

# STROUD DISTRICT COUNCIL

## STRATEGY AND RESOURCES COMMITTEE

7 MARCH 2024

<b>Report Title</b>	<b>Community Funding (Crowdfunding)</b>			
<b>Purpose of Report</b>	The update the Committee on the proposal and the next steps required for implementation.			
<b>Decision(s)</b>	<b>The Committee RESOLVES to agree the operating model as shown in Appendix A.</b>			
<b>Consultation and Feedback</b>	All member workshop. Head of Communities, Head of Environmental Health, SLT including S151 officer			
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<b>Options</b>	1. Approve the operating model 2. Request amendment			
<b>Background Papers</b>	N/A			
<b>Appendices</b>	Appendix A - Community Funding Operating Model Feb 2024			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	No	Yes	No	No

### 1. INTRODUCTION / BACKGROUND

1.1 This document sets out a proposal for implementing a community funding proposition which will support a community group/resident (Project Creator) in publicising a project that brings benefit to the wider community. Members of the community, community groups and corporations then fund the project or venture by submitting pledges via an on-line platform which administers and disperses the funds. The council may also choose to co-fund projects that align with its strategy.

1.2 A community funding proposition aligns with wider council aspirations including:

- Brings community aspirations to life
- Aligns with the council's objective of empowering communities to action
- Builds civic pride and this encourages further initiatives
- Creates an environment where innovation and collaboration are encouraged
- Displays community and council commitment to achieving positive outcomes
- Reduces reliance on Government funding
- Helps the council determine where to allocate funding, amplifying its impact

- Strengthens the council's position when seeking additional funding from other sources or when making a case for community initiatives to stakeholders.

1.3 Other councils are successfully operating funding campaigns including Cotswold District Council which has been partnering with our chosen vendor and has offered a positive reference.

1.4 Objective ER 4.2 in the Council Plan sets out that we will "Increase the financial resilience of the district by exploring additional options for community funding." This proposal will help us to complete that objective.

## **2. Main Points**

2.1 The procurement was conducted using the G-Cloud 13 framework with two vendors offering the service the council requires. The council selected the vendor (Spacehive) which specified a pricing structure that offered more pricing clarity and certainty as it is based on population size and the District falls well within the banding for the pricing that will apply.

2.2 The council proposes a tried and tested operating model, developed by Spacehive, for running its community funding initiative. Spacehive will collaborate with the council and will work with the Project Creators to ensure a high funding success rate (average achievement of target funds is circa 85%) and a high probability of successful delivery of Project outcomes that benefit our communities.

2.3 The operating model is set out in the Appendix and has been developed and refined after the S&R Committee meeting in November 2023 and an all member workshop on 28<sup>th</sup> February 2024.

2.4 Member representatives will be agreed and will be responsible for supporting the decision making process on Council funding contributions and for encouraging Member colleagues to assist Project Creators in publicising their campaigns and celebrating success.

## **3. Next Steps**

3.1 Complete a contract with Spacehive for use of its Microsite (to curate the funding opportunities) and for provision of its professional services to help ensure the potential Project Creators are equipped to deliver successful funding campaigns and successful Projects.

3.2 Deliver the Launch Strategy, as detailed in the Appendix, to develop materials and plans that publicise this initiative, develop the council pages on the Spacehive Microsite to meet our requirements (e.g. branding) and to develop materials that enable a positive engagement with the potential Project Creators.

3.3 Open the first Funding Window and invite residents to meet with the council and the Spacehive team to discuss their ideas and initiate their preparatory work prior to starting their funding campaigns.

- 3.4 Consider potential for joint working with other councils including Cotswold District.

## **4. Funding and other commercials**

- 4.1 The contract with Spacehive has a 3 year term, with the possibility of an extension for an additional year after that.

The annual fee is £35k per annum with a year 1 discount of 20% if signed before end of March 2024. There is a 5% success fee for each Project that is commissioned and a 1-2% payment provider fee. The success and payment fees are added to the funding target for each Project and are only payable if a community funding project is commissioned.

Based on Cotswold District Council's experience, where the fees average circa £1.2k per project, this is proportionate to the effort/cost incurred by the vendors.

- 4.2 There will be an option to terminate for convenience. The council can cancel the contract in months 1-9 of each year if the proposition is not working as well as expected. As the fees are payable annually in advance, the fees for that year will not be recoverable.

## **5. Conclusion**

- 5.1 This proposition aligns with our fit for the future mission as it will empower our communities to identify and sponsor opportunities themselves, collaborating with others to develop and implement projects that deliver positive outcomes in our District.
- 5.2 The Spacehive operating model is tried and tested, and it will help the Project Creators achieve their funding targets and the desired outcomes.
- 5.3 The contract terms are helpful as they provide an option to terminate if the proposition is not achieving its objectives.
- 5.4 The potential benefits of this proposition extend beyond the outcomes delivered by the individual projects as it will engender a positive culture change, develop Project, and Change Management skills in residents that will lead to an even more resilient community.

## **6. Implications**

### **6.1 Financial Implications**

There are no financial implications of this decision. The annual revenue cost of the contract and the Council match funding pot have already been agreed by members.

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### **6.2 Legal Implications**

The Council has powers under Section 1 of the Localism Act 2011 to do anything that an individual may do unless prevented from doing so by other legislation – known as the General Power of Competency. It is this power that permits the Council operating the community funding platform. The use of the G-Cloud framework is compliant with the Council's Contract and Procurement Procedure Rules and the Public Contract Regulations

2015. Assistance should be sought from One Legal to finalise the contract terms with Spacehive.

Where the Council is proposing to give funding to a project itself, it must first consider the requirements of the Subsidy Control Act 2022 to determine whether a subsidy is being given, and if so, how it can be given lawfully. One Legal can assist with the subsidy assessment and produce appropriate agreements with those that secure funding to govern the use and objectives of the funding.

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### **6.3 Equality Implications**

There are no equality implications.

### **6.4 Environmental Implications**

There are no environmental implications.