



Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>CABINET – 25 JULY 2024</b>
Subject	<b>CONTINUATION OF CROWDFUND COTSWOLD</b>
Wards affected	All
Accountable member	Councillor Lisa Spivey, Cabinet Member for Communities and Public Safety Email: <a href="mailto:lisa.spivey@cotswold.gov.uk">lisa.spivey@cotswold.gov.uk</a>
Accountable officer	David Stanley, Deputy Chief Executive Email: <a href="mailto:david.stanley@cotswold.gov.uk">david.stanley@cotswold.gov.uk</a>
Report author	Joseph Walker, Community Partnerships Officer Email: <a href="mailto:joseph.walker@cotswold.gov.uk">joseph.walker@cotswold.gov.uk</a>
Summary/Purpose	To determine whether to continue with the Council's Crowdfunding approach, Crowdfund Cotswold.
Annexes	Annex A – Crowdfund Cotswold review
Recommendation(s)	That Cabinet resolves to: <ol style="list-style-type: none"><li>1. Renew the contract with Spacehive Ltd. for a further three-year period from 01 November 2024</li><li>2. To provide a funding certainty over the medium-term, with effect from the 2025/26 financial year the revenue budget is re-established at £90,000 per annum to cover the Spacehive platform fee (£30,000) and provision of matched revenue funding (£60,000).</li></ol>
Corporate priorities	Supporting Communities Responding to the Climate Emergency
Key Decision	NO
Exempt	NO



Consultees/ Consultation	Local Management Team Andy Barge, Assistant Director, Communities
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## 1. EXECUTIVE SUMMARY

- 1.1 The Council's contract to deliver Spacehive ends on 31 October 2024, so a decision needs to be taken on the future of the Crowdfund Cotswold approach.

## 2. BACKGROUND

- 2.1 In 2020 the Council contracted with Spacehive Ltd. ('Spacehive') to launch an innovative approach to managing Community facing grants, which was badged 'Crowdfund Cotswold'. The initial contract of two years, plus 2 'roll forward' years ends on 31 October 2024, presenting the opportunity for the Council to review whether it wishes to continue with this approach and re-let a contract for the crowdfunding platform provided by Spacehive.

## 3. MAIN POINTS

- 3.1 The Council let a contract with Spacehive starting in November 2020, to set up and operate a crowdfunding mini-site, known as a 'movement' which went live in February 2021. This 'movement' has been branded as 'Crowdfund Cotswold', reflecting that it is focussed on the district council area, but is a mechanism for community groups to raise project funds from a 'crowd' of local organisations. The platform is designed to help projects raise 100% of funds. The Council uses Crowdfund Cotswold to disburse community facing grants, which is a key attraction for community groups.
- 3.2 The original contract was let on 'G-Cloud', on a two-year basis, with an option for 2 1-year roll forward years. The fourth year of this contract expires on 31 October, prompting a decision on whether to continue with this approach.
- 3.3 To inform this decision, the operation of Crowdfund Cotswold has been reviewed – please see attached at Annex A. Headlines include:
- the overall project value that has been supported against the Council's investment – over £860k for around £250k spend, or just under £3.50 per £1. This significantly outperforms the average for the Spacehive platform.
  - the number of project supporters – over 3100, at an average of 75 per successful project
  - 23 dedicated press releases and an active social media presence.



It should be noted the appended report covers activity up to the Spring 2024 deadline, and does not include the activity of current project funding campaigns. In June 2024, the Council agreed pledges worth £27,000 towards a further five projects, with a collective value of £110,770.

### **3.4 Options**

#### **Do not renew, do not replace with successor scheme**

**3.5** Supporting community projects is a discretionary activity of the Council, so legitimately, the Council could let this contract run its course, and neither recontract nor launch a successor scheme.

**3.6** This would save on the Spacehive platform costs, and the grant contributions. However, it would take away the mechanism the Council has used to support a wide range of community initiatives – including a number of projects closely aligned with the Council's priorities, such as solar panel installations on community buildings and activities to support vulnerable residents. Ceasing Council support entirely towards initiatives that are tightly aligned with Council priorities would present a reputational risk, and moreover undermine Council objectives on supporting active communities and on investment in low Carbon-technology – supported projects serve as contributors towards the Council's ambitions beyond its own service delivery, but also as exemplar projects, inspiring further activity.

#### **In-house grant scheme**

**3.7** Crowdfund Cotswold, as currently operated, is maintained through an annual contract of £30,000 (the current contract incorporated a discounted year one cost of £25,000). Reverting to a grant process managed in-house would avoid this cost.

