

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2263

Title: Procurement route for Community Shares Research and Pilot Programme

Executive Summary:

The Executive Director – Development, Enterprise and Environment approved (under cover of DD2225) a budget of £50,000 to research and develop a Community Shares Pilot Programme to support the development of Crowdfund London and expand the scope, scale and impact of the initiative. This ADD seeks approval of the award of contract to NESTA, for research and feasibility services (to develop a community-shares pilot programme) without competition.

Decision:

That the Assistant Director of Regeneration approves:

1. Expenditure of up to £50,000 on services from NESTA which are required for the completion of feasibility research into a community-shares pilot programme (noting the budget was approved by DD2225); and
2. A related exemption from the requirement of section 9.1 of the GLA's Contracts and Funding Code to undertake a competitive procurement process for such services.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

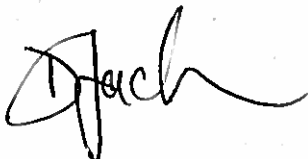
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Debbie Jackson

Position: Assistant Director of Regeneration and Economic Development

Signature:



Date: 06/09/18 .

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor is developing strategies that aim to make London a fairer, more open and accessible city for all to live and prosper; whilst promoting active citizenship and social integration. Giving citizens the opportunity to champion and deliver innovative ideas for London affords all Londoners a stake in the future development of their city.
- 1.2 The GLA Regeneration Team has developed a matched crowdfunding programme to bring communities together around a common purpose with collective ownership over the results. We pledge funds as 'one of the crowd' working in partnership with citizens. The programme catalyses investment and places more power into the hands of local communities to drive projects that matter to them as part of a more collaborative approach to regeneration.
- 1.3 Under cover of DD2225 – Delivering the Crowdfund London Programme 2018-2020, the Executive Director – Development, Enterprise and Environment approved a budget of up to £50,000 to develop complimentary initiatives that support community or citizen-led regeneration projects.
- 1.4 Crowdfund London projects can be short-term in nature, with one-off, small-scale fundraising campaigns lacking the sophistication to generate ongoing revenue to secure a sustainable legacy for either the project or the community group delivering it. The Good Growth Fund prospectus introduces the notion that we would support grass-roots organisations to own and manage local assets in the interest of community resilience. By facilitating this activity and embedding it as a tool for regeneration, we can begin to bridge the gap between small-scale crowdfunded London projects and our more long-term, strategic regeneration objectives; with established communities able to contribute more fully as part of the latter. There is an opportunity to better understand how match funded projects can be sustained in the long term through models of community investment or alternative financing, that can secure community ownership, such as community shares or bonds. The use of these instruments is a growing sector in the UK with a notable lack of activity in London. In response, we propose to conduct research to understand how the GLA could facilitate this activity to support our regeneration objectives.
- 1.5 Following this initial exercise and subject to feasibility, we intend to work in partnership with existing funders to develop a pilot capital investment programme. This programme would aim to support our existing Crowdfund London programme in helping grass-roots organisations participate in community-led regeneration by developing local projects and new business models at a variety of scale and complexity to meet local need. This approach would also aim to encourage long-term ownership to build local capacity and resilience to change and growth by supporting groups and projects incubated through the Crowdfund London process to grow into local community infrastructure with real legacy. There is potential for us to recycle funds or see a return on investment (financial as well as social).
- 1.6 Given the value of the services proposed, officers acknowledge that section 9.1 of the GLA's Contracts and Funding Code ('the Code') requires that such services be procured competitively. However, section 10 of the Code provides that an exemption from that requirement may be approved upon certain specified grounds, including a provider's previous involvement in a specific current project or continuation of existing work that cannot be separated from the new project/work.

