

City Funds Minutes

Time and Place: 14.00-16.00, 8th October, Zoom meeting

Attendees: Andy Street (AS Chair), Sandra Meadows (SM – part of meeting), Edward Rowberry (ER), Sacha Korsec (SK), Lucy Gilbert (LG), Laura Martin (LM), Peter Morris (PM), John Stienlet (JS), Ryan Munn (RM), Ronnie Brown (RB), Hannah Young (HY), Victor Tettmar (VT), Sally Britton (SB)

Apologies: Kevin Slocombe (KS), Ololade Adesanya (OA), Jari Moate (JM), Lizzi Testani (LT), Anna Dent (AD),

1. Apologies [AS]

- AS welcomed everyone to the Zoom meeting and noted the apologies, the next meeting will be Ololade's last; Ronnie will need to leave the meeting at 15.30.
- Victor Tettmar, Chair of the IAC, was sitting in on the meeting to contribute to the IAC quarterly report agenda item.
- Sally Britton was attending the meeting to present on the City Funds market research paper.

2. New Declarations of interest [AS]

- No new declarations of interest to report.

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

- The Board reviewed the minutes from the previous meeting and ran through the actions.
- SK noted an amendment under point 8, page 6.

4. Update on FPGs [FPG Chairs]

- This item was postponed to the next meeting.

5. Governing Board membership [AS]

- AS reported on a meeting with key signatories to the City Funds Agreement on 17th September to discuss diversity, equity and inclusion and how best to proceed with recruitment of new Board members.
- The Governing Board is made up of 9 members; 3 represent the signatories to the Agreement, 1 independent chair and the 5 other places were selected following an advertising and interview process open to all.
- Since the Board was first established there have been a few members step down. The core remaining members are KS (BCC), ER (BBRC), SM, PM and AS; RB (Quartet) has replaced ST, leaving 3 places currently unfilled.
- Earlier this year the Board went through an interview process for new members, 2 candidates are remaining from this recruitment process. One is Sally Britton, who is

attending today to present the market research report, and will be attending her first formal Governing Board meeting in November, and the other is Reuben Coulter who worked with SB on the research report.

- The key signatories agreed to work with a local organisation BeOnBoard to identify and recruit a talented individual from the BAME community, to fill the last position on the Governing Board. This process will be started soon.

ACTION 1: LM to seek formal written agreement from the City Funds key signatories to approve adopting this approach.

6. Update on Diversity, Equity and Inclusion Statement [AS]

- The final version of the statement was circulated to members.
- AS confirmed members had reached a consensus with a statement that would challenge the work and operations within the context of City Funds. This statement will now go on the website.
- ER discussed the diversity, equity and inclusion review currently being undertaken at BBRC, linking with the IAC. There was a full review undertaken at BBRC covering governance, management and deployment of funds; one key element is how BBRC helps influence the way funding decisions are made to match with the City Funds statement that has now been agreed. BBRC are now working on the practicalities of this.
- LG discussed the diversity, equity and inclusion process at Quartet, linking with the UGP. This is explicitly mentioned in the UGP guidelines and LG has discussed prioritising funding with the Good Faith Partnership (now retained to support operation of the BCH health and wellbeing fund). It is also a central element in the Happiness Pulse and impact tool, which will be reviewed and monitored closely.

ACTION: LM to seek formal written agreement from City Funds key signatories approving the statement and then send this to Phoebe to add the final version to the website.

7. IAC Update & Quarterly report [ER]

- ER highlighted the key points, summarised below.
- Referring to the chart on page 6, Talking Money, Ambition Community Energy and Wellspring Settlement were, at the time of writing the report, the investments that had been completed and in the public arena.
- The investment portfolio analysis on page 7 illustrates the fact that it is early days for the process, with only a few investments made. As the number of investments grows it will be possible to provide more detailed trend data and analysis.
- JM presented on the investment pipeline on page 8; the three projects noted above are named, with other investments being progressed referred to on an anonymous basis.

