

Policy and Sustainability Committee

10am, Thursday, 22 August 2024

Regenerative Futures Fund

Executive/routine
Wards

1. Recommendations

- 1.1 It is recommended that the Policy and Sustainability Committee:
 - 1.1.1 Note this update on development of the Regenerative Futures Fund programme and the information provided on the programmes proposed approach to monitoring and evaluation
 - 1.1.2 Note that, alongside other funding partners, appropriate Council representatives will be invited to join and participate in an Oversight and Enabling Board to steer the development of the programme, including its monitoring and evaluation
 - 1.1.3 Note that an annual report on progress in delivery of the programme will be provided for committee, and that the first of these reports will provide a review point for Council investment
 - 1.1.4 Agrees that a further report on Council investment in the programme should be submitted for final ratification by City of Edinburgh Council in September 2024.

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Regenerative Futures Fund

2. Executive Summary

- 2.1 The Regenerative Futures Fund aims to create a £15m fund to help community organisations in Edinburgh address the root causes of poverty and inequality.
- 2.2 The programme has successfully secured, or is in the process of securing, commitments of close to £5m towards its first phase funding target from independent funding organisations. These commitments are conditional on the programme securing a financial contribution from the Council.
- 2.3 A Council commitment of £100,000 per annum would help leverage in new investment to support the city's end poverty targets.
- 2.4 Officers recommend that a commitment of £100,000 is made from Council reserves or any identified underspend from existing Council grant programmes to fund year 1 of the project in 2024/25, with proposals for baseline annual funding of at least £100,000 for year 2 onwards to be considered as part of the Council's 2025/26 budget process.

3. Background

- 3.1 The Regenerative Futures Fund (RFF) is a programme led by a collaboration of community sector organisations and citizens with experience of poverty in Edinburgh. The programme aims to create a ten year £15m spend down fund to provide long term secure funding for community sector organisations whose work addresses the root causes of poverty and inequality in an environmentally sustainable way.
- 3.2 In doing so, the programme aims to:
 - 3.2.1 Attract new investment from UK-wide organisations to help meet the city's end poverty targets
 - 3.2.2 Give people experiencing poverty and inequality in Edinburgh the power to fund the actions that will make the most difference to their lives

- 3.2.3 Build resilience and security for key community organisations in Edinburgh by providing long term funding agreements, making sure those organisations are free to develop in response to the needs of their communities
 - 3.2.4 Support the sustained, long term systemic actions needed to genuinely prevent poverty and reduce the need for public sector responses to mitigate the effects of poverty, and
 - 3.2.5 Meet a core call to action of the Edinburgh Poverty Commission for a new city-wide “partnership fund, supported by public, private, independent funders and philanthropists to encourage innovation and system change needed to meet the city’s end poverty goals.”
- 3.3 In advance of its planned launch later this year, the project set a first stage fundraising target of £5-6m. To date the project has secured in principle commitments to a value of £4.75m, much of which is conditional on the fund securing a financial contribution from the City of Edinburgh Council. Organisations which have committed or are considering applications to fund the programme to date include the National Lottery Communities Fund, Turn2Us, Foundation Scotland, the Robertson Trust, and Esmee Fairburn.
- 3.4 In [May 2024](#) the Policy and Sustainability Committee discussed a report on the project and agreed for the Council commit to an in principle investment of at least £100,000 per annum to the project over ten years. This investment, the report noted, is critical to supporting the project to secure investment from independent funders.
- 3.5 This in principle agreement was made subject to approval by Full Council, and subject to agreement of a further report to the Policy and Sustainability Committee providing further information on:
- 3.5.1 The timeline of key points where the Council will have involvement in and scrutiny of the RFF project, including when Elected Members will have sight of objectives and performance indicators
 - 3.5.2 The relationship – if any – between the Council’s contribution to the Regenerative Futures Fund and other routes the Council has for funding Third Sector Organisations
 - 3.5.3 How the Regenerative Futures Fund will ensure high ethical fundraising standards are achieved in deciding whether to accept philanthropic donations
 - 3.5.4 Specific objectives of the Fund, how these are intended to be measured, the outcomes expected at three year break points in any ten year funded commitment, and
 - 3.5.5 The alternative sources of funding that could be identified from transitioning more traditional funded work and how this could be delivered over the first three years.

