

Committee: <b>Investment Committee</b>	Date: <b>20 July 2012</b>
Subject: <b>City of London Corporation Social Investment Fund – Proposed Management and Governance Arrangements</b>	Public
Report of: <b>Town Clerk</b>	For Decision

### Summary

1. The Policy and Resources Committee, supported by your Financial Investment Board, recently agreed in principle to the establishment of a £20 million Social Investment Fund (SIF) from within the Bridge House Estates. This was subject to settling the management and governance arrangements and to any other necessary approvals.
2. Social investment is the use of established financial mechanisms to fund social enterprises or charities. A social enterprise is a business (or a charity with a trading arm) that trades for a social and/or environmental purpose. It is different to traditional philanthropy because it has the potential to return the original investment together with interest, thus providing a sustainable way of financing community projects. With diminishing grant funding available, and an increasing demand to deliver public sector services, many charities are turning to social investment as an alternative way of financing their activities.
3. Since agreeing to establish a SIF, informal consideration was given to the strategy and governance arrangements for the Fund at an informal meeting the Resource Allocation sub-Committee recently. Their initial thoughts are that this would best sit within the remit of the Investment Committee and that a new Social Investment Board should be created to fulfil the management objectives. Whilst the details of this are still being developed, early indications suggest that the composition of the new Board would be comprised along the following lines:-
  - Chairman of the of the Policy and Resources Committee or their representative
  - Chairman of the Finance Committee or their representative
  - Chairman of the City Bridge Trust or their representative
  - Chairman of the Financial Investment Board or their representative
  - Two Members of the Court of Common Council (one of whom should have less than five years' service)
  - Two co-opted people with relevant expertise (including non-Members of the Court)
4. A report on the proposals for the strategy and governance arrangements for the SIF is due to be considered by the Policy and Resources Committee in September. Given that the Investment Committee is not due to meet again until early next year it is proposed that the Investment Committee's approval to the arrangements is delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman. The approval of the Court of Common Council would also be required to any changes to the current governance arrangements.

**Recommendation**

5. That your Committee delegate authority to the Town Clerk, in consultation with your Chairman and Deputy Chairman, to approve the detailed arrangements for the management and governance of the SIF. This would be subject to the approval of the Policy and Resources Committee and the Court of Common Council.

**Contact:**

*Angela Roach | [angela.roach@cityoflondon.gov.uk](mailto:angela.roach@cityoflondon.gov.uk) | 020 7332 3685*