

Committee:	Date:
Social Investment Board	15 February 2017
Subject: Report of Action Taken Between Meetings	Public
Report of: Town Clerk	For Information
Report author: Philippa Sewell, Town Clerk's Department	

Summary

This report advises Members of action taken by the Town Clerk since the last meeting of the Board, in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and (b).

Recommendation:

Members are asked to note the action taken by the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Board, in accordance with Standing Order No. 41(a) and (b).

Main Report

Standing Order No. 41(a)

Appointment of Social Investment Advisors

Background

1. Under terms set by the Court of Common Council, all investment proposals submitted to the Board must be subject to a third party review by an FCA-authorized agency. At its December 2016 meeting the Social Investment Board received an update from the Chief Grants Officer of plans to expand the Board's advisory pool because existing providers currently have limited capacity to deliver services. Following an officer-led review of potential new advisors, the Chairman and Deputy Chairman met Triodos Bank on 18 January 2017.

2. Triodos is a Dutch registered bank with €12bn under management and a UK branch that has been a significant actor in the social investment market. In the UK, Triodos has taken a number of charitable bonds to the retail market, including Golden Lane Housing 2013, which is part of the City's social investment fund portfolio. The bank promotes its social vision actively as part of its marketing, and has a commitment to transparency, publishing details of its lending online in an easily navigable interactive map. Triodos Bank NV proposes that its Corporate Finance team provides the social investment review function. This is a team of six based in Bristol and London, mostly chartered accountants with career experience of working for large commercial

firms including KPMG and Grant Thornton. Quality assurance would be provided by their head of team or by their Senior Investor Relations Manager who is ex- JP Morgan.

3. Having discussed the City of London Corporation's requirements with Triodos, there is understanding that work would be commissioned on a spot purchase basis and that fees would need to be kept within limits so that net returns are not unduly affected. The bank is FCA authorised and has the appropriate levels of insurance in place required by the City of London Corporation's consultancy contract.
4. This appointment was required under urgency so that Triodos could produce a review on a potential investment in time for the next SIB meeting. At the time, no other advisor was available to undertake this review. The prospective investment was subject to a preliminary screening by the Chairman and Deputy Chairman at a pipeline meeting and if due diligence had been delayed until after the February meeting the opportunity to invest would have been lost.

Action taken

5. It was agreed by the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Board, that the appointment of Triodos Bank NV as advisor to the Social Investment Board be approved.

Conclusion

6. In accordance with Standing Order Nos. 41(a) and (b), Members are asked to note the decisions taken by the Town Clerk, in consultation with the Chairman and Deputy Chairman, since the Board's last meeting.

Appendices

7. None.

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