

Report to: **Executive**

Date: **18 July 2019**

Title: **Crowdfunding**

Portfolio Area: **Communities – Cllr David May**

Wards Affected: **All Wards**

Urgent Decision: **N** Approval and clearance obtained:

Date next steps can be taken:  
(e.g. referral on of recommendation or implementation of substantive decision) **After call in period 29 July 2019**

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## **RECOMMENDATION**

### **That the Executive:**

#### **1. Approve the proposed creation of a South Hams Crowfund as detailed in paragraph 5.**

#### **1. Executive summary**

1.1 This report provides an overview of how crowdfunding works and how the Council might use an underspend from the Town and Parish (TAP) Fund to create a South Hams crowfund.

#### **2. Background**

2.1 Crowdfunding is the practice of funding a project by raising money from a large number of people (i.e. a crowd), who each contribute a relatively small amount, typically via the internet.

2.2 In spring 2018 Devon County Council partnered with Devon and Cornwall Police to procure a crowdfunding web presence to support local projects seeking grant funding. As a result <https://welcome.crowdfunder.co.uk/crowdfund-devon/> was created.

2.3 Crowfund Devon was initially created as a 12 month pilot but due to its success it has been extended for another 12 months until April 2020.

2.4 For every £1 pledged by Devon County Council to projects on Crowfund Devon a further £8.25 was pledged by the public.

2.5 Crowdfunding is increasingly being used by local authorities as a means to allocate funding in an effective and transparent manner. East Devon Council, Exeter City Council, Teignbridge District

Council, Torridge District Council and West Devon Borough Council have all made funds available on Crowdfund Devon.

- 2.6 In recent years South Hams District Council has administered Town and Parish (TAP) and Community Together Funds for Devon County Council. However, earlier this year Devon County Council announced that it would no longer be making funds available for TAP or Communities Together type schemes. The County Council has instead agreed to distribute funds online via Crowdfund Devon or through their own in-house project schemes. The following link provides a useful summary of Devon County Council's current community grant offering:  
[www.devon.gov.uk/communities/how-do-i/getting-support-and-funding/sources-of-grant-funding](http://www.devon.gov.uk/communities/how-do-i/getting-support-and-funding/sources-of-grant-funding)
- 2.7 Final appraisal of the Town and Parish and Communities Together Funds has revealed that there is a TAP underspend in South Hams of approximately £27,000. Devon County Council has indicated that it would be happy for South Hams District Council to retain these funds to support local communities. Ideally, Devon County Council would like these funds made available on the Devon Crowdfund website.
- 2.8 Experience from other local authorities shows that it is really important to keep crowd funding criteria as simple as possible. It is also important to make authorisation as quick as possible. Projects on Crowdfund Devon have limited time to raise funds – typically 4 weeks at most.

### **3 Outcomes/outputs**

- 3.1 The purpose of Crowdfund Devon is to create social and economic impact as follows:
- Empower citizens to change things
  - Leverage budgets
  - Creates places people love
  - Build cohesion
  - Build civic pride
  - Help the local economy

### **4 Options available and consideration of risk**

- 4.1 Do nothing further  
Hand the £27,000 Town and Parish funding back to Devon County Council.
- 4.2 Consider further options  
Devon County Council's preference is for the TAP underspend to be used on Crowdfund Devon. However, if Executive does not wish to allocate funding on Crowdfund Devon it could consider an alternative use of TAP funds and seek Devon County Council's

support. At the time of writing no alternative use of the funds has been identified.

4.3 Take action option

Utilise TAP funding to create a funding resource on Crowdfund Devon for South Hams based projects.

**5. Proposed Way Forward**

5.1 It is proposed option 4.3 above is pursued. In order to make the awarding of South Hams District Council funds on Crowdfund Devon as simple as possible it is proposed the Council use the following funding criteria:

- a. Project funding is open to all South Hams based community led projects and must benefit people located in the South Hams District i.e. at least 75% of the people benefitting from the project should live in South Hams.
- b. The project looks to help support the reduction of demand on Council services; or commits to an aspect of building local capacity; or demonstrates added benefit for the South Hams area, for example using local businesses or developing the skills of local people.
- c. Projects must raise 25% of their target from the "crowd" before they will be considered eligible for Council funding.
- d. The Council could pledge up to 50% of a project's funding target (up to maximum value of £5,000).
- e. The Council's minimum pledge for eligible projects is £100.
- f. The money pledged by the Council will only be released if the full fundraising target has been reached.

5.2 It is proposed that in the first instance the Commissioning Manager would oversee the awarding of funds and the approval process. Before pledging funds on behalf of the Council the Commissioning Manager will consult with relevant ward Members. Members will be required to respond within 5 working days. If a response is not received from a relevant Member within 5 working days and the project clearly meets the funding criteria, a pledge would be made.

## 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council has the powers to provide this service under the General Powers of Competence in the Localism Act 2011.  The Executive has a responsibility to provide Leadership to the overall activities of the Council.
Financial implications to include reference to value for money	N	There are no financial implications as a result of this report that have not already been budgeted for.
Risk	Y	The approach is considered low risk as it using a method to distribute funds that has already been successfully piloted by other local authorities.
Supporting Corporate Strategy	Y	<i>Community Theme - Council and residents working together to create strong and empowered communities.</i>
Comprehensive Impact Assessment Implications		
Equality and Diversity		None – no policy or service change is proposed in this report.
Safeguarding		None – no policy or service change is proposed in this report.
Community Safety, Crime and Disorder		None – no policy or service change is proposed in this report.
Health, Safety and Wellbeing		None – no policy or service change is proposed in this report.
Other implications		-