

Committee	Dated:
City Bridge Trust	27 th July 2017
Subject: Strategic Initiative: Participatory City Foundation (Ref: 14127)	Public
Report of: Chief Grants Officer	For Decision

Summary

This report recommends funding for the Participatory City Foundation (PCF) towards the first two years of an ambitious 5-year project in the London Borough of Barking and Dagenham to develop and support widespread, effective and sustainable community participation and cohesion. Based on a pilot project PCF delivered in West Norwood it is looking, now, to develop and scale up delivery across a whole borough, working closely with the local authority, local residents, voluntary agencies and businesses. PCF will work with local people to start dozens of different projects in neighbourhoods across Barking and Dagenham. These projects will enable many people to participate in a choice of 100 or more practical opportunities every week. PCF is planning to set up shops in different areas across the borough where experienced staff will work with local people to develop projects, activities and partnerships.

Recommendation

Members are asked to agree:

- a) **£450,000 over two years (2 x £225,000) to the Participatory City Foundation to deliver the *Every One Every Day* neighbourhood project across the London Borough of Barking and Dagenham. Release of the grant is subject to confirmation of the organisation's registration as a charity.**

Main Report

Background

1. The London Borough of Barking and Dagenham is ranked the 9th most deprived in England. There are particularly high levels of need in the area, with its relative position against other London boroughs ranking bottom or near bottom across unemployment, exam results, homelessness, deprivation and low pay.
2. The Borough's demographics have changed rapidly over the last fifteen years, from 79% White British in 2001, to 49% in 2011. This has created a particular challenge for community cohesion, with a surge in support for parties such as

the BNP. In the June 2016 referendum, 62% of Barking & Dagenham residents voted to leave the EU, compared to the London average of 40%, whilst there has been a reported rise in hate crime since then.

3. Barking and Dagenham has a small voluntary sector (in terms both of number and size of organisations) and has long been identified as a Borough that receives less support from your Trust (and other funders) than might be expected given its high levels of disadvantage. As funding has been hard to place, the sector has struggled and key services supporting those most in need have been weakened, creating a vicious circle of increasing need met by decreasing capacity. A new, targeted, approach is needed – one which has the ability and resources to bring the whole community together to formulate a community-wide response to tackling disadvantage.

Current Position

4. PCF has been set up to deliver the Participatory City neighbourhood project Every One Every Day in Barking and Dagenham. The organisation is currently a registered company limited by guarantee and is in the process of registering as a Charity. The organisation began in the form of a CIC, led by Tessy Britton, who has spent the last six years researching and prototyping new ways to support widespread practical participation. The largest scale test of this work to date, Open Works, ran in West Norwood, Lambeth in 2014 – 15. Over the course of a year the PCF team co-created a network of 20 practical projects including: cooking; skills sharing; play and childcare; and gardening projects. Over 1000 people took part and reported a range of positive outcomes. The research completed over the period confirmed that important outcomes can be achieved through small-scale participation but only when multiple actions, by many people, are added up over time. Scale is therefore a crucial element to success, with estimates that 10 – 15% of residents need to be participating regularly for wider, more significant, benefits to be felt throughout a neighbourhood.
5. 'Participation' can lead to a range of positive outcomes for individuals. It forms part of the academic concept of 'social capital', whereby civic engagement and involvement in community life can strengthen personal relationships, social network support and social trust. Measures of subjective wellbeing, happiness and satisfaction with life are strongly influenced by the extent of people's social networks and pro-social behaviour (doing things for others). Strong social relationships also have a positive impact on health outcomes, with the magnitude of the effect referenced as comparable to quitting smoking. At a community level, these outcomes are seen in improved economic output, reduced violent crime and improved educational performance.
6. In the UK, only 3% of people are involved in neighbourhood projects, but 60% say they would like to be involved in improving their neighbourhoods. This suggests that the barriers to growing and sustaining local projects are a structural and logistical challenge, rather than an innate human reluctance to participate. PCF seeks to remove these barriers, by ensuring participatory

projects are nearby, accessible, free or low cost, simple to understand, range from beginner to expert, are open to all and focussed on attracting people on the basis of talents rather than needs. The platform that sits behind the projects mean that it is not left to one individual to sustain and resource an activity, the infrastructure instead sits centrally as opposed to individually for lots of very small organisations.

