

24<sup>th</sup> February 2012

Mr Mark Hoban MP  
Financial Secretary to the Treasury  
HM Treasury  
1 Horseguard's Road  
London  
SW1A 2HQ

Dear Mr Hoban

**Financial Services Bill – Amendments 72 and 73 – Social Investment**

As the Financial Services Bill enters the Committee Stage, we are writing to you as the Minister in charge of the Bill to ask you to accept amendments 72 and 73 to the Bill.

The amendments would:

- place a general 'social investment duty' on the FCA to carry out its work in a way which promotes the development of social finance and social investment; and
- require the FCA to establish a 'social investment panel' of persons with knowledge and expertise in social finance and social investment which it would be obliged to consult and have regard to over time in relation to the conduct of its activities.

The amendments pave the way for the growth of the social investment market, which is about to receive a large injection of capital from Big Society Capital, a new social investment wholesaler set up under the Dormant Bank and Building Society Accounts Act 2008, and which is currently experiencing a wave of innovation and requires sensitive regulation.

The amendments are simple and stand-alone, do not cost the taxpayer and do not interfere with any other aspects of the Bill. At a time of austerity and public funding cuts for charities, the amendments would help to support the role of social investment to finance civil society and would help the UK to develop as a leading international destination for social investment.

We would like the opportunity to meet with you to discuss the amendments before they are debated by the Financial Services Bill Committee and hope you will support the amendments.

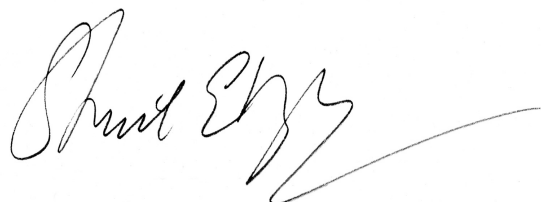
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Your Ministerial colleagues with key responsibilities relating to social investment are copied.

We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stuart Etherington', with a long horizontal flourish extending to the right.

**Sir Stuart Etherington**  
**Chief Executive**

**List of signatories in support of Amendments 72 and 73**

Caron Bradshaw, CEO, Charity Finance Directors Group  
Sir Stephen Bubb, CEO, Association of Chief Executives of Voluntary Organisations  
Geoff Burnand, CEO, Investing for Good  
Andrew Croft, CEO, CAN Mezzanine  
Michele Giddens, Co-Founder, Bridges Ventures  
Sally Goodsell, CEO, FSE Group  
Malcolm Hayday, CEO, Charity Bank  
Peter Holbrook, CEO, Social Enterprise UK  
Ben Hughes, CEO, Community Development Finance Association  
David Hutchison, CEO, Social Finance  
Jonathan Jenkins, CEO, Social Investment Business  
Pradeep Jethi, CEO, Social Stock Exchange  
Nigel Kershaw, CEO, Big Issue Invest  
Stephen Lloyd, Senior Partner, Bates, Wells & Braithwaite  
Nick O'Donohoe, CEO, Big Society Capital  
Rod Schwartz, CEO, Clearly So  
Penny Shepherd, CEO, UK Sustainable Investment and Finance Association  
Simon Tucker, CEO, The Young Foundation  
James Vacarro, Managing Director, Triodos Investment Banking

**Ministers copied to this letter**

Rt Hon Danny Alexander MP, Secretary to the Treasury  
Rt Hon Vince Cable MP, Business Secretary  
Rt Hon Nick Clegg MP, Deputy Prime Minister  
Nick Hurd MP, Minister for Civil Society  
Rt Hon Francis Maude MP, Minister for the Cabinet Office  
Rt Hon George Osborne MP, Chancellor of the Exchequer