

**OUR VALE COMMUNITY FUND**  
**Councillor Mrs Ward**  
**Cabinet Member for Civic Amenities**

**1 Purpose**

- 1.1 To gain agreement to create a dedicated fund of £50,000 for the Our Vale crowdfunding platform, drawing this as a ring-fenced sum from existing New Homes Bonus (NHB) funds.
- 1.2 To agree delegated officer authority with cabinet oversight to allocate the fund similar to the arrangement for S106 funding.

**2 Recommendations**

- 2.1 Agree to ring-fence £50,000 of existing New Homes Bonus (NHB) funding for use through the Our Vale crowdfunding platform to facilitate access to NHB funding and enable, encourage and support community fulfilment projects.
- 2.2 To assign delegated power for the Assistant Director for Community Fulfilment to administer fund distribution, in accordance with funding criteria, in consultation with the Cabinet Member for Civic Amenities and the Cabinet Member for Finance and Resources.

**3 Executive summary**

- 3.1 Our Vale is the crowdfunding platform launched by AVDC in July 2018 to enable project creators to fundraise for funds of a capital expense nature.
- 3.2 Spacehive Ltd host Our Vale and provide a single portal where people with project ideas can build support from their community, ensure their plans are viable, pitch for funding from residents and partners at the same time, and share the impact created.
- 3.3 The proposed AVDC fund would be the first local fund on Our Vale, complemented by a number of national funding pots available for projects within Aylesbury Vale. Relying on national funding pots alone, with no local fund, sees a 52% project success rate. Whereas, with a local fund in place that success rate rises to 80%.
- 3.4 The proposed AVDC fund, ring-fenced from the New Homes Bonus, would be subject to its own set of criteria detailed in Appendix 1. Prospective project creators can view each funding source's criteria to assess their eligibility for funding specific to their project prior to application.
- 3.5 The creation of this fund will open up another mechanism through which the local community can gain, and benefit from, NHB funding.
- 3.6 This funding could be considered as leverage to attract funding from other sources as well as enable projects to be delivered and owned by the community where the council doesn't have the capacity to do so.
- 3.7 It is proposed that project creators would be able to apply for up to 50% of their project total, up to a maximum of £5,000.
- 3.8 Delegated powers for funding approval will allow the fund to be responsive to crowdfunding projects' fundraising timescales, which are often incompatible with the standard NHB grant approval schedule. The funding would not be drawn down unless the project achieves its target fundraising amount.
- 3.9 The allocation of £50,000 would be a non-recurrent allocation.

## 4 How Our Vale works

- 4.1 Our Vale is operated on behalf of AVDC by Spacehive. Spacehive provide a single portal where people with project ideas can build support from their community, ensure their plans are viable, pitch for funding from the crowd and partners at the same time, and share the impact they've created. For the councils, companies and grant makers that partner with Spacehive it's a powerful way to attract, support and showcase important projects.
- 4.2 All projects are reviewed and vetted by Spacehive's partner, Locality, to carry out due diligence and ensure that projects are viable and that those receiving funding are eligible. Launched in 2015, Locality are a national network of over 500 community-led organisations, working to help neighbourhoods thrive.
- 4.3 When a project is identified and applies to the platform, a 'Project Delivery Manager' is identified and the project is assessed for suitability by Spacehive's partners, Locality. They check that any necessary permissions are in place and the project has the ability to be delivered if funds are achieved. This helps manage expectations and ensure projects have the best chance of succeeding before given approval to launch.
- 4.4 The verification process takes on average two-five days. Verifying projects helps to protect potential funders, makes it more likely projects will succeed, and maintains confidence in the system.
- 4.5 When a project has been verified and added to the Spacehive platform the Project Delivery Manager enters into a legal contract, meaning that if they hit their fundraising target they are required by law to deliver the project. If a project is not delivered after money has been paid then this money will be refunded on a pro-rata basis to funders. The project belongs to the individual or group and they take legal responsibility in delivering it. AVDC will not be held responsible by association or otherwise if the project is not delivered.
- 4.6 Crowdfunding for a project normally lasts up to 70 days and can sometimes lever up to lever 3.5 times an initial investment.
- 4.7 Spacehive earn an industry standard 5% on successful projects. For example a project requiring £10,000 would have to set and meet a target of £10,500 before pledges were called in. Some crowdfunding platforms take much higher sums from projects.
- 4.8 Spacehive operate an all-or-nothing model where funds are only released to the project creator once the total target funding amount is reached.