4. Main report

- 4.1 The RFF programme aims to provide long term, secure funding for 10-15 organisations across Edinburgh who are addressing the root causes of poverty and racism in the city.
- 4.2 In doing so, aims to make immediate and measurable improvements to the lives of people living in poverty in Edinburgh, alongside providing the learning and evidence needed to encourage long term system change, innovation and improvement in the way public and independent sector funding organisations support their third sector partners.
- 4.3 Towards these goals, this paper provides an update on:
 - 4.3.1 The development of outcomes and progress indicators for the fund and supported projects, and
 - 4.3.2 Mechanisms for involvement of funding organisations – including the Council and independent funders – in scrutiny, oversight, and learning from the programme.

Monitoring progress

- 4.4 All organisations which are contributing to the RFF investment fund need assurance that their funding is making a difference and that the programme is adopting a robust and considered approach to monitoring, evaluation, and learning.
- 4.5 Appendix 1 to this paper provides an overview of strategic outcomes and objectives the RFF aims to deliver across its 10 year period of investment.
- 4.6 The programme itself is structured in two phases of work. During Phase 1 the programme will invite expressions of interest from eligible organisations and provide development funding to a cohort of up to 25 organisations to support the co-design of potential projects to be delivered by the fund. This phase of work is expected to launch in Autumn 2024.
- 4.7 Throughout this phase, evaluation of the fund progress and learning will be monitored and assessed through measures relating to:
 - 4.7.1 Number, source, and diversity of expressions of interest, including demographic breakdown of organisation leadership
 - 4.7.2 Participation, progress, and challenges experienced in co-design processes
 - 4.7.3 Evidence of collaboration and partnership between organisations in project development, and
 - 4.7.4 Distribution and alignment of funded projects across city priorities.
- 4.8 Phase 2 of the programme refers to the delivery phase when a final cohort of 10-15 organisations are funded to implement projects funded by RFF. This phase is expected to be ready for launch in Summer 2025.

- 4.9 Appendix 1 provides an illustration of the high level strategic measures against which progress in this phase will be measured, as well as an illustration of key performance indicators within the Council's own Performance Management Framework on which RFF investments are expected to provide a direct impact.
- 4.10 Final details of specific targets, performance indicators, and success measures for individual projects (and RFF as a whole in aggregate) cannot be defined until the completion of Phase 1. This phase will include development and co-design work which is designed to identify and agree details of the final cohort of funded organisations. Final progress measures will be agreed and defined through the scrutiny structures described below.

Scrutiny, oversight, and learning

- 4.11 Direct management of the RFF programme will be provided by core team hosted by Foundation Scotland. Foundation Scotland has extensive experience in establishing and administering funding on behalf of around 400 donors and can provide the infrastructure to manage all elements of the RFF to the high ethical standards expected by funding partners.
- 4.12 Full details of Foundation Scotland's Donation Acceptance Policy, Investment Policy, Treasury Management Policy, and Environmental Policy are available on its [website](#). These include commitments to ensure that the organisation, and by extension RFF, does not accept donations or make investments that would expose the organisation to financial, legal, or reputational liability or risk and will not accept donations that are incompatible with the purposes or values of the organisation.
- 4.13 All organisations which provide investment in the RFF will be invited to nominate appropriate representatives to join an Oversight and Enabling Board. Meeting quarterly, the formal remit of this board will be developed with input from all funding organisations but will be designed to:
- 4.13.1 Support the need for all funding organisations to have appropriate oversight on progress of the programme, key performance indicators, outcomes, and timescales for programme delivery
 - 4.13.2 Provide strategic support to the core RFF team in development of policies, procedures, and partnership structures needed to deliver the programme – including, where required, specific donation and investment policies for RFF to act in addition to core Foundation Scotland policies -, and
 - 4.13.3 Provide enabling support, guidance and advice needed for individual RFF funded projects to succeed.
- 4.14 Alongside this board, elected members and Council officers will be invited to join and participate in:
- 4.14.1 A Monitoring and Evaluation Group meeting quarterly to develop and assess approaches to collecting the data and evidence on progress needed to meet the needs of the programme, and

4.14.2 A Learning Group comprising participating organisations and community members meeting twice a year to share learning and experiences gained from participation in the programme.

