

Committee:	Date:
Social Investment Board	30 September 2014
Subject: Progress Report	Public
Report of: Chief Grants Officer	For Decision
Summary	
This is the regular progress update of the Chief Grants Officer.	
Recommendations	
<ul style="list-style-type: none"> • To note the report; • To approve the proposed skills audit; • To reduce the number of Board meetings in 2015 from 6 to 4. 	

Main Report

Cabinet Office

1. Members will be joined today by Kieron Boyle who will provide a briefing on the work of the UK Cabinet Office in this market. Kieron is Head of Social Investment and Finance and his team focuses on increasing the supply of social investment capital, growing the demand for capital from the charitable and social enterprise sector, and creating an enabling environment for investment to occur.

Developing the social investment market

2. We have discussed the ways in which grant finance can support the nascent social investment market at several previous meetings. At our 4th July meeting I presented details of a new grants programme for the City Bridge Trust which has been designed to assist London charities which are keen to participate in the social investment market.
3. This programme was approved by the City Bridge Trust Committee at its 16th July meeting and will consider applications under the following strands:
 - **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.

4. This is a £1m pa programme and is funded through the City Bridge Trust grants budget. The funds will be divided 40:40:20 between the three strands. It is expected that no more than 30 organisations will be supported each year under the first two strands, and no more than 5 each year under the third. Officers are currently working on detailed assessment criteria, and the programme will be launched in late 2014. I will report on the progress of this initiative to subsequent meetings, and hope that some of the organisations funded through the programme will be investment opportunities for your Fund in the future.

Board skills audit

5. When we met in July, Members agreed that it would be timely to undertake a skills audit for the Social Investment Board. A skills audit provides the opportunity to see whether there are any gaps in the Board's expertise, and how these might best be addressed. Your terms of reference allow for an unspecified number of co-options in order to bring relevant expertise or experience that will strengthen your oversight and decision-making. As with Finance Investment and Property Investment Boards you have the power to co-opt people from the Court of Common Council or beyond.
6. The table shown in annex A is the proposed format for the skills audit, allowing a quick check of the key areas on which it is most helpful to have expertise. If this approach is acceptable, and the categories suitable, then I would suggest that City Bridge Trust gathers input from Members and presents the findings for discussion at your next meeting on 5th November.

Staffing update

7. I am pleased to announce that we have now found a well-qualified consultant to act as Social Investment Analyst to the Fund. This consultant will provide valuable extra capacity to review the growing number of formative social investment proposals which the Fund receives, and will help monitor the active investments. This consultancy is expected to be for an initial trial period, working for up to 3 days per week. Contracts have not yet been signed at time of preparing this paper, but the consultant is expected to join your September meeting and will say a few words about their investment appraisal experience.

Meeting schedule

8. The terms of reference approved by Court in October 2012 state that the Social Investment Board will meet four to six times a year. Meetings are

currently scheduled every two months, and I would recommend that the Board moves to quarterly meetings in 2015. Given the current pipeline, quarterly meetings should be sufficient for you to take the decisions to meet your dispersal target. Additionally, as most of your holdings only report on a quarterly basis, quarterly meetings would have the benefit of providing more substantial updates on portfolio investments.

Members' Handbook

9. You provided feedback on the Social Investment Board Members' Handbook at your last meeting, and updates have been made to this document. In particular, the fiduciary duties of Members in relation to the charitable funds they help oversee have been clarified. The Handbook is available on the Corporation intranet and can be found here:
<http://colnet/Departments/Town%20Clerks/Pages/About%20Us/Home.aspx>.
I hope that Members continue to find this a useful resource. If you have any recommendations for additional content, do please let me know.

Recommendations

- To note the report;
- To approve the proposed skills audit;
- To reduce the number of Board meetings in 2015 from 6 to 4.

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Annex A: Board Skills Audit

		1. Fixed income securities	2. Equities	3. Property	4. Collective investments	5. Risk management	6. Portfolio management	7. Financial regulation	8. Macroeconomics	9. Legal	10. Social impact measurement	11. Welfare policy	12. Statutory commissioning	13. Media and PR
1	Roger Chadwick													
2	Revd. Dr Martin Dudley													
3	Alderman Peter Hewitt													
4	Deputy Robert Howard													
5	Wendy Hyde													
6	Jeremy Mayhew													
7	Andrew McMurtrie													
	Number of Members with high skills													
	Strengths identified													
	Gaps identified													

✓ High level of knowledge / skills