## 5 Supporting information

- 5.1 **Project success:** The success rate of campaigns in areas without local fund is significantly lower than areas with a local fund (52% verses 80%).
- 5.2 **Why £50,000?** Recommended by Spacehive, this amount is large enough to attract projects and demonstrate a tangible commitment from AVDC and through crowdfunding it can leverage considerably more funds.
- 5.3 **Relevant locally and more accessible:** A local fund provides greater accessibility, flexibility and visibility. While there are other national funders available on the Spacehive platform, these are more distant, are highly competitive and are not as enticing for project creators as a dedicated fund for the Our Vale community from a trusted local organisation like AVDC.

- 5.4 **Additional avenue for NHB:** This fund will help Our Vale attract project creators and enable local groups to more easily secure match funding, thereby facilitating project success and providing an additional avenue through which the local community can benefit from NHB funding.
- 5.5 **A bridge towards embracing a new way of fundraising:** Crowdfunding as a concept is new for many communities, and a local fund provides a bridge for project creators to embrace this new mechanism for raising funds because that fund resembles a more traditional method of grant giving.
- 5.6 **Fast-tracking project success through council pledges:** A pledge from the local authority provides a level of credibility towards the project that encourages other backers to get involved and can play a pivotal role in unlocking larger funds for that project.
- 5.7 **Responsiveness to timescales:** Delegated powers for awards approval will allow the fund to be responsive to crowdfunding timescales. Without this flexibility, projects may fail to achieve their crowdfunding total, even if eligible for grant funding, if funds are not released in time in accordance with Spacehive's all-or-nothing model.
- 5.8 **Higher quality projects:** Projects which believe they may receive a pledge from the council are more likely to be ambitious with their project design, even if they do not then go on to receive a pledge, and are more likely to create a project in line with the council's objectives.
- 5.9 **Greater buy-in from other funders:** The most successful partners on Spacehive have other local grant giving bodies contributing to their movement. Building a supportive ecosystem like this is difficult with no local fund to evidence the council "putting its money where its mouth is".
- 5.10 **Commercial opportunities:** Without this fund, AVDC will not gain the full experience of digital civic crowdfunding needed to create a commercial product for local authorities, complementing the current Vale Lottery offering.
- 5.11 **Marketing and PR value:** Without this fund AVDC will be in a weaker position to reap positive PR when celebrating successful projects. Plus, council pledges provide ideal media moments for project creators to spread news about their project. Additionally, without a fund to market the initiative, both the number of projects and their level of ambition will be lower.

5.12 **Case Study: City of Wolverhampton**

Wolverhampton does not have a fund and despite efforts to secure one this did not happen in the first year. This resulted in only two successful projects in the first year. A national Spacehive funder did pledge to one of them but ultimately not enough projects came forward without the local carrot.

With the fund not materialising, Wolverhampton have put a lot of resource into trying to create an ecosystem of external funders from local businesses who can pledge to projects. However, without the council also putting a fund forward, this has been seen as the council trying to plug deficit rather than leading something new and exciting. Also because there have been fewer projects coming forward there is not the same engagement and momentum around the programme which has resulted in lower than expected business commitment when compared to other partner areas.