7. The Every One Every Day programme will develop a range of projects over an initial two year period, working in collaboration with local businesses, the voluntary sector and Barking and Dagenham Council. Lankelly Chase Foundation, Esmée Fairbairn Foundation and Barking and Dagenham Council have been supporting the initial research and development for this programme. Recently, your officer has been working in collaboration with Esmée Fairbairn and the Big Lottery Fund on this initiative. Their co-funding is now confirmed, as is the funding and practical support from the local authority.
8. The project is designed specifically to be inclusive. There are three levels at which people can be involved, firstly, Participating: going along to an activity. Secondly, Hosting: running a Great Cook session and, thirdly, Initiating: developing a new project idea from scratch. It is intended that over time people will gain the skills and confidence required through participating to begin hosting and initiating. PCF is clear that individuals who are experiencing significant individual challenges are unlikely to be 'early adopters' and that none of the projects will be crisis-support services. They can, however, be an effective method of re-engaging individuals with the local community, and creating those supportive local networks that can prevent a return to crisis levels of need. PCF will work alongside and in partnership with local voluntary sector organisations across the borough.
9. Over the full five years of the programme PCF will support over 300 neighbourhood projects with 27,000 people involved regularly. Approximately 70 opportunities per week will be available within a five to fifteen minute walk of any resident's home, to achieve a minimum of 20% of local residents participating regularly in low commitment, imaginative, creative and socially beneficial activities. Ideas that have taken root elsewhere have been Trade Schools, self-organised learning spaces that run on non-financial bartering, BzzGardens that encourage bee friendly planting and shared food growing in public spaces and Great Cook where people come together to batch cook meals and take home portions for the week. The common characteristic is that project ideas are rooted in the needs and aspirations that people in communities have themselves expressed.
10. The setup of new projects is made possible by the support structure that PC puts in place, which will coordinate the design and testing of ideas, arrange insurance, find spaces, buy equipment, ensure health and safety, promote projects and track outcomes. The teams will be based in five high street shop HQs across the Borough, designed to be accessible spaces that people will wander in to discover more. There will also be more targeted outreach to engage local community, as well as referrals from voluntary and public sector bodies. The two years of support being recommended will help initiate the

setup of the project in an initial two areas of the borough, increasing to three in the second year.

Outcomes

- a) *Residents of Barking & Dagenham have opportunities to learn and develop, improving their own lives and those around them.*
 - Project participants going on to take part on formal education/training; Increased numbers initiating local projects; Improvements in reported wellbeing; New friendships and support networks created, increased physical activity.
- b) *The Borough becomes a place where everyone feels safe, welcome and optimistic about the future.*
 - Reduction in hate crime; increased pride and ownership of open spaces; increased capacity within the community to respond to problems; building diverse social networks.
- c) *The benefits of participation at scale are evidenced, proven and documented for further replication.*
 - Network of 300 projects reaching 27,000 regular participants established; positive outcomes tracked and evidenced; all systems required for replication created.

The organisation

11. PCF is a relatively new organisation that has been set up specifically to deliver this project in Barking and Dagenham. Your Committee does not usually consider supporting new organisations but it is felt that this is a unique – but tested - programme that is delivering a unique solution to a borough that, historically, funders have found difficult to support. Furthermore, the Trust would be one of several funders – the others being the Esmée Fairbairn Foundation; Big Lottery; and the London Borough of Barking & Dagenham. Tessy Britton, the CEO, has a track record of delivering projects of this kind and the support and close alliance of the local authority will provide a watchful eye on the growth of this work and ensure the stability of the new organisation. Your officer will closely monitor this project and be part of an Advisory Board to ensure that the project is delivering its stated outcomes and making good progress. An independent evaluation will take place concurrently with this project.
12. PCF is built on a strong research base and previous piloting. Coupled with a compelling need in Barking and Dagenham there is a chance to effect significant change. This is made more realistic by the close involvement of the Local Authority, who sees this project as key to achieving their new Borough Manifesto. They have made significant cash and in-kind pledges, and will also be the accountable body for any Big Lottery Funding. This level of commitment gives confidence that the initiative will not be swept aside by any

