

	Assets, Regeneration and Growth Committee 24 April 2017
Title	Town Centres Expenditure - Burnt Oak and Spacehive Crowdfunding Scheme
Report of	Commissioning Director, Growth and Development
Wards	All & Burnt Oak
Status	Public
Urgent	Yes
Key	No
Enclosures	Appendix A: Proposed crowdfunding criteria (attached to bottom of report)
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Summary

There are two Town Centres items which require approval as summarised below:

Burnt Oak Town Centre Project

The Burnt Oak High Street Fund project was originally approved by the Assets, Regeneration and Growth Committee in September 2015. Following a procurement and tendering exercise, the value of works is higher than expected, and in order to achieve the ambitions of the project and ensure the requirements of the GLA match are met, an additional spend of £59,598 is required in order to provide a railway mural and to cover additional costs for delivering the works.

This report seeks the approval of the additional spend from the Town Centres capital programme in order to facilitate the works in Burnt Oak.

Barnet Crowdfunding initiative via Spacehive

Spacehive is a civic crowdfunding platform that communities use to pitch ideas to the public, or 'crowd', and to raise money towards projects that benefit or improve their local area. Spacehive has been set up as a grassroots initiative to be led by communities and largely funded by them. This report seeks to request authorisation for the spend of these two identified funds, as well as to agree criteria for assessing projects that are proposed on Spacehive, within which officers will have the delegated authority to agree to contribute funding to projects, in order to increase the speed of responsiveness to community proposals.

Recommendations

That the Assets, Regeneration and Growth Committee:

- 1. Approves the additional spend of £59,598 from the Town Centres Capital Budget for the Burnt Oak Town Centres Project, to deliver physical environment interventions as identified in the Burnt Oak Strategy.**
- 2. Approve the procurement of implementation works to a value of £65,000 (per 5.2.2.) should this be required**
- 3. Approves use of £25,000 from s106 Employment and Training Funds, and £20,000 from the Town Centres Capital Budget on the Barnet Spacehive projects subject to high quality proposals being submitted.**
- 4. Approves the proposed criteria for selection of projects to fund via the Spacehive crowdfunding platform as set out in Appendix A.**
- 5. Delegates assessment of Spacehive projects to the Strategic Lead, Growth and Development Commissioning Group, using the agreed selection criteria and up to a maximum amount of funding of £5,000 per project.**
- 6. Agrees that the Committee members will help promote Barnet's crowdfunding initiative and help to stimulate proposals and funding from community members, local businesses and others as appropriate.**

1. WHY THIS REPORT IS NEEDED

- 1.1 This report is required to authorise funding for projects related to town centres, specifically: to authorise the release of additional funding for the Burnt Oak Town Centre Project; and to agree the release of funding to citizens/project fundraisers using the Barnet Spacehive crowd funding platform.
- 1.2 The Burnt Oak High Street Fund project was originally approved by the Assets, Regeneration and Growth Committee in September 2015. The project committed a total of £617,464, of which £269,048 was match funded by the GLA, for the creation and implementation of a town centre strategy for Burnt Oak. As part of this project, the Burnt Oak Town Centre Strategy identified a series of physical, environmental and other measures towards improving the attractiveness of the town centre and increasing economic vibrancy so that shoppers and residents have an attractive and safe place to live and shop, and businesses thrive. Recommendations for interventions were divided into four separate hotspots, and a set of interventions were suggested for each.
- 1.3 Following a procurement and tendering exercise, the value of works is higher than expected, and in order to achieve the ambitions of the project and ensure the requirements of the GLA match are met, an additional spend of £59,598 is required in order to provide a railway mural and to cover additional costs for delivering the works. The inclusion of these works will create a more cohesive sense of place in Burnt Oak, complementing the other interventions in the town centre.
- 1.4 This report will authorise the release of additional funding of £59,598 from the approved Town Centres capital budget of £5.461m in order to progress further works and interventions identified in the approved Burnt Oak Strategy.
- 1.5 The second project, Spacehive, is a civic crowdfunding platform that communities use to pitch ideas to the public, or 'crowd', and to raise money towards projects that benefit or improve their local area. Spacehive has been set up as a grassroots initiative to be led by communities and largely funded by them. Whilst the set up and activation costs of the project are being funded through Capita's Community Development Fund, the project requires a contribution of Local Authority match funding for projects to kick-start crowdfunding in Barnet. These funds have been identified from the Town Centres budget and the s106 Employment and Training fund, as well as a further contribution from Capita. This report seeks to request authorisation for the spend of these two identified funds, as well as to agree criteria for assessing projects that are proposed on Spacehive, within which officers will have the delegated authority to agree to contribute funding to projects, in order to increase the speed of responsiveness to community proposals.
- 1.6 Barnet Spacehive will provide a £50,000 'pledge pot' to be used to contribute resources to funding raised by residents, students and business-owners who develop ideas to improve their communities, high streets and parks/open spaces and deliver outcomes of jobs, skills and growth. Experience elsewhere