In comparison to this, Hammersmith and Fulham, who initially were in a similar position to Wolverhampton, changed their model and increased their impact dramatically. In the first year of their relationship with Spacehive they had no fund plugged into the programme, therefore they had very little

interest from projects. In September of 2017 they added a portion of two existing council funds to their programme – a CIL fund and a Small Grants fund of £50k. By moving to this model they have had a substantial increase in project ideas being generated and have already had 11 campaigns hit their targets.

## **6 Governance**

- 6.1 In accordance with the criteria listed in Appendix 1, the fund would only support projects where there is a demonstrable need for significant capital investment to help with the provision of amenities that have tangible benefits for the community. This is in accordance with Spacehive's own project criteria and would be clearly displayed on the Our Vale platform prior to application.
- 6.2 Spacehive will assess each project's eligibility for funding and contact the Assistant Director for Communities for funding approval when eligible projects arise. The Assistant Director will raise recommendations with the Cabinet Member for Civic Amenities and the Cabinet Member for Finance and Resources for final approval.
- 6.3 Delegated officer powers will enable determination of awards timely to the project duration and relative to the amount in the AVDC Our Vale fund.
- 6.4 It is proposed that awards to crowdfunding projects would be up to a maximum of 50% of the project total and capped at £5,000.
- 6.5 Funding will not be released until all project funds are reached, in line with Spacehive's all-or-nothing funding model.
- 6.6 All applications will be considered on their own merit within the funds available.

## **7 Options considered**

- 7.1 Create an Our Vale fund from NHB and delegate approval to the Assistant Director for Communities.

This will facilitate the success of Our Vale, leveraging existing AVDC resources and give local projects the best chance of obtaining additional necessary funds and support.

- 7.2 Do nothing.

This risks limiting the overall impact of the initiative as certain projects which are eligible for current AVDC funding, NHB and S106, will be unable to match the timescales required for application with their Our Vale crowdfunding deadlines.

Additionally, not having a local fund based in the Vale leaves projects dependent on highly-competitive and harder to obtain national funds.

## **8 Risk management**

- 8.1 Managing expectations and demand for limited funding. The fund displayed on the Our Vale platform will clearly show the specification criteria to manage expectations. Spacehive's Locality team also assess prospective projects' available funding and eligibility to manage expectations and assess project viability before projects go live for crowdfunding on the platform.

**9. Resource implications**

9.1 £50,000 as a ring-fenced sum from current NHB funds.

9.2 Staff costs will be met within existing resources.

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Background Documents: N/a

# Appendix 1

## Our Vale AVDC community fund 2018/19

### Criteria



#### What is the fund?

Crowdfunding is a fantastic way to turn unique project ideas into reality and the launch of the AVDC community fund will help local projects to transform shared spaces, inspire visitors and enhance Aylesbury Vale.

Our Vale is helping coordinate support from the crowd to connect and empower local communities and help shape the Vale for the better. The fund provides accessible, flexible and visible local funding to facilitate project success. Ultimately, this will help the local community turn their fantastic ideas to improve spaces and places around the Vale into reality.

#### Criteria

The fund is designed to be as inclusive as possible and help those projects operating within Aylesbury Vale who have found it difficult to benefit from traditional grant funding.

In order to apply, you **MUST** fulfil the following basic eligibility criteria:

- Operate within Aylesbury Vale.
- Be “not for profit” with clearly stated aims and objectives.
- The project must have a civic value and be open and accessible to the community.
- Comply to Spacehive’s Terms and Conditions - <https://www.spacehive.com/terms>

#### The scheme will not fund:

- Retrospective projects (i.e. projects that will start before a funding decision has been reached or projects already completed).
- Expenditure already incurred/committed.
- Fundraising activities and events or organisations fundraising for outward distribution to other service providers.
- Political or religious activities or capital improvements to religious buildings.
- Projects outside of Aylesbury Vale.
- Projects involving membership-only organisations where the general public (i.e. non members) are unable to use the facilities.

**This list is not exhaustive and applications may be considered eligible, ineligible or declined for other reasons.**

Appendix 2:  
Example project fundraising timeline

