



**Helping make Luton a
place to thrive –
our policy for investing
in the community**

Introduction

Luton Rising (LR) is the new trading name and brand identity of London Luton Airport Limited (LLAL).

LLAL was set up in 1987, in response to the Airports Act 1986 that required any local authority that owned and operated an airport to transfer it to a private limited company. Luton Borough Council (LBC) is the shareholder of LLAL.

Between 1987 and 1998 LLAL managed and operated London Luton Airport (LTN). It was during that time that low-cost carriers, such as Ryanair and easyJet, began their operations, and passenger numbers at LTN began to grow. It soon became clear that LTN badly needed some new facilities, but LLAL was not able to fund them; as a public airport company it was subject to the same controls on capital expenditure as its shareholder.

In 1998, LLAL entered into a 30-year Concession Agreement with London Luton Airport Operations Ltd. (LLAOL), whereby the latter is responsible for the management, operation and development of the airport in return for a concession fee (set at an amount per passenger) payable to LLAL.

Luton Rising will continue, through its investment in strategic assets such as the airport, to focus on its philanthropic objectives of delivering sustainable social impact in Luton and the surrounding communities.

Corporate Social Responsibility

Luton Rising takes its responsibilities to the people of Luton, and to those who are neighbours to the airport, very seriously, recognising that LTN contributes to the wider economic and social well-being of the region. It also understands, however, that, inevitably, there are undesirable impacts resulting from airport operations and, whilst it is not responsible for them, it shares with the airport operator, LLAOL, and its shareholder, LBC, a desire and commitment to ensure that they are, as far as possible, mitigated.

LTN is a significant generator of economic advantage to the local area. Luton Rising is committed to supporting inclusive growth - ensuring that this benefit is shared as widely as possible for local businesses and residents.

Luton Rising believes that respect for the equality and diversity of people, and promoting social cohesion and inclusion are fundamental in nurturing a community's readiness to welcome others. Such a place will attract people to visit, as in those who pass through or perhaps stop for only a short time, or to stay, as in those who make Luton their home and see London Luton Airport as the gateway between their old and new lives. In investing in the social capital of Luton, Luton Rising can help to foster and sustain a sense of belonging and shared endeavour to the benefit of all.

Commercial Interest

Luton Rising's commercial interests are inextricably bound up with the number of arriving and departing passengers. These interests are dependent upon a number of factors: the reputation and attractiveness of the airport, the efficiency of operations, both airfield and ancillary, and the prosperity of the airport's principal catchment area, in terms of business success and individual disposable income.

Luton Rising is not in a position to control, or even influence, many of these factors, but one to which it can contribute is to the economic and social well-being of Luton, an objective it shares with its shareholder, LBC.

It is Luton Rising's responsibility to exercise responsible and far-sighted stewardship of the airport. Managing that asset and the income derived from it to increase the prosperity of the community is not only philanthropic, but also makes sound commercial sense.

The extent to which Luton Rising can support the communities of Luton and the surrounding area depends on the success of LTN, and success hinges on the degree to which the airport can meet the needs and aspirations of its customers, both airlines and travellers. A customer-friendly, cost-efficient airport will attract new business, thereby increasing the revenue to Luton Rising, and so the resources that Luton Rising has to plough back into the community. This is one of the main reasons why Luton Rising supports development at LTN.

On the other hand, aviation is a volatile business that can be adversely affected not only by economic factors and natural phenomena but also pandemics as recently experienced. Luton Rising cannot, therefore, guarantee to allocate the same amount of money to its Community Funding Programme each year. The Board of Directors will review the allocation of funding annually in the context of its Medium Term Financial Plan, and in order to ensure that the objectives and priority outcomes remain relevant.

