

SOCIAL INVESTMENT BOARD

Wednesday, 28 February 2018

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

Present

Members:

Henry Colthurst (Deputy Chairman)	Deputy Edward Lord
Elizabeth Corrado	Jeremy Mayhew
Tim Haywood	Andrien Meyers
Alderman Peter Hewitt (Chairman)	Andrew McMurtrie

Officers:

Joseph Anstee	-	Town Clerk's Department
Russ Bubley	-	I-for-change (Social Investment Analyst)
Karen Atkinson	-	Chamberlain's Department
Karen McHugh	-	Comptroller & City Solicitors
David Farnsworth	-	City Bridge Trust
Martin Hall	-	City Bridge Trust
Hannah Davey	-	City Bridge Trust

1. APOLOGIES

Apologies were received from Nicholas Bensted-Smith, Alderman Alison Gowman and Laura Tumbridge (Co-opted Member).

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

Andrew McMurtrie declared a standing interest by virtue of being Chairman of the City of London Academies Trust.

3. MINUTES

RESOLVED – That the public minutes and non-public summary of the meeting held on 13 December 2017 be agreed as a correct record.

The Chief Grants Officer reminded the Board that the Social Investment Board's strategic away half-day was scheduled for 30 May 2018. Any ideas or suggestions for the day could be communicated to officers.

4. UK NATIONAL ADVISORY BOARD FOR IMPACT INVESTING

The Board received a presentation on the UK National Advisory Board for Impact Investing from Michele Giddens, Chair of the UK National Advisory Board to the Global Social Impact Investment Steering Group. Michele Giddens gave the Board an overview of her background in social investment and her current work with the UK National Advisory Board, Bridges Fund Management

and the CDC Group.

The UK National Advisory Board was the UK arm of the Global Steering Group, established by the G8 and now comprising 17 member countries. The UK National Advisory Board supported the Global Steering Group in encouraging impact investment globally, and looked to maintain the UK's leading role in impact investing. The Board received a slide illustrating the spectrum of impact investing which had emerged in recent years, demonstrating the intentions and goals of organisations in the impact economy. The UK National Advisory Board had produced five summary recommendations to move towards an inclusive and sustainable economy; adopt an inclusive and sustainable agenda, empower savers to invest in line with their values, put purpose at the heart of public procurement, accelerate the rise of purposeful business, and strengthen the UK's role in international development finance.

Bridges Fund Management had been set up in 2002 to raise funds with explicit social and environmental purposes, and to date had raised almost £1 billion. Investment was made according to four impact themes; health and wellbeing, education and skills, sustainable living, and underserved markets. The firm employs three strategies, each of which had its own fund vehicle. These are: investing in growth businesses to help them execute on their growth for maximum impact; property; and social sector funds. The firm also had an advisory arm, and a charitable foundation. Example investments include World of Books, which buys books from charity shops in large quantities and sells them online or recycles them. The firm also invests in low-cost housing by working with local authorities and developers to try and build more social and affordable housing. A family of funds helps Bridges to navigate the difficult line between risk-adjusted return and impact, and provides the tools to respond to challenges and tackle a wide range of issues.

Members asked Michele Giddens questions about her experiences in impact investing, such as areas she thought had been particularly successful or unsuccessful. Michele Giddens felt extra care had to be taken with market rate funds not to trade off the growth of the business or the value of property with the impact of the investment. She also felt Social Impact Bonds could work very well where there were immediate savings, and whilst they had been less volatile than first thought, they required a considerable amount of work. The Board expressed its interest in meeting with Michele Giddens again, and in working with Michele and Bridges Fund Management in the future. A Member suggested working together to identify current social problems where more effective solutions were needed, such as homelessness or social care, and pay due regard to the reputational good and social impact of investing in funds where there may be a trade-off. The Chief Grants Officer suggested linking Michele Giddens in with the Board's strategic away half-day.

The Board thanked Michele Giddens for the excellent presentation and for her contributions to the meeting.

5. **PROGRESS REPORT**

The Board received a report of the Chief Grants Officer providing an update on the work of the Social Investment Fund. The Chief Grants Officer introduced Charles Owen and Laura Coffey of Arrow PM, the consultants taking forward the Fund's proposal for key worker housing.

Charles Owen addressed the Board on behalf of Arrow PM, which specialises in project and programme management, particularly directed at enabling the public, private and third sectors to work together effectively to solve social problems. There was an immense need in London to provide more key worker housing, and it was fortunate that the City of London Corporation was able to use its position, assets and network to try and address it. The Board received a handout which set out the overall objectives and phases of the project, as well as a work breakdown structure. The Chief Grants Officer told the Board that ideas for financial structuring were in place, and needed to dovetail with the plans set out by Arrow PM. Whilst the project would originally focus on Inner London, officers recognised that other investors may have a further reach.

The Chairman apologised to the Livery Companies for the length of time it had taken to get the project to this stage, but hoped that the project could now move forward more rapidly. The Chairman suggested that the title of the project should include 'Key Workers' rather than 'Teachers'. A Member suggested that the initial focus of the project be on teachers before being expanded later. Arrow PM told the Board that the initial research would focus on teachers, but the blueprint would need to be applicable to all key workers. A Member suggested that some of the Corporation's existing properties might provide opportunities for the project. The focus of the project was newly-qualified teachers with the potential to become senior leaders. The scheme needed to be designed to have the most overall impact in terms of retaining teachers.

The Board noted that the City of London Corporation's ownership of the properties invested in through the Board had legal and governance implications which would need to be resolved, and recommended that the terms of reference for the Social Investment Board be expanded. The Board noted that any properties may have to be managed externally, particularly if the investment was made in conjunction with other parties. Charles Owen told the Committee that the project aimed to create a roadmap for newly-qualified teachers towards ownership or long-term tenure of property.

The Committee thanked Charles Owen and Laura Coffey for the presentation and for their contributions to the meeting, and hoped to meet with them soon about the project.

The Chief Grants Officer reminded the Board that the Social Investment Fund five-year update was on the agenda for the Board's endorsement before the report was submitted to the Court of Common Council. A date would be added to the final version to be consistent with the inclusion of Midlands Together in the report. The Chairman added that the report demonstrated credible social impact investing.

In response to a query from a Member, the Board clarified its procedure with regards to the normal pipeline process and due diligence undertaken ahead of investment proposals being made to the Board. Joint funding proposals initiated by the Board would still slot into the normal pipeline process.

RESOLVED – That the report be noted.

6. **SIB 5 YEAR UPDATE**

The Board received a report of the Chief Grants Officer marking the fifth anniversary of the City of London Corporation's Social Investment Fund. The report highlighted the Fund's achievements during its first five years, and included details of the Fund's financial performance, areas of investment, the Fund's investment commitments to date and plans for the Fund for the next five years. The Board noted that the report would go on to Court of Common Council.

Members discussed the statement in the report on seeking new investments. The Board felt that whilst they did not want to encourage inappropriate requests, the Fund should not be over-conservative in its efforts to attract investment proposals, as there had sometimes been a paucity of ideas in the past.

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
10-13	3
14-15	-

10. **NON-PUBLIC MINUTES**

RESOLVED – That the non-public minutes of the meeting held on 13 December 2017 be agreed as a correct record.

11. **INVESTMENT REVIEW - GOLDEN LANE HOUSING BOND 2017**

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

12. **KEY LEARNING FROM MIDLANDS TOGETHER**

The Board received a report of the Chief Grants Officer.

13. **PORTFOLIO UPDATE**

The Board considered a report of the Chief Grants Officer.

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

There were no non-public 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 3.15 pm

Chairman

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