

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2605

Title: Delivering Crowdfund London 2020-2022

Executive Summary:

This decision approves expenditure of £1m to deliver and develop the Crowdfund London Programme in 2020-2022.

Decision:

The Mayor approves:

1. Expenditure of up to £1m to deliver and develop the Crowdfund London Programme throughout 2020-22, consisting of:
 - £850,000 to support the grant funding of community-led projects through Mayoral Pledges to crowdfunding campaigns; and
 - £150,000 to deliver and develop an associated support programme and promotion strategy to ensure all Londoners can participate in the initiative.
2. The delegation of decisions for individual grant awards (Mayoral Pledges) to projects to the Head of Regeneration in consultation with the Deputy Mayor for Planning, Regeneration and Skills.

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:

10/3/20

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

Decision required – supporting report

1. Introduction and background

- 1.1. Crowdfund London invites citizens to propose ideas to benefit their community via an online platform (Spacehive) to seek crowdfunding and Mayoral support. City Hall offers funding and support as match towards the best ideas.
- 1.2. Under this Mayoral administration, Crowdfund London has established itself as a world-leading example of a city crowdsourcing civic innovation, promoting active citizenship and coordinating resources to support grass-roots projects that develop community resilience. It is one tool to support the Mayor's ambition for Good Growth and more inclusive regeneration.
- 1.3. Crowdfund London currently sits within our wider Good Growth Fund capital investment programme to support local economies, strengthen civic and social infrastructure and create a more inclusive city that works for all. The Good Growth Fund is overseen by the Local Economic Action Partnership (LEAP) and was approved through MD2163.
- 1.4. There have been six rounds of Crowdfund London to date with 400+ ideas submitted and Mayoral pledges of over £2.1 million to 118 successful campaigns, matched by £2.7 million through 17,000 individual crowdfunded pledges. A pledge from City Hall is a vital catalyst to this success. 95% of projects we pledge to run a successful campaign, compared to around 50% in the sector as a whole. Our involvement encourages local businesses, institutions and philanthropy to align cash and resources with Mayoral and LEAP objectives, leveraging our investment. The GLA's Regeneration Team supports delivery by advising on technical issues, design and project management.
- 1.5. Previous activities relating to the Crowdfund London Programme were approved through MD1469, DD1399, DD2015, ADD391, DD2093, MD2163 and DD2225.
- 1.6. With momentum building for the initiative, 2019 saw us launch two funding rounds in one year for the first time. London was also named a finalist in the Bloomberg backed Cities of Service, Engaged Cities Award on the strength of Crowdfund London and its objectives.
- 1.7. Round 7, with pledges due to be announced in March 2020, was launched in August 2019 with a support programme delivered to prepare organisations for the pitching process. Funding was announced in principle at this point under the cover of DD2225 and existing underspend adequate to sustain a round of pledges.
- 1.8. This decision approves that the alternative budget source, allocated by the Mayor to the Regeneration team in 2019/20 to support Crowdfund London activities, be utilised from March 2020 (Round 7 commitments) onwards. This wholly revenue allocation ensures more flexibility and simplicity in allocating funds, contracting and monitoring spend from inexperienced organisations.
- 1.9. This budget does not require formal LEAP approval but we still consider the programme LEAP endorsed and will update members through appropriate engagement agreed with the Senior Responsible Owner and LEAP Board secretary.

2. Objectives and expected outcomes

Grant funding projects & their campaigns

- 2.1. A budget of £850,000 revenue funding would support projects through pledges to their crowdfunding campaigns. These pledges would be made on the following timetable:

