

SOCIAL INVESTMENT BOARD

Friday, 12 December 2014

Minutes of the meeting of the Social Investment Board held at the Guildhall EC2 at 1.45 pm

Present

Members:

Alderman Peter Hewitt (Chairman)	Wendy Hyde
Deputy Robert Howard (Deputy Chairman)	Jeremy Mayhew
Roger Chadwick	Andrew McMurtrie
Revd Dr Martin Dudley	

Officers:

Philippa Sewell	Town Clerk's Department
Kate Limna	Chamberlain's Department
Anne Pietsch	Comptrollers and City Solicitor's Department
David Farnsworth	City Bridge Trust
Tim Wilson	City Bridge Trust
Martin Hall	City Bridge Trust
Liz Skelcher	Economic Development Office
Peter Cunnane	Economic Development Office
Matt Robinson	Big Society Capital
Travis Hollingsworth	Big Society Capital
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. **MINUTES**
RESOLVED – That the public minutes and non-public summary of the meeting held on 30 September 2014 be approved as a correct record.

Matters Arising

Member Development Programme

Officers reported that the social investment session held on 3 November had been well attended and a good discussion had taken place.

Update on the Work of the Cabinet Office

The Chairman reminded Members of the long-term aim to make London a Global Hub for social investment, and Members noted that a substantive report was anticipated for the Board's meeting in February 2015 regarding approaches to assessing the social impact of investment.

4. **PROGRESS REPORT OF THE CHIEF GRANTS OFFICER**

The Chief Grants Officer introduced a progress report on social investment activity within the Corporation. Members noted that a new grants programme, the Stepping Stones Fund, had been launched by the City Bridge Trust on 24th November, which would provide targeted support through grants and risk finance for London-focused charitable organisations to prepare them for social investment.

Members discussed the outcomes of the skills audit, and discussed the options for co-option in line with the Board's co-option protocol. The Board agreed that both internal and external co-option should be sought, with a total of three additional members, and requested a job description be drawn up to define the preferred skills which could be advertised to the Court of Common Council and in external locations, such as the Cabinet Office Public Appointments website.

RESOLVED – That a job description for co-opted Members be drafted, and that the report be noted.

5. **PRESENTATION FROM BIG SOCIETY CAPITAL**

The Board received a presentation from Matt Robinson and Travis Hollingsworth from Big Society Capital (BSC), after which Members of the Board had the opportunity to ask questions.

Mr Robinson gave a brief history of BSC, which was set up two and a half years ago in order to grow the UK social investment market. This was achieved through championing the market (e.g. working with and educating organisations, and improving policies), and as an investor. Mr Robinson advised that there was more capital available and a broader range of investors since BSC's formation; more products were available, including Social Impact Bonds, new funds focused on unsecured lending, and retail charity bonds, which gave greater choice and diversity. The Social Investment environment was also developing, with more support for organisations in becoming investment-ready (through help from funds such as Stepping Stones). Members noted that the Social Investment Tax Relief was a key part of this, with credit due to the work done by the Social Investment Advisor and the Corporation.

BSC was now making sense of this diversity, disaggregating the market into clusters of activity and investigating how to invest around these themes to cover them all. Mr Hollingsworth advised that Monday 14th December would see the launch of the Business Impact Challenge, which would act as a catalyst for strategic discussion between organisations.

In response to Members' queries, Mr Robinson advised that £300m of BSC's £600m had been drawn down from funding sources. £200m of that had been

committed, with every commitment being matched by a co-investor, and nearly £80-90m been placed (both BSC's and co-investors' capital). With regard to where the greatest need was for social investment, Mr Robinson advised that this was difficult to pinpoint; lots of organisations were looking for unsecured debt, and there was also a need to blend BSC's investments smoothly with others. Mr Hollingsworth added that key areas of social impact included health and social care, changes in the NHS, and social inclusion.

In response to a Member's query regarding the role that the Social Investment Board could play in market development, Mr Robinson advised that the Corporation had a greater degree of access, and partnership working - particularly regarding regulatory based involvement - had far-reaching impact, such as the Social Investment Tax Relief scheme. In terms of Social Technology, it was noted that the potential link between social investment and "Innovate Finance", a new organisation of which CoL was lead supporter and which sought to support technology-led financial services innovators, was being explored by the Economic Development Office.

The Chairman thanked Mr Robinson and Mr Hollingsworth for their presentation.

RESOLVED – That the presentation be noted.

6. UPDATE ON THE WORK OF THE 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:

- on-going work to build the evidence base for HM Treasury to seek an expansion of the Social Investment Tax Relief scheme from the EU, with an announcement anticipated in the Chancellor's Autumn statement;
- commissioning research into London as a global hub for social investment;
- hosting a session for the Corporate Responsibility Group on social investment;
- feeding into the Expert Panel of the European Commission on Social Investment Business; and
- hosting a delegation from a Finnish social innovation centre.

The Board discussed the report and requested that a diary of forthcoming events be circulated regularly, and that Members' interests be taken into consideration when invitations were drafted.

RESOLVED – That a diary of forthcoming events be circulated regularly to Board Members, and that the report be noted.

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

There were no questions.

8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
The Chairman reported that he had been invited to sit on the panel for the Global Social Venture conference in 2015.
9. **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 |
|-----------------|--------------------------|
| 10-13 | 3 |
| 14-15 | - |
10. **NON-PUBLIC MINUTES**
RESOLVED – That the non-public minutes of the meeting held on 30 September 2014 be approved as a correct record.
11. **PORTFOLIO UPDATE**
The Board considered a report of the Chief Grants Officer.
12. **INVESTMENT PROPOSAL: REAL LETTINGS PROPERTY FUND**
The Board considered a report of the Chamberlain and the Chief Grants Officer.
13. **INVESTMENT PROPOSAL: RATHBONE ETHICAL BOND FUND**
The Board considered a report of the Chamberlain and the Chief Grants Officer.
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was no other business.

The meeting closed at 3.03 pm

Chairman

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