Luton – the place, the community and the challenge

Luton is located approximately 30 miles north of central London. Whilst it is highly urbanised and densely populated, the attractive countryside of the Chiltern Hills is within easy reach, and the town benefits from a number of highly-rated parks and green spaces. Significant remains of Neolithic settlement remain beside the River Lea that runs through the town, but Luton came to prominence and some prosperity only in the 18th and 19th centuries, when it became a worldwide centre for the production of straw hats.

The town has excellent communication links. Central London is 30 minutes away by train (from the town's three railway stations – Luton, Luton Parkway and Leagrave), with onward travel to continental Europe via St Pancras International. There is also direct rail access to the south (Brighton, Gatwick) and to the north (Bedford, Leicester, Derby, Nottingham and Sheffield).

Luton is situated on the M1 motorway, providing access to access to Milton Keynes, Northampton, Leicester and Leeds and, via the M6, Birmingham and Manchester. The M25 is a 10-minute drive away, and other north-south road links are also facilitated by the A6 and the nearby A5 and A1 (M). Luton is linked to the eastern region by the A505.

LTN, the fifth largest airport by passenger numbers in the UK after Heathrow, Gatwick, Stansted and Manchester, has seen significant passenger growth in recent years, reaching just under 18 million for the first time in 2019. The range and availability of destinations provided by airline operators such as easyJet, Wizz Air and Ryanair has also increased, with direct flights to places as diverse as Estonia and Egypt, and connecting flights via Tel Aviv to South Africa, India and China. Scheduled flights now predominate over the charter flights that were the airport's main activity 40 years ago.

Given its proximity and ease of access to London, LTN is also the UK focus for private and business aviation, with Signature Flight Support and Harrods Aviation providing services of the highest quality to Heads of State, celebrities and business leaders from home and abroad.

Demography

Luton is a densely populated town in Bedfordshire with a total population of 213,500¹ and an area of 4,336 hectares. The population estimate translates into a population density of 49 persons per hectare; this figure is greater than some London Boroughs. After a period of sustained growth the population has fallen in recent years driven by a drop in the birth rate and migration out of Luton to other parts of the UK, particularly neighbouring areas. However the

¹ 2020 mid-year population estimates, Office for National Statistics

population in Luton rose slightly between 2019 and 2020 driven but a fall in migration out of the town.

The age structure of Luton's population differs from that of the population as a whole. Luton has a younger population than that of the UK. The under 16 age group account for 24 per cent of the Luton population compared with 19 per cent nationally. The 16-64 age group account for 63 per cent of the Luton, a similar proportion to the national figure (62%). The 65 and over age group represents 13 per cent of the Luton population compared with 19 per cent nationally.

The town is ethnically diverse, with approximately 55 per cent² of the population being of Black and Minority Ethnic (BME) origin, with significant Pakistani, Bangladeshi, Indian, East European and African Caribbean communities.

In recent years the diversity of the population has increased. There has been a significant shift in the population, primarily driven by those arriving from newly EU acceded A8 countries of Eastern Europe. Since May 2004, there have been over 25,000 new National Insurance registrations by people from A8 countries in Luton, with over 80 per cent of these coming from Poland. With the change in employment law in 2014 giving Romanians and Bulgarians the right to work in the UK there have been many Romanians coming to live and work in Luton. A study by Mayhew Harper Associates³ showed concentrations of new communities of Congolese, Somali, Ghanaians, Nigerians, Turks and Zimbabweans in Luton. Foreign students coming to the University of Bedfordshire has also increased diversity. There is increasing acceptance that Luton is a "super-diverse" community.

Luton is currently ranked the 70th most deprived out of 317 local authorities⁴. In 2015 Luton was ranked the 59th most deprived area from 326 local authorities. Therefore Luton is less relatively deprived than in 2015. The proportion of areas in Luton in the top 10 per cent most deprived parts of the country has fallen with Luton having four output areas in the top ten per cent most deprived. These are in Northwell, South and two in Farley. Previously Luton had nine areas in the top ten per cent.