- 1.7 For this piece of work, we have identified innovation charity Nesta as uniquely placed to both understand our requirements and assist in the meaningful scoping of an investment programme. Our rationale is set out in the following paragraphs (1.8-1.11).
- 1.8 Over the last few years Nesta have researched and piloted a matched crowdfunding programme very similar to Crowdfund London and we have exchanged knowledge to develop a shared understanding around the limitations of this approach both within the GLA Crowdfund London initiative, the Nesta pilot and the wider civic crowdfunding sector. This sector is an emerging space, whereby Crowdfund London is one of the world's most advanced public-sector-led investment programmes for this kind of activity (civic crowdfunding for public good) using this model of alternative finance.
- 1.9 With Nesta having worked alongside the Department for Culture, Media and Sport, Arts Council England and the Heritage Lottery fund to develop and deliver their programme, they are uniquely placed to understand the complexity of issues involved in using public funding in this way and how to apply advanced thinking around future developments to the existing challenges we face delivering the programme and focusing it on public-sector-led regeneration objectives.
- 1.10 As a charity and impartial research organisation they also bring a unique existing body of evidence in alternative financing for social good and crowdfunding good causes. As our work builds on the momentum of their own research, they are uniquely placed to commit additional resources to develop a robust evidence base and associated programme of thought leadership, outreach and dissemination that would inform national and international debate; highlighting the GLA's pioneering work in this area. This would enable us to demonstrate leadership and ensure impact for the wider public sector.
- 1.11 In summary, Nesta are uniquely qualified to work with the GLA to deliver this work because they:
- Have developed and monitored a pilot civic crowdfunding programme backed by public funds that is similar in design to the existing Crowdfund London programme and have engaged in knowledge sharing with the GLA for the benefit of both of our pilot initiatives at critical development phases.
 - As a result, they possess expert understanding and research into the alternative financing sector for social impact.
 - Have shared aspirations to explore the potential benefit of social investment models to expand this activity, so can contribute, time and resource as match (25%) demonstrating excellent value for money for the GLA.
 - Can research and evaluate the effectiveness of any future pilot programme so know how it would need to be designed.
 - Can promote research to right audience for wider impact and collaboration.
- 1.12 Accordingly, this decision seeks approval of:
- The award of a contract to NESTA for services required to research the feasibility of a community-shares pilot programme with a value up to £50,000; and
 - An exemption from the requirement of section 9.1 of the GLA's Contracts and Funding Code to undertake a competitive procurement process for such services on the basis that Nesta have previous involvement in a specific current project or continuation of existing work that cannot be separated from the new project/work.

2. Objectives and expected outcomes

2.1 The scope of research & programme development will explore:

- Existing use and success of various social finance models in London compared to the rest of the UK.
- Barriers to these models of funding and ownership in London.
- The benefits and challenges of using these models and running an organisation, which is community owned.
- How the cost, time and complexity of utilising these models might be reduced through GLA involvement and how the GLA could convene appropriate partners to support increased uptake in London.
- How this model of investment and ownership could support our regeneration objectives through development of a bespoke pilot programme of capital investment.
- Integrate this pilot with our Crowdfund London programme as a stepping-stone to promote local resilience

2.1 The deliverables of this commission will be:

- One public facing NESTA report and associated launch event covering insights from the research phase.
- An internal report setting out the proposed programme design (linking to Mayoral and Regeneration strategies and including strategic recommendations), operational plan, resourcing required and key risks (including mitigation) to deliver the pilot programme.
- A presentation to senior GLA staff as required.
- A market analysis of potential collaborators required.
- A cost estimate to manage the action research and evaluation of the pilot to effectively capture useful data (and articulation of what should be monitored).

3. Equality comments

3.1 This research responds to Mayoral strategies that aim to make London a fairer, more open and accessible city for all to live and prosper; whilst promoting active citizenship and social integration. Giving citizens more opportunity to come together to take ownership of local assets of community value will help to foster integration and resilience across communities. By facilitating this activity, the GLA seeks to help to reduce inequalities present in community investment and the local ownership of public space and community assets. This represents due regard to the public-sector Equality Duty.

3.2 The research will be developed and delivered in compliance with relevant Codes of Practice and in line with the public-sector equality duty. i.e. 'due regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not. Including, but not exclusive to:

- i) Documents and publications: all documents produced will comply with Mayor of London branding guidelines to ensure that they are accessible to all
- ii) All public events will be open and publicly promoted. We will ensure a diverse panel of speakers where relevant.
- iii) The GLA-led investment programme feasibility will consider how the programme would be resourced and promoted to support all Londoners to participate. This will consider how we specifically support those with a protected characteristic in which their participation is disproportionately low.