- Round 7 – March 2020 – up to £350,000 (announced in principle at programme launch in August 2019, subject to GLA appraisal and approval process); and
 - Round 8 – By March 2021 – up to £500,000 (to be announced in May 2020 as part of the next programme launch).
- 2.2. Funding rounds will seek to support innovative and inclusive community projects across the city in line with the Mayor's Good Growth objectives. The criteria for support will require groups to be sufficiently constituted and representative with a shared bank account. Projects will demonstrate one or more of the following characteristics:
- be innovative and distinctive;
 - seek to build on or enhance the character that makes a place special;
 - bring an economic, cultural or social benefit to the community; and
 - have strong local support and show this via a spirited crowdfunding campaign.
- 2.3. Projects will be evaluated with the following weighting:
- project description (40%);
 - deliverability and risk (20%);
 - value for money (20%); and
 - wider impact/support and campaign activity (20%).
- 2.4. The crowdfunding platform partner(s) will provide an evaluation of each project's crowdfunding campaign to support our own assessment of wider impact.
- 2.5. Project shortlisting will seek to ensure a balance of geographic spread, type of applicant / organisation, type of project and range of outputs / targeted outputs and outcomes from the proposed investment.
- 2.6. It is anticipated that between 30-50 projects will be funded in two rounds spanning March 2020-March 2021 with project completion by mid-2022. Project funds granted (in total) will not exceed £850,000. The Mayoral pledge will not exceed 75% of project value in each instance (typically less than 50%). The upper limit of the Mayoral pledge will be £50,000 per project.
- 2.7. It is expected that to access the maximum pledge (£50,000), projects would require a larger capital investment, propose a high-quality response with transformative potential and demonstrate more than one of the core criteria for support. They should also demonstrate strong local support.
- 2.8. In exceptional circumstances, projects can experience unforeseen delivery complications that compromise the viability or integrity of the outputs and outcomes based on the initial budget. In these circumstances we reserve the ability to top-up our grant by up to 15% where a demonstrable case can be made to secure public value. This will be at the discretion of the Head of Regeneration (see below).

Governance and decision making

- 2.9. This decision delegates the detailed decision making for individual pledge awards to the Head of Regeneration in consultation with the Deputy Mayor for Planning, Regeneration and Skills. Following a project appraisal process, an internal moderation and decision panel will approve recommended Mayoral Pledges and a formal paper will be taken to the Deputy Mayor for ratification. The recommendation will assume that the highest scoring applications receive a Mayoral pledge.
- 2.10. The value of the pledge will be determined by consistent methodology to ensure catalytic impact to the campaign, value for money and the economic capacity of the supportive community; whilst

reflecting a proportionate response to the complexity of the project and the strength of fit with our objectives. A formal public announcement detailing Mayoral pledges awarded to specific projects will be made at the time that these pledges are registered on the crowdfunding partner(s) platform, making it clear that any award of grant funding will remain subject to the project in question achieving its full funding target and entry into and execution by the recipient of a grant funding agreement clarifying the GLA's standard funding conditions and the specific terms of our pledge.

Funding Arrangements

- 2.11. Mayoral pledges will be made mid-way through the crowdfunding campaigns in what is known as a bridging model of matched crowdfunding. This ensures that each project raises part of its match in advance of a commitment from City Hall – an exercise which helps to demonstrate local support – but then campaigns can use their Mayoral pledges as a catalyst to drive momentum to the later stages of their campaigns. As such, our initial commitment will be subject to each recipient reaching their crowdfunding target and entering into a funding agreement with the GLA to secure their pledge.
- 2.12. With small-scale, community-led projects of this nature, the GLA's typical payment in arrears model can cause significant risk to project delivery and cash flow. This potentially excludes communities that can't finance their project up front using crowd match alone. In response, projects will be able to draw down funding in the following tranches:
- the first £10,000 forward funded upon satisfactory completion of due diligence and receipt of a signed grant agreement. Evidence of spend would be required in arrears; and
 - for pledges of more than £10,000, payment of the remaining balance in arrears following a claim with sufficient evidence of expenditure.
- 2.13. The Head of Regeneration will agree a list of forward funding arrangements for each round. These will be subject to clear expectations associated with our pledge and will be ratified in the funding agreement, which will be drafted to incorporate the above principles.

Monitoring

- 2.14. Projects will be required to report quarterly on progress and complete a project closure form to record their experience, outputs and lessons learnt.

Outputs and outcomes

- 2.15. At this stage, outputs and outcomes of the investment can only be indicative. A concerted focus will be placed on applications being received from a broad range of groups; both in constitution and diversity of community. The following outputs will be targeted:
- Match funding – to date, the programme has attracted an average match funding rate of £1.34 for every £1 pledged by the Mayor. Activity in 2020-2021 will seek to match or exceed that rate.
 - Number of projects – at least 30.
 - Number of campaign backers – at least 3,000. We will seek to achieve an average of at least 100 individual backers per campaign backed with a Mayoral pledge. Local campaign support will be considered as part of the appraisal and we will seek to gather appropriate data on the background and motives of those financially supporting projects.
 - We will seek to encourage submissions from every London borough. The appraisal moderation panel will ensure a fair distribution of funding across London.
- 2.16. The following range of projects could be expected based on previous precedents:

- new community spaces, resources, gardens – even a suburban farm for everyone to enjoy; creating social integration, participation and training opportunities for local people;
- the creation of a teenage market run by and for young people or a new night market for underemployed people to develop new skills and experience;
- the creative use of unloved spaces as workshops and pay-as-you-feel community kitchens to support local enterprise;
- ambitious plans to construct elevated parks and self-build community centres; building civic pride and local capacity; and
- public art installations and events that create distinctive places, bring people together and celebrate cultural diversity.

