

Social Finance in London, January 21, 2013

Session Notes

Section A: SUMMARY

Host: Lina Bowden

Facilitator: Oana Branzei

Represented Groups and Projects

<ul style="list-style-type: none">○ City of London○ Ivey○ Goodwill○ LCF○ Libro Financial○ MaRS	<ul style="list-style-type: none">○ OceanRock Financial○ Pillar○ United Way○ Sisters of St. Joseph○ WOTCH & Westney	<ul style="list-style-type: none">⇒ <i>Microloans / Matched Savings</i>⇒ <i>Social Enterprise for Sustainable Communities (SESC)</i>⇒ <i>Social entrepreneurs</i>⇒ <i>LCF Community Loan Fund</i>
---	---	--

Concluding Next Steps

Throughout the morning, the group stated and restated logical next steps as a community to move social finance forward. The following 3 actions were culled as important immediate next steps by the end of the session.

- 1) Establish ownership model (Feb/Mar)
 - Flush out who will lead the community level framework we seek to build
 - Explore shared leadership model by convening discussion(s) with key leader organizations to scope interest / roles organizations may want to play
 - Take a look at existing structures rather than create new ones? Explore leaders within key community parties
- 2) Decide on our common vision (Mar/Apr)
 - What is the purpose? “change we are hoping for” by the work?
 - Establish a working group to create a proposed draft
- 3) Convene a broader awareness and educational session
 - Outreach to more key community players: banks, investors, businesses (esp. those with CSR goals), social businesses, co-ops, funders and foundations (May-Jun)
 - Host a broad Social Finance Conversation (Sept)
 - Create a cultural shift that accepts community investing as a viable means of earning a return & benefiting the community, learn from other communities (‘samplers of ideas’, stories), invite MaRS to speak

THE BIG PICTURE : SOCIAL FINANCE IN LONDON

The change we seek?
Common vision?



Socially inclusive economy?
Enable investing locally &
w/ social impact?

Inspired Stakeholders
--committed community partners with a desire to drive the movement--

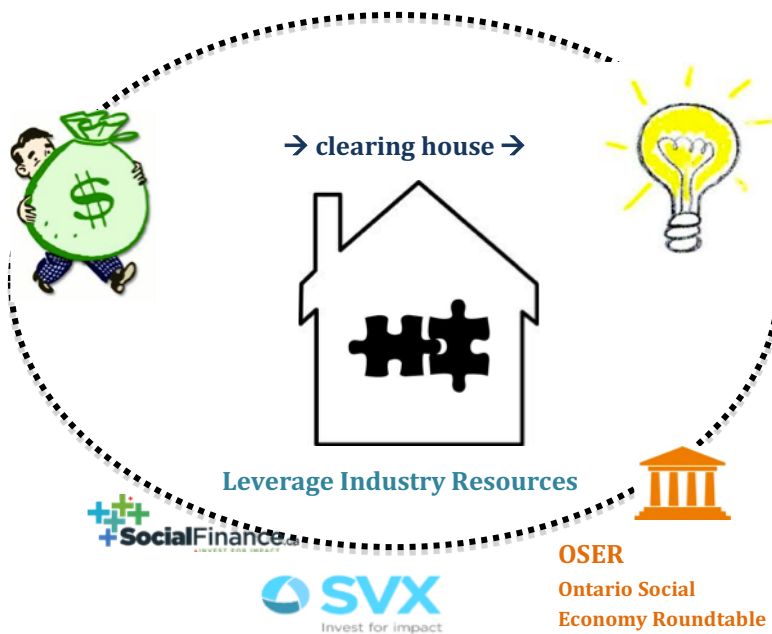
Community-based framework

Inspired Investors

- Promote Stories
- Fulfill information needs (risks, performance measurement)

5 Year Picture

- social performance measurement
- Certified SF Investor



Social Entrepreneurs (for profit)

Affordable Housing

Social Enterprises (nonprofit)

Ideas that solve problems and make London better



COMMUNITY
Engage, educate, inspire



SECTION B: DETAILED DISCUSSION *Minutes from the morning*

ROUND 1: “ONE” important step from each table

1. Engage WHOLE community

- For-profit sector not well represented in the room. (*note: intent of this first meeting was to rally those who have been engaged in social finance discussions*)
- Need to have local business, advisors, investors engaged in this conversation

