

Community Funding

Launch Strategy and Operating Model

February 2024

Introduction

The community funding proposition will be enabled by five key parties working in collaboration:

- Residents/Community groups (hereafter know as 'Project Creators')
- The Council
- Third Party Provider (hereafter known as 'Spacehive')
- Member representatives
- Backers.

The Project Creators are the people who wish to raise funds via a community funding campaign and are responsible for delivering their specified Project outcomes.

The Council is responsible for funding Spacehive's contributions, backing Projects that align with its objectives and supporting the Project Creators on a 'light touch' basis.

Spacehive is accountable for providing a Branded Microsite to curate the opportunities and expert advice and assistance to the Project Creators to increase the probability of positive outcomes.

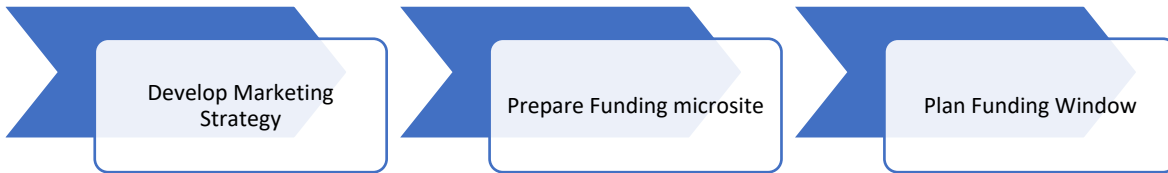
Member representatives are responsible for supporting the decision making process on Council funding contributions and for encouraging Member colleagues to assist Project Creators in publicising their campaigns and celebrating success.

The Backers are typically residents and organisations that have funding available to support Projects that align with their aspirations. The Council is a Backer.

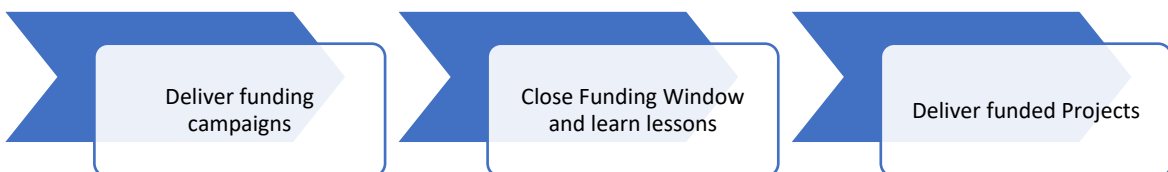
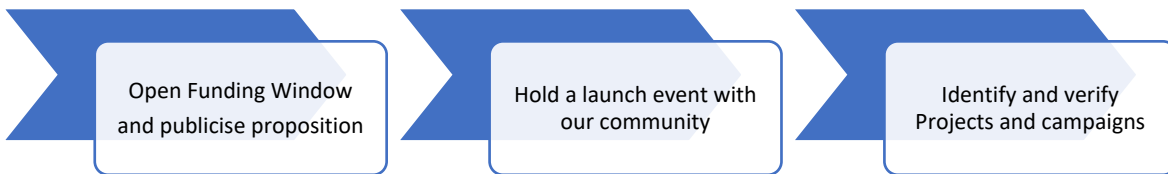
Summary

This paper details the approach that will be taken to launch and thereafter operate the Community Funding proposition including estimates of effort for key Council and Member stakeholders. It also provides answers to questions that have been asked by members of the Strategy and Resources committee.

The Launch activities are delivered over a 3-4 week period and are summarised below:



Two Funding Windows are opened each year, for 20 weeks, and key elements of the Operating Model for these windows is summarised below along with the delivery of the funded Projects:



Definitions

Activation Strategy: Spacehive will design a strategy to reach out to the residents for their community funding ideas.

Backer Engagement Strategy: This will define how the Project Creators will engage with the Council and third party funding organisations to deliver their pitches.

Branded Microsite: A Council-branded site, hosted and supported by Spacehive and accessible via the main Council website or directly via the internet. Project Creators design their own Project Page which displays details relating to their campaign. The Microsite is also used to curate the community funding projects, connect with Backer organisations that have similar aspirations and report on each campaign and Project success.

Council Backer Team: Determines which Projects will receive funding. Comprised of Member Representatives, SDC Lead and SDC Sponsor.

Council Funding Pot: The Council will set aside £100k p.a. over three years. Depending on the prevailing economic climate and the success of the initiative, this figure may be altered. Project Creators will pitch for this funding and the Council's backer team will decide which Projects to fund and how much funding to be provided based on the quality of the Council Funding Request that is submitted.

Council Funding Request: A recommended template is included in Appendix 1.