suggests that for every pound invested by the council the community and businesses will contribute £3.

- 1.7 Given the strong alignment with the Council's Entrepreneurial Barnet and Town Centres strategies, resources have been earmarked from S106 (£25,000) and Town Centres (£20,000) budgets. Additional funding is being provided by Capita.
- 1.8 It is important to note that the contribution to Spacehive projects may or may not all be spent and any spend will always be in line with service area priorities. Furthermore project fund-raising is entirely led by communities, businesses and stakeholders, and largely funded by them. Project fundraisers have an opportunity to pitch to the local authority and the GLA for additional funding towards their target figure; and both have an opportunity to support potential worthwhile projects. The Council contribution would only be released if the fundraising target is met. This is an excellent example of communities celebrating their neighbourhoods and local interests at a grassroot level, enlisting peer support from fellow residents and community members. This is exactly the type of citizen activism that the Council wants to support and promote as it aligns with current Barnet Together plans for active Barnet citizens. Finally it is also important to note that this is not a replacement to Area Committee funding, as crowdfunding encourages citizens to raise their own funds or "self-fund", rather than rely solely on grant funding. It therefore encourages communities to be resilient and galvanise support from each other, whilst also allowing the council to prioritise projects which have significant community support.
- 1.9 Below is a link to the GLA's crowdfunding website which provides some background to this innovative community concept.
<https://www.london.gov.uk/what-we-do/regeneration/funding-opportunities/crowdfund-london/about>
- 1.10 This report requests that the Assets, Regeneration and Growth Committee approves the criteria listed in Appendix A for the release of financial contributions to projects developed through crowdfunding and that Members delegate decisions regarding the release of funding to council officers.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Burnt Oak High Street Fund Project has already commenced and provided a number of interventions along the high street, such as food hygiene audits, visual merchandising, a winter festival, and work with local traders to work towards creating a Burnt Oak trader's association – these have been funded from revenue budgets. The additional spend on the highlighted physical interventions will provide enhancement to the town centre which creates an enhanced sense of placemaking and which draws the elements of public realm into a more cohesive place.
- 2.2 Securing additional funds will allow the full intention of the project to be realised and ensure that the requirements of GLA match funding are met..