2.17. Ongoing evaluation of the Mayor's crowdfunding activity, working in partnership with the GLA Opinion, Research and Statistics Team, has demonstrated the social impact of the programme from:

- increased local pride and sense of place within communities sharing in the success of a campaign;
- new and stronger relationships being forged within existing communities;
- improved knowledge of the planning process and increased awareness of the challenges and conflicts at the heart of regeneration; and
- development of new skills, with participants gaining experience and confidence to pursue new or alternative paid employment.

2.18. The programme has been well received with participants understanding the benefits of going through this process and seeing the rewards at the end. Many have recognised this as a unique opportunity to access funding for grassroots initiatives in a new and progressive way. Having the support of the GLA Regeneration Team and the motivation of delivering projects to improve the city based on a call from the Mayor were again seen as positive attributes for City Hall's involvement in this activity.

Programme support & development

2.19. A budget of up to £150,000 revenue funding will support the following scope of activities, commissioned in accordance with the procurement process set out in the GLA Contracts and Funding Code.

Support & capacity building

2.20. A dedicated support offer will be developed to help groups come together and propose robust, deliverable projects that respond to local challenges or opportunities and aspire to the highest standards of design. A package of measures will range from workshops and advisory support to project mentoring, provision of specialist skills and development of guidance documentation.

Marketing, communications and outreach

2.21. Any GLA-led marketing campaign or programme identity will be developed in partnership with the GLA Marketing, Digital Communications and Creative teams as appropriate. Any strategy would blend a mix of digital and print tactics to deliver a broad message. Some activities would aim to increase the diversity and geographic spread of applicants, based on analysis of existing data.

Research and programme development

2.22. The Crowdfund London programme has always benefitted from an iterative approach to its design; adding new initiatives based on past experience, emerging user needs or experimental testing and reflection. We do not assume the programme perfectly meets the needs of London's citizens as it currently exists and therefore some level of innovation in the design or delivery of the programme will be identified and pursued as appropriate.

3. Equality comments

- 3.1. We will monitor the diversity of applicants for a Mayoral pledge and seek to create a balanced investment strategy considering type of organisation, type of project and project location as set out in paragraph 2.5.
- 3.2. All projects will be developed and delivered in compliance with relevant Codes of Practice and in line with the requirements of the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010. As a public authority, the Mayor of London must have '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. To meet the above, the GLA will ensure that the following issues have been considered:
- i) Project Proposals: All proposals will be open and accessible to all, and community groups will be reminded that their projects are required to take appropriate steps to minimise disadvantages suffered by people who share a protected characteristic: age, disability, gender reassignment, pregnancy and maternity, race, sex, religion or belief, sexual orientation;
 - ii) Documents and publications: all documents produced will comply with Mayor of London branding guidelines; and
 - iii) Events: all events will be open to all and, where possible, will encourage people who share a protected characteristic to participate in any activity in which their participation is disproportionately low.
- 3.3. As a condition of GLA Funding Agreements, projects will be required to meet the Public Sector Equality Duty. Our agreements reference the GLA's Child Policy and Protection Procedures. In recognition of the fact we will be contracting with non-public bodies, we will continue to develop guidance to support these organisations to deliver against the Public Sector Equality Duty. The GLA finance team will conduct due diligence on all project we propose to fund.
- 3.4. Crowdfund London strives to provide low-barrier access to small-scale grant funding that supports a wide range of groups to bring about positive change in their area. Moving forward, the development and capacity building support will seek to ensure that those participating with the programme are representative of London's diverse communities. This activity will aim to raise awareness and lower the barriers to entry. We will also seek to monitor those who back campaigns financially, or with resources, to gain insight into their motives and attempt to better understand who is benefitting from the resulting projects and their legacy.