4.15 Across all of these groups, Council participation and investment in RFF is expected to provide an opportunity to gather learning from an innovative approach to third sector funding and seek ways to use that learning to adapt and develop the Council's own approach to supporting the community sector.

4.16 Towards this, scrutiny, and oversight of the Council's participation in the programme will be provided through an annual progress report to the Policy and Sustainability Committee. This report will:

4.16.1 In year 1, seek approval for Council to continue annual funding of the programme, with further reviews at three year intervals

4.16.2 Provide updates on delivery of the programme, including delivery against key performance measures and Council priorities, and

4.16.3 Provide analysis on how the delivery of RFF aligns with or complements other third sector funding programmes delivered or managed by the Council, and

4.16.4 Make recommendations on how to build learning from RFF into third sector funding programmes delivered or managed by the Council as opportunities arise (through, for instance, review points, launch of new programmes or commissioning procedures).

5. Next Steps

5.1 Subject to approval by committee, officers will

5.1.1 Provide a further report on this programme for final ratification by the City of Edinburgh Council at its 26th September meeting

5.1.2 Agree a formal funding agreement in line with the Council's grant standing orders, and

5.1.3 Provide a first annual review of progress for the programme, in August 2025. This first annual report will provide members with an update on the outcomes arising from Phase 1 of the programme's development phase, details of plans for Phase 2 delivery of funded programmes, alongside final details of agree key performance indicators for this phase of the programme.

5.2 In advance of this annual report, during Autumn 2024 officers and members will be invited to participate in the Oversight and Enabling Board, Monitoring and Evaluation Group, and Learning Group activities described above. Briefings on the activities of these groups will be provided to all members of the committee.

6. Financial impact

- 6.1 On the basis of partner agreements made to date, the RFF programme represents an opportunity for the Council to leverage in a minimum of £5 for every £1 of public funds invested. By providing an innovative, long term focus on measures to prevent poverty in the city, the programme also has potential to help reduce demand for and create future savings among Council services focused on mitigating the effects of poverty.
- 6.2 The innovative design of the programme – with a focus on unrestricted, long term funding where risk is shared across a range of public sector and independent funders – means that investment for the programme is difficult to source through existing Council funding programmes in the short term. Any council investment in the programme would, however, be conditional on learning, outcome, and impacts from RFF supporting the long term development of Council led third party funding programmes.
- 6.3 On this basis, officers recommend that a commitment of £100,000 is made from Council reserves or any underspend identified in existing Council grant programmes to fund year 1 of the project in 2024/25, with proposals for baseline funding of at least £100,000 for year 2 onwards to be considered as part of the Council's 2025/26 budget process.

7. Equality and Poverty Impact

- 7.1 The project has been established in response to calls to action from the Edinburgh Poverty Commission. The fund is designed by and for people in their own communities, ensuring grassroots organisations have the capacity and support to bring about the changes they want to see to improve the lives of people in Edinburgh living in poverty and the natural world around them.

8. Climate and Nature Emergency Implications

- 8.1 The project will fund 10-15 local organisations, who are addressing the root causes of poverty and racism in a just and environmentally sustainable way. In doing so, the project supports the delivery of the 2030 Edinburgh Climate Strategy by recognising the importance of community capacity and action as drivers of a more sustainable city.

9. Risk, policy, compliance, governance and community impact

- 9.1 The project has been developed over the past 18 months through collaboration and co-design with community organisations and citizens with lived experience of poverty. The End Poverty Edinburgh citizens panel have been a key part of the project's development to date

- 9.2 The project has been designed in response to the findings of the Edinburgh Poverty Commission and is aligned to the Council's end poverty and 2030 net zero commitments. Delivery of the project is expected to provide support in the Council's statutory duties relating to Equalities and Human Rights, Community Empowerment, and Community Wealth Building.
- 9.3 The Council will be represented in governance structures to be developed for the project as part of an oversight group of funding organisations meeting regularly to review evidence on progress and learning emerging from the project.

10. Background reading/external references

- 10.1 [Regenerative Futures Fund, Policy and Sustainability Committee, January 2024](#)
- 10.2 [Regenerative Futures Fund, Policy and Sustainability Committee, May 2024](#)
- 10.3 [Regenerative Futures Fund: Draft Operational Plan](#)

11. Appendices

Appendix 1: Regenerative Futures Fund – Monitoring and Evaluation Framework

Appendix 1 - Regenerative Futures Fund: Monitoring and Evaluation Framework

What is Monitoring, Evaluation & Learning?