- 2.3 As part of the Community Participation Strategy, it was agreed that the council would launch a crowdfunding initiative with the aims of building more resilient communities and doing more with less. Spacehive initiatives work best when sponsor funds are used to boost community action. Funds have been identified from funds for Entrepreneurial Barnet activity and Town Centre improvements as these are all areas where we want to increase community and business engagement in improving outcomes. As well as Entrepreneurial Barnet and the Town Centres strategies, this project directly supports the council's focus on Community Participation, including the 'Barnet Together' campaign launched in the March 2017 edition of Barnet First magazine.
- 2.4 Spacehive is the market leader in civic crowdfunding and provides a dedicated online platform. The organisation is currently working with 24 local authorities across the country and, to date, has supported the successful funding of 234 projects with a value of £6.1m. Spacehive offers a range of benefits for local authorities, including:
- Leveraging an average £3 of investment into local projects for each £1 the authority spends by funding as part of the 'crowd';
 - Enabling grassroots regeneration at pace that is visible in the community;
 - Building resilience in the community by equipping people with key skills and changing the relationship between citizens and the state;
 - Handling time-intensive engagement with project creators and verifying that their ideas are viable before fundraising starts;
 - Offering social impact reporting providing digital updates to funders and monitoring the impact of projects once delivered.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The alternative option for the Burnt Oak Town Centre Project is to continue to deliver a partial set of interventions and omit the additional preferred interventions recommended for Hotspot 3 and the railway bridge. Whilst these outstanding interventions may still be delivered at some point in the future, this could potentially be at greater cost, and may put the GLA investment at risk. There would certainly be a reduction in the visual impact of Town Centre improvements in Burnt Oak as key interventions would be missing.
- 3.1 With regard to crowdfunding, the council could choose not to develop its own approach and accept that crowdfunding could happen organically in the borough through alternative initiatives such as the Mayor's Civic Crowdfunding Programme. However, crowdfunding aligns with the council's priority of building a more resilient community. Adopting a dedicated Barnet approach allows the Council to directly support worthy civic projects and foster a sense of responsibility for local areas among the community. It also allows the Council to leverage funding from other sources, such as the Mayor's Office.
- 3.2 Another alternative option would be for the council to move forward with the platform but decide not to put forward a pledge pot. However, Spacehive's

statistics show that there is an 82% success rate for projects where a council provides funding (compared to a 42% national average for project success), and as such, an approach without a pledge pot may not realise the desired outcomes of the project.

4. POST DECISION IMPLEMENTATION

- 4.1 Following the Committee's decision in relation to Burnt Oak, the additional elements of the project will be progressed before the 30th June in order to ensure that they are delivered in the same timescales as the rest of the High Street project.
- 4.2 In relation to Spacehive, following approval of the funding criteria and spend, the Council will communicate with local residents and businesses about the Barnet Crowdfunding initiative. The Mayor is launching a Civic Crowdfunding Programme in April with a focus on creating local places people love and there is an opportunity to promote the two opportunities side by side and gain real local momentum.
- 4.3 Spacehive activation, including community-based workshops and a social media campaign, will commence in early May and will continue into the summer. The target for proposals will be community led initiatives with ideas coming from the bottom up. Key project stakeholders – who will help to promote the initiative – include Members and their business networks, Middlesex University, Barnet and Southgate College, Town Teams and Voluntary and Community Sector Organisations. Middlesex University has given positive feedback indicating a keen interest for intergenerational and other activities with the student body.
- 4.4 An officer Funding Committee will be established within 3 months to review and approve projects for funding using the criteria listed in Appendix A. This group will provide a summary of projects which have been supported to the Assets, Regeneration and Growth Committee in a year's time. The Council will also update its Spacehive website, highlighting projects which have received support.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Burnt Oak Town Centre Project supports the Council's Entrepreneurial Barnet Strategy 2015-2020, which sets out Barnet Council and its partners' commitment and key actions to support the economy to grow and to make Barnet a great place to live, work and study.
- 5.1.2 Furthermore, one of the key themes in Entrepreneurial Barnet specifically focuses on ensuring that town centres thrive; and delivering high quality infrastructure and public realm.

5.1.3 Spacehive directly supports the Council's Vision for 2020, in particular:

- More involved and resilient communities;
- A clean and attractive local environment;
- Parks and green spaces that are amongst the best in London;
- Provision of a broad offer of skills and employment programmes for all ages;
- Barnet will be amongst the safest places in London, with high levels of community cohesion, and residents feeling safe.