Research by the Centre for Research in Social Policy⁵ showed that almost half of children in Luton are living in poverty. With an estimated 46 per cent of

² 2011 Census, Office for National Statistics

³ The Growth and Changing Complexion of Luton's Population, Mayhew Harper Associates, 2010

⁴ 2019 Indices of Multiple Deprivation, Ministry of Housing, Communities & Local Government

⁵ Child Poverty Statistics 2019, Centre for Research in Social Policy, Loughborough University

children (28,400 children) living in poverty, Luton has the 7th highest rate of child poverty of all the local authorities in the country. Child poverty has been increasing since 2015 and approximately two thirds of children are living in poverty in Biscot, Dallow and Saints wards. Biscot and Dallow wards are in the top ten wards in the country for the proportion of children living in poverty.

Whilst the indices of deprivation show a slight fall in relative deprivation, the child poverty figures illustrate issues with rising living costs not keeping up with earnings. Rents have been rising faster than the national average. There are problems with in work poverty as well as those unemployed with the growth of low wage unstable work such as zero hour contracts. These issues are central to the council's future direction.

A number of factors contributed to increasing poverty in Luton. Luton has a higher than average rate of unemployment and, combined with benefit changes, has increased poverty and the demand for crisis services such as food banks. Although employment had been increasing prior to the Covid-19 pandemic, the growing casualisation of the labour market and unstable poorly paid jobs has led to increases of in work poverty. Many of the people accessing crisis services are in work and unstable poorly paid work is making financial planning difficult for a growing section of the population of Luton. Rapidly increasing property costs and wages not increasing in line with the costs of living are putting extra pressures on household budgets.

Economy

Prior to the Covid-19 pandemic the economy of Luton had been performing well. Gross Domestic Product (GDP) is a measurement of economic activity and GDP per head⁶ in Luton is £35,139 which is 8 per cent higher than the national average. GDP in Luton grew by 5.9 per cent in the last year which is faster than the national and regional growth rates.

Average weekly earnings⁷ of people living in Luton are £582 per week which is less than the national average of £586 per week. The average weekly wage of those who work in Luton (but don't necessarily live in Luton) is £585 per week which is slightly higher than the residence based figure. Luton residents' experienced wage growth in 2019-20 with an increase of 3.9 per cent in residents' average earnings and there was a fall of 2.3 per cent in workplace earnings. Residents' earnings have been increasing in recent years and are now close to workplace earnings (these figures are from the period prior to the pandemic).

⁶ Regional Gross Domestic Product 2018, Office for National Statistics 2019

⁷ Annual Survey of Hours & Earnings 2020, Office for National Statistics

Prior to the pandemic the Business Register and Employment Survey (BRES)⁸ stated that there were 93,000 jobs in Luton which was unchanged between 2018 and 2019. There are now more service sector jobs than manufacturing ones but manufacturing employment is still higher than the national average and has remained stable since the loss of many jobs from Vauxhall. Major employers in Luton are Luton Borough Council, Luton NHS, easyJet, TUI UK Ltd, Monarch Airlines and General Motors. Luton Airport is a major employer in the region and also a strong driver of the economy of Luton. Luton Council⁹ estimated that 11,200 people are employed at the airport and its vicinity. The airline industry in particular has suffered over the past year putting many jobs at risk.

The Covid-19 pandemic has disproportionately hit Luton with unemployment rising at a faster rate than the national figure. As well as higher unemployment, people on average are working fewer hours, impacting incomes. There are people who were previously financially stable falling into poverty. The claimant count¹⁰ unemployment rate in Luton is 9.1 per cent which is higher than the national rate (6 per cent). Unemployment is highest in South (12.4 per cent), Dallow (12.2 per cent), Biscot (12 per cent), Northwell (10.7 per cent) and Farley (10.6 per cent) wards. Unemployment is lowest in Bramingham (3.8 per cent) and Barnfield (4.7 per cent) wards. Whilst unemployment has risen in all areas of Luton, the most deprived areas have had the biggest increases.

