

Committee:	Date:
City Bridge Trust Committee	13 th March 2014
Subject:	Public
Strategic Initiatives: New Economics Foundation (nef)	
Report of:	For Decision
Chief Grants Officer	
Summary	
<p>This paper proposes that you support the New Economics Foundation (nef¹) for a further year to enable it to use the findings of its <i>Surviving Austerity</i> and to disseminate the ways in which local communities in London are finding practical solutions to the new austerity.</p>	
Recommendation	
<p>Members are asked to:</p> <ul style="list-style-type: none"> • Approve the sum of £30,000 to enable the New Economic Foundation to disseminate the findings of its <i>Surviving Austerity</i> research across local authorities in London to be costed against your budget for Strategic Initiatives 2013/14. 	

Main Report

1.0 Background

1.1 New Economics Foundation (nef) is the UK's leading think tank promoting social, economic and environmental justice. It has three main 'head's to its work, as follows:-

- Economy, including work in such areas as banking and finance; Social Return on Investment; and Macroeconomics.
- Environment, including work on environmental issues; transport and infrastructure; international development.
- Society, including criminal justice; democracy and participation; and public service reform/

1.2 In 2011/12, you funded nef, in partnership with Barrow Cadbury Trust and LankellyChase Foundation research into how people in two of the most economically disadvantaged parts of Birmingham and Haringey, were experiencing the effects of the recession, or the 'new austerity'.

¹ nef always uses lower case

- 1.3 Its findings, *Surviving Austerity*, were launched last July 2013 at a conference hosted by the Trust, in partnership with Barrow Cadbury Trust, LankellyChase Foundation and nef, chaired by the Chief Grants Officer.
- 1.4 Entitled “Creative Solutions for Tough Times – practical and local responses to poverty and inequality”, the conference was an opportunity to showcase a range of creative community approaches to challenging times, including London Time Credits, a new model of volunteering, that you are funding Spice to develop in London.

2.0 Findings of the *Surviving Austerity* Research

- 2.1 Using peer research, photojournalism, interviews and workshops with local residents, community organisations and local authority officers, the research addressed three key questions:
- How are people experiencing welfare reform and public sector spending reductions?
 - What does the Big Society mean for local residents?
 - What can be done at the local level to promote social justice and improve people’s well-being?
- 2.2 Not surprisingly, the research found that the combination of reduced income levels (whether as a result of unemployment, increased cost of living, reduced salaries or cuts in benefits); more precarious employment conditions; a growing demand for unpaid labour (for example, as reductions in public spending mean that more family members are required to look after relatives with care needs); and an unravelling safety net, as a result of reductions in benefits have resulted in people’s everyday insecurity levels have risen sharply.
- 2.3 Given that the ‘new austerity’ is likely to continue for some considerable time, the research asked how people were responding at the local level. It found that local communities were learning to build on their local assets in a number of creative and resourceful ways by bulk-buying food for neighbourhoods, for example, and by building social networks and more affordable services through coproduction and time-banking.
- 2.4 It called on commissioners to promote fairness by commissioning for social, economic and environmental value and to make co-production a standard model for delivering services.

3.0 Dissemination Plans

- 3.1 It is now proposed to consolidate and disseminate this work by identifying where and how practical action is being taken to mitigate the effects of austerity and promote social justice and to disseminate this in London and Birmingham. The Trust is asked to support the work in London whilst Barrow Cadbury Trust is considering funding the work in Birmingham.
- 3.2 The project will have three distinct phases. **The first phase** will begin a mapping exercise of examples of practical action successfully taking place which will include the experience and learning of the Fairness Commissions with which nef is currently engaged.