4. Other considerations

Key risks and issues

Support activity, capacity building and inexperienced groups:

- 4.1. The nature of this activity means that expenditure does not necessarily translate into clear, quantifiable impact straight away and support is not always guaranteed to deliver campaigns that we will fund. This activity will likely prime a pipeline of potential projects or empowered groups of citizens for future rounds. We will track the support accessed by all the groups participating in the

programme to understand the support they accessed initially and use this to determine any correlation between this investment and the number and/or quality of projects proposed.

Delivery:

- 4.2. Whilst delivery capacity of community groups forms part of the evaluation process, and the scale of these projects is often reasonably modest, working with local community groups presents some risk in projects being delivered on time and on budget. Officers will ensure that appropriate GLA Funding Agreements are put in place between (and executed by) the GLA and recipient before any commitment to fund is made. Projects will report to us quarterly to enable us to track progress, and we will support them to build in qualitative and quantitative data. In a situation where a project cannot continue, the Regeneration Team will assist to close the project in a controlled manner and ensure the community of backers are reimbursed where appropriate via our platform partner(s).

Forward funding:

- 4.3. When forward funding small community organisations, there is a risk that they will not spend our funding on products or services agreed via our funding agreement and we find out after the fact. We will work closely with organisations to identify clear expenditure for GLA funding and offer guidance on demonstrating their expenditure appropriately. We will set out our expectations and the risks to them of non-compliance. In extreme circumstances the GLA can claw back funding if the recipient does not use the funding as agreed. Additional mitigation of this issue will come through the flexibility that crowdfunding will allow – all projects will be required to source some element of funding ‘from the crowd’ which could be attributed more flexibly to budget elements. We would also take a pragmatic approach to revising elements of the project that we agree to fund, as required, to support delivery of maximum value in outputs and outcomes. If a project overspends against its initial projection, there will be an expectation that the cost must be borne by the recipient of such funding. This will be mirrored in the funding agreement signed with the GLA, which will associate agreed outputs directly with identified spend. Projects will be advised to produce accurate cost forecasts and consider building in some element of contingency. Guidance has been developed to help applicants with their budgeting.

Outputs:

- 4.4. Like all of our Regeneration programmes, the Crowdfund London Programme will contribute to the GLA’s overriding aims to improve London’s places, help the prosperity of its businesses and economy and improve the quality of life of citizens. The funding that we give these projects will go towards interventions that provide inclusive opportunities and demonstrate positive and attributable socio-economic outcomes. There is an inherent risk with the crowdfunding model that if we are too prescriptive with setting targets they will ultimately be wrong, as the specific details of projects can shift slightly as a result of the campaigns. All projects we choose to support will retain an inherent goal and vision and we will work closely with recipients of funding to identify quantifiable outputs and outcomes during the drafting of each funding agreement. These will be developed to enable us to speak positively about the tangible benefits of the programme. We will also encourage our delivery partners to build in ethnographic data where possible. This will be reported to us via a project closure form and we will encourage and promote the public dissemination of information. Projects will report to us on a quarterly basis to enable us to track progress.

Crowdfunding targets and underspend:

- 4.5. Once Mayoral Pledges are made, each project will need to continue crowdfunding until it hit its target. The nature of crowdfunding means that some projects may not reach their funding target. Steps can be taken to anticipate the likelihood of this scenario through discussions with the platform partner(s), and we will be able to estimate and manage our exposure to underspend. In many cases, the platform partner(s) is well placed to provide support to those projects most at risk.

- 4.6. If some projects fail to reach their crowdfunding targets, and the projects no longer go ahead, it is proposed that this funding is rolled over to back projects in future rounds of the programme or support and development activities as appropriate.

Links to Mayoral strategies and priorities

- 4.7. This initiative supports the Good Growth Fund's aims to promote innovative and inclusive regeneration activities, enabling:
- Londoners to actively participate in their local community and have a say in how their city is shaped by stimulating routes to local ownership and/or management of assets of community value or local social enterprises;
 - delivery of co-ordinated place-based strategies that welcome growth in a way that works with the physical character of London's many places by supporting communities in areas undergoing change or receiving other public/private investment; and
 - diverse and accessible local economies – from our high streets and town centres to industrial areas – to realise their full potential and making London a place of opportunity for all. This would be enhanced through potential new mechanisms to allow for local enterprise that supports both economic and social resilience by building capacity in local groups.
- 4.8. The initiative will contribute to delivery of ambitions in the following Mayoral strategies or 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 directly share in the opportunities created by investment and change;
 - Social Integration – promoting active citizenship and community cohesion by enabling citizens to propose, deliver and manage sustainable projects that matter to them. Often this will secure or formalise vital social infrastructure being lost across the city;
 - 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 – through the use of new technology and alternative financing to support innovation and participation in public life; and
 - Environment – through projects that create new green spaces or greening of public spaces.