Our near neighbours

Aside from the Borough of Luton, within a five-mile radius LTN is surrounded by predominantly rural countryside within the local authority areas of Central Bedfordshire, North Hertfordshire, St Albans City & District and Dacorum. Settlement is based around small villages and hamlets, connected by winding roads, often with high hedgerows, ranging from Flamstead, Markyate and Studham in the south-west, through Streatley and Lilley in the north, to Whitwell, Kimpton, and Breachwood Green in the east. To the south, lie the larger villages and market towns of Wheathampsted, Harpenden and Redbourn. The larger towns of Hitchin, Stevenage, Welwyn Garden City, Hatfield, St Albans, Hemel Hempstead and Dunstable lie just beyond this five-mile radius. These towns and villages are markedly different from Luton in character, demography and relative affluence.

⁸ 2019 Business Register & Employment Survey, Office for National Statistics

⁹ Airport Employment 2020, Business Intelligence

¹⁰ Unemployment Claimant Count May 2021, Office for National Statistics

Objectives of this Policy

Luton Rising shares the corporate objectives of its shareholder as expressed through Luton 2040 a shared vision for Luton, as a healthy, fair and sustainable town where everyone can thrive and no-one has to live in poverty.

Poverty and inequality are at the heart of some of the most significant challenges in Luton and the impact of COVID-19 has further demonstrated the need for shared focus on addressing this.

All applicants to the Community Investment Fund, irrespective of the primary purpose of their application, will be expected to demonstrate how their activities contribute, either directly or indirectly, to the achievement of the ambitions and outcomes of the Luton 2040 Vision as set out in the following funding priorities.

Luton Rising's Funding Priorities

Building an inclusive economy that delivers inward investment to support the growth of businesses, jobs and incomes.

Target outcomes:

- Increased inward investment supporting the growth of our key and emerging sectors including aviation, manufacturing, digital and creative industries.
- More of our residents in well-paid, high value and fair employment within Luton.
- A more highly skilled workforce that meets the needs of local employers.
- Increased local spending and social value through supply chains of large employers and anchor institutions.
- A thriving town centre with the right mix of office, retail, leisure, residential and community space.

Improving population wellbeing and tackling health inequalities to enable everyone to have a good quality of life and reach their full potential.

Target outcomes:

- A preventative approach to improving physical and mental wellbeing that addresses the wider determinants of health to achieve better and more equal health outcomes.
- A healthier start for our children and young people with better and more equal physical and mental health outcomes.
- A stronger care sector with increased capacity to help people and families to manage long-term conditions.

- More of our households living in good quality and affordable housing.
- A safer community with fewer cases of crime, domestic abuse, serious violence and addiction.

Becoming a child friendly town, where our children grow up happy, healthy and secure, with a voice that matters and the opportunities they need to thrive.

Target outcomes:

- Our children and young people will have access to good quality services that keep them safe and secure.
- Every child has an excellent education that raises aspiration and achievement and reduces educational inequalities.
- More opportunities for our children and young people to develop, play and socialise.
- Greater and more equal opportunities for children and young people with SEND (special educational needs and disabilities).
- All of our children and young people will have a meaningful voice that is heard and that matters.

Tackling the climate emergency and becoming a net zero town with sustainable growth and a healthier environment.

Target outcomes:

- Reduced net carbon emissions from businesses, organisations and households.
- A greener transport network, with a reduction in car usage and an increase in walking, cycling and sustainable public transport usage.
- The most sustainable airport in the UK.
- Enhanced greenspace and richer biodiversity that offset emissions and enriches our local environment.
- Improved air quality across our town to support better health outcomes.

Supporting a strong and empowered community, built on fairness, local pride and a powerful voice for all our residents.

Target outcomes:

- A town built on fairness with equitable outcomes for all our residents.
- Increased resilience across our community protecting and enabling the most excluded and vulnerable.
- A thriving voluntary and community sector delivering on shared priorities with our residents.
- A stronger and meaningful voice for all our residents to shape the vision and direction of our town.
- A welcoming and compassionate town, with respect, social responsibility and increased civic pride at its heart.

