

SOCIAL INVESTMENT BOARD

Friday, 13 December 2013

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

Present

Members:

Alderman Peter Hewitt (Chairman)
Deputy Ken Ayers

Revd Dr Martin Dudley
Deputy Robert Howard

Officers:

Alistair MacLellan	- Town Clerk's Department
David Farnsworth	- City Bridge Trust
Tim Wilson	- City Bridge Trust
Martin Hall	- The City Bridge Trust
Katie Hill	- Town Clerk's Department
Liz Skelcher	- Economic Development Office
Paul Mathews	- Corporate Treasurer

In Attendance:

John Kingston	- Social Finance
Richard Todd	- Social Finance
Simon Chisholm	- Reasonance
Susan Fallis	- Real Lettings

1. APOLOGIES

Apologies were received from Roger Chadwick and Andrew McMurtrie.

**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 summary of the meeting held on 18 September 2013 were agreed as a correct record.

Matters Arising

G8 Social Impact Investment Taskforce

The Social Investment Advisor provided an update on the G8 Social Impact Investment Taskforce following the Chairman of the Policy & Resources Committee's appointment as a member of the UK's Advisory Board to this taskforce. She noted that the task force had met twice to date, in Washington and in London and the National Advisory Board was scheduled to meet next in January 2014. She added that the UK National Advisory Group which informs

the task force is focusing on two areas: advantages of different corporate forms for social enterprises and how social enterprises can identify and secure a larger share of public contracts by social enterprises. She noted that the task force had appointed four sub groups and had also adopted a work plan. She concluded by noting the task force would meet in September 2014 to finalise its findings. The Chairman thanked the Social Investment Advisor for her update and requested that copies of the task force's meeting minutes be provided to the Board when these became available.

4. **EVENTS AND MEETINGS ATTENDED**

The Board received a summary of recent meetings and events attended by officers. The Chairman commented that the range of meetings was impressive and requested that members of the Board be made aware of any future high-profile meetings as and when these arose so that they had the opportunity to attend.

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5. **PRESENTATION FROM REAL LETTINGS PROPERTY FUND**

Following a presentation to the Board by the Real Lettings Property Fund, the Chairman gave thanks for the presentation and noted that it was useful for the Board to see the practical impact of investments made by the Board.

In response to a question from a member, Mr Chisholm confirmed that Real Lettings was monitoring government proposals for a potential tax relief on social investment which might attract more capital to the market.

In response to a question from the Principal Grants Officer, Mr Chisholm confirmed that the Real Lettings Property Fund had been awarded *Highly Commended* in the 2013 Social Investment Deal of the Year awards.

6. **PROGRESS REPORT**

The Board considered a report of the Chief Grants Officer on the achievements of the Social Investment Fund in its first year of operation. The Chief Grants Officer noted that the investment target had been exceeded and that officers intended to continue to develop links with colleagues in the Economic Development Office and the Chamberlain's Department in year two for the purpose of investment review and market appraisal.

The Board went on to discuss the report and the following points were made:

- The Chairman welcomed the work done to date on examining the feasibility of a City initiated social investment product, given a recurring issue in the social investment field to date was the difficulty in identifying suitable products for investment.

- The Chairman welcomed the recommendation of Albion Ventures as advisor to the Social Investment Fund, and noted in particular that the Chief Executive came highly recommended.
- The Chairman requested that the report to the Court of Common Council refer to *the capital* from Bridge House Estates to give an accurate account of the Board's fiduciary duty as charitable trustees. Similarly, current investments should not be described as *active*, and that the overall social investment market should be described as *expected to grow further* in addition to the forecasted £202million in 2011/12.
- In response to the Chairman, the Principal Grants Officer confirmed that current investments were in line with expectations with one exception which was discussed further in the non-public papers to the meeting.
- A member requested that a paragraph commenting on the percentage commitments of the Social Investment Fund be included in the report annex.
- The Chairman requested that the annex include a general comment on performance of current investments.

RESOLVED:

- That the contents of the report be noted;
- The attached annex be approved and submitted, subject to comments and amendments, to the Court of Common Council;
- That an investment target of £3million for the second year of the Social Investment Fund be approved;
- That Albion Ventures be appointed as advisor to the Social Investment Fund on the same terms as existing advisors.

7. **MEMBERS' HANDBOOK**

The Board considered a report of the Chief Grants Officer on a proposed Social Investment Board Members' Handbook. The following comments were made:

- The handbook include the date from which social investment advisors had been appointed, and the telephone numbers and email addresses of City of London Corporation staff;
- The definition of crowd funding in the glossary be updated.

RESOLVED:

- That the contents of the report be noted;

- That subject to amendments the Social Investment Board Members' Handbook be published on the City of London intranet.

8. **RESEARCH AND DEVELOPMENT FUND**

The Board received a report of the Chief Grants Officer on the potential establishment of a Research and Development Fund. The Chief Grants Officer argued that such a fund was much needed as it would allow the City of London Corporation to identify trends within the social investment market and similarly to identify any gaps in the provision of social investments.

The Chairman welcomed the report and emphasised the fact that most investments made to date were between £300,000 and £500,000, and that whilst these had social impact, the fund was not designed to make investments in the smaller investment opportunities of c. £30,000-£50,000 as these often sought unsecured finance.

During the ensuing discussion the following points were made:

- Funds were available from The City Bridge Trust to finance a Research and Development Fund/ programme?;
- Work under the Research and Development Fund would start with a market analysis to identify trends within the social investment market and identify gaps in provision.

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9. **SOCIAL IMPACT MEASUREMENT**

The Board received a report of the Chief Grants Officer outlining how social investors were working to measure the social impact of their investments.

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10. **UPDATE ON THE WORK OF THE SOCIAL INVESTMENT ADVISOR**

The Social Investment Advisor (SIA) introduced a report of the Director of Economic Development on work undertaken by the SIA since September 2013, including:

- The hosting of the first ever Global Impact Investment Network (GIIN) conference at Guildhall;
- The launch of the Social Investment Market Research Council and subsequent commissioning of research projects, currently underway on new sources of capital, pricing of social investment and an analysis of the Financial Promotions Regulations on social investment.

- The SIA's role on the EU's expert panel on social investment, including work towards a 'Strasbourg Declaration' at an EU social investment conference in January 2014;
- A City of London Corporation response to a consultation on crowd-funding recently launched by the Financial Conduct Authority (FCA);

The Assistant Director of Economic Development took the opportunity to inform the Board that the Social Investment Advisor's work, along with other partners, had influenced recent public policy in the social investment field.

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Rev Dr Martin Dudley left at this point of the meeting.

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

There were no questions.

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

13. **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 on the grounds that they involve the likely disclosure of exempt information as defined in Part I or Schedule 12A of the Act:

Item(s) 14-19 Paragraph(s) 3

14. **NON-PUBLIC MINUTES**

RESOLVED: that the non-public minutes of the meeting held on 18 September 2013 be agreed as a correct record.

15. **REPORT ON URGENT ACTION TAKEN SINCE LAST MEETING**

The Board received a report of the Town Clerk.

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16. **PORTFOLIO UPDATE**

The Board considered a portfolio update from the Chief Grants Officer on the Social Investment Fund.

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17. **INVESTMENT REVIEW - GREENWICH LEISURE LIMITED**

The Board considered an Investment Review concerning Greenwich Leisure Limited.

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

There were no questions.

19. **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 3.16pm

Chairman

Contact Officer: Alistair MacLellan
tel. no.: 020 7332 1416
alistair.maclellan@cityoflondon.gov.uk