

<b>Title:</b>	<b>Social Financing Committee - Terms of Reference (including Code of Conduct and Operational Rules)</b>
<b>Date:</b>	<b>April 2025</b>
<b>Last reviewed:</b>	<b>December 2023</b>
<b>Date of next review:</b>	<b>June 2025</b>
<b>Classification:</b>	<b>Public</b>

## 1. Purpose of committee

- 1.1 The Vivensa Foundation has ring-fenced £5M from its portfolio of investments to be deployed for the purpose of making social investments, as outlined in the Foundation's Social Financing Policy. The main purpose of the Committee is to advise the Board on deploying and monitoring its social investment portfolio, in line with the Social Financing Policy and within the overall context of its charitable objects, charity law and the priorities of the Board.

## 2. Terms of Reference

- 2.1 To advise on the ongoing development of the Foundation's Social Financing Policy and its implementation, including the development of a process for assessing potential investments.
- 2.2 To consider:
- investments into funds whose strategies and underlying investments address societal challenges which support the Foundation's mission wholly or substantially. These funds may have the potential to generate financial returns, but are likely to be include higher-risk propositions, sometimes with unproven/first time strategies;
  - direct investments into organisations with a social purpose which is aligned clearly with the mission of the Foundation. These investments might encompass a number of financial mechanisms, for example: repayable grants, low interest loans or equity investments, with a variety of return expectations, which may include some financial loss.
- 2.3 To review and assess potential investments using the relevant process and make investments of between £100k to £1M per proposal on the delegated authority of the Board. The approval of the Board will need to be sought for investments which are individually greater than this amount
- 2.4 To review and assess pre-investment support to provide to potential investees of up to £100k in grant funding, on the delegated authority of the Board.
- 2.5 To monitor the performance of the portfolio, alongside the process and provide reports to the Board.

## 3. Membership

- 3.1 The Committee shall consist of a minimum of four members comprising of Trustees, executive team and independent advisors.
- 3.2 Appointments shall be for three years, renewable once, by mutual consent.
- 3.3 After a Member has served two consecutive terms in office, they shall be eligible for re-election only after a year has elapsed since they retired as a member of the Committee.

- 3.4 At least two members of the Committee shall be Trustees and up to five additional members with relevant expertise may be appointed as external advisers.
- 3.5 The Committee may call on a wider panel of experts with a range of specialisms to provide advice on specific proposals, if necessary.
- 3.6 The Foundation's Chief Executive Officer shall be a member of the Committee *ex officio*.
- 3.7 The Foundation's staff team shall act as Secretary to the Committee.

#### **4. Chair of the Committee**

- 4.1 The members of the Committee shall elect a Chair from one of the Trustee members for a period of three years.
- 4.2 The Chair may stand for re-election at the end of their term of office, to a maximum of two consecutive terms of office.

#### **5. Proceedings of the Committee**

- 5.1 The Committee shall meet at least three times per year.
- 5.2 There shall be a quorum when three members (one Trustee member, one external adviser and one member of the executive team) are present at any meeting.
- 5.3 Meetings of the Committee may be held either in person or by suitable electronic means agreed by the members in which all participants may communicate with all the other participants.
- 5.4 If the appointed Chair is unavailable or unwilling to attend a meeting, then the Committee shall appoint an alternative from amongst its number to preside.

#### **6. Conflicts of interest/Code of Conduct**

- 6.1 Members of the Committee shall declare any conflict of interest which might arise at the start of the meeting and shall then withdraw and take no part in the relevant discussion and/or any decision relating to it.
- 6.2 A direct interest applies where a Committee member has a relationship with a potential investee; an indirect interest applies where, for example, a Committee member's employer has a relationship with an investee, albeit the Committee member does not in their daily business.
- 6.3 Where an interest is declared, dependent on whether it is a direct or indirect interest, the Member may be:
  - Excluded from participation in both the discussion and decision-making process;
  - Allowed to comment during discussions, but be excluded from any vote/decision being made;
  - Allowed to participate in discussions and the decision-making process.
- 6.4 In cases where a Member is uncertain whether a conflict of interest exists or not, they should report this to the Chief Executive, who will in turn discuss the matter with the Chair of the Committee, and a decision will be taken based on the provisions set out above.
- 6.5 If a Member is concerned about a possible conflict of interest involving another Member of the Committee, they should raise the matter with either the Chief Executive or the Chair of the Committee, who will deal with the matter in line with the points above.
- 6.6 All discussions at Committee meetings relating to the Trust's current, past or potential investments are strictly confidential.