- Since the end of June, there have been two further investments that have reached financial close: Frank Water (environmental campaigning organisation addressing the issue of plastic waste and water use); this investment will progress in the New Year; and Oasis Talk, a local organisation providing mental health interventions both on a face to face basis and on-line.
- The IAC has approved another two deals; one is related to educational technology for adults and young people with learning disabilities; and the second is for a community hub in one of the deprived areas of Bristol, to develop workspace and related education provision.
- **REDACTED**
- SK referred to the blend grant portfolio, noted on page 6, and queried if any of the money has been utilised.
- JM hoped to bring this to next week's IAC meeting and move forward on this over the next quarter, noting there are specific criteria around the Power to Change pot, which is used only for community businesses.
- VT noted the report is a 'snapshot' only to the end of June. The IAC is now one year in, and next week's meeting will be the 13th IAC meeting. The IAC has recommended 7 investments to NCM (who are the fund managers) and all have been accepted. Just over £2 million of the Fund had been committed - approximately 20% of the overall investment pot. Last year's focus was on deploying funds and spending time on testing and understanding impact. The 7 investments cover all four of the FPG themes and range from £75,000 to £1 million. The IAC has been well supported by BBRC. For October's IAC meeting there is a new proposal for consideration, which is a £100,000 investment in a Community Initiative project; there are also two information papers coming forward to test the impact measurement tool. During the Away-Day last week the IAC looked at the Fund pipeline, impact, SB's Covid-19 recovery paper and the new impact measurement tool (based on the recent Centre for Thriving Places work).
- At the November meeting the IAC will be reviewing the revised financial model for the Fund, which will begin to feed the metrics into the quarterly report and shape how it will perform going forward. The opportunities over the next year are significant due to the Covid-19 economic recovery process, the environmental challenges and the diversity, equity and inclusion overlay. The IAC will need support from FPG's, BBRC's business development team and Governing Board members to identify opportunities. The next 2-3 quarterly reports will demonstrate better the shape of the Fund and how it is performing.
- AS agreed there had been excellent positive progress and thanked ER and VT for the report.
- PM noted there had been a lot of discussion on how the FPG's should engage with the IAC and asked for an update on progress.
- VT noted the challenge is to identify the right projects and investment opportunities. The executive arm is provided through BBRC and it is clear that FPG feedback is useful to set the context, but FPG'S need to evolve into actively originating opportunities in collaboration with the BBRC business development team.

- SM said this was helpful, and agreed this is the way forward.
- LG noted the Centre for Thriving Places work is to primarily measure impact after investments and grants have been made; the tool that JM has developed is a really useful pre-investment tool.

ACTION: LM to add the impact tool to the next meeting agenda.

8. Fundraising/Communications update & validate of privacy policy [SK]

- SK reported the new website has been launched and asked members to send any comments/feedback to Phoebe, who has done a great job leading on this.
- There may be some additions to the website development process to include a section on pro bono and systems change.
- Fundraising update: SK noted two applications were pending; one to Comic Relief in partnership with the Knowle West Alliance, and one to the Friends Provident Foundation. The former is aimed at addressing food poverty in Knowle West, and if successful it will work with residents to develop solutions to food poverty, with the work coordinated locally by the Knowle West Alliance, and with the grant administration by Quartet. It would not bring a lot of income to support City Funds core costs. The second application to the Friends Provident Foundation focuses more on core costs such as communications, the pro bono brokerage system and working with the Governing Board and FPG's on diversity, equity and inclusion.
- The fundraising target for 2021 is approximately £100k, although this target will be challenging in the context of Covid-19.
- RB highlighted the central issue of how the core running costs of City Funds are covered; working with local communities provides a modest contribution to core costs but not enough. Longer term there needs to be consideration given to sustainability.
- HY reported there are a number of potential prospects, but City Funds will only receive 10-15% core costs coverage and there is also a need to cover the administration costs associated with Quartet. This business model is not sustainable, and there needs to be some investment in the core activities of City Funds. There will be a fundraising group meeting at the end of October to review the strategy and the budget for next year to plan in the longer term.
- All agreed for SK/HY to create a paper for the next meeting on proposals for sustainable funding and for core costs.

ACTION: SK/HY to create a paper for the next meeting on proposals for sustainable funding and budgeting for core costs. LM to add this to the agenda for the next meeting.

9. KPI Update [SK]

- SK circulated the KPI's for October.

10. Unitary Grants Panel Update [LG]

- LG announced the Bristol Community Health (BCH) and Wellbeing Fund is now live, and the UGP hope to have the first panel meeting at the end of December.
- LG reported the Good Faith Partnership (GFP), with support from The Care Forum, has been appointed to deliver support to potential applicants to the City Funds [BCH health and wellbeing grant programme](#). They will lead on answering applicants' questions about the Fund and discussing ideas for how funding can best support systems change in Bristol.
- As David Barclay leads the Good Faith Partnership on this project, he has stepped down from the UGP due to conflict of interest. LG is now asking the EI FPG for a new member for the UGP.
- The UGP is on track to have some grant decisions made by the end of the calendar year.
- RB asked if someone from BBRC is on the panel to join up the conversation about legacy funding and to identify if some of the organisations could take advantage of investment opportunities.
- ER agreed there should be a BBRC representative on the UGP to enable connectivity

ACTION: LG to liaise with JM to identify a suitable representative from BBRC to join the UGP.

