

## **City Funds Governing Board Minutes**

**Time and Place:** Thursday 13<sup>th</sup> September 2018 1400-1600 - Board Room, 4th Floor,  
University of Bristol, Beacon House, Queens Road, Bristol, BS8 1QU

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**Present:** Andy Street (Chair), Ololade Adesanya, Ian Barrett, Sandra Meadows, Peter Morris, Ed Rowberry, Sue Turner, Ellie Milone (representing Kevin Slocombe)

**In attendance:** Taylor Meagher, Di Robinson, Jo Sunderland, Catriona Tully, Francesca Medda, Huw Thomas, Jez Sweetland, Joe Walder

**Apologies:** Nishan Canagarajah, Kevin Slocombe

### **1. Apologies**

Kevin Slocombe and Nishan Canagarajah

### **2. New Declarations of Interest**

Ololade has a new declaration that needs to be sent to Taylor.

### **3. Minutes of Previous Meeting**

Action 2: Ian to write Terms of Reference for a potential environmental FPG by autumn and bring to a Governing Board meeting when ready.

Update on progress to be emailed out to the Board by the end of August. **Work in progress. Ian Barrett, Ian Townsend, and Ed Rowberry to meet.**

Action 3: Cat and Di will redraft the report to include a focus on sustainability, identified by the environmental sustainability section in the One City Approach. Ian will work with Cat and Di to discuss a clear definition.

Due by end of August. **Complete.**

Action 5: Cat, Di, and Sandra to discuss how Community Initiatives is more than just assets and how it can be opened up more.

Proposed that this is discussed at the next Mayor's Asset Group meeting on 3<sup>rd</sup> September and update brought back to next Board meeting. **Discussions have started, Sandra to meet with relevant stakeholders and bring to next Mayors Asset Group end of October.**

Action 10: When Sandra has completed the final Community Initiatives ToR all ToR's need to include her part on quorum and having a casting vote

**Complete.**

**All actions from previous meeting complete with the exception of:**

Action 5: Jo to give some options for a new vision statement for the Board to agree on, not fundamentally change the vision but soften. Due beginning of September.

**Taylor to send out to the Board for comments and approval.**

Action 8: Sue and Ronnie to meet with Di and Cat to discuss holding a relationship with Esmee in the long term.

**Outstanding. We can use the logo loosely but we need confirmation and a letter of intent/support. Di to action.**

Action 12: Andy to speak to Robin on particular projects similar to City Funds and Andy can research and write a small paper with case studies to feedback at next Board meeting.

**Andy is meeting Robin on the 14<sup>th</sup> September to discuss.**

Action 13: Nishan to speak to colleagues in the University to find a researcher to support Andy with Action 12.

**Outstanding. Taylor to chase.**

#### **4. Urban Development Fund**

Jeز Sweetland has initiated the Bristol Housing Festival (launching on the 23<sup>rd</sup> October 2018) and has had some contact with University College London in relation to innovative investment ideas. The aim of this presentation is to listen and see if we can learn something from each other.

- Most people look at work in silos, interdependency brings value.
- A creative city isn't created just from 1 place such as a mall, it's a collection of places; hospitals, green spaces, schools etc. The problem with this is that it doesn't diversify; everyone seems to put all their eggs in 1 basket.
- Our portfolio is linking different investments and leveraging the connection we have.
- We want to introduce impact investment, its new but there is a market for it. "What is my impact on society/environment?" it's not philanthropic but we want to see what the actual value is. We can measure exactly the impact; each investment is identified by an index (a combination of factors not just financial).
- With the Housing Festival for example, how does a city raise enough capital? With the One City Approach, how do we mobilise infrastructure and finance to see commercial value and turn it into a diversified portfolio. There's a city that needs to take the first step and put the urban development fund into practice. By getting all the



money into one organisation, we can factor this into bringing change to the city and get to the projects that would otherwise be ignored.

#### **Questions from the Board:**

Q. Have you identified investor types? A. When we speak to investors we pitch on their specific return, so the portfolio we have is at a lower return but we can decrease the risk. We are looking for long term investors. Pension funds, insurance companies etc.