Impact assessments and consultations

- 4.9. The Crowdfunding Pilot programme follows a recommendation in 'Open Ideas Platform: Research for a web-based, ideas crowdsourcing platform' commissioned by the GLA Regeneration Team and delivered by the Future Cities Catapult in 2014.
- 4.10. The Opinion Research and Statistics Team within the GLA Intelligence Team were commissioned by the GLA Regeneration Team, in 2016, to pioneer a methodology to assess the social impact of the programme. The emerging conclusions influenced the ongoing development of the programme. The final report followed an initial discussion via the GLA's Talk London platform which indicated that 80% of respondents felt engagement with development should involve more than just consultation.
- 4.11. In November 2016, the pilot programme was interrogated by the London Assembly Regeneration Committee who reported positively on the objectives and re-affirmed that we should seek to ensure broad and diverse participation.

- 4.12. In December 2017 the Opinion Research and Statistics team within the GLA Intelligence Team produced an evaluation into the experience of the application process in our latest round. This work helped to shape the refinement of the process.
- 4.13. There are no conflicts of interest to note, for anyone involved in the drafting or clearance of this MD.

5. Financial comments

- 5.1. Approval is being sought for the expenditure of up to £1m to continue the Crowdfund London programme during 2020-2021.
- 5.2. £150,000 is required to support and develop round 7 and 8 of programme whilst the remaining £850,000 would be issued as match funds to community projects within the same rounds.
- 5.3. The indicative profile for this programme is:

Financial Year	2020-2021	2021-2022	Total
Expenditure Profile	£400,000	£600,000	£1,000,000

- 5.4. Although the expenditure is expected to take place over two financial years, round 7 and 8 of the programme will run in 2020/21 only. This is to account for the timing of project delivery and signing of contracts.
- 5.5. As the grants will be awarded upfront, appropriate safeguarding checks will be in place to alleviate financial risk to the Authority's funds namely: incorporating suitable evidence of expenditure within funding agreements and carrying out financial appraisals on successful applicants. Furthermore, it is a prerequisite that any funds awarded by the GLA are matched from other sources which lessens the risk for the overall project.
- 5.6. The £1m funding for this project was allocated to the Regeneration & Economic Development Unit as part of the 2019-20 budget process and will be re-profiled accordingly to the indicative spend profile noted above.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to economic development and wealth creation within Greater London and in formulating the proposals in respect of which a decision is sought officers 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 of him, 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 between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

Procurement

- 6.3 The officers must ensure that they comply with the requirements of the Authority's Contracts and Funding Code (the "Code") when they procure any services or supplies necessary for the Crowdfund London Programme.

Funding

- 6.4 The officers are reminded to ensure that they comply with the requirements of section 12 of the Code when allocating the funding the subject of decision 1 above.

Delegation

- 6.5 Any function exercisable by the Mayor on behalf of the Authority may also be exercised by a member of the Authority's staff albeit subject to any conditions, which the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation to the Head of Regeneration if he so chooses.

7. Planned delivery approach and next steps

Activity	Timeline
Round 7 Launched	August 2019
DD Approval to ratify spend 2020-2021	March 2020
Announce pledges to Round 7 (R7) of the programme	March 2020
R7 Campaigns end – enter contracting	April/May 2020
Launch Round 8 (R8) of the programme	May 2020
Commission development activities and support programme	May 2020
Delivery of R7 projects begins	Summer 2020
Delivery of initial support programme	Summer 2020
Announce pledges to R8 of the programme	By March 2021
R8 campaigns end – enter contracting	April/May 2021
Delivery of R8 projects begins	Summer 2021
Round 7 project completion	Summer 2021
Review of programme and forward strategy with new budget identified (if applicable)	Summer 2021
Round 8 project completion	By Summer 2022

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 either be published 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? NO

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

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under 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:

James Parkinson has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Jules Pipe 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 9 March 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allge

Date

9.3.20

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

9/3/2020