local authority change in direction. The LA also brings a wealth of knowledge about where the untapped resources are in the Borough that could be made use of, for example empty spaces. It is important to emphasise the sense of optimism from those in the Borough, that there are assets waiting to be unlocked in terms of ideas, skills and spaces, and the chance to re-design systems to more effectively meet local needs.

Financial considerations

13. As a newly constituted organisation there are no previous finances to display. The budget figures that are displayed below are for the total costs of the PCF delivery in Barking and Dagenham, which is the sole work of the organisation. In the first two years of the project £1,200,000 has been secured for each year. Your funding will complete the total budget for the first two years, if awarded. As the funding of this programme has been a collaborative exercise between funders it is recommended that a contribution to the total cost of the project is made rather than supporting specific parts of the work. A more detailed expenditure breakdown is available on request.
14. PCF is looking at engaging other funders for the final three years of the project. Big Lottery has said they will consider a further application subject to the project meeting its outcomes.
15. Throughout the five years of delivery, PCF also plans to form and develop the Barking and Dagenham (B&D) Foundation. The neighbourhood teams will be transferred to the B&D Foundation, supported by an endowment established over the five years. The endowment will be similar in many ways to local Community Foundations across the country, but will support the participatory platform as opposed to distributing small grants. The endowment will be grown through local businesses, development projects and philanthropy. Fundraising efforts will be led by the local authority in Barking and Dagenham, who also plan to set up a community lottery to support this. The development of the Endowment has not been included in this budget as it will be initiated and managed by the council rather than PCF and will support the sustainability of the B&D Foundation in the future.
16. The budget and cash flow statement included below shows the blended funding stream and school income generation model; funders' grants allocation per year; and total expenditure. The overall grant income for Every One Every Day in Barking and Dagenham currently consists of four funding streams in addition to projected school revenue. Funding has been agreed by the London Borough of Barking Dagenham of £1.5 million with considerable in kind support, Big Lottery have confirmed £1 million over the first two years of the project, Esmée Fairbairn Foundation have confirmed an initial £1 million support over five years with the final grant pending this committee's decision.
17. Expenditure in the first year of the project is predicated on opening an initial two hubs which will require an initial investment in capital costs. An Independent Evaluation of the project will run concurrently throughout this project. All learning from the implementation will be shared widely with

partners and feed into the London's Giving network. Payments will be made quarterly but your officer will arrange monthly meetings in the first year of the grant to ensure the project is on track and receive management accounts.

	2017/18	2018/19	2019/2020	2020/21	2021/22	Total
Grant Income						
Funders						
LBBB	£300,000	£300,000	£300,000	£300,000	£300,000	£1,500,000
Big Lottery Fund	£500,000	£500,000				£1,000,000
Esmee Fairbairn	£400,000	£400,000	£100,000	£50,000	£50,000	£1,000,000
City Bridge Trust	£225,000	£225,000				£450,000
Future Funding			£990,000	£730,000	£730,000	£2,450,000
Total Funding	£1,425,000	£1,425,000	£1,390,000	£1,080,000	£1,080,000	£6,400,000
School Revenue Generation	£45,000	£210,000	£315,000	£420,000	£420,000	£1,410,000
Total Income	£1,470,000	£1,635,000	£1,705,000	£1,500,000	£1,500,000	£7,810,000
Expenditure						
Team Salaries	£741,045	£1,203,850	£1,220,625	£1,014,750	£1,014,750	£5,195,020
Premises: Lease and fit out	£60,000	£100,000	£120,000	£120,000	£120,000	£520,000
Technology and Metrics (IT)	£370,000	£25,000	£25,000	£25,000	£25,000	£470,000
Operational Costs	£67,000	£33,000	£42,000	£43,000	£43,000	£228,000
Premises Maintenance	£15,000	£30,000	£35,000	£35,000	£35,000	£150,000
Travel	£19,000	£19,000	£19,000	£19,000	£19,000	£95,000
Utilities	£18,000	£36,000	£42,000	£42,000	£42,000	£180,000
Marketing & Promotion	£36,000	£60,000	£72,000	£72,000	£72,000	£312,000
Technology	£20,000	£5,000	£10,000	£5,000	£5,000	£45,000
External Evaluation	£35,000	£40,000	£40,000	£40,000	£50,000	£205,000
Equipment	£40,000	£80,000	£75,000	£75,000	£75,000	£345,000
Total Expenditure	£1,421,045	£1,631,850	£1,700,625	£1,490,750	£1,500,750	£7,745,020
Surplus/ Deficit	£48,955	£3,150	£4,375	£9,250	-£750	
Total Funds	£48,955	£52,105	£56,480	£65,730	£64,980	

