

## **SOCIAL INVESTMENT BOARD**

**Tuesday, 30 September 2014**

**Minutes of the meeting of the Social Investment Board held at the Guildhall EC2 at 11.30 am**

### **Present**

#### **Members:**

Alderman Peter Hewitt (Chairman)	Wendy Hyde
Deputy Robert Howard (Deputy Chairman)	Andrew McMurtrie
Roger Chadwick	

#### **Officers:**

Linda Cross	Town Clerk's Department
Philippa Sewell	Town Clerk's Department
Caroline Al-Beyerty	Chamberlain's Department
Anne Pietsch	Comptrollers and City Solicitor's Department
Karen McHugh	Comptroller & City Solicitors
Paul Sizeland	Director of Economic Development
Katie Hill	Economic Development Office
David Farnsworth	The City Bridge Trust
Tim Wilson	The City Bridge Trust
Martin Hall	The City Bridge Trust

#### **In Attendance:**

Kieron Boyle	Cabinet Office
Russ Bubley	i-for-change (Social Investment Analyst)
John Kingston	Social Finance
Richard Todd	Social Finance

### **1. APOLOGIES**

Apologies were received from Revd Dr Martin Dudley and Jeremy Mayhew.

### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

The Chairman declared a non-pecuniary interest in item 12, by virtue of a client going through, and subsequently withdrawing from, the investment process with Apposite Capital, and 14, by virtue of Threadneedle being voters in his ward of Aldgate.

Andrew McMurtrie declared a non-pecuniary interest in item 13, by virtue of being a Director of City YMCA.

### **3. MINUTES**

**RESOLVED** – That the public minutes and non-public summary of the meeting held on 4 July 2014 be approved as a correct record.

The Chief Grants Officer informed Members of an induction session arranged as part of the Member Development Programme. This was scheduled for Monday 3<sup>rd</sup> November at 8.30am, but private briefings were also available.

4. **EVENTS AND MEETINGS ATTENDED**

**RESOLVED** – That the record of events and meetings attended for the period 26<sup>th</sup> June to 19<sup>th</sup> September 2014 be noted.

5. **PROGRESS REPORT**

The Chief Grants Officer introduced a progress report on social investment activity within the Corporation, and Members noted that the Social Investment Advisor would be reducing her hours in order to undertake a new role with the Market Development Foundation. With regard to expanding the Membership of the Board, a skills matrix was attached for Members' comments, and the Town Clerk undertook to circulate the co-option protocol for the Financial, Property and Social Investment Boards.

With regard to the 'Transition Fund', the Chief Grants Officer reported that the £1m per annum programme had been approved by the City Bridge Trust Committee in July, to be launched later in 2014. Officers were currently working on detailed assessment criteria and it was hoped that some of the organisations funded through the programme would become investment opportunities for the Social Investment Fund in the future. Members noted that knowledge sharing was a key aspect of the programme, and closer work on the continuum and transition between organisations in receipt of grant funding and those suitable for social investment was pioneering in the market.

**RESOLVED** – That:

- (a) The report be noted;
- (b) The proposed skills audit be approved;
- (c) The number of Board meetings in 2015 be reduced from 6 to 4; and
- (d) The co-option protocol for Social Investment Board be circulated.

6. **UPDATE ON THE WORK OF THE CABINET OFFICE**

The Board welcomed Kieron Boyle, Head of Social Investment at the Cabinet Office, who gave a brief presentation of the investment market, the Cabinet Office's current focus and the issues and challenges on the horizon, after which Members of the Board had the opportunity to ask questions.

Mr Boyle advised Members that policy framework in this area sought to increase the supply of, and access to, social investment capital and reported that this year had seen the launch of social investment tax relief. In terms of capacity building, the Chancellor had announced a further £60m in capacity and investment, and discussions were ongoing with the City Corporation and the Law Commission to assess how suitable current rules were for fostering new connections and joint working to develop the social investment market. Mr Boyle advised Members of the G8 Task Force that had been launched two

weeks previously, which would identify work for governments to do in order to enable growth.

With regard to improving access to social investment, Mr Boyle discussed the role of the Market Development Foundation and open public markets. Members noted that social impact bonds could promote better joined up working, particularly for government departments which struggled to join monies. Members noted that the UK was a world leader in social investment, and approved of the long-term aim to make London a Global Hub in the field. With regard to challenges, Mr Boyle discussed the problems of limited sources of investment and a lack of availability and access, and Members noted that there were additional political questions to be considered regarding Pension Funds and whether they should include social investment elements.

With regard to pension fund investments, Members discussed how trustees of the funds could be reconciled with social investment, and how to deal with the retail perspective in a regulatory environment. Members discussed the presentation, querying whether help was being prioritised for SMEs or on creating social investments of a significant size. Mr Boyle responded that both were being facilitated. He added that 15-18% of SMEs were social enterprises, which generally found it 15% more difficult to secure finance. Members discussed the common range of issues between social enterprises, SMEs and social investment.

In response to a Member's question about London being developed as a Global Hub, Mr Boyle advised that this was on the common policy agenda and there was strong political support across parties. In response to a follow-up question, Members noted that social enterprise was a complex issue on which to engage with Europe as 'the social market' had a different meaning; EU discussion would be beneficial once the debate had been aligned and established.

Officers queried how the social impact of investment could be assessed. The Chairman asked officers to investigate measurement tools, and report back with what's available, and Mr Boyle undertook to send the G8 group's work on impact measuring around the world. This would feed into the work to clarify the spectrum of organisations, from those dependent on grants to larger groups able to tap into mainstream markets, in order to facilitate connections, continue dialogues, and define the social business frontier.

The Chairman thanked Mr Boyle for his presentation and invited him to stay for the rest of the meeting.

## **7. UPDATE ON WORK OF THE CITY CORPORATION'S SOCIAL INVESTMENT ADVISOR**

The Board received a report of the Social Investment Advisor updating Members on work since the previous meeting.

The Board noted that the Advisor's work had included:

- Building the evidence base for HM Treasury to seek an expansion of the Social Investment Tax Relief scheme from the EU;

- Contributing to the G8 taskforce and two of its final reports;
- Developing the details of the 'Stepping Stones Fund' with City Bridge Trust to create a high impact support programme for social sector organisations (name still to be decided on);
- Meeting with City financial institutions to discuss social investment;
- Updating *A Brief Handbook on Social Investment* for City of London Corporation; and
- Judging the Social Enterprise UK award schemes.

In response to a query, officers advised that Members would be notified of any events they could attend, but the majority of proceedings were small officer working groups.

**RESOLVED** – That the report be noted.

**8. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

**9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

**10. EXCLUSION OF THE PUBLIC**

**RESOLVED** – That under Section 100(A) 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 exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item No.	Exempt Paragraphs
11-14, 16	3
15	-

**11. NON-PUBLIC MINUTES**

**RESOLVED** – That the non-public minutes of the meeting held on 4 July 2014 be approved as a correct record.

**12. PORTFOLIO UPDATE**

The Board considered a report of the Chief Grants Officer.

**13. INVESTMENT REVIEW: Y:CUBE HOUSING**

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

**14. INVESTMENT REVIEW: THREADNEEDLE UK SOCIAL BOND FUND**

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

**15. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was one item of business.

**The meeting closed at 1.07 pm**

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Chairman

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