

City Funds Minutes

Time and Place: Thursday 9 April, 2-4pm, Zoom meeting

Present: Ololade Adesanya, Sandra Meadows (part of the time), Peter Morris, Ed Rowberry, Kevin Slocombe, Andy Street (Chair), Sue Turner, Ian Barrett, Anna Dent

Attending: Laura Martin, Jari Moate, Sacha Korsec

Apologies: Hannah Young

1. Apologies [Andy]

- Andy welcomed everyone to the zoom meeting and noted the apologies

2. New Declarations of interest [Andy]

- There were no new declarations of interest

3. Minutes of previous meeting and action log [Andy]

- The Board agreed they were happy with the previous minutes
- Previous actions discussed and Action Log updated accordingly

ACTION 1: Laura to remove completed actions from the action log

4. Update on NCGH grant process [Sue]

The NCGH FPG met on 16th March to discuss applications. The full £55,227 has been awarded between 6 applicants and the money has gone out. Quartet, on behalf of the FPG are checking in with applicants to see if they can still spend their grant considering the current circumstances; 3 applicants have confirmed they can deliver a modified project soon. Others are thinking about how best to use the funding for the next phase of sustainable recovery, rather than in a direct response to the crisis. Sue will feed this back to the NCHH FPG at the next meeting.

There is no more grant money to spend. At the next meeting the FPG will discuss the impact of Covid-19, but there is a need to not overlap with other initiatives such as Feeding Bristol. There is a need to focus on the longer-term recovery period.

Sue also noted that on 26th March the Quartet Board met and approved funding of the £38,000 grant deficit for supporting City Funds. Sue commented that there is a need to work on a longer-term sustainable funding pathway.

5. Update on FPGs [FPG Chairs]

Anna - Economic Inclusion

The FPG was due to meet on 26th March, but all agreed to postpone and wait until after the current Governing Board meeting to 're-group'. Lucy fed back to the Governing Board on the actions and work that had been done reviewing the IAC tools from the last meeting on 7th February. It was noted that on reflection the landscape for Economic Inclusion is now looking quite different, there may therefore be a seismic shift with regard to employment, income and the role of City Funds.

Sandra – Community Initiatives

The FPG have delayed meeting; at the last meeting they actively discussed the FPG role, and Sandra's view is that it could be difficult to bring the FPG together if the role isn't clearer. At the next meeting the FPG will discuss their role in the recovery period.

Ian - Environmental Transformation

Andy noted that Ian had stepped down as Chair of the FPG and that he was reviewing candidates to replace him as Chair, but asked Ian for any contributions.

Ian suggested it would be interesting to see the links with the One City Plan. The One City Environment Board are working on industrial emergency status, which will launch in September.

ACTION 2: Andy has proposed Lizzi Testani as possible chair of the Environmental Transformation FPG and is due to speak with her about the role on Tuesday 21st April. He will report back to the Governing Board following that meeting.

6. IAC Update [Jari]

Jari provided an update on the IAC, which met on 7th April to discuss two proposals for investment decision (totalling £430,000) and one proposal as an introductory paper. One proposal has a transport focus, and another directly speaks to the Covid-19 situation now and into the recovery period.

The IAC focus is currently on closing out the 5 investments that have been approved to date. Of these, the terms of one have been amended to make the investment simpler in light of the Covid-19 crisis.

7. Membership of Governing Board [Andy]

At the last Governing Board meeting we agreed to invite the 3 strongest candidates to the May Board meeting: Sally Britton, Guy Orpen and Reuben Coulter. Andy proposed writing to the 3 candidates to postpone their attendance until we have clarity after lockdown.

Peter commented that we need to go through the process of clarifying the role of FPG's before we bring new members onto the Governing Board.

It was agreed that Andy should write to the candidates after Easter, to postpone their membership of the Governing Board, but with no specific timing given at this stage.

ACTION 3: Andy to write to Sally, Guy and Reuben, regarding postponing their membership of the Governing Board.

