included in the Officer Scheme of Delegations, the Comptroller & City Solicitor's representative noted that the Chief Grants Officer was not a Chief Officer and would not normally be referred to in the Officer Scheme of Delegations. Under existing corporate practice any specific delegations to the CGO (who acts under delegated authority from the Town Clerk) would need to be approved by Members on a case-by-case basis, as occurred recently in approving the revised CBT grants policy. The Chief Grants Officer and the Comptroller & City Solicitor agreed to consult with the Town Clerk to determine whether specific delegations to the CGO could be included in the Officer Scheme of Delegations which was currently being reviewed.

RESOLVED, that –

- Members note the report;
- Members delegate the authority to the Chief Grants Officer to enter into non-disclosure agreements which may be required as a pre-condition to receiving information necessary to enable the evaluation of investment be officers;
- Members approve a standing delegation to the Chief Grants Officer, in consultation with the Chairman and Deputy Chairman, to approve minor variations to the terms of existing social investments where these do not materially impact upon the charity's investment;

- The Chief Grants Officer and Chief Legal Assistant consult with the Town Clerk to determine if delegated power in the CGO to approve minor variations to social investments can be included in the Scheme of Delegations.
- In response to a request by the Deputy Chairman, officers agreed to provide information on the geographic spread of investments made by the Board in future reports to better inform them on progress in meeting the geographic mandate of the Fund.

8. UPDATE ON THE WORK OF THE SOCIAL INVESTMENT ADVISOR

The Social Investment Adviser introduced a report of the Director of Economic Development on the work she had been carrying out since the last meeting of the Board. She emphasised that there continued to be international interest in the social investment work being carried out by the City of London Corporation. She went on to reference two research projects of the Social Investment Market Research Council upon which the City of London was leading and managing, namely an examination of potential new sources of supply of social investment and a user friendly description of the Financial Promotions Order. These two projects were due to publish their findings in April 2014. She concluded by drawing the Board's attention to the ongoing market trend of an excess of supply of capital seeking low-risk, asset-backed investment opportunities.

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9. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no urgent business.

11. EXCLUSION OF THE PUBLIC

RESOLVED – that under Section 100A(4) 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 information as defined in Part I of Schedule 12A of the Local Government Act:

Item(s)	Paragraph(s)
12-17	3

12. NON-PUBLIC MINUTES

The Board agreed the non-public minutes of the meeting held on 13 December 2013.

13. PORTFOLIO UPDATE

The Board considered a report of the Chief Grants Officer.

14. INVESTMENT REVIEW - THE FOUNDRY

The Board considered a report of the Chamberlain and Chief Grants Officer.

15. **INVESTMENT REVIEW - APPOSITE CAPITAL**
The Board considered a report of the Chamberlain and Chief Grants Officer.
16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
Real Lettings
The Chief Grants Officer briefed the Board on a variation in relation to the Real Lettings Property Fund investment.

The meeting closed at 12.34pm

Chairman

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