2. Market clearing mechanism

- Need for something local/regional that supports the communities needs for information, systems / processes, while leveraging other resources and expertise outside the community (such as MaRS)
- How do we map what is happening in the community?
- Education about social finance
- Keep drawing people into the conversation
- Serve as intermediary (matching ideas with the money)
- Possible to pool resources
- Group feels there is no lack of capital for good (high potential in our community) and no lack of ideas for social investments

3. Story telling

- We think that IF people are made aware of the possibilities of community investing they will be inspired to participate
- Stories draw an emotional connection and help people ‘get it’
- It takes “little people” coming together can make magic; create a movement through sparking conversations one person at a time – change attitudes, motivate people to want to be a part of it
- Crowd-sourcing model runs on the adrenalin of ‘the little people’ coming together and making a big difference

4. Inspired Investors

- We need to promote the possibilities – make role models out of social investors
- Advertise / campaign directed at investment advisors and investors
- Show that a triple bottom line can have a huge impact in our community
- The commercial: “I am an inspired investor in my city of London. I donate to xxxx which supports the needs in my city. I invest my RRSP in socially responsible companies and the impact is xxx and my return is x.x. My pension plan invests in social investments right here in the city that I love.” *Starring Cheryl Smith*
- Possible to educate families through their children/ school system?
- Right people need to be having this conversation (unusual suspects) penetrate channels that already exist

*These are great overarching goals. What processes will make this happen?
It requires more collective energy. This led us to further discussion.*

ROUND 2: How do we take these BIG ideas and move the conversation forward?

DISCUSSION:

- stories.. get more people IN the conversation
- risks to watch... regulatory environment
- community based framework needs to be started
- risk to watch... not the panacea to replace government funding

ACTIONS:

- 1) Name who is not in the room (ie: who is not yet engaged in the exploration of social finance) and find ways to reach out to them
- 2) Convene conversations: start the stories coming
- 3) Advisory committees / structure? Leverage existing groups (SESC, Microloans, LCF Loan Fund) and either link these groups in some way, clarify role in social finance space?

ROUND 3: what IDEAS do you have (Attractors / Opportunities) that ADD to the picture we have created thus far?

The following Ideas were presented on colour post-it notes and put into our 'picture'

Themes:

1) Vision

What's the picture? How do we speak it? (clarity around what the change we hope for)
--

2) Ownership and Leadership

Set up a network group to keep ideas moving forward

Find Local Champions

Requires a champion; an innovator. Need to see the runway / roadmap

Establish Social Innovation Center for SW Ontario

3) Community engagement / cross-sector collaborations

Not in the room: banks, LEDC, Small Business Centre, Chamber, Social businesses, co-ops, Trillium, Corporations w/ CSR goals
--

Engage Ivey brains more

Create strategic partnerships between employment / training and needs in social / public housing
--

Uncover biases and expand peoples' openness to change

Tap into the new appetite for creating a sense of community

Break current perceptions between nonprofits and business
Invite those who are missing from this discussion to a collaborative discussion
Cross language barriers between sectors
Strengthen network of local players
Blur the lines between for-profit and nonprofit
More involvement in larger private sector corporations (London Life, 3M, etc)
Leveraging each other in a particular area (eg: affordable housing)
Engagement of all stakeholders to ensure maximum social impact using the investment dollars (EG: Inspiring residents to look after their own buildings, acknowledged/compensated financially via employment or credit hours)

4) Education, awareness

Teaching How to define VALUE beyond social , triple bottom line
Information on what social investing is (what is a community investment?)
Tap into knowledge of thought leaders
Regulation: exchange analyst review for financial ESG consideration
Advocacy re: regulatory, legal, tax environment
Local guiding principle / review, advocacy, standards
Regulation: exchange analyst review for financial ESG consideration
Culture shift at nonprofit board level
Ask your financial advisor about SRI & Impact Investing
Social Finance 101 – investors / advisors
Board Support and Education – re: Social enterprise and Social Finance

5) Demand side (community initiatives, social enterprises / businesses)

Nurture viable opportunities
Explore / develop a local housing development corporation
Mapping / Glossary of local opportunities (social investments)
Procurement policies

6) Supply side (Investors)

Investor Circle
Private Sector Banking
Linkages with Financial Institutions
Targeted campaign of for-profit businesses
Create virtual network of interested local parties

7) Intermediary (clearing house for connecting supply & demand, connecting to existing structures such as SVX)