8. Structure and Governance of City Funds [Andy / Ed]

Following the paper that was circuited at the last Board meeting, representatives of the key signatories to the Agreement met to review the paper. Sue, Ed, Andy and Kevin presented an updated paper, with recommendations and 3 appendices, including proposals on the function and role of the FPG's and a suggested change of rhythm for meetings and engaging with other elements of City Funds.

Ed provided a brief overview of the paper, drawing the Board's attention to the recommendations section, specifically the two recommendations where there had been a material change since the last Board meeting: Recommendation 5, role of FPG's (appendix 1); and Recommendation 8, post investment completion reporting. These recommendations were opened to the Board for discussion. The rest of the paper was largely the same from the last Board (other than a modification to the timing and form of FPG meetings). Key points from the discussion follow:

- Andy focused on the role of the FPG's and stressed the need for clarity and how they interact with key elements of City Funds.
- Ian agreed the paper looked sensible and proposed a good rhythm of meetings. His main concern was how much FPG members were being asked to do pro bono, and the likely volume of volunteering involved. He raised the point that for some this aligns with their job, but others would struggle to be able to find the time.
- Anna had a few reflections:
 - On item 4, Clarification of the term 'transformational change' – commenting that there is no point in City Funds propping up organisations if there is no paradigm shift for long term wider contribution. Anna proposed a change of wording and agreed to email this to Ed following the meeting. (The sentence later circulated: *An intervention at Organisation level should also have the capability to support transformational change at either or both the System and Paradigm levels*).
 - Anna raised a concern regarding the capacity of FPG volunteers to provide this high level of input, particularly if they only meet every 6 months; does this align with the workload? The lag between FPG's spotting opportunities and meetings are long.
 - Anna considered that it would helpful to expand on the FPG themes, delivery and defining what is transformational, but questioned if in reality the FPG priorities would be discarded and we would start from scratch (in light of the impact of Covid-19).

- Anna's final question was the extent to which we could best use the expertise in the FPG's. She didn't feel this had been resolved in this paper.

- Sandra agreed with the concerns Anna had raised. She confirmed that members of the Community Initiatives FPG would not have the necessary capacity, the membership of the FPG may change, but currently for most members there is only capacity to attend meetings.
- Lucy noted that not all FPG members would be expected to work on everything all the time; it would be on an as and when needed basis, for research etc., with (for example) one or two members volunteering, rather than the whole group.
- Ed noted that there are two ways the Board could look at the paper regarding FPG's. Firstly, mandate a 'one size fits all' model for FPG's, or alternatively to use these as guidelines for the FPG Chairs to interpret with their respective members, subject to availability of resources etc. FPG Chairs could then feedback on how this will work for their individual groups.
- Kevin was pleased with the good progress made on the IAC and Unitary Grant Panel issues and the paper has now resolved how they work. He discussed the fundamentally important work that the Economic Inclusion FPG had done on strands of support for economic growth, and agreed the point regarding FPG resources was valid. Kevin suggested the Board ask the FPG's to formally respond to the paper and ask for direct feedback and advice on how best to manage capacity.
- Peter agreed this should not be presented as a mandate and we could take this forward to FPG Chairs and ask for feedback.
- Sue agreed that we should seek feedback/agreement from the FPG's.
- Ian questioned if the Governing Board see the role of the FPG's as essential? And if it does, then they need to be resourced properly. We need to be clear on what we expect FPG's to do and the resourcing them properly.
- Kevin's stated the City Fund's credibility is in large part through its FPG expertise and the route this provides to grass roots organisations, and the ability to then provide reassurance that funding is going to right places.
- Sue confirmed that the NCGH FPG needs expertise to look at systems change; following the Covid-19 pandemic other expertise will come into the Group in the longer term.
- Sacha suggested that in order to gather critical feedback points from the FPG's, we need to ask specific questions so we can get direct answers for decision making.
- Ian suggested softening the language in the paper, for example, using 'may' instead of setting out strict rules for FPG's.
- Ololade agreed with the paper, she felt it was comprehensive and important to engage with FPG's and have a collaborative approach.

Ed went through the recommendations in Section 2 of the document point by point for feedback:

1. Role of impact in investment decisions - All agreed to implement. Anna suggested that she would like to make some proposed changes to the list of impacts, which she will share with Jari.

