

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3264

The Felix Project Multibank Pilot

Executive summary:

This decision form seeks the Mayor's approval for expenditure of £498,000, to support the delivery of a one-year pilot of 'Felix's Multibank'; and provide associated support for baby bank charity Little Village to participate in the pilot.

The pilot will be used to determine whether the multibank model can be sustainably embedded into The Felix Project's business-as-usual operations.

Decision:

That the Mayor approves:

- expenditure of £405,000 in grant funding to The Felix Project, to support the delivery a of one-year pilot of 'Felix's Multibank'
- expenditure of £93,000 in grant funding to Little Village, to increase the charity's capacity, and allow it to make use of an electric van; and thereby enable it to take part in the pilot.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

21/1/24

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. As part of his response to the cost-of-living crisis, the Mayor has provided £270m funding for universal free school meals across the 2023-24 and 2024-25 school years. This builds on c. £80m being spent on a range of initiatives, including tackling fuel poverty by improving energy efficiency; and providing £5m to connect households with welfare advice to maximise their incomes. This latter scheme has already put £25m into the pockets of low-income Londoners.
- 1.2. The Mayor has also provided more than £4m to tackle food insecurity, through his Free Holiday Meals programme, which delivered more than 10m meals to young people last year; and his Food Roots programme, which supports food partnerships to address financial hardship as the primary cause of food insecurity.
- 1.3. This Mayoral Decision form seeks approval for expenditure of £498,000 to support the delivery of a one-year pilot of 'Felix's Multibank'. This multibank pilot expands on The Felix Project's food surplus delivery operations, to include a range of essential goods that people are increasingly struggling to afford due to high living costs.
- 1.4. The Felix Project is London's largest food-redistribution charity. It is the only voluntary and community sector organisation of its kind operating at a pan-London level. In 2022, the charity rescued more than 12,000 tonnes of food; and delivered enough food to make more than 29m meals.
- 1.5. The 'Felix's Multibank' pilot will be delivered by The Felix Project in partnership with Amazon, and is part-funded by Comic Relief. Including the £498,000 contribution from the GLA, it is anticipated that, in total, year one of the pilot will cost circa £850,000.

The multibank model

- 1.6. A multibank brings together charitable provision of a range of essential goods that people are increasingly struggling to afford due to high living costs.
- 1.7. Goods are sourced from surplus stock held by businesses, which would otherwise sit unused in warehouse for long periods or be destroyed. As such, it is intended that the project contributes to ambitions for a more circular economy.
- 1.8. The multibank model was originally established by the Cottage Family Centre, in collaboration with former Prime Minister Gordon Brown and Amazon. The project first launched in Fife, Scotland, in 2022. It has since expanded to Manchester and Wigan, with each multibank warehouse linked to Amazon's regional warehouses in the area.

The Felix Project

- 1.9. The GLA has a longstanding relationship with The Felix Project. There are two funding agreements currently in place with the organisation:
 - The Free Holiday Meals programme was launched in April 2023 as part of the Mayor's emergency cost-of-living measures. The Felix Project and the Mayor's Fund for London received £3.1m to deliver approximately 6.9m meals to low-income families over the school holidays in 2023-24. This was done via a range of community settings including schools, libraries, adventure playgrounds, and faith and community centres.
 - Separately, The Felix Project received £425,000 in 2023-24 to expand its operational capacity by enabling all four of its warehouses to deliver food on Saturdays, as well as during the week. This addressed urgent gaps in weekend food deliveries and scaled up pan-London food distribution throughout 2023-24.

- In 2023-24, The Felix project delivered 7.9m holiday meals and a further 4.4m weekend meals.
- Both of these programmes have been extended into 2024-25, with a further £4m of funding committed to the projects.

Little Village

- 1.10. Little Village is a charity that supports a network of baby banks in London – passing on pre-owned goods such as clothes, toys and equipment from one family to another. It focuses specifically on families with babies and young children, who are living in poverty across London.
- 1.11. The GLA has a funding relationship with Little Village through the Advice in Community Settings programme. Little Village has used the funding to establish its Signposting and Guidance Service, which provides free and impartial guidance to service users, in person or over the phone, on issues beyond its core offer. The service also refers families to local partners – including crisis support services and social welfare legal advice providers. Since the service's launch in November 2021, it has supported over 1,200 families across 27 boroughs.

