

<b>Committee:</b>	<b>Date:</b>
Financial Investment Board	16 May 2012
<b>Subject:</b> Report of decisions taken between meetings	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Information</b>
<p><b><u>Summary</u></b></p> <p>This report sets out a decision taken on 4 May 2012 in relation to the establishment of a City of London Social Investment Fund.</p> <p><b>Recommendation</b></p> <p>That the Financial Investment Board note that, on 4 May 2012, a decision was taken to establish a £20million Social Investment Fund, subject to a future report to this Board outlining the arrangements for managing the process. This report will also be submitted to the Court of Common Council for information.</p>	

### **Main Report**

#### **Background**

1. Standing Order 41 provides a mechanism for the Town Clerk to take decisions between scheduled meetings of each Committee or Sub-Committee. Any decision must be made in consultation with the Chairman and Deputy Chairman, and the Town Clerk must:
  - be of the opinion that the decision is urgently necessary; or
  - have delegated authority from the Committee to make the decision.
2. In accordance with Standing Orders, this must be reported to the next regular Committee.

#### **Decisions Taken Between Meetings**

##### **City of London Social Investment Fund**

3. An urgent decision was taken on 4 May 2012 in respect of the establishment of a £20million Social Investment Fund, subject to a future report to this Board outlining the arrangements for managing the process. This report will also be submitted to the Court of Common Council for information.
4. The reason for urgency was to ensure that a formal announcement could be made on Tuesday 8 May 2012 at a meeting involving Government Ministers and

business leaders heading up Action Groups on aspects of increasing resourcing of civil society.

5. At its meeting on 23 February 2012, the Policy and Resources Committee approved funding for a specialist role to develop the City Corporation's strategy in developing London as a global social investment hub.
6. Following consultation with the Chief Grants Officer of the City Bridge Trust and approval in principle by the Policy and Resources Committee on 3 May 2012, a £20million Social Investment Fund (SIF) has been established from within the Bridge House Estates. This is subject to a further report on the management arrangements and the approval of the other relevant Boards and Committees as appropriate.
7. Social investment is the use of established financial mechanisms to fund social enterprises or charities. 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. Unlike traditional philanthropy, social investments have the potential to return the original investment, providing a sustainable way of financing community projects. Charities are already making greater use of social investments and major banks, such as Deutsche Bank and HSBC, are increasing their social investment funds.
8. A £20million SIF would demonstrate the City Corporation's on-going commitment to social investment and place it at the forefront of London's efforts in developing this form of community investment. This is a significant opportunity to maximise the social impact of the City Corporation's investments by making the capital work harder to achieve a social, as well as a financial, return.
9. The proposed SIF would not impact upon the City Bridge Trust grants budget as Bridge House Estates is currently forecasting annual financial surpluses over the next several years over and above the surplus required to fund the City Bridge Trust, and the projected return on the SIF would exceed the current return on relatively low yielding cash investments.

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