2. Clarification of the meaning of transformational change – All agreed to implement. Anna agreed to provide Ed with a sentence for the application box.
3. Further Impact Work - All agreed to implement.
4. Balance of the 'transactional' structure - All agreed to implement.
5. Role of Funding Priority Groups (FPGs) – This is considered to be work in progress and all agreed to go to the FPG Chairs, and their respective members, for feedback.
6. Link to Local Access Partnership - All agreed to implement.
7. Link to City Office Multi-Board – This principle was agreed by all. Andy will take offline - a formal letter will be sent to the Mayor and the City Funds representatives agreed.
8. Post Investment Completion Reporting - All agreed to implement, providing visibility to the Governing Board, while respecting confidentiality of applicants.

ACTION 4: Ed to soften wording in paper, Andy to share with FPG Chairs and ask for feedback at their next respective meetings.

ACTION 5: Anna to send proposed changes to the list of impacts to Jari.

ACTION 7: Anna to provide Ed with a sentence for the application box.

ACTION 8: Andy to take offline representation on the City Office Multi-Board (with a formal letter sent to the Mayor with proposals for the two City Funds representatives).

9. Covid-19 Impact on Investment Policy [Ed]

Ed referred to the one-page paper, which was circulated in advance of the meeting, and provided a brief overview.

Due to Covid-19, the landscape has changed significantly, and funding needs to adapt to these changing times. There may need to be higher risk appetite; a discussion on how we work with blended finance; a need to consider what the immediate threats to investments are; and what is appropriate for potential investees that do not have immediate cash flow - should this be debt or perhaps equity to enable them to keep going and thrive in the longer term once the economic crisis relinquishes.

- Sue commented that this paper reflected Quartet's thinking on the recovery phase, and it was helpful to share thinking on community needs. Lucy is currently leading a piece of work reviewing the gaps in the West of England approach and collating research, which could be significant for Bristol and something to share with investors. There needs to be a bottom-up approach to attracting new money coming into the city and we need to encourage investors to think this way.

- Ed agreed it would be helpful for Jari to meet with Lucy on a monthly basis and to work closely with Quartet to connect funding with discussions around potential projects. He also said it was important that the Quartet surveys are asking the right questions.
- Sandra commented that a discussion with the Local Access Partnership might be helpful, as investors recognise the need to look differently at opportunities. There are a couple of organisations in both the LAP and investment pot - for example, Big Society Capital. With the Quartet survey we need to be careful that we are not overlapping with others in the city (for example, BSWN) and collect information in a meaningful way.
- Lucy confirmed she will be collating all surveys results, to reduce the risk of any potential overlap.
- Sacha confirmed that City Funds will need to re-frame the fundraising 'ask' and this will be ready for next Governing Board meeting, and will include the recovery period.
- Jari noted that he is looking at a small alteration to potentially extend the high-risk pot, but this will need a conversation with investors. This may in turn result in adjusting the risk attitude to certain types of investment, e.g. repayment within an extended time frame, possible equity investment rather than simply debt repayment.
- Ed agreed that City Funds needs to be as innovative as possible within the bounds of the legal agreement.
- Kevin noted that the Council's attitude to risk will reduce, due to the Covid-19 crisis and the impact this is likely to have on the Council's financial position.

ACTION 9: Key signatories to the Agreement to discuss offline the key points regarding the Covid-19 Impact on Investment Policy document.

10. Funding priority themes & Role of City Funds in Covid-19 context [Andy]

Items 10 and 11 on the agenda were discussed together.

- Andy felt strongly that City Funds has a significant role to play in the Covid-19 recovery period, and the opportunity was clearly there to leverage additional funding (investment and grant), for example with Big Society Capital, the National Lottery, Powers to Change, and possibly others.
- Sue noted that there will be a number of national funders to call on and Bristol, as one of the core cities, should respond to the opportunity. City Funds is in a strong position, and we can start the groundwork now by talking to key Trusts and Foundations early on. For example, the NCGH FPG should be in a position to support work to make the city more resilient for children who are struggling to get food during the Covid-19 pandemic and school holidays. There are clearly some key areas to work on, but we also need to make tough decisions regarding priorities and resources; we can't stretch to do everything.
- Lucy and Sacha have been discussing how to protect funding and improve City Funds' resilience and ability to contribute to recovery. NCGH funders are currently looking ahead beyond Covid-19, for example, by supporting food growing initiatives.