5.1.4 More specifically, the council's Town Centre offer can be enhanced through crowdfunding, particularly smaller town centres that do not receive other support. There is also strong potential to respond to business needs and help to ensure an active business community that takes responsibility for its own success and engages in civic activities.

5.1.5 Finally, this project directly aligns with a number of other service priorities including:

- Joint Health and Wellbeing Strategy – empowering residents to do more for themselves and supporting residents and communities to become equal partners with public services;
- Parks and Open Spaces Strategy – initiatives that encourage community-led activities to animate parks and open spaces.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

Burnt Oak Town Centre Project

5.2.1 In order to fund the additional elements of the project, a further draw down of £59,598 will be required from the Town Centres capital budget – this sum can be contained within the 2017/18 budget of £5.461m.

5.2.2 It is anticipated that the Council's approved Highways Contractors will be appointed to deliver the additional highways works, which will effectively be an extension of the current schedule of works and programme. There will therefore not be any further impact on procurement. Resourcing support for the delivery of these capital works have been factored into the existing revenue budget. Should the appointment for this requirement not be confirmed through this option, approval to proceed with procurement with a value of £65,000 is sought through this report.

Spacehive project

5.2.3 Regarding crowdfunding, Barnet Council has entered into a one-year contract with Spacehive, effective 1 March 2017. Capita has paid the licence and activation fees necessary for the Council to have its own branded crowdfunding website and to cover the cost of community engagement and promotion. This small payment covers the set-up, activation and management fees for Spacehive and is at no risk or cost to the Council. This then allows the exploration and preparatory elements to be progressed ahead

of obtaining formal Committee approval.

- 5.2.4 The pledge pot is to be comprised of resources identified from existing budgets, with £20,000 from the Town Centres capital budget of £5.461m, £25,000 from the s106 Employment and Training pot, and £5,000 identified from Capita. It is important to note that the funds may or may not all be spent and any spend will always be in line with service area priorities. Following the soft launch, there will be a review of how successful the project has been and analysis of the value added to the council against the total spend which will be used to inform future contributions to projects.
- 5.2.5 The Pledge pot is separate from any potential grant funding which may be made available from Area Committee. Spacehive funding criteria (outlined in Appendix A) precludes providing funding to any project already in receipt of Council assistance, such as Area Committee funding. However, individual project fundraisers may seek to obtain non-financial support from the Council through the Spacehive platform as well as the Area Committee. This support could be provided through cross-promotion in order to generate additional match funding through third parties, or it may be that Council officers are directed to provide guidance and support to project fundraisers as appropriate, in order to assist community members in progressing their chosen project.
- 5.2.6 Spacehive will provide all necessary IT infrastructure and maintenance.

5.3 Social Value

- 5.3.1 The provision of civic interventions in high streets and town centres is aimed to increase the economic and community value in an area, and the enhancement of the public realm is designed to create a stronger sense of place and bolster the Burnt Oak town centre.
- 5.3.2 Civic crowdfunding is one such way to provide public realm and civic interventions, and specifically promotes wider social, economic and environmental benefits and is likely to have a positive impact across a number of areas.
- 5.3.3 Recent research by the Future Cities Catapult shows that benefits of local authority involvement in civic crowdfunding initiatives are substantial and diverse. These include increased funds to spend on local-area-improvement projects, enhanced citizen engagement, improved community cohesion and resilience. It is suggested that the extensive economic and social impacts have contributed to the rapid adoption of civic crowdfunding initiatives by local authorities and others in recent years.

5.4 Legal and Constitutional References

- 5.4.1 The Council has a range of powers to enable the proposals in this report, including the general power of competence under Section 1 of the Localism

Act 2011 to do anything that individuals can do subject to any specific restrictions contained in legislation, and the power at section 111 of the Local Government Act 1972 to do anything which is calculated facilitate, or is conducive or incidental to, any of its functions.