2. Objectives and expected outcomes

Objectives

- 2.1. The Felix Project is undertaking a one-year pilot of 'Felix's Multibank'. The pilot will be used to determine whether the multibank model can be sustainably embedded into its 'business as usual' operations.
- 2.2. In its annual impact survey, The Felix Project estimated that its food distribution service saves community organisations, on average, around £349 per week. Adding non-food essential items to the service could enable further savings to those organisations.
- 2.3. The Felix Project's existing food-distribution service currently reaches around 1,100 community organisations. There are 700 more organisations on the waiting list to receive food deliveries for onward distribution to struggling Londoners. Adding non-food items to their inventory could enable The Felix Project to expand the number of organisations that it can work with. This in turn would enable an increase in the number of Londoners reached by their services.
- 2.4. Officers will work with The Felix Project to explore opportunities for alignment with existing programmes of work focused on income maximisation, including whether further funding is required to support this.
- 2.5. There may be opportunities to build further linkages between the multibank pilot and other initiatives that address the underlying causes of financial hardship. This is likely to require a dedicated focus on the offer that can be provided to, and by, the community settings through which Londoners will access redistributed goods.
- 2.6. These benefits will be explored through an evaluation of the pilot.

Delivery model

- 2.7. Through a partnership with Amazon, Felix's Multibank will rescue non-food surplus items that are known to be of value to community partners. These include household cleaning and personal hygiene products, and bedding.
- 2.8. The Felix Project's operations are generally not client-facing. Community partners (food banks, schools and charities) receive deliveries of food and essential items, and distribute them to the people they support.
- 2.9. The pilot is currently operating from Greenford, offering community partners a weekly collection service, subject to product availability. The Felix Project is also moving multibank stock into its

existing food depot network to assist with product availability across London, for community organisations that cannot reach Greenford. From May 2024, the Greenford site will be operational two days a week.

- 2.10. The funding authorised by this document would also enable the opening of an additional warehouse serving south and east London. This would support the pilot to operate at a pan-London level.
- 2.11. The onward provision of goods to Londoners in need (the ultimate beneficiaries of the project) is handled by the individual community organisations.
- 2.12. As well as supplying most of the surplus goods, Amazon will support The Felix Project to establish logistics and operations in this new part of its business. Amazon will also provide staffing and warehousing support. While the pilot will initially rely on Amazon for stock, the intention is to establish relationships with other businesses (who can provide a wider variety of stock) as the year progresses.
- 2.13. The pilot will be evaluated at six months, and at one year. This will indicate whether The Felix Project will commit to embed this model within their logistical operations. Social Value Lab has been commissioned by Gordon Brown's multibank team to run an evaluation of all multibanks, including the London pilot.
- 2.14. Based on previous evaluations of other multibank pilots, it is likely that the evaluation will measure:
 - the number/weight/value of goods delivered to community organisations
 - the number of community organisations receiving deliveries
 - the number of Londoners receiving items
 - the amount of money saved for community organisations who would otherwise have needed to pay for goods themselves.
- 2.15. The exact parameters of the evaluation are yet to be fully defined. There will be opportunities for the GLA, as a funder, to feed into this; and to add metrics that help us evaluate whether this is a service London needs, and whether The Felix Project is the right partner to deliver it.
- 2.16. The total cost of the pilot will be approximately £850,000. This sum will cover staffing, fleet, depot and facilities costs; and other costs, including those relating to volunteers. Funding from the GLA will be underpinned by a grant agreement, and will be used for all elements of establishing and running the pilot. The remainder of the pilot costs are being met by other funders, including Comic Relief.
- 2.17. The cost of the pilot also includes £93,000 in grant funding for Little Village. This will enable Little Village to bring an electric van into its operations, and includes the costs of installing charging infrastructure and associated running costs. It also covers an increase in staff capacity at Little Village's hubs in Tooting and Brent.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the Public Sector Equality Duty – that is, the need to eliminate unlawful discrimination, harassment and victimisation; and advance equality of opportunity, and foster good relations, between people who have a protected characteristic and those who do not.
- 3.2. Several groups of Londoners with protected characteristics are at greater risk of financial hardship. Examples include the following:
 - Age: one-third of London's children (33 per cent) live in relative poverty, compared to a quarter (25 per cent) for total poverty and almost a quarter (24 per cent) for severe poverty. Almost half of single-parent households (47 per cent) live in relative poverty. In addition, almost a quarter of