- Sandra commented the overall role of City Funds for Bristol in the Covid-19 recovery period has not been captured yet, being mindful of the Council's financial position. Sandra suggested getting key people 'round the table' to strategically use expertise in the most effective way within the current context and to have some influence on systems change. Sandra agreed to devote one of her weekly community meetings to current issues, in discussion with community anchors.
- Ed suggested replicating the format used for December's away day to reinvigorate the funding market in Bristol, involving the likes of Ronnie Brown (Quartet) Tim Temple (The National Lottery), Danielle Cohen (Powers to Change), The John James Foundation and a few other funders. We should have a strategic approach in Bristol and hope this encourages investors to engage
- Anna questioned any change at the FPG level - if we adjust our priorities today, this will potentially change again in 6 months. She questioned if it would be useful for City Funds to be intelligence gathering and to feed this to Jari, or will it be confusing? We need to strike a balance between being up to date, but also coherent.
- Peter agreed it was sensible that City Funds should have a role to play in this pandemic but questioned how this could be done and what in practice will happen after this meeting. He also asked about progress with regards to last month's action for FPG Chairs to feedback to Sacha with their 3 key themes; Sacha agreed to follow this up again with FPG Chairs
- Jari agreed we need to act responsively to what is coming in by way of investment opportunities. He suggested that we put a message out for organisations to come talk to City Funds and to explore if we can help.
- Ed warned of the risk of us getting looped in a funders / investors bubble and the need to keep connected to people on the ground. He suggested we need to think about what we can do with the current funding and the potential for securing further funding. How can we position ourselves to benefit the city in the most efficient way, from the bottom up, grass roots, and be more proactive in the coming weeks / months?
- Ian agreed we need to focus on Covid-19 recovery but made the point that City Funds can't stop working on other key needs too.
- Andy concluded that the Board needs to pull together a coordinated summary of key City Funds priorities, activities that are already happening, and funds coming into the city. He suggested there should be a specific City Funds conversation at Ed's weekly Tuesday meeting for Funders. Further conversations are needed to see how the city evolves and how we channel funds, investment or grants, into the Covid-19 recovery process. It is too early to make decisions now, but we need to be proactive in collecting information on emerging needs from grass roots level and seek to corral funds where possible – grant and investment.

ACTION 10: Jari to join the weekly funder's conversation regarding acting responsively

ACTION 11: Ed, Sue and Andy to meet to progress strategic conversations and

feedback to the next meeting.

11. Role of City Funds in Covid-19 context [Andy]

Combined with item 10.

12. Pro Bono Support [Sue / Peter]

Sue referred to the report by Di Robertson, which was circulated in advance of the meeting.

Sue highlighted that there were 230 responses to the survey, 50% of organisations had never used pro bono support, 90-100% felt they could benefit from pro bono support, 88% said they would use a new service if it were developed.

Key things to consider are to complement existing models rather than duplicating them and having a clear collaborative direction. There are different cost models; one philanthropist has agreed to pay towards a quarter of the costs over a 3-year period (but the balance of costs has to be secured). Sue suggested the Board look for a suitable person to fill the post and City Funds look to the businesses who would like to take part in this to contribute. We need a sustainable model for grants and HR development; otherwise we should not progress.

Peter suggested a few Board members meet to discuss how to take this forward. He commented that businesses are likely to be struggling financially over the coming months (and years), and unlikely to be able to release funding for such a scheme.

Andy recognised there are a large number of professionals furloughed at the moment who may be able to support a pro bono initiative.

ACTION 12: Sue, Peter, Andy and Rick to 'meet' to discuss and explore further.

13. Risk Register and operational plan [Ololade/Ed]

- Due to time constraints it was agreed to discuss this at the next Governing Board meeting.

14. AOB

- There were no items for AOB

15. Future meeting date [Andy]

14.00-16.00, Thursday 14th May