- 5.4.2 The terms of reference of Assets Regeneration & Growth Committee include town centre regeneration programmes, the promotion of skills and enterprise initiatives, engagement with the business community and measures to support local business.
- 5.4.3 The Council project will likely need to enter into a Deed of Variation in respect of the Burnt Oak project in order to extend the GLA Grant Agreement to Q1 2017 in order to ensure that all match funding can be claimed. No other legal issues have been identified.
- 5.4.4 In relation to Spacehive, under the schemes of delegation, the Commissioning Director for Growth and Development has the authority to commission services for regeneration, skills and employment; this project therefore falls under her remit.
- 5.4.5 The Barnet Spacehive Fund criteria for the award of grant funding are set out at Appendix A for members' approval. Once the criteria are approved it is proposed that officers consider individual applications under delegated powers, although members are invited to play a continuing role in raising awareness of the scheme through community involvement and networking.

5.5 Risk Management

- 5.5.1 In relation to the Burnt Oak Town Centre Project, there is a risk that the full benefits will not be realised should the Council not complete the delivery of the Town Centre Strategy in a more comprehensive manner, and defer these implementations for a future date.
- 5.5.2 There is a reputational and financial risk to the Council that without full implementation of the key interventions within the Burnt Oak Town Centre Strategy, the GLA may withdraw their match-funding which would seriously limit what the project can deliver.
- 5.5.3 Contractors for the Burnt Oak Town Centre Project will be submitting a full risk assessment plan prior to commencement on site.
- 5.5.4 In relation to Barnet Spacehive, a summary of associated risks is set out below.
 - There is a low financial risk to the Council's investment as the Council will contribute only to agreed projects and on the basis that a target level of crowd funding has been secured. In addition, the Council contributions to individual schemes are capped at £9,999.
 - Where investment is in the public realm, Council approvals will be

required, giving the opportunity for scrutiny and influence and synergy with corporate priorities and objectives. This will therefore reduce the risk of projects progressing which do not comply with Council regulations or objectives.

- Poor take-up by community – to be mitigated by connecting Spacehive to key local stakeholders to increase engagement and create awareness; a ‘soft launch’ will produce a series of case studies that can be used to demonstrate the value added and encourage further participation;
- Funding is predominantly accessed by individuals and groups that are more experienced at fundraising, more networked or digitally capable – we will ensure targeting of groups in areas with lower levels of community engagement and will use a range of non-digital means of promotion, such as holding community events;
- The risk that the contractor, Spacehive, mishandles council or community funds is not possible as funds are pledged to projects through one of two secure payment platforms: Paypal or GoCardless. Paypal and GoCardless process the payments, sending the payment directly to the Project meaning that Spacehive does not hold any of the money that the Project collects.
- A project creator absconds with council or community funds – in Spacehive’s experience this has never happened; however, under the terms of the agreement between Spacehive and project creators, project creators must only use funds for the purposes of the identified project and will be liable to prosecution should they divert funds for other uses; furthermore, project creators are first and foremost raising funds from friends, family members and neighbours and are therefore less likely to use funds inappropriately. In sum the risk is almost nil.
- A project cannot be completed due to insufficient funds during delivery – Spacehive and partner organisation Locality provide comprehensive project support such that all costs are identified and verified in advance and contingencies built in; it is extremely rare that additional costs should be incurred once a project reaches the delivery phase.
- A project creator proposes a project that is offensive to members of the public or the council – Spacehive’s terms of use explicitly prohibit users of its website from posting material that is threatening, defamatory, offensive, pornographic, obscene, indecent, seditious, abusive, liable to incite racial hatred, discriminatory, menacing, scandalous, inflammatory, blasphemous, in breach of confidence, in breach of privacy, or which may cause annoyance or inconvenience; any such content will be removed by Spacehive.

