

SOCIAL INVESTMENT BOARD

Tuesday, 1 March 2016

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
Henry Colthurst (Deputy Chairman)	Andrew McMurtrie
Nicholas Bensted-Smith	

Elizabeth Corrado
Laura Tumbridge

Officers:

Philippa Sewell	- Town Clerk's Department
Kate Limna	- Chamberlain's Department
Karen McHugh	- Comptroller & City Solicitors
David Farnsworth	- City Bridge Trust
Tim Wilson	- City Bridge Trust
Russ Bubley	- i-for-change (Social Investment Analyst)

In Attendance:

Caroline Mason	- Esmée Fairbairn Foundation
Alice Millest	- Social Finance
Trevor Sykes	- Mercers' Company
Michael Jarvis	- Clothworkers' Foundation

1. APOLOGIES

Apologies were received from Deputy Roger Chadwick, Jeremy Mayhew and Master Mercer Tim Haywood.

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

Andrew McMurtrie declared a non-pecuniary interest in item 12 by virtue of being the City of London Corporation's elected Director of the City YMCA hostel, and Nicholas Bensted-Smith declared a non-pecuniary interest regarding item 11.

3. MINUTES

RESOLVED – That the public minutes and non-public summary of the meeting held on 7 December 2015 be agreed as a correct record.

4. CO-OPTION TO THE SOCIAL INVESTMENT BOARD

Elizabeth Corrado and Laura Tumbridge were not present for the discussion on this item.

Members received a report of the Town Clerk regarding two proposed co-options to the Social Investment Board.

RESOLVED – That Elizabeth Corrado and Laura Tumbridge be co-opted to the Social Investment Board.

5. PRESENTATION FROM THE ESMÉE FAIRBAIRN FOUNDATION

The Board received a presentation from Caroline Mason, Chief Executive of the Esmée Fairbairn Foundation, after which Members of the Board had the opportunity to ask questions.

Ms Mason gave an overview of the history of the Esmée Fairbairn Foundation, which had been active in the changing and developing social investment market for a number of years. In addition to grants across five main sectors – Arts, Children and Young People, Environment, Social Change and Sustainable Food - the Foundation could commit up to £35m in social investments to a diverse range of organisations including charities, social enterprises, community benefit societies and other social investment funds.

Ms Mason advised that social investments made by the Foundation were primarily based on the level of impact, before consideration of the level of financial return. Members noted that the Foundation worked with the investee to assess its business model and the type of finance needed to support its work in order to structure an appropriate investment. There were no set interest rates, maximum shares, or repayment terms. With regard to risk, Ms Mason confirmed that a small number of earlier investments of the Foundation had failed, and advised that projects with a clear impact and a purpose in-line with that of the organisation were less risky. Members noted that, generally speaking, the more complex a project was the higher the level of risk.

In response to a Member's question regarding monitoring and oversight, Ms Mason advised that the Foundation was light touch once invested with an organisation, preferring to focus on due diligence before investing. The Board discussed the value of Investment Funds, and Ms Mason advised that these were not necessarily conducive for long term change or impact, and that there was a greater role for venture philanthropy. In response to another question, Ms Mason confirmed that the Foundation's investment policy was somewhat opportunistic, but they were becoming more proactive in trying to improve the mechanisms of the social investment market with regard to measurement, advice and support.

The Chairman thanked Ms Mason for her presentation.

6. PROGRESS REPORT OF THE CHIEF GRANTS OFFICER

The Chief Grants Officer introduced a progress report on social investment activity within the Corporation. Members noted and endorsed the proposed strategy away-day later in the year to examine investment priorities, appetite for risk, and discuss product development and market building. The Chairman proposed external advisors and experts in the social investment field be invited to participate, and asked Board Members to think of innovative ideas to develop the work of the Social Investment Board or the market in general.

In response to a Member's query, the Chief Grants Officer confirmed that discussions with Livery Companies were ongoing, and Members agreed that those interested be invited to attend the away day.

RESOLVED – 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**

There was no other business.

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, 11 & 12	3
13 & 14	-

10. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 7 December 2015 be agreed as a correct record.

11. **PORTFOLIO REPORT**

The Board considered a report of the Chief Grants Officer.

12. **INVESTMENT PROPOSAL: CITY YMCA**

The Board considered a report of the Chief Grants Officer.

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

There were no questions.

14. **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 1.00 pm

Chairman

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