- 3.3 This will be done through desk research and interviews, with experts working in local government, grant-making foundations, and the voluntary sector, to explore where innovative approaches are being applied and to broker contacts with those organisations.
- 3.3 A brief report will then document the range of approaches being applied across the country, promoting practical resources where available and disseminating widely during phases 2 and 3.
- 3.4 **The second phase** will use a series of learning events as a means of disseminating the findings of Phase 1. Your funding would be used for a series of such events in London.
- 3.5 There would be one large London-wide event to bring together leading organisations to share their experiences and to identify solutions for the challenges they face. This would be followed by a series of smaller events that would be used as the basis for developing a set of guidance materials for others to learn from the examples, to take similar action and to train in self-evaluation approaches that track progress and assess impact. nef will develop the materials and then have them peer reviewed by organisations leading similar initiatives.
- 3.6 Finally, nef will provide practical support to interested organisations and local authorities to enable practical actions to spread across London and to stimulate peer learning.
- 3.7 In London, nef would prioritise using learning from projects responding to the new austerity that City Bridge Trust is funding, such as Spice's London Time Credits model, the civic engagement work of Paddington Development Trust, London Citizens' CitySafe campaign and the development of the Trussell Trust in London. It would also draw out learning relevant to tackling poverty, to reflect your new Investing in Londoners programme supporting work in this area. All this would add value to the work you are already funding and provide the Trust with valuable learning.
- 3.8 **Phase 3** will combine events, online learning opportunities, targeted social media work and bespoke support to disseminate the learning and guidance materials nationally.
- 3.9 This would include the development of peer networks that would promote implementation across other parts of the country. So, for example, other parts of the country could learn about practical projects taking place in London through online resources. Social media could support the development of practitioners' networks which could be complemented by site visits and/or study days.
- 3.10 The research and learning would also be shared with and promoted through the Local Government Association, London Councils and local boroughs in London. Several boroughs in London have expressed strong interest in finding out more about creative strategies for tackling poverty, following the publication of nef's *Surviving Austerity* report.

4.0 Cost

- 4.1 The total cost of this project is £60,000 of which you are requested to contribute £30,000 to represent the proportionate benefit to London. A breakdown of the costs is provided in the table below:

Item		Cost
Phase 1	Desk research, interviewing, survey	7,000
	Report write-up	7,000
Phase 2	Series of events	12,000
	Development of learning materials	10,000
Phase 3	Developing peer networks	7,500
	Communications & PR	2,000
	Travel, room hire, refreshments (for events)	4,500
Total		60,000

5.0 Financial Observations

- 5.1 Audited accounts for the year ended 30th June 2013 show an overall deficit of £147,043 (4.7% of turnover) comprising a deficit of £282,167 on restricted funds, partially offset by a surplus of £135,124 on unrestricted funds.
- 5.2 The charity's reserves policy is to ensure that each of its programmes has confirmed funding or general reserves to meet at least 3 months' worth of operating costs, which is equivalent to £846,500 based on 2013/14 expenditure. In addition, it aims to hold a general reserve of £250,000 as a further measure of stability for the organisation. The total target holding is £1,096,500 which is equivalent to 3.9 months' worth of 2013/14 expenditure.
- 5.3 As at 30th June 2013, free unrestricted reserves stood at £538,506, which is equivalent to 1.9 months' worth of 2013/14 expenditure.
- 5.4 The budget for the current year to 30th June 2014 forecasts a surplus of £123,000 (3.5% of turnover), comprising a surplus of £337,000 on unrestricted funds partially offset by a deficit of £214,000 on restricted funds. Total projected income amounts to £3,509,000, of which £2,707,000 (77.1%) was confirmed as at 14 February 2014.
- 5.5 At 30th June 2014 free unrestricted reserves are anticipated to be £875,506, which is equivalent to 3.1 months' worth of 2013/14 expenditure and marginally below the target to hold £1.1m (3.9 months' worth of expenditure).

6.0 Conclusion

- 6.1 This proposal is most timely at a time when increasing numbers of people are experiencing financial hardship, accompanied by increased levels of insecurity and anxiety. At the same time, further and deeper public spending cuts will take place in 2015.

- 6.2 Against this backdrop, local authority commissioners will face tough decisions about services and how to meet health and social care needs. From the interest shown so far by local authorities, including several London boroughs, in finding creative solutions to poverty and different models of co-production, there is likely to be considerable appetite for this next phase of nef's practical research.
- 6.3 Opportunities to share models, for peer learning and networking and to have access to resources will bring great benefits to voluntary organisations in London. It will also provide an opportunity for the lessons from work you are already funding in response to the current economic climate to be shared and disseminated, thereby adding value to your grant-making.

Jenny Field
Deputy Chief Grants Officer
T: 020 7332 3715
E: jenny.field@cityoflondon.gov.uk