

**Joint Investment Committee  
Terms of Reference**

The Joint Investment Committee (JIC) is authorised by Big Society Capital (BSC), Big Lottery Fund and Access - the Foundation for Social Investment to oversee the strategy, policy and activities of the Growth Fund. This includes making funding decisions on the £22.5 million of Big Lottery Fund grant budget and £22.5 million BSC loan funding in accordance with the agreed Growth Fund Investment Policy, with Access's Service Level Agreement with Big Lottery Fund and with BSC's Investment Principles.

**1. Membership and Attendance**

The Committee will be chaired by a non-voting representative of Access.

The members of the JIC are appointed by the Investment Committee of Big Society Capital, Big Lottery Fund's England Committee Social Investment Panel and the Board of Access.

Members of the JIC shall comprise:

- 2 representatives from the Access. Trustees could choose to nominate the CEO as one of the representatives on the Committee
- 2 representatives of Big Lottery Fund
- 2 representatives of BSC 's Investment Committee.

The JIC shall comprise a balance of appropriate experience and expertise in both social sector and investment areas. Big Lottery Fund, BSC and Access can nominate alternatives if one or two representatives are unable to attend a meeting.

The Access CEO has the right to attend the Committee meeting, whether or not appointed as a member of the JIC. BSC, Big Lottery Fund and Access staff may attend meetings as observers or as support for their organisation's members if required. Advisors may be invited to attend and express their views as required by the JIC.

**2. Secretary**

The Chair will nominate the Secretary of the JIC.

**3. Quorum and voting rules**

A quorum shall be five members. The two Big Lottery Fund representatives (or their nominated representatives) must be present when the JIC is making grant decisions. A duly convened meeting of the JIC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **Access – the Foundation for Social Investment**

Decisions will be made by 75% majority in number effectively giving Access, BSC and the Fund respective vetoes.

If the meeting is not quorate from the time appointed for the start of the meeting, or if during the meeting the Committee ceases to be quorate, recommendations will have to be ratified by a quorate committee meeting or by correspondence.

### **4. Frequency of Meetings**

The JIC will meet as often as required [normally monthly].

### **5. Notice of meetings**

Meetings of the JIC shall be called by the Secretary of the JIC at the request of the Chair.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date will be forwarded to each member of the JIC, and any other person required to attend, at least three weeks in advance of the meeting. An agenda of items to be discussed together with supporting papers shall be sent to Committee members (and observers) at least 7 days before the meeting. [These notice requirements can be waived by the JIC at a suitably quorate meeting.]

### **6. Minutes of Meetings**

The Secretary shall minute the procedures and resolutions of all meetings of the JIC and will circulate them to all members of the JIC with the papers for the next meeting of the JIC.

### **7. Reporting**

The Chair will update Big Lottery Fund, BSC and Access on the activities and decisions of the JIC at relevant review points. The update will show how funding decisions are supporting the strategy of the Growth Fund. There will be a review of the JIC's activities and decisions after 12 months to review the investment policy in light of applications received and approved.

### **8. Duties**

The JIC shall

- Approve the investment policy, in line with the intended outcomes of the Growth Fund
- Make decisions on Big Lottery Fund's and BSC funding to SIFIs
- Oversee all EOIs submitted to Access by reviewing monitoring reports produced by Access's Investment Manager
- Take decisions on significant changes to approved investments in the form of a variation in terms
- Oversee the performance of the Growth Fund portfolio of investments
- Consider issues related to investments made by the JIC.

## Access – the Foundation for Social Investment

### 9. Process

The role of the JIC is summarised below:

PROCESS		ROLE OF JIC
Submission of EOI	←	Oversight of
Submission of Application Form	←	Oversight of
Joint Investment Committee Round 1	←	Decision on whether to proceed with Due Diligence based on summary of application form
Joint Investment Committee Round 2	←	Decision on whether to make an investment based on completed Due Diligence
During investment period	←	Oversight of and possibility to propose intervention if investments not performing. Oversight of any proposed variations on agreed deal.
Post Completion of Investment	←	Decision on whether SIFI is able to maintain leftover grant to re-invest into VCSE organisations

#### Submission of EOI:

The JIC shall have oversight over the EOIs received for the Growth Fund at each meeting through a list presented by the Access team.

#### Submission of application form:

The Committee shall have oversight over the applications received for the Growth Fund at each meeting through a list presented by the Access team.

#### Joint Investment Committee Round 1 and 2:

The JIC will make funding decisions on applications following a presentation of each SIFI application by the Investment Manager of Access and/or an investment team member from Big Society Capital. There will be two rounds to the investment decision process:

1. Round 1 at which the JIC will assess whether the application is suitable to proceed with Due Diligence. This decision will be based on a short assessment report together with the original application form. The aim of the first round is to assess the suitability of the application for the Growth Fund based on the parameters outlined in the Investment Policy and agree any additional areas for due diligence for a decision to be made at the Round 2 of the JIC; followed by
2. Round 2 where a funding decision is taken based on the Due Diligence completed by officers from Access and BSC. At that stage the structure and terms of the proposal should be finalized although the JIC could choose to include conditions precedent to be fulfilled prior to signing.

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The JIC can agree to approve an investment at Round 1 in exceptional circumstances, if the due diligence process has already been completed on the SIFI applicant (for example if a SIFI is applying for continuation funding).

### Variation in terms

Administrative changes, legal agreements, document execution and non-material variations in terms are delegated to the authority levels in the BSC and Access Executive Team and do not require agreement by the JIC.

Material variations in investment terms shall be brought back to the JIC for agreement. If necessary Access can refer to the Chair to determine whether changes to investment are material.

### During the investment period:

The JIC will oversee the social and financial performance of investments in the Growth Fund. It will use materials prepared for BSC's valuation Committee in addition to an assessment on performance made by Access.

Following the Growth Fund investment period of 2-3 years, the JIC will continue to meet biannually/annually to oversee on-going Growth Fund allocations; (BLF will have the option of leaving the JIC following full delegation of funds after 5 years).

If when reviewing performance of investments, the JIC feel an intervention is required, the JIC will instruct the executive of Access and BSC to resolve the issue with a report to be provided following the intervention.

### Post completion of investment:

Following the completion of the investment, the JIC will be responsible for making a decision on what happens with any remaining Grant capital. The application to keep the funds will be summarized by a member of Access or BSC

### Other

Discussion of policies and broader investment issues relevant to the policy or to the implementation of the Growth Fund can be held at the JIC where relevant and requested by the Chair.