18. PCF will set up robust financial controls and has provided a detailed account of the governance arrangements for the new organisation. Key arrangements regarding financial controls are listed below:

19. **Project Team:** Will meet on a quarterly basis and will report to the funding board. Will have the oversight of the financial plan and will be responsible for financial oversight and board strategy. The project team will be made up of PCF Staff Members and designated Senior Officers from Barking and Dagenham Council.

20. **Working Group:** Will meet monthly but weekly for the first 6 months of the project. The working group will be responsible for overseeing and ensuring delivery of the project plan. Will have small scale strategy and financial oversight and will deal with issues that arise in the delivery of the project on an operational level. The Working group will also consist of a mix of PCF staff and council officers.
21. **Funding Board:** Quarterly meeting of all funders who will review the Development Report and will approve release of the next quarterly payments.
22. **PCF Board of Trustees:** Will meet bi-monthly and have financial and strategic oversight and approval. Currently they have 4 members on their board but are in the process of recruiting 5 more members to their board.
23. Appropriate Payment Authorisations are in place and in line with Charity Commission best practice. If funding is awarded it is intended that the first year payments are released quarter by quarter and subject to your officer's scrutiny to ensure that the project is being delivered to plan.

Conclusion

24. This proposal represents a new response to an entrenched problem and is an excellent example of place-based working, bringing all resources in an area to bear (people, skills, physical assets etc) to improve the wider community and achieve the aspirations people have for the place they live. It will also engage a cohort of significant funders, working together with the local authority to improve the lives of several thousand disadvantaged people. PCF has agreed to share the learning and to fully engage with the London's Giving programme with initial meetings already in place.

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Summary Assessment of Strategic Initiative for Committee Decision

FILTERS	
<i>Will The pro-active grant:</i>	
Further the Trust's Vision and Mission (a fairer London & tackling disadvantage)?	Yes
Support work within one of existing Investing in Londoners programmes (liL)?	N/A
Or, meet a clear need that has arisen since(liL) were agreed?	Yes
Have the potential for impact beyond that of an individual reactive grant or number of individual grants?	Yes
Be affordable within the agreed annual budget (from the Trust alone or in combination with other funders) and, looking forward, leave sufficient budget to meet anticipated pro-active grants for the remainder of the financial year?	Yes
Be made to an organisation(s) that conforms to the Trust's eligibility criteria and has the capacity and expertise to deliver the work?	Yes

PRIORITISATION GUIDANCE	
Evidence	
Is there external and/or internal research and information that supports the need for the proposed grant?	Yes
Is there external and/or internal research and information that indicates the approach proposed in the grant will be successful?	Yes
Is there evidence that indicates the work will be hard to fund from other sources?	N/A
Impact	
Will the grant tackle a root cause(s), or positively influence policy or practice?	Yes
Will the work/approach funded be replicable?	Yes
Does the grant provide an opportunity to strengthen Civil Society in London?	Yes
Is the work sustainable beyond the period of the grant?	N/A
Can the impact of the work be measured through evaluation?	Yes