Funding Window: It is recommended that there will typically be two windows per annum, one starting in the first half of a Financial Year and the other in the second half. The duration of a window is typically 5 months. Project Creators will be invited to attend and submit their ideas for community funding projects and these will be reviewed by Spacehive using its Project Verification Process to ensure they have a high probability of success.

Launch Strategy: Defines and completes the preparatory work needed to operate the Community Funding proposition. The duration is typically 3-4 weeks. Most of the work will be a one-off, although there may be a need for changes as more experience is gained.

Marketing Campaign: The objectives, approach, target audience, timeline and spend for how the team will promote its Community Funding initiative.

Marketing Strategy: Overall gameplan for reaching prospective Project Creators.

Maximum Pledge Value: The maximum amount of money to be pledged by a Backer to a Project is recommended (by Spacehive) at £10k on a £100k p.a. pot, although it is for the Council to decide.

Member Representative: One representative from each group is recommended with a deputy to also be nominated.

Pitch: Document and process by which Project Creators ask for funding from potential Backers.

Pledge: The financial contribution of a Backer to a Project.

Project: Defined by the Project Creator, this describes why the Project is important, what it intends to achieve, how it will be achieved and including how the funding will be spent.

Project Funding Campaign: The campaigns created and managed by the Project Creators typically run for 4-16 weeks, within the Funding Window, with the elapsed period often depending on the size of the funding target that is set by the Project Creator.

Project Funding Target: The target set by the Project Creator required to deliver his/her Project.

Project Impact Report: This documents the benefits to the community that have been achieved as a result of the Project completing and compares these with what was expected at outset.

Project Verification Process: A set of criteria that must be met by the Project Creators to be included in a Funding Window. See Appendix 2.

Project Owner Agreement: This is a contractual document that sets out the terms under which the Project Creators will need to operate in order to raise funds on the Spacehive platform.

SDC Backer Team: Determines which Projects will receive funding. Comprised of Member Representatives, SDC Lead and Sponsor.

SDC Lead: The person who leads all SDC activity working closely with Spacehive and all other stakeholders. It is likely that this person will be sourced from the Communities Directorate.

Supporting Materials: Describe how to develop a Community Funding project and a Pitch that will help ensure it achieves the funding target.

Launch Strategy

The Launch Strategy includes the following steps:

Week	Step	Responsible	Consulted
1	Bi-weekly review calls established	Spacehive	SDL Lead
1	Develop Marketing Strategy for launch to: <ul style="list-style-type: none"> • Residents • Backer organisations • Council team and Members 	Spacehive	SDC Backer Team SDC Comms Team
1	Develop Supporting Materials for potential Project Creators	Spacehive	SDC Backer Team
2	Design and implement the Branded Microsite	SDC Lead and Spacehive	SDC Backer Team
2	Determine/Finalise Maximum Pledge Value	Council Backer Team	SLT
2	Advise Council on how to intelligently Pledge	Spacehive	SDC Backer Team
2	Finalise named roles and responsibilities	SDC Lead and Spacehive	Member GLs SLT
3	Design Backer Engagement Strategy	Spacehive	SDC Backer Team SDC Comms Team
3/4	Develop plan for 1 st Funding Window including Activation Strategy	Spacehive	SDC Backer Team

Operating model

Each Funding Window will be operated as follows:

Week	Step	Responsible	Consulted
1	Fortnightly review calls established	Spacehive	SDC Comms Team SDC Lead
1	Deliver Activation Strategy	Spacehive	SDC Team SDC Team Backer Comms
5	Hold a public campaign launch event to engage potential Project Creators	Spacehive	SDC Team SDC Team Backer Comms
5-16	Support Project Creators in developing their Projects to pass the Project Verification	Spacehive	SDC Lead SDC Comms Team
5-16	Conduct Project Verification of each Project (Pass/Not Passed)	Spacehive	SDC Lead
5-16	Sign Project Owner Agreement	Project Creators	-
5-16	Project Funding Campaigns launched	Project Creators	-
5-17	Microsite matches 'passed' Projects to potential Backers including the Council	Spacehive	
5-18	Complete a Pitch form on Microsite	Project Creators	Spacehive
6-19	Backers decide which pitches to fund	Backers	SDC Backer Teams
6-19	Add pledges to approved Project pitches on microsite	Spacehive	
20	Close Funding Window including lessons learnt	Spacehive	SDC Team SDC Comms Team Project Creators
20+	Deliver the Project	Project Creator	-
20+	Create Project Impact Report on microsite to demonstrate impact on the community	Project Creators	Spacehive

Effort Requirements

The effort required for the Launch Strategy and for each Funding Window is estimated below.