4. Other considerations

Risks

- 4.1 There is a risk that the scope of the research and programme development becomes more onerous than envisaged, requiring more time to complete. This would mean we would struggle to deliver an investment programme to spend in line with our projected Good Growth Fund spend profile to 2021. This risk is minimal and will be reduced further by day-to-day monitoring of progress from the Regeneration team established through Governance arrangements and agile project management.
- 4.2 There is a risk that the research and feasibility work associated with a community shares programme would advise that this isn't a desirable option for the GLA and we choose not to proceed with a pilot programme and thus compromise the impact of our investment in the work. However, we intend the research to be made public and act as an evidence base (for a little understood, and emerging sector) which could inform others who may be better placed to enable the positive take-up of these instruments across London.

Links to Mayoral strategies and priorities

- 4.3 This work would support us to expand and scale our community-led regeneration ambitions which complement the following draft, published or emerging Mayoral strategies and priorities:
 - London Plan – Contributing to Good Growth and building strong, inclusive communities by involving citizens directly in the future development of the city.
 - Economic Development Strategy – Supporting innovation and creating opportunities for all Londoners to develop new skills. Delivering projects that help communities to share in the opportunities created by investment and change.
 - Social Integration – Promoting active citizenship and community cohesion by enabling citizens to propose and deliver projects that matter to them.
 - Equality Diversity and Inclusion Strategy – By encouraging communities to come together and collaborate around shared objectives.
 - Culture – Through projects that support and promote creative arts and cultural industries or cultural exchange.
 - Smart London – The use of innovative technology to support innovation and participation in public life.
 - Environment – Through projects that create new green spaces or greening of public spaces.
 - Food – Through projects that support access to affordable, healthy food.

5. Financial comments

- 5.1 NESTA will provide research, scoping and feasibility work to the GLA which will enable the authority to consider how alternative financing and social investment can support more collaborative regeneration practice in London.
- 5.2 The estimated cost for NESTA to provide this work is £66,000. The GLA will contribute £50,000 and the remaining will be underwritten by NESTA.
- 5.3 The GLA cost will be contained within the 2018/19 Crowdfund London Programme budget.

6. Legal Comments

- 6.1 The foregoing sections of this report indicate that the activity in respect of which approval is sought may be facilitative of and conducive to the exercise of the GLA's general powers to undertake such activity as may be considered to promote economic development and wealth creation in Greater London and have complied with the Authority's related statutory duties to:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) 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; and
 - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested, the assistant director 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 (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the assistant director should have particular regard to section 3 (above) of this report.
- 6.3 Section 9 of the GLA Contracts and Funding Code (the 'Code') requires the GLA to procure services of this value competitively. The assistant director may however, approve an exemption from this requirement under section 10 of the Code upon certain specified grounds. One of those grounds is that an exemption may be approved where the proposed contractor has had previous involvement in a specific current project or the work is continuation of existing work that cannot be separated from the new project/work. Officers have indicated at section 1 of this report that this ground applies. The assistant director may therefore, approve the exemption proposed if satisfied with the supporting content of this report.
- 6.4 Should the approvals sought be granted officers must ensure that appropriate contract documentation is put in place and executed by the GLA and Nesta before the commencement of the services.

7. Planned delivery approach and next steps

Activity	Timeline
Appointment and contracting	September 2018
Research phase complete	February 2019
Report + public launch	February 2019
Programme feasibility report	May 2019
Presentation to GLA & Closure of project	May 2019

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:**

James Parkinson has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

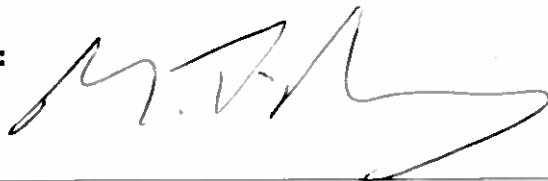
Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 28 August 2018.

HEAD OF FINANCE AND GOVERNANCE:

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

Signature:



Date:

28.08.18