Within any programme, monitoring, evaluation, and learning (MEL) is needed to assess ways of working, reflect on where and how improvements and adjustments can be made and provide accountability to track the results of collective investment. Each of the three terms are distinct from one another:

- **Monitoring** is the continuous collection of data to measure if and how a programme is progressing towards its objectives. It also helps identify any unintended issues or outcomes.
- **Evaluation** is the assessment of the design, implementation, and results of an ongoing or completed project.
- **Learning** is reflecting on the information gathered so that participants in the programme, and other stakeholders, can improve practice now and in the future.

Monitoring, Evaluation and Learning – a framework for Regenerative Futures Fund

All organisations contributing to the Regenerative Futures Fund need assurance that their investment is making a difference. The programme will do this through tracking change, monitoring data on key progress measures and milestones, and evaluating outcomes. In doing so, the programme will seek to co-design, with funders and project delivery partners, an approach to monitoring, evaluation and learning that does not diminish the enabling environment needed for innovation and systems change.

Within this, the MEL framework for the programme will adopt two parallel approaches:

- **Measuring for accountability** – This includes KPIs and other performance metrics to track the completion of projects and the achievement of milestones. This approach is useful where there is a clear link between a particular activity and an expected outcome however they can have limited efficacy when measuring ‘impact’ within the context of complex systems change.
- **Measuring to learn and improve** – This approach recognises that the environment and system for third sector and community funding in Edinburgh cannot meaningfully improve without participants and stakeholders (including funding organisations and project delivery organisations) working together to reflect on what is being delivered, how it is being delivered, the barriers to progress, and opportunities for future change.

In this context, the RFF Operational Plan sets out a theory of change that has been co-designed with stakeholders, community organisations, and people with lived experience of poverty in Edinburgh.

This sets out a **VISION AND AIM** for RFF to give individuals experiencing poverty and inequity the power to fund diverse social movements and grassroots organisations over ten years, working with them to end poverty and racism and improve climate injustice in Edinburgh.

In doing so, the programme will **DELIVER ACTIONS** to:

- Support organisations and collectives to work on long term solutions to complex problems
- Engage with civic leaders and other stakeholders to learn and collaborate with funded organisations on shared objectives and wider system change
- Support a more diverse and informed group of voices to shape change and direct resources towards the programme goals
- Create new solutions to long term entrenched challenges faced by the city and its communities

Through this approach to change, the programme aims to **DELIVER OUTCOMES** that will mean that:

- **Outcome 1:** Edinburgh residents see improvements in their financial security, future prospects, and natural environment
- **Outcome 2:** Residents living in poverty in Edinburgh are empowered to play a central role in improving the lives of people living in poverty. They increase their skills and confidence, and their influence, either through new paid roles or setting up or joining in campaigns/movements, and
- **Outcome 3:** Movements and grassroots community organisations have the resources and networks they need to develop a powerful voice in Edinburgh, and the space to imagine a better future and begin to shape it.

Outcomes for funding partners

In addition to delivering outcomes for individual people and communities in Edinburgh, the RFF aims to provide a return on investment for all funding partners through the learning opportunities created by the programme. In particular, the programme aims to provide a unique opportunity for partners to:

- Learn more about what is needed to deliver on existing systems change commitments in Edinburgh
- Learn more about the value of having a citizen led Decision-Making Panel direct decisions about what is funded, so that what is funded is actually what is needed - as identified by those with experience of poverty and racism.
- Work alongside and in close collaboration with other experienced funders – City of Edinburgh Council, the Robertson Trust, The National Lottery Community Fund, Turn2Us, Esme Fairbairn, Foundation Scotland - all of which have significant breadth and depth of knowledge and experience that will be shared as part of the process of Learning and Improving.
- Take part in the Oversight, Monitoring and Learning Groups learning specialised insights and knowledge which will assist each funder as it navigates through change to achieve reduced poverty and racism, nature restoration and equity and power sharing.