Launch Strategy

Assuming a 4 week Launch, the effort for the Member representatives and the Council officers is estimated to be as follows:

Role	Effort (days per person)
SDC Backer Team including Members	1-2
SDC Comms Team	1-2
SDC Lead *	0.5-1
SDC Sponsor *	0.5

(*) Assumes part of Backer Team and reflects additional effort.

Operating Model/Funding Window

Assuming a 20 week Window, the effort for the Member representative and the Council officers is estimated to be as follows:

Role	Effort (days per person)
SDC Backer Team including Members	2-3
SDC Comms Team	5-10
SDC Lead *	8-10
SDC Sponsor *	0.5-1

(*) Assumes part of Backer Team and reflects additional effort.

Questions and Answers

Q1. How many other Local Authorities have entered into contracts with Spacehive for this service?

A1. More than 40 Local Authorities to date, with circa 26 currently operational and distributing funding to communities.

Q2. What value does the annual £35,000 fee for Spacehive give the Council over other platforms/services such as GoFundMe?

A2. Firstly, Spacehive has offered a 20% discount on Year 1 fees subject to contracting by 31st March 2024.

With Spacehive we should expect to achieve up to an 85% success rate on achieving the Project Funding Targets compared with other platforms and services that average 22%. This is achieved through the collaboration activities that are documented in the Launch Strategy and the Operating Model. These are led by Spacehive including the Project Verification Process which ensures the Projects are well-designed, properly planned and costed and deliver the expected outcomes to our communities.

Sample benchmarking data (other Community Funding platforms/services):

- Indiegogo (c.9%)
- Kickstarter (c.41%)
- GoFundMe (c.50%).

Sample benchmarking data (Other Local Authorities using Spacehive):

- Cotswold District (86%)
- Kirklees Metropolitan Council (88%)
- Malvern Hills District Council (100%).

Q3. Are any other fees payable?

A3. Yes. In the event of a Project achieving its funding target, there is a 5% success fee that is payable to Spacehive. There is also a payment provider charge of 1-2%. The Project Funding Targets will be inflated by these amounts to accommodate these charges. Should the Funding Target not be met the success fee will not be applied and Spacehive will cover the payment provider fees.

Q4. From where is the Council backing pot funded?

A4. The proposed £100,000 per annum allocation is funded £80,000 from the Business Rates Pilot Reserve and £20,000 from the central funds from the Lucky Severn Lottery.

Q5. How is Backing maximised?

A5. The SDC Backer Team will review all Projects against a list of criteria (Council Funding Request) and decide which ones to back.

The Spacehive microsite will automatically align Projects with potential funding from Backer organisations with funds advertised on its site and is always actively searching for new Backers.

Q6. How does this work with Community Grants?

A6. Community Grants will continue to operate as currently, although the Council may decide to review the alignment with this proposition in the future.

Q7. What Funding Targets are typically set by the Projects Creators?

A7. We should expect targets of £1,000 - £30,000, but this could be exceeded and it is for the Council to decide whether it wishes to impose a maximum target.

Q8. What happens if a funding target is not met?

A8. Extensions can be offered if Project Creators are close to target and have a viable plan for meeting the target. Otherwise, the pledges will be returned to the Backers.

Q9. What are the success criteria for this initiative?

A9. There are five main success criteria for this initiative:

- i. Projects deliver genuine and sustainable benefits for the local community
- ii. Project Creators and supporters develop new skills that can be leveraged in the community for future initiatives
- iii. Overall funding success rate of up to 85% per Funding Window
- iv. SDC customer survey results include positive comments on this initiative
- v. Builds a greater sense of empowerment in our communities.

Q10. How can we be sure the success criteria are met?

A10. The Operating Model is designed to provide the support necessary to ensure the success criteria are met. In particular, Spacehive will leverage its experience and help our Project Creators develop initiatives that Residents and Backers want to support and can be delivered.

The Project Creators will be required to sign up to a Project Owner Agreement that sets out their responsibilities and commitments, and this includes providing written evidence on the outcomes they achieved.

Q11. Are we committed to the spend for three years?

A11. No. The contract with Spacehive will have a termination clause that will allow us to exit at any point in a contract year within months 1-9 with one month's notice. The Council Funding Pot is discretionary.

Q12. Why did we choose Spacehive?

Q12. There were two potential vendors on the G-Cloud framework. The Spacehive pricing materials were easy to understand whereas the other vendors were not and it did not respond with the clarifications that were requested.

Spacehive has a longstanding engagement with Cotswold District Council and was well-referenced.

Q13. Does the technology provided by Spacehive meet our required standards?

A13. Yes – verified by the SDC ICT team.

Q14. What happens if the initiative is not successful?