older people in London (23 per cent) live in relative poverty; and one in 10 (11 per cent) live in material deprivation – both rates are the highest for any English region.

- Disability: one-third of London's households with a disabled person (33 per cent) live in relative poverty, compared to just over a fifth of households in which no one is disabled (22 per cent).
- Race: one-third of households headed by someone from a Black, Asian or Minority Ethnic background (33 per cent) are in relative poverty, compared to just under a fifth of households headed by someone from a White background (18 per cent).
- Migrant Londoners – especially those with no recourse to public funds – face a particularly high risk of destitution.

- 3.3. As with Felix's Kitchen, the provision must be inclusive to the needs of, and accessible to, London's diverse communities. This relates particularly to the provision of clothing and toiletries, as Londoners may be in need of specific types of clothing in order to dress according to their religious beliefs; or in need of toiletries that cater to different skin and hair types.
- 3.4. The Felix project works with community organisations that are sensitive to the needs of the communities they serve; and can work with them to identify which products are most appropriate to send to each setting. The one-year pilot and evaluation constitute an opportunity to assess whether the surplus redistribution model is capable of meeting the diverse needs of Londoners.

4. Other considerations

Key risks and issues

- 4.1. Risks and mitigations are outlined in the table below:

Risk	Mitigation
There are not enough surplus goods; or the goods available do not adequately serve the needs of London's population	<p>The Felix Project works with a diverse range of partners who are knowledgeable about their user's needs. Project partners will work together to match goods to end users, ensuring that the goods delivered are fit for purpose.</p> <p>As the pilot progresses, more suppliers will be brought on board to diversify input. This will ensure against low product availability from any one supplier; and allow The Felix Project to diversify the range of available products.</p>
The speed of delivery required from partners puts pressure on services and risks delays	<p>Investment in distribution capacity, alongside goods provision, will ensure that scale is achieved sustainably. Alongside this, robust partnerships and governance arrangements will be put in place to track delays and address issues, ensuring that work can progress at pace.</p>
The redistribution of surplus goods has limited impact on reducing financial hardship in London	<p>The direct impact of redistribution would result from an easing of household budgets through a reduction in everyday costs. However, the contribution this makes is likely to be small, and to have limited long-term impact on reducing financial hardship in London.</p> <p>Longer term improvements in the financial health of Londoners can be achieved through wraparound support offered to end users. While The Felix project does not work directly with end users, GLA officers can work with The Felix Project to identify</p>

	areas where existing programmes of work focused on income maximisation can be aligned with this work.
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Links to Mayoral strategies and priorities

Opportunities to promote 'good work' in the warehousing sector

- 4.2. The warehousing sector has been identified as having many employment issues that need addressing, including intense workloads; excessive use of digital surveillance; and extensive use of agency workers to fill staff shortages.
- 4.3. It may be that, in addition to establishing the viability of the multibank model in delivering goods needed by low-income Londoners to community organisations, this pilot provides an opportunity to test an approach to promoting 'good work' in the warehousing sector. Officers will engage with contacts at The Felix Project to explore the potential to take this forward as part of the pilot.

Opportunities to address financial hardship in London

- 4.4. The piloting of 'Felix's Multibank' will enable the delivery of material support to households that need it – and establish the viability of scaling the approach up across London. The Felix Project has also estimated that this approach could increase the scale of the savings to community organisations that receive its delivery services.
- 4.5. As outlined in paragraphs 2.4 and 2.5, officers will also work with The Felix Project to explore opportunities for alignment with existing programmes of work focused on income maximisation.