Connect investors to cool talent of youth entrepreneurs

Look for opportunities for retain mutual funds to invest in LOCAL community development projects
Pool local retail investors to invest in social enterprise
Virtual shared space
Social Innovation shared space
Measurement of social impact
Measure community impact
Don't reinvent the wheel: use provincial and national bodies as resources / experts / structure
Look at Access Community Capital Fund Model
Consider an actual physical space for groups to share: such as a Centre for social innovation
Add London to Socialfinance.ca Mapping
Awareness in London to existing structures (eg: Centre for Impact Investing)
Local / Micro Level – local group infrastructure: 1 – guiding principles 2 – review 3 – advocacy 4 – standards

Round 4: Adam Spence and Joanna Reynolds Commentary on our proposed ideas and next steps (and coloured sticky notes).

1. What is the collective push? (identified as a need by Adam, Joanna & Carol Ann

- We should take time to articulate the vision
 - At the community level, you should be asking yourself first “what is the change you want to see for London?”
 - ONE possible lens: Social Finance Focused: it might be “we need to create a way for Londoners to invest locally for a local benefit to our economy” Joanna, or “Mobilizing private capital, increasing pipeline of investment opportunities, having an enabling regulator environment” Adam
 - ANOTHER possible lens: the social issue we wish to address – such as affordable housing, employment, socially inclusive economy
 - It is easier to tie our ideas to a cohesive vision / strategy; once a vision has been defined the road ahead becomes clearer
 - Identify the problem, then gather the usual suspects first, seek to reach the unusual suspects
 - Define both short term and long term outcomes you want to see

2. Literacy and awareness of risks and benefits and regulations

- a. Important to have a good understanding of the social finance model you are considering (eg; those looking at a community bond model should be talking to financial and legal advisors to know risks to organization and investors)

3. Local solutions to local problems

- We are building a great base here in London – building strong assets via expertise, intelligent, engagement
- London should be generating local solutions to local problems ; leverage our knowledge of the community and the community actors
- Tap into expert resources such as MaRS, etc (no need to duplicate)
- Local easy wins

Round 5: WRAP UP discussion: Samplers, Dishes, Menus

We need a local “place” that can serve as the connector to the Centre for Impact Investing, stay abreast about all that is happening re: policy, models in other communities, provincial and national and continue to bring people together.

WHO would do this?

City team commented on the appetite for future investments that advance economic development and their interest in the results of the Microloans pilot.

London is seeing a growth in young social entrepreneurs who can do amazing things that address community needs with just a little bit of seed funding. There is interest in the room to continue to nurture these hot spots of social innovation.

Another community need is affordable housing and there is interest across many fronts, including the city.

Next step ideas discussed in this round:

- 1) Possible working group (subset on those gathered on Jan 21st) to flush out the common community vision - caution – not to replicate what already exists within SESC, LCF loan fund, Microloan – how do we morph them to be ready for the next phase
- 2) Draw more people into the conversation / how do we partner better? University, Fanshawe, Business, Social Economy
- 3) Convene a session with a larger audience
 - “**samplers**” –continue the learning process, invite Adam/Joanna back to more formally share other models from other communities, coolest ideas
- 4) Choose a framework that works for us; which “dishes” are we going to try first?

Dishes What's next for us?

- Vision work is going to be essential next step:
 - In naming the ‘common vision’ we may have 2-3 constellations that establish the scaffolding for issues like Affordable Housing, Social Inclusive Economy / Jobs for marginalized.
 - Suggested that we convene a working group to take a closer look at vision and draft a vision to be brought to the larger group
 - Who OWNS it?? Focus it?
 - What models of ownership could we have?
 - Inspired Stakeholders – partners who jointly own it, a shared space so people can feed off each other,
 - Could be a virtually shared space
 - We may choose to rethink the existing committees and structures that support the microloan project, SESC, LCF... to enable leadership in social finance; a starting point may be to convene a session with the partners in these venues
 - We could rotate leadership for moving it forward.
 - We could establish a ‘London Centre for Social Finance’ – may be only a good website, information can be posted, links, chats, central information source
 - It could be pop-up shared spaces – host organizations
 - Improve our ‘working’ relationships with all community partners – break down silos
 - Ask WHO is not in the room (that should be?), CONVENE more conversations
- 5) Build out a community ‘**menu**’
- Often too many cooks – different visions –next step may be to have representatives from all the circles come together as a working group – create a pathway forward to define a journey. *Start first with the vision.*