**3.8** This could represent a saving, but may come at cost to the ability of projects to attract match funding. Community projects increasingly need a mechanism to enable electronic giving, and therefore access to a web platform to promote their activity – evidenced by the popularity of on-line giving sites, and the take-up of Crowdfund Cotswold itself. Without the Council facilitating this, all the associated costs would be met out of community contributions. The Council would not be able to focus its marketing reach on a single 'market place' for community projects, but instead any communications support the Council offers would need to be bespoke to the diverse funding strategies community groups would embark upon.



- 3.9** A replacement 'in house' approach would need to be set up. The Council has experience from earlier schemes, and manages other grants and external funding, so has some capability to achieve this, but it will come at cost in staff capacity, dependent on the dynamics of any successor scheme, which would need to be offset against the saving on the contract cost.

### **Continue with Spacehive**

- 3.10** Continuing the scheme should continue to deliver the benefits and costs as per the review attached at Annex A. Notably, this indicates at figure 3 that the leverage on the Council's investment is increasing over time, both on the grant investment, and on the total cost to the Council purse, including the platform fee.
- 3.11** Continuation of the scheme will require a budget commitment to meeting the platform costs and contributing towards grants pot sufficiently attractive to 'anchor' the scheme, and to give the Council the buying power to offer meaningful support to local projects.
- 3.12** From the options above, continuing with Crowdfund Cotswold provides the best community outcome, and potentially the best leverage on the Council's investment, but, considering the contract cost and the requirement for a grant pot, is not a low-cost option. However, there are some adjustments that could be made to the current approach to seek to address this.
- 3.13** The 3 years of full operation of Crowdfund Cotswold provides learning to inform future operation. The platform fee, at £30,000 pa, is a set cost. There is an opportunity in terms of the grant pot - initially this was a much larger contribution, at £110,000. Over the 3 full years of operation the annual grant spend has been less than this – between £35,000 and £70,000pa, at an average of £52,000. It should be noted that the Council's grant pot needs to be of sufficient size to encourage projects to use Crowdfund Cotswold, and to be able to make a meaningful contribution towards the projects the Council wants to see succeed, but there is still scope for a reduction. One of Spacehive's flagship movements, in the London Borough of Barnet, roughly four times larger in population terms than Cotswold, operates from a base of £75,000 pa.
- 3.14** Another lesson from other movements is one of trying to align other funds. Given the smaller allocations the district receives from national programmes than most other areas, this is a challenge rather than a certainty. However, even a small contribution, particularly if it is marketable as a distinct offer, could add genuine added value and extra profile to Crowdfund Cotswold.
- 3.15** Since the Council contracted with Spacehive, numerous other councils have also signed up, perhaps in part inspired by the success of Crowdfund Cotswold as recognised by the LGC



Award in 2022. Officers and Cabinet have shared learning with individual councils on a regular basis to inform their decisions.

- 3.16** While this could be considered as external validation of the approach CDC has taken, it also presents a prospect of better recognition of this approach by national funders, enhancing alignment of match funding. To date, projects have successfully attracted external funds 'off-line' with most of the on-line pledging coming from local residents and businesses. As this approach matures, there is a stronger prospect of attracting co-funding from other partners and national bodies directly onto the Crowdfund Cotswold platform.
- 3.17** The current contract with Spacehive was procured via G-Cloud, an online catalogue where public sector customers can buy cloud-based computing services without having to undergo an independent tendering process. As Crowdfund Cotswold is a locally branded approach, using Spacehive technology, it would be unfeasible to continue the approach by switching provider. Spacehive continue to offer their services via G-Cloud, enabling the Council to re-contract without either a full tendering process or a waiver. Re-contracting before November will enable to Council to benefit from the current G-Cloud offer – G Cloud 13, at the current contract price of £30,000, and lock this in for three years. In November, G Cloud 14 will launch at an anticipated higher price.

#### **4. ALTERNATIVE OPTIONS**

- 4.1** This has been covered in the options analysis above.

#### **5. CONCLUSIONS**

- 5.1** Although investment in Community Grants is discretionary activity, it underpins Council priorities, particularly Supporting Communities, and responds to legitimate community expectation that the Council will facilitate positive activity to enhance the district. Crowdfund Cotswold is a significant investment, but levers a good return, and sends a signal to community groups and residents about the Council's commitment to its priorities. The annual cost to the Council can be capped through a reduced grant pot.

#### **6. FINANCIAL IMPLICATIONS**

- 6.1** This report sets out the proposal to renew the contract with Spacehive and to provide matched funding for a further 3 years from 01 November 2024 at an annual cost of £90,000.
- 6.2** As set out in paragraph 2.1, the contract with Spacehive has been subject to an annual roll forward with some uncertainty around the longer-term position. Given the time-