Funders are evolving, part of the return on the investment is that we go back and continuously improve and refinance.

Q. Interaction between grant and investment is important with City Funds, with grant stimulating the investment. When it comes to return, if you have physical financial capital, can you finance structure? A. Answer is a cautious yes. When you receive a grant you look continuously on how to make a return. Lots of organisations have been doing things a long time and this mentality needs to shift, a mixed model is needed.

Q. Non-financial impact work question, have they aligned work or invented something separate? A. This is a 2-stream point of view. Impact investors are looking at impact only, we create one single index which is a combination of everything, we are losing a lot of information this way but a short pitch is going to lose some information. We transform everything in a vector and create a plane of impact.

The Jessica Fund is very similar and has been used all over Europe. UCL want to introduce impact investors (other than the European Investment Bank) we are looking outside of this.

There are a lot of investable opportunities within the city and we can identify how cities attract income in a larger scale. As you shape the City Funds you need to look into the future as private companies will eventually create an organisation to help fund the infrastructure of the city and they will charge us for this, we need to be a step ahead of the curve. We would need to set up a context within City Hall to discuss this outside of just this forum. .

#### **5. City Funds – Investment Case**

The Business Case is being shared for the purposes of transparency; it's quite similar to the proof of concept report. The Business Case is going to Denise Murray at Bristol City Council, and it's the first formal step to secure public money. A lot of the feedback we get from national funders is that they want to see real 'skin in the game' from Bristol. There are very high level assumption based numbers, and a small amount of legal considerations and risk. It's beginning to flush out how this may work in practice, especially around decision making in investment.

[Information has been redacted as it is commercially sensitive]

**Action 1: [Action has been redacted as it is commercially sensitive]**

**Action 2: Business Case to Denise, item 3.4. Di to edit as it doesn't mention sustainability.**

## **6. Process flow**

### **6.1 For grants**

Quartet is the regulated body.

A holistic approach is needed, we need to look at the whole process and we can't completely separate the two. Sue provided an update on 'No Child Goes Hungry' including details on the scoping meeting and levels of engagement.

### **6.2 For investment**

Investment process diagram is in the Business Case.

## **7. Arrangements for 19<sup>th</sup> September**

The Board went through the presentation for the event and feedback was given. Concerns around launching the City Funds at the City Gathering in January 2019, so we are going with a Spring 2019 launch, with a 'soft launch' in January.

## **8. Any Other Business**

**Action 3: Taylor to speak to Natalie at Womble Bond Dickinson to arrange a meeting to look at the conference room for the breakfast meeting and see what we can do to change the space.**

**Action 4: Taylor to look into having a small A5 paper or card with survey for 19<sup>th</sup> September**

## **9. Future Meeting Dates**

Thursday 11<sup>th</sup> October, venue TBC

### **Outstanding actions from previous meeting:**

Ian Barrett, Ian Townsend, and Ed Rowberry to meet and discuss Environmental FPG.

Sandra to meet with relevant Community Initiatives stakeholders and bring outcomes to next Mayors Asset Group at the end of October.

Taylor to send out new vision and statement to the Board for comments and approval.

We need confirmation and a letter of intent/support from Esmee Fairbairn. Di to action.



Andy is meeting Robin Hambleton on the 14<sup>th</sup> September to discuss similar cases to city funds.

Taylor to chase Nishan on using University students to support with Andy's case studies.

**All actions summarised from this meeting:**

Action 1: [Action has been redacted as it is commercially sensitive]

Action 2: Di to edit Business Case item 3.4 as it doesn't mention sustainability.

Action 3: Taylor to speak to Natalie at Womble Bond Dickinson to arrange a meeting to look at the conference room for the breakfast meeting and see what we can do to change the space.

Action 4: Taylor to look into having a small A5 paper or card with survey for 19<sup>th</sup> September.

Action 5: An error was flagged in the previous minutes that City Funds had been stated as a legal entity but it isn't so Taylor has amended this.