Phase 1 monitoring and evaluation

The RFF Operational Plan sets out two phases for the programme development:

- **Phase 1:** is a development phase designed to formally establish the management and delivery structures for the programme, will invite expressions of interest from eligible organisations and provide development funding to a cohort of up to 25 organisations to support the co-design of potential projects to be delivered by the fund. This phase is programmed to begin in Autumn 2024 and complete by Summer 2025.
- **Phase 2:** is the delivery phase of the programme when grants will be delivered for 10 successful projects for delivery over 10 years. At this point final outcomes, objectives and key performance indicators for funded projects will be agreed and monitoring and evaluation systems put in place.

Throughout both of these phases, oversight on progress towards RFF aims, objectives and timelines will be reviewed by RFF funding partners through an Oversight and Enabling Board. During phase 1, this board will receive updates on progress designed to assess success of the programme in terms of:

- Number, source, and diversity of expressions of interest received from community organisations, including a spatial demographic breakdown of organisation leadership
- Participation, progress, and challenges experienced in co-design processes
- Evidence of collaboration and partnership between organisations in project development,
- Distribution and alignment of funded projects across city priorities

This ongoing monitoring throughout phase 1 of the project will be designed to make sure that all areas and all communities in the city have the opportunity to participate in and learn from the RFF programme, and to make sure that RFF communications and engagement approaches are appropriately aligned with other activities underway across the city.

Phase 2 monitoring and evaluation

Phase Two refers to the 10-year period of delivery for RFF funded projects between 2025 – 2035 and is projected to commence in Autumn 2025.

Success for the programme in this phase will be measured against the degree to which funded projects have contributed to the three key outcomes for the programme outlined above.

Final key progress measures, including targets, timescales and KPIs will be developed during the phase 1 development of the programme and tailored to the specific projects which emerge from this development phase. All KPIs and measurement frameworks will be developed with oversight and support from the Oversight and Enabling Board on which all funding partners will be invited to participate.

In doing so, throughout phase 1 and phase 2 the work of RFF will see to align to and support the shared strategic goals of all funding partners – an overview of which is provided below.

Key Objectives

Regenerative Future Fund (RFF) acts as a scaffold for emerging ideas & initiatives that address the root causes of poverty & racism while restoring the natural world through equity, power sharing and long-term change

 Scottish Government Riaghaltas na h-Alba	 EDINBURGH THE CITY OF EDINBURGH COUNCIL	 THE ROBERTSON TRUST	 THE NATIONAL LOTTERY COMMUNITY FUND	 turn2us	 Esmée Fairbairn FOUNDATION	 Foundation Scotland
<p>Vision: Wellbeing Economy</p> <p>National Performance Framework includes:</p> <ul style="list-style-type: none"> - tackle <u>poverty</u> by sharing opportunities, wealth, and power more equally - Creative, vibrant, <u>diverse</u> cultures are expressed & enjoyed widely - <u>inclusive, empowered</u>, resilient, safe communities - value, enjoy, protect and enhance our <u>environment</u> - thriving and innovative businesses with quality jobs and <u>fair work for everyone</u> - well educated, skilled and <u>able to contribute</u> to society - respect, protect & fulfil human rights & <u>live free from discrimination</u> <p>Existing Performance Framework measures outcomes</p>	<p>3 strategic priorities</p> <ol style="list-style-type: none"> 1. Create good places to live & work in Edinburgh 2. End <u>Poverty</u> in Edinburgh by 2030 3. Work to deliver a <u>net zero</u> city by 2030. <p>Business Plan details proposed milestones to be delivered that can inter-sect with RFF Evaluation and Learning framework</p> <p>End Poverty in Edinburgh Annual Progress Report 2023</p> <p>KPIs for these priorities: https://democracy.edinburgh.gov.uk/documents/s60140/7.8%20Annual%20Performance%20Report%202022-23.pdf</p> <ul style="list-style-type: none"> • People can access fair work & support they need to prevent & stay out of poverty & homelessness 	<p>Central Focus: Poverty and Trauma</p> <p>Four key themes:</p> <ul style="list-style-type: none"> - Financial Security - Emotional Wellbeing & Relationships - Work Pathways - Education Pathways <p>Concerned with</p> <ul style="list-style-type: none"> ✓ Equity ✓ Diversity ✓ Participation ✓ Rights 	<p>Central Focus: It starts with community</p> <p>Committed to enabling flourishing, resilient & environmentally sustainable communities</p> <p>Community-led Missions:</p> <ol style="list-style-type: none"> 1. Come together 2. Be environmentally sustainable 3. Help children & young people to access resources & experiences that help them thrive 4. Enable people to live healthier lives <p>Concerned with</p> <ul style="list-style-type: none"> ✓ Equity-based approach targeting communities with the greatest poverty ✓ Regenerative funding 	<p>Central Focus: Financial Security for all to Thrive</p> <p>Strategic Priorities:</p> <ol style="list-style-type: none"> 1. Offer high quality information & support 2. Strengthen communities through place-based programmes 3. Help to build fair & just economy through systems change <p>Concerned with</p> <ul style="list-style-type: none"> ✓ challenging systems & perceptions that cause financial insecurity ✓ Equity, diversity, inclusion & belonging (EDIB) ✓ Human Rights ✓ Net zero economy 	<p>Central Focus: Improve our natural world, secure a fairer future & strengthen bonds in communities</p> <p>Strategic Priorities:</p> <ol style="list-style-type: none"> 1. Our Natural World is restored and protected & people benefit 2. A Fairer Future – socially just & anti-racist society where people have rights & are heard. Support org's led by the people they serve. 3. Creative confident communities through place-based programmes <p>Committed to learning approach to evaluation so insights improve how we work</p>	<p>Central Focus: Powering transformative funding</p> <p>Ambitions:</p> <ol style="list-style-type: none"> 1. Harnessing finance for investment into communities 2. Working at the heart of transformational giving 3. Ensuring our impact & learning informs practice, policy & creates new business opportunities 4. Achieving excellence through people, practice & systems <p>Committed to ongoing learning & sharing what works & what doesn't</p> <p>Makes reference to an Impact Framework</p>

