

<b>SUBJECT</b>	Crowd Funding
<b>REPORT OF</b>	Cllr Liz Walsh – Portfolio Holder for Healthy Communities
<b>RESPONSIBLE OFFICER</b>	Martin Holt – Head of Healthy Communities
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<b>WARD/S AFFECTED</b>	All

### 1. Purpose of Report

To introduce crowd funding as an additional mechanism to increase funding to local community groups

#### RECOMMENDATION TO CABINET:

- To establish a project to deliver a crowd funding initiative in Chiltern in partnership with Heart of Bucks and Chiltern District Council to enable improved opportunities for the community, to be funded from resources within the existing community project budget.**

### 2. Reasons for Recommendations

2.1 Local voluntary groups play an ever increasing role in providing valuable services across Chiltern communities, often to vulnerable and isolated residents. Widening the availability of funding streams to support groups by;

- providing the CDC and Heart of Bucks grant giving processes,
- promoting the Chiltern and South Bucks Lottery,
- directing groups to Trust funding and
- exploring the potential to roll out crowd funding

will in an era of reduced public funding, provide additional opportunities for the local voluntary sector to remain viable.

### 3. Content of Report

3.1 Crowdfunding is the practice of funding a project by raising small amounts of money from a large number of people, typically via the internet. In recent years many local Councils have adopted this approach to help attract funding to support community projects. The approach involves community and voluntary groups identifying an idea and then promoting the funding opportunity to supporters. Projects to deliver children's activities, learning, environmental improvements, return to employment and homeless prevention are just a few of the examples.

- 3.2 Officers from CDC and Heart of Bucks recently met with Crowdfunder the UK's largest rewards based funding platform to discuss future funding opportunities. Nationally Crowdfunder has helped over 88,000 projects with funding of over £50M.
- 3.3 Crowdfunder works with a range of local councils to promote opportunities for the local voluntary sector. One method of delivery is to develop an on line platform that voluntary organisations use to promote their ideas and business plans and market to the community.
- 3.4 If widely supported the Council may decide to contribute resources to the initiative, if all the funding required is raised, the project goes live. If there is a resource gap, the project is withdrawn from the platform and no funds are spent. The community fully participates in the success or otherwise of the initiative. Supporters can pledge resources in time, space or financial contributions. Monies pledged by the crowd are held in a secure Escrow wallet; a secure third party financial organisation who 'holds and regulates payment of the funds required for two parties involved in a given transaction', monies are only release from the wallet once the target is met, if the target is not met the monies are returned to the pledgers.
- 3.5 The initiative is very attractive to those who are linked in to local social media accounts and whilst small amounts of resource may be pledged by supporters, the reach is such that a project may be widely accepted and supported enabling the resource target to be achieved.
- 3.6 The average time for the idea to be launched on the platform to resources promised is 28 days, considerably faster than the traditional grant making periods
- 3.7 Plymouth provided an initial £60,000 to a crowd funding pot to be used to provide support to community supported projects. That pot has seen a 650% return with over £450,000, allocated to 100 projects and has attract 4,550 project supporters. <https://www.crowdfunder.co.uk/crowdfund-plymouth>
- 3.8 Crowdfunder charge a 5% fee from the project owner on a successful fundraising project, which can be factored into the project target. For example if project will cost £100 to deliver the target can be increased to £105 to cover this additional cost.

### **Proposal**

- 3.9 To establish a crowd funding platform in 2019/20 across Chiltern and South Bucks in partnership with the Heart of Bucks initially utilising the joint lottery community fund as the seed corn funding which is predicted to be £10,000, to be matched by Heart of Bucks enabling a £20,000 pot. Additional funds could be contributed from areas that may benefit from crowdfunding initiatives such as the prevention of homelessness or economic development, enabling back to employment initiatives.

- 3.10 There is also costs of approximately £10,000 associated with setting up the operating platform plus additional costs to effectively promote the scheme. These set up fees would be shared with South Bucks utilising the shared service formula. The CDC share of the £10,000 set up cost will be funded from the existing projects budget.
- 3.11 As well as providing the operating platform for local community groups Crowdfunder also provides a range of additional support including a project dashboard on the website for each project, access to marketing advice and sharing of best practice.
- 3.12 Officers have met with Heart of Bucks to discuss how both parties can continue to work together if Crowdfunder is introduced, and there is strong in principle support to take this approach forward given the positive impact of leveraging in additional funding for local community organisations.
- 3.13 It is anticipated to launch this programme in April 2019 should approval be granted, Crowdfunder would meet with a project group including the Portfolio Holder to discuss programme in more detail.

### **3. Consultation**

The Council has discussed the proposed approach with officers from its key funding partner, Heart of Bucks who were very supportive.

### **4. Options (if any)**

- 1) to work with Heart of Bucks to deliver a joint crowd funding offer to the community

### **7. Corporate Implications**

- 7.1 Financial – the proposal would use funding currently within the budget programme to establish the crowd funding scheme.
- 7.2 Legal – the Local Government Act 2000 enables local authorities to support initiative in improving the Wellbeing of their area. Investment in the local Voluntary and Community organisations assists in the delivery of projects that improve community wellbeing.

### **8. Links to Council Policy Objectives**

Safe, Healthy and Active communities-Council has a duty to consider the health and wellbeing of its community, enabling improved access and provision of playing pitches would directly support this as well as strengthen partnership working with Town and Parish Councils and the voluntary sector.

**9. Next Steps**

Establishment of a joint project with Heart of Bucks and South Bucks to progress the project

<b>Background Papers:</b>	None
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