Luton Rising will actively support the aspirations of its shareholder and of the community as a whole, through the sponsorship and funding of, and the making of donations to, organisations and activities that are of public benefit, and that directly contribute to the achievement of these objectives, particularly by way of early intervention and prevention.

Local Wealth Building

Luton Rising expects the recipients of its funding to observe the principles of the “local wealth building” agenda, in particular:

- to support locally-owned or socially-focussed enterprises;
- to increase the flow of investment within local economies;
- to promote fair employment and just labour markets though paying the Real Living Wage, adopting inclusive employment practices and recruiting from lower income areas;
- to support a local supply chain.

What Luton Rising will not fund

- Statutory bodies, except where an application is made by either a charitable arm of such a body, or where funding would be as a matter of last resort to prevent the loss of a service to the public that is of exceptional value or benefit.
- Statutory duties or obligations of statutory bodies.
- Individuals, except where the activity undertaken demonstrably contributes to the wider public benefit and promotes the achievement of priority outcomes.
- National charities, except where the funding is demonstrably targeted locally.
- Organisations that distribute a profit amongst shareholders, except where this is incidental to the activities of a Community Interest Company, Community Benefit Society or an analogous form of social enterprise, and does not exceed 5% of the organisation’s turnover.
- Organisations or activities that promote political parties or the propagation of religion or conduct of worship. (Religious organisations may apply for funding for non-denominational activities that demonstrate wider public benefit.)
- Organisations or activities which are inconsistent with public policy, for example, the promotion of terrorism or of sectarian interests.
- Activities that take place outside the financial period for which funding is given.
- Retrospective funding (money that has already been spent).

General Eligibility Criteria

In order to be considered for funding, an organisation should be able to demonstrate the following:

- That the activity undertaken directly contributes to the achievement of this policy's objective and priority outcomes, and to support this assertion by evidence of need and examples of outcomes achieved.
- That it has the capacity, knowledge, skills and resources to deliver its activities effectively.
- That it is properly constituted according to its form, and is effectively governed and managed with, wherever appropriate, user involvement or participation in the planning, development and management of the organisation and its activities.
- That it is properly financially managed, in good financial health, and not holding an amount of unrestricted funds that is disproportionately high in relation to annual expenditure.
- That it is committed to the promotion of equality, cohesion and inclusion both within its client group and across the community as a whole, and that this is demonstrated through the way it plans and delivers its activities.
- That its estimate of the funding required to deliver its activities is realistic and reasonable, and represents good value for money.
- That it has an effective complaints policy, procedure or mechanism.
- That, where it deals with children, young people and vulnerable adults, it has an effective safeguarding policy in place, and that the governing body, staff are thoroughly and regularly trained and monitored to ensure compliance.
- That it has a track record of partnership working, wherever appropriate, with others working in the same, similar or complementary field of activity.
- That it recognises that it cannot expect continual funding from Luton Rising, and that it has a track record of, wherever possible, seeking funds from different sources, has made efforts to become sustainable, and has a clear exit strategy for dealing with a situation where funding stops.

Luton Rising's Community Funding Programme

Introduction

To contribute towards meeting the needs and aspirations of the people of Luton and the surrounding area, Luton Rising has developed a funding programme consisting of three separate Funds, each designed to provide a form of funding suitable to a specific purpose. The programmes are:

- Luton Rising Community Investment Fund
- Luton Rising Luton Small Grants Fund
- Luton Rising Near Neighbour Fund

Common to each of the Funds is an expectation that organisations will understand that funding cannot be guaranteed in perpetuity and will therefore investigate and secure alternative sources of funding to increase self-reliance, that activities must contribute directly, measurably and significantly to the achievement of corporate objectives and priority outcomes, and that organisations will, wherever practicable, actively seek to work in partnership with similar organisations efficiently to deliver outcomes that demonstrate value for money.