- 6.7 All meeting papers and related correspondence are strictly confidential and should not be discussed with, or shown to, persons outside the forum of the Committee, unless agreed otherwise.

## **7. Reporting to the Board of Trustees and delegation of authority**

- 7.1 A report of the Social Financing Committee meetings shall be made available to the Board at the next scheduled meeting.
- 7.2 The Committee, having taken suitable advice, may make decisions regarding the movement of funds up to its delegated authority of £1M for any one transaction. Any such action taken should be reported to the Board at the next available opportunity. All other recommendations involving commitment of funds of above £1M per transaction shall be referred to the Board of Trustees for approval.
- 7.3 The Committee, having taken suitable advice, may make decisions regarding the distribution of grants up to its delegated authority of £100k for any one transaction. Any such action taken should be reported to the Board at the next available opportunity. All other recommendations involving distribution of funds of above £100k per transaction shall be referred to the Board of Trustees for approval.
- 7.4 The Board shall review the suitability of and confirm the Committee's delegated authority annually.

## **8. Decision-Making**

- 8.1 Voting shall be decided by a majority of votes cast by members. In the event of equal voting, the matter will be referred to the Board of Trustees for decision.
- 8.2 Where a decision or recommendation is deemed urgent and cannot wait until the next timetabled meeting of the Committee, the Chair may call for an extraordinary meeting, to be held by suitable electronic means or if this cannot be facilitated, via electronic circulation of the proposal and underlying information and voting by email.
- 8.3 Where the decision or recommendation involved a transaction of higher value than the Committee's delegated authority, it shall recommend the action required to the Chair of Trustees. The Chair of Trustees will be responsible for securing approval by the Board of Trustees to the recommended action and communicating the decision to the Social Financing Committee in a timely fashion.

## **9. Administration of meetings**

- 9.1 Administration of meetings shall be the responsibility of the staff team, in liaison with the Committee Chair.
- 9.2 Agenda and papers shall be circulated to members at least one week prior to the meeting.
- 9.3 Draft minutes shall be circulated to members, with formal approval of those minutes provided at the next meeting.
- 9.4 All papers and minutes from the meeting (either circulated or tabled) will be retained in a legally acceptable form and in accordance with the Foundation's document retention policy.

- 9.5 Briefing documents, policy documents and papers relating to Committee meetings are routinely made available securely electronically. Committee members should ensure that they retain the information for no longer than is necessary for carrying out the task and ensure that copies are destroyed securely.
- 9.6 On resignation or completion of their terms of office, Members should ensure that all Foundation-related documents and email correspondence are deleted from their personal devices or returned to Foundation staff for secure destruction.

## **10. Code of Conduct**

- 10.1 Members of the Committee are expected to conduct themselves in accordance with the following behaviours:
- 10.2 Act within the Articles of Association of the Vivensa Foundation and the law and abide by the policies and procedures of the organisation.
- 10.3 Have a good understanding of, and be sympathetic with, the aims and charitable objects of the Foundation and act in accordance with these at all times.
- 10.4 Act and make decisions in the best interests of the charity, and its present and future beneficiaries.
- 10.5 Do their best to avoid conflicts of interest, and where they do find themselves conflicted, declare that fact and not take part in any relevant decision-making, in accordance with the conflict-of-interest guidance.
- 10.6 Accept that decision-making and governance issues should be as transparent as possible, except when confidentiality is required. Where information is of a confidential nature it must remain so outside the confines of the Committee meeting.
- 10.7 Where assistance and advice are required to enable the most appropriate decision to be made, seek that assistance/advice from an appropriate source (eg. a suitably qualified professional adviser, or the Charity Commission) and consider it carefully.
- 10.8 Play an active role in Committee meetings, having spent an appropriate amount of time reading and digesting papers in preparation for the meeting.
- 10.9 Engage actively in respectful discussion, debate and voting in meetings, contributing positively, listening carefully, challenging sensitively and avoiding conflict.
- 10.10 Accept the principle of collective responsibility, whereby members are jointly and severally liable for their decisions and do not act unilaterally on behalf of the charity unless specifically authorised to do so.
- 10.11 Accept the principle of majority decisions and support decisions that are made on that basis.
- 10.12 Work considerately and respectfully with other Committee members, Foundation staff and external contacts, respecting diversity, different roles and boundaries