Opportunities to reduce waste and promote the circular economy

- 4.6. The items available via the multibank service are donated surplus items that may otherwise be sent to waste. A key aim of the multibank is to divert products to those in need, maximising their social impact whilst reducing their possible environmental end-of-life impact, thus promoting a more circular economy.
- 4.7. Officers will explore how the approach adopted in this pilot aligns with wider initiatives on the circular economy, and any potential avenues that could be explored through the evaluation.

Consultations and impact assessments

- 4.8. Consultation and engagement activity will continue as the pilot progresses. In particular, we will consult with colleagues in the GLA's Environment team to explore how the approach adopted in this pilot aligns with wider initiatives on the circular economy, and any avenues that could be explored through the evaluation.

Subsidy control

- 4.9. GLA officers have carried out an analysis of the proposal against the Statutory Guidance for the UK Subsidy Control Regime.¹ They have assessed that the Subsidy Control Regime is non-applicable in these circumstances, because the proposed financial assistance does not constitute a subsidy.
- 4.10. In particular, the proposed financial assistance fails to satisfy Limb B of the four-limbed test set out in the Subsidy Control Act 2022 (the SC Act), as the beneficiaries of the funding are not classed as enterprises. Both The Felix Project and Little Village are charitable organisations; neither one is engaged in economic activity to offer goods or services on a market. Both provide free, charitable support (in the form of food aid and the distribution of essential goods) to low-income Londoners, and depend entirely on donations or ringfenced grants to fund their operations.
- 4.11. This proposal is consistent with the example set out in the Statutory Guidance in section 2.17 (p.22). This example states that "a ringfenced grant to a charity for its non-economic activities (even if the

¹ BEIS, [Statutory Guidance for the United Kingdom Subsidy Control Regime](#), November 2022

charity also provides some goods or services on the market)” is unlikely to meet the four-limbed test. As such, no further assessment of the proposal against the Subsidy Control Principles is deemed necessary.

5. Financial comments

- 5.1. Approval is sought for the expenditure of £498,000 to support the delivery of a one-year pilot of ‘Felix’s Multibank’; and associated support for baby bank charity Little Village to participate in the pilot.
- 5.2. It is projected that £398,400 (i.e. 80 per cent of the total expenditure of £498,000) will be spent in 2024-25. The remaining £99,600 is expected to be spent in 2025-26. The funding of this pilot does not constitute any commitment to funding future years activity.
- 5.3. This expenditure of £498,000 was not planned in the original 2024-25 budget. As such, this would be an unplanned draw down from reserves.
- 5.4. This would be funded from the New Deal for Young People reserve.

6. Legal comments

Power to undertake the requested decisions

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA’s general powers, and fall within the GLA’s statutory power to do such things considered to further, or that are facilitative of, or conducive or incidental to, the promotion of social development within Greater London. In formulating the proposals in respect of which a decision is sought, officers have complied with the GLA’s related statutory duties to:
 - pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - consult with appropriate bodies.
- 6.2. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

Grant funding

- 6.3. The proposed grants of up to £405,000 and £93,000 to The Felix Project and Little Village, respectively, may be viewed as conditional gifts rather than contracts for services. Officers are reminded to put in place an appropriate funding agreement between the GLA and each of the recipients before any part of the funding is paid.

Subsidy control

- 6.4. The SC Act requires that proposed grants of funding be assessed in accordance with its four-limbed test. Officers have explained at paragraphs 4.9 to 4.11, above, that the proposed grants do not meet Limb B of the four-limbed test. Accordingly, neither of the proposed grants amounts to a subsidy for the purposes of the SC Act.

7. Planned delivery approach and next steps

7.1. The project will be delivered according to the following timetable:

Activity	Timeline
Grant agreements signed	June – July 2024
Delivery	Ongoing
Six-month evaluation report	December – January 2025
End of pilot	June 2025

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: Publication to be deferred to align with the launch of the pilot.

Until what date: 30 June 2024

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Fahmida Rahman has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Tunde Olayinka has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Debbie Weekes-Bernard has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 20 May 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

20/05/2024

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:



Date:

20/05/2024