A14. It is our responsibility to ensure the initiative is well-publicised with our residents and businesses and the Spacehive model should also help us ensure the Funding Windows attract interest. The Operating Model for each Funding Window should ensure funding targets are met as it is highly collaborative and the Spacehive expertise will be leveraged.

We will review lessons learnt after each Funding Window and make improvements, but if it is not a success then we can terminate the contract with Spacehive in accordance with the contract terms.

Q15. How are disputes managed?

A15. This depends on the parties who are involved. Spacehive has provided the following guidance:

- Between Spacehive and Stroud DC, dispute resolution is covered in Clause 9 of the GCloud contract
- Between the Project Creator and Spacehive, dispute resolution is covered in clause 11.22 of the [Spacehive terms of use](#), agreed to by all Project Creators upon the commencement of community funding
- Between Backers and the Project Creator, disputes are the responsibility of the Project Creator to resolve as Project Creators are responsible under the Spacehive terms of use to deliver the project as is set out on the project page.

Appendix 1

Council Funding Request (Draft)

Please answer the following questions within the word count limits. The Council team will then score your responses and if the total meets the minimum score it will be considered for backing alongside other successful Projects.

Please note that achieving the minimum score does not guarantee that the Council will be able to back your Project as this depends on the number of other Projects that are submitted, their scores and the available monies.

This template contains example/model answers that should help you in your completion of the form. Please delete them and replace with your own answers.

Questions	Answers (Project Creator)	Score (Council)
<p>Which of the three Council Plan objectives does your Project best align with:</p> <ol style="list-style-type: none"> 1. Environment and Climate Change 2. Community Resilience and Well-being 3. Economy, Resilience and Regeneration. <p>Please explain how your Project outcomes will benefit the District/Community (100 word limit)</p>	<p>Point 2:</p> <ul style="list-style-type: none"> • The creation of a children’s play area will provide a meeting place for children and their supervisors, improving their health and well-being as a result of the social interactions, fresh air and use of the equipment • The play area will be set in a fenced off location with seating for those who are supervising. This will allow for a relaxed atmosphere, as the children will be able to play in a safe place • The colourful and imaginative designs will improve the area and this will improve pride in the place. 	(30 max)
<p>Please explain how you plan to market your Project to ensure it achieves the funding it requires (50 word limit).</p>	<p>We will include design pictures of the play area on the Spacehive microsite along with videos that explain why this is important to the community. We are also planning events to raise awareness in the local community centre.</p>	(15 max)
<p>How confident are you that the funding target set will cover all Project costs? (50 word limit)</p>	<p>We have received fixed price quotes from the suppliers of the equipment and the other materials we need (e.g. fencing) along with costs to install. We will be preparing the site for the installation ourselves.</p>	(15 max)
<p>Please explain why you are confident in delivering the Plan (e.g. resource identified, permissions achieved) (50 word limit)</p>	<p>We have identified the work required to deliver the plan with the suppliers and each other and each task is fully resourced. The Plan is estimated at 20 days elapsed time and we have added a 5 day contingency in case of any unforeseen issues.</p>	(15 max)

<p>What are the top 3 Project risks and how will you address them? (60 word limit)</p>	<p>Council may not provide planning permission for the play area (submitted and awaiting response)</p> <p>The local community may object to the play area (tabled with local community groups and no objections to date)</p> <p>Clearing the site and levelling the floor may take longer than anticipated (skip ordered and assessed the soil to establish whether there are likely to be any obstacles plus plan contingency)</p>	<p>(15 max)</p>
<p>Council Use Only:</p>		
<p>Maximum Score</p>		<p>90</p>
<p>Total Score</p>		
<p>Minimum Pass Score</p>		<p>72 (80%)</p>
<p>Pass/Not Passed</p>		
<p>Council Comments</p> <p>[These will either congratulate the Project Creator if successful, or provide feedback and encouragement if not successful]</p> <p>Dated: 99/99/999</p>		

Appendix 2

Project Verification Process

The Project Creators will produce a written document that is sectioned as below:

1. Project overview (*demonstrate it delivers positive outcomes for the District and is unoffensive*)
2. Project marketing (*demonstrate ideas reach and inspire the Backers to contribute including consultation conducted with potential Backers*)
3. Project Plan (*reflects required work, is achievable and is resourced*)
4. Permissions (*are understood and included in the plan*)
5. Costings (*match required work*)
6. Risk (*risks understood and effective mitigations in place*)
7. Pitches (*target appropriate backers and are persuasive*).

The Spacehive team will advise and assist the Project Creators on how to build the contents of the document and will then review it, when completed, and either 'Pass' the Project or provide feedback on what needs to be done to achieve the 'Pass.' If 'Not Passed,' it is then up to the Creators to decide whether they are prepared to take the required actions to achieve the 'pass.'