

Social Investing

Amir Rizwan from Big Society Capital joined the call to provide further insight into social investing and the types of methods that could be used and options that are available.

He described various groups that provide a good level of information and networks that can lead to both individual and collaborative opportunities. This included the ACF SIIG which we are already attending.

Amir discussed the importance of understanding your objectives and aligning investments alongside your grant making approach.

Based on current activity there is a lot of place based and localised investment taking place. These are often in areas of deprivation and areas that can often be left out. Identifying areas of deprivation with high levels of youth crime could be a way of collaborating with others and joining existing initiatives that link to our strategy aims.

The narrowness of our aims is likely to be a barrier to there being large numbers of opportunities for us to invest in that are strongly aligned to our exact intended impact. However, it may be useful to identify potential areas of alignment using a 'bullseye' approach where we identify outer rings that contribute to a young person entering the criminal justice system and focus a social investment strategy on those areas with the intention of supporting earlier interventions.

Alison asked about the current situation with Social Impact Bonds, an approach that had seen some activity and success in the past. Amir explained that this area has slowed down as there is a lack of funding from Government to pay for the outcomes so social outcomes contracts aren't very common. This is an area that might see growth in the future though so is worth watching as this could align better with the kind of opportunities we are seeking.

A key thing for the Investment Committee to understand if we want to proceed in this area is how much money would we want to invest, what are our intentions and what are our expectations?

Amir suggested that £250,000 tends to be a minimal investment and this is often locked in for between 5-8 years.

Other ways of investing were also discussed including the Schroder's Fund that is listed and is CPI + 2%. This claims to have high impact in terms of impact against ESG.

After discussion it was agreed that there was no urgency to take any next steps about social investing and that there wasn't total agreement that it was something that we should even do at all. It was agreed that as part of ongoing grant learning we will develop a 'bulls eye' chart to identify outlying issues that are linked to the route to offending for young people.

Over time this will help to build up an understanding of key areas that we might want to concentrate on and link to identifying opportunities for social investing in these wider areas in the future.

Follow up actions

Amir to send some further info through

Look further at Schroders Fund – possibly as part of the beauty parade for later in the year

Revisit direct investment in 12-18 months' time when we have also developed a 'bulls eye' approach to identifying outlying areas we could focus on.

Bank Account

Vic has been doing some further research about a suitable new bank and will be approaching HSBC and Santander about whether they would accept an application for a charity account. It is a difficult time for opening new charity accounts currently but these two look like the best options currently.

Follow up action

Vic to contact both banks and begin process of opening a new account with one of them.

Investment valuation

Vic had asked Fran to upload the Investment and Liquidity Fund annual valuations to the Investment Committee section of the Trustees website area. David mentioned that overall performance was slightly above the benchmark and that since 2019 the portfolio performance has been ahead of the ARK benchmark.

Sarasin updates

It was agreed that Vic and David would arrange a meeting with Ruadhri in early June to discuss the new structure for updates and meetings and to request that the presentations are more personalised to TT and contain less jargon.

Follow up action

Vic to contact Sarasin and arrange a meeting

Audit

Book keepers are finalising final figures for 2022/23 before passing on to Begbie's so that audit can start. End of year management accounts will also be produced by book keeper.