While specific projects and deliverables will be defined in collaboration with projects and funding partners during the phase 1 development of the programme over Autumn 2024-2025, it is expected that the programme will fund activity to:

- **Outcome 1:** Ensure Edinburgh residents see improvements to their homes, financial security, prospects, and the natural world. RFF supported actions help create spaces and opportunities where people can collectively imagine better ways of living in the world which results in people taking action and piloting new approaches. New approaches developed over time to support a just transition result in people reporting reduced household costs, increased access to good green jobs, decrease in homelessness, increased health and wellbeing.

Examples of outcome and output indicators for these type of actions may include:

- % of people in Edinburgh living on incomes below the poverty threshold
- % of children in Edinburgh living in families on incomes below the poverty threshold
- Number of people supported into fair work by RFF partners
- Number of households who seek housing advice who do not go on to present as homeless
- Number of households accessing money and welfare rights advice, and financial gains received as a result of support
- **Outcome 2:** Ensure that residents living in poverty in Edinburgh are empowered to play a central role in improving the lives of people living in poverty. They increase their skills and confidence, and their influence, either through new paid roles or setting up or joining in campaigns/movements. Greater diversity of both voluntary and paid leadership roles in the community sector result in a powerful and diverse

community sector who say they have the resources they need to develop a powerful voice, influence systems change, and feel able to imagine and shape a just and sustainable future.

Examples of outcome and output indicators for these types of actions may include:

- % of citizens who feel that 'I know how to influence decisions affecting my neighbourhood'
- % of citizens who feel that 'Services in my neighbourhood take into account the needs of people like me'
- % of citizens who feel that 'People in my neighbourhood have found ways to improve things by working together'
- **Outcome 3:** Ensure that movements and grassroots community organisations have the resources and networks they need to develop a powerful voice in Edinburgh, and the space to imagine a better future and begin to shape it. The city sees an increase in the number of people experiencing poverty who say they feel they are welcomed and included, not stigmatised, and excluded, and people experience less racism as a result of anti-racism being embedded across the community, social and public sector in Edinburgh. More resources are deployed into systems change work led by communities (and resource and power holders have reimagined and redescribed their role in society).

Examples of outcome and output indicators for these types of actions may include:

- % of citizens who feel that 'people from different backgrounds get on well in my neighbourhood'
- % of citizens who report that 'I feel like I belong in my neighbourhood'
- Rates of satisfaction with support services among low income and minority ethnic households.