

Committee:	Date:
Social Investment Board	4 July 2014
Subject: Progress Report	Public
Report of: Chief Grants Officer	For Information
Summary	
<p>City Bridge Trust's new grants programme for London charities looking to participate in the social investment market is nearly finalised. The proposed final scope of this programme is outlined in the paper and your views are sought ahead of submission of final plans to the City Bridge Trust Committee.</p> <p>There has been a delay recruiting a consultant to act as the Fund's Social Investment Analyst.</p> <p>With the arrival of two new Members on the Social Investment Board, the Members' Handbook is appended to this report.</p> <p>Recommendation(s)</p> <p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the report. 	

Main Report

Developing the social investment market

1. You will recall that my report to the April 2014 Social Investment Board included an item on work that was being done to develop a new grants programme for the City Bridge Trust. This programme, which will be funded by the annual grant allocation and overseen by the City Bridge Trust Committee, will be for London charities which are keen to participate in the social investment market.
2. City Bridge Trust is not the only funder interested in market development and investment readiness support. Therefore we have undertaken extensive research to identify those gaps where City Bridge Trust's grant-making and convening can make the greatest difference. This has included a series of bilateral discussions with other leading funders, roundtable seminars with market intermediaries, charities, and grant-makers, and discussions with Members of both the Social Investment Board and the City Bridge Trust Committee.
3. The new grants programme (which has the working name "Transition Fund") is intended to help those organisations who currently lack the scale, track

record, and revenue generation profile to come to you for social investment, but who nonetheless, and with the right support, might be investment opportunities for the future.

4. The “Transition Fund” will be presented to the City Bridge Trust Committee’s July meeting for approval, and it will be based around four elements:
 - **Capacity building for charities and intermediaries:** to provide organisations with human, financial and strategic support as well as supporting access to appropriate expert intermediaries to enhance their overall investment readiness
 - **Pilot finance for better outcomes:** to pilot new ways of creating improved social outcomes in a specific sector, geography or outcome area; test out new ideas, new partnerships and ways of working as well as alternative ways of measuring complex outcomes
 - **Risk finance:** to provide first loss capital to qualifying organisations e.g. in the form of guarantee, underwriting, overdraft facility or other subordinated or concessionary positions within or in advance of an investment package.
 - **Evaluation** to encompass the quality of proposals submitted, the levels of take up, the extent to which grants attract new investors, the relevance of the priority areas given other market activity in development, and to track the progress of grantees beyond the financing period.
5. Some of you have already fed directly into the research informing the “Transition Fund”. Any further views from Members of the Social Investment Board to the ideas outlined above are welcome.

Staffing update

6. You will recall that we have been working to recruit a suitably qualified consultant to act as Social Investment Analyst. The consultant will provide extra capacity to review some of the more formative proposals received by your Fund, and to help monitor the active investments. This consultancy is expected to be for an initial 6-12 month period, working in both the Chamberlain’s Department and City Bridge Trust for up to 3 days per week. It is anticipated that the consultancy will help inform the role description of a permanent appointment, most likely in the Corporate Treasury team.
7. At time of your April meeting we had interviewed suitable candidates. Unfortunately, we were unable to agree terms with our preferred individual. We are now looking at alternative providers and hope to have a consultant in post soon.

Investment pipeline

8. Today is the first time the Social Investment Board has not had an investment proposal to consider. This lacuna is despite our ongoing discussions with market intermediaries and prospective investees. It is simply a consequence

of timing that some of the warmest prospects in our investment pipeline are not yet ready for Board consideration. Although we expect that September's meeting will be a return to 'business as usual', we think that the "Transition Fund" and the Social Investment Analyst discussed above will both help improve the investment pipeline by supporting prospective investees develop proposals that better fit your investment criteria.

Members' Handbook

9. You will be aware that the Social Investment Board Members' Handbook has been made available on the Corporation intranet and can be found here: <http://colnet/Departments/Town%20Clerks/Pages/About%20Us/Home.aspx>. We hope that Members continue to find this a useful resource. If you have any recommendations for additional content do please let me know.

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