11. City Funds market research [SB]

- The research was commissioned to look at the role of the Fund in supporting Bristol's recovery and it was carried out by SB and Reuben Coulter, supported by Sue Cooper.
- The research aims to understand the needs of the VCSE sector in the city and how the Fund could support them in meeting their needs, while working within the existing structure and policy framework.
- The needs identified were not new as such, but highlighted existing issues in health, employment and poverty.
- The issues were explored through three lenses:
 - Lens one: systematic issues in the VCSE sector, supported by the research looking at national and regional reports, in urban and rural areas. Main issues include fragmentation/lack of economy of scale, organisation failure, and loss of jobs and issues with the localisation of supply chains which is having a big impact on the city particularly in the early phase. There is also the issue of physical assets, and the possibility that some assets would become available as a result of failures in other parts of the economy; this may provide some opportunities for the VCSE sector. Pivoting the business model is possible, for example by moving from being a high street-based model to an on-line model. Overall sustainability across the VCSE sector is about meeting core costs and increasing the importance of community anchor organisations. Some parts of the city are well served, and have extremely strong and thriving anchor organisations, but there

are some areas which lack those organisations, which makes it harder to support the development and growth of the VCSE sector in those areas.

- Lens two: internal issues for City Funds. The first issue is finding good projects; it is unclear whether City Funds has a role in market-making due to limited resources. However, City Funds can be more flexible in use of the impact assessment tool, longer and shorter term measurement, and finding ways to be more agile and responsive (e.g. being able to work with people at an earlier stage – having a wide range of products and structures and being clear about the funding priorities). The NCGH FPG would need to be broader in scope. All the issues centre around resource, there are many projects that with enough support could become investable projects; the Local Access Partnership money may help bring more resources into play for developing project opportunities.
- Lens three: reviewing a number of specific ideas that were not ready to be considered by the IAC but considered important in Bristol's longer-term recovery. For example, sustainable transport and pedestrianisation and how to support communities to use spaces in different ways. Re-training and re-tooling for new sectors or industries, particularly different sources of energy, different ways of working such as on-line. The levels of unemployment are rising and there is an urgent need for training now, not several years down the line. Social care is a major growth sector in the economy nationally and in Bristol, there is a need for people to be delivering this service in people's homes and residential/community settings.
- SB concluded there is a lot City Funds can do, and there is a need to focus attention and make the best use of the staff team with a clear sense of direction and capacity, and work closely with partners.
- SM questioned where existing infrastructure organisations such as Voscur fit into this, highlighting there is a growing tendency to put them alongside community anchor organisations. How does this research take into consideration the plans and development opportunities community anchor organisations are working on currently? SM noted the resources available overall now need to align with projects and programmes that have already started; for example, Voscur's 2020 connect and Local Access Programme (LAP), this could provide additional resource and capacity building.
- SB agreed it is really important City Funds builds on the work that organisations like Voscur are doing and using the LAP will make a big difference in the resource needed to get projects to the investment readiness stage.
- PM noted reference to the 'Funds Team' and the reality that there is no executive team as such. City funds currently uses the resources of Quartet and BBRC but needs to consider the resources needed in the context and planning for the budget next year.
- RB asked what is the role for City Funds, what is the problem we are trying to resolve, where are the gaps, how can City Funds join up those resources?

- SB stated the report focuses purely on the investment funds aspect; and did not look at the grants side, noting it is really important for City Funds to offer blended investment.
- ER confirmed BBRC is fully behind City Funds, but the Board needs to discuss how to make it sustainable for all partners and to clearly define a USP.
- VT reflected the FPG's would really benefit from seeing the report. The IAC are well supported by BBRC but are subject to an advisory agreement to deliver deals; once the Governing Board completes a strategic review, there may be a need for an agreement to pay BBRC for their work.
- ER noted with the exception of LM who provides administration for City Funds, the Governing Board is light on people working directly for it. BBRC is happy to provide some support but we need to make sure resources are focused in the right place, and at the moment this is via the IAC.

ACTION: SB to share the report as a Word document, and LM will circulate this with the meeting minutes.

12. Risk Register and operational plan [LM/All]

- LM had not received any further updates to the risk register since the last meeting.
- PM suggested having this item on the agenda as a quarterly item, all agreed.

ACTION: LM to move the Risk Register and operational plan to a quarterly item on agenda

13. AOB

- JS provided an update on the pro bono work. JS came into position on 1st September to put together the pro bono brokerage offer for City Funds. During September, JS focused on speaking with other brokerages and organisations working in this area, to get an overview of what's going on across the city and to see how City Funds fits into this. JS is now planning where City Funds would like to be in 3, 6, 9 months' time.
- LG circulated an email regarding a mapping and analysis exercise conducted by the Good Faith Partnership on Monday 12th October 1-2pm. The session is primarily for FPG members to feed into the work and how they will be supporting organisations to apply to the BCH Fund.

14. Future meeting date [AS]

- AS confirmed the next meeting will be at 14.00-16.00 on 12th November.

ACTION 18: LM to confirm attendance for the next meeting on 12th November and reschedule if numbers are low.