5.6 Equalities and Diversity

- 5.6.1 The Burnt Oak project is part of the overall Entrepreneurial Barnet approach that the Assets, Regeneration and Growth Committee approved at its meeting on 15 December 2015. An Equalities Impact Assessment was undertaken for Entrepreneurial Barnet, the key findings of which were outlined in the paper presented to Assets, Regeneration and Growth Committee in March 2015.
- 5.6.2 The proposals will ensure that people in the area, no matter what their background and circumstances, should have equality of opportunity to succeed and gain from the improvements and growth of the economy in the town centre.
- 5.6.3 A full Equalities Impact Assessment has been completed for the Barnet crowdfunding project and concludes that no negative differential impact has been found on any of the protected characteristics. The assessment is that there will be a positive overall impact.

5.7 Consultation and Engagement

- 5.7.1 A significant amount of consultation and engagement has been undertaken for the Burnt Oak project, which involved the local community in the strategy creation process through a number of engagement events. Key feedback on subsequent consultations indicated a desire from the local community for the implementations to be delivered as soon as possible; the release of these funds will ensure that the project is able to deliver all of the key interventions identified within the strategy for the local community.
- 5.7.2 On the crowdfunding initiative, there has been engagement with service areas across the council, including Growth and Development, Re, Parks and Open Spaces, Sports and Physical Activity, Public Health, Children and Young People.
- 5.7.3 Once the project is formally launched within the community, there will be extensive engagement with residents, businesses and students. Ward member engagement will be a key element of the success of the Spacehive project, as ward members will be aware of grassroots organisations who may be interested in the opportunity provided by Spacehive.

5.8 Insight

- 5.8.1 Insight data has not yet been used to support crowdfunding although the project team's ambition is to use existing data to target community engagement as well as to track the take up and impact of the project.

6. BACKGROUND PAPERS

- 6.1 Assets, Regeneration and Growth, "Burnt Oak High Streets Fund", 7th September 2015
<https://barnet.moderngov.co.uk/documents/s25571/Burnt%20Oak%20High%20Street%20Fund.pdf>

- 6.2 Community Leadership Committee, "Developing a Community Participation Strategy for Barnet", 25th June 2014
<https://barnet.moderngov.co.uk/documents/s15686/Community%20Participation%20Strategy.pdf>

APPENDIX A: PROPOSED CROWDFUNDING CRITERIA

Project creators must be over the age of 18 and must be at least one of the following:

- Residents of the London Borough of Barnet;
- Students in full-time education at a recognised educational establishment located within the London Borough of Barnet;
- Business owners or employees of an organisation located in Barnet or with offices located in Barnet; this includes employees of the London Borough of Barnet.

The Council will fund projects that:

- Will be delivered or take place within the London Borough of Barnet;
- Are locally based, i.e. addressing local issues or opportunities, or are borough-wide;
- Comprise the feasibility, start up, or scaling phase of a project – so long as there is clear community benefit and a defined project end-state;
- Align with Council corporate priorities and vision;
- Adhere to the requirements of identified funding pots, e.g. s106 Employment and Training monies will only be used to fund projects related to employment and training.
- Include capital and revenue costs, including one-off events or purchases.

The maximum value of an award is £5,000.

The council will fund both individuals and constituted groups. The Council reserves the right to insist, at its discretion, that funding to individuals be directed via a constituted group which would act as an ‘accountable body’.

Areas agreed not to be considered for funding:

- Self-interest groups – where there is no evidence of wider community benefit;
- Funding must not be used to meet a budget deficit in a specific area, to meet the debts of an organisation in financial difficulty, or to cover a shortfall in a service which would normally be provided by the Council or another public sector organisation;
- Funding will not be given to assist with the administration and/or research costs of preparing an application;
- Funding must not require maintenance from the Council, or future expenditure, unless otherwise agreed by the Council;
- Projects that are already in receipt of, or due to receive, funding from the London Borough of Barnet, from any source.