It is not expected that any single organisation will receive funding from more than one Fund. Where an organisation meets the criteria for being considered as an 'outcomes partner', application to any other Fund should not be necessary. The other Funds are intended to support those organisations (often smaller, or newer, or in an early stage of developing their response to emerging needs) that do not, at the time, meet the criteria as "outcomes partners". The funding must be protected for their use.

The criteria for being considered as a 'outcomes partner' is primarily those scale: of the size of the organisation, of the impact that the organisation has in respect of the priority outcomes, and of the amount of funding required to deliver that impact. However, smaller organisations can qualify as 'outcomes partners', if they are working in partnership or collaboration with, or in support of, larger organisations in the delivery of outcomes that affect a significant proportion or section of the community.

It is possible to foresee that some smaller, newer organisations in receipt of funding from the Luton Rising Luton Small Grants Fund could, over time, develop a track record of achieving priority outcomes that means they will be considered to be eligible to become "outcomes partners". Given the level of responsibility and accountability that this entails it may not be suitable for, or indeed preferred by, all organisations.

The overall value of the programme and the allocation of sums to each of the individual Funds will be determined by the Board of Luton Rising annually, following consideration of the company's Medium Term Financial Plan. The amount of money available will be directly affected by the success of the

operations of the airport, and the number of passengers choosing to travel to and from LTN. The value of the programme cannot be guaranteed from year to year.

1. Luton Rising Community Investment Fund

- Purpose:** to provide significant and sustainable funding to ‘outcomes partners’, these being organisations having a major and key role in contributing to the delivery of target outcomes in the medium- to long-term.
- Application:** A donation will be made by Luton Rising to an independent charitable organisation, which will administer the funding (the “Awarding Body”). Applicants will need to comply with their application, assessment and monitoring policy and procedures. The making of awards is at the discretion of the Awarding Body. The Bedfordshire and Luton Community Foundation has been appointed as the Awarding Body for the period 2020/21 to 2023/24.
- Assessment:** The Awarding Body will monitor outcomes and achievements in order to ensure that its donation is being used effectively in delivering the organisation’s charitable purposes, and to be able to reassure Luton Rising that the activity the organisation is undertaking is contributing to the achievement of the priority outcomes set out in this policy.

2. Luton Rising Luton Small Grants Fund

- Purpose:** To provide small grants of up to £10,000, generally but not necessarily limited to one year only to support community and voluntary activity in Luton. Assistance may be sought for project work, running costs, support with rent, rates or room hire, and capital investment. It should not be assumed that funding will be continuing, and organisations should be able to demonstrate that they have explored the potential for finding alternative funding. Applications may also be made to secure match-funding from other sources, and to support capacity building, innovative ways of working, particularly in partnership with other

organisations, and to meet emerging or changing needs in the community. Depending on the availability of funding, a limited number of donations of up to £25,000 may be made, and application for these will be subject to a separate bidding process.

Application & Assessment:

A donation will be made by Luton Rising to an independent charitable organisation, which will administer the funding. Applicants will need to comply with their application, assessment and monitoring policy and procedures. The making of awards is at the discretion of the administering organisation. The Bedfordshire and Luton Community Foundation has been appointed as the administering organisation.

3. Luton Rising Near Neighbour Fund

Purpose:

To provide small grants, limited to one year only, to support community and voluntary organisations, activities and projects in those communities, outside the Borough of Luton, that are most affected by airport operations. Applications are not expected to meet the target outcomes for Luton 2040 but will be relevant to the needs of the local community.

Application & Assessment:

A donation will be made by Luton Rising to an independent charitable organisation, which will administer the funding. Applicants will need to comply with their application, assessment and monitoring policy and procedures. The making of awards is at the discretion of the administering organisation. The Bedfordshire and Luton Community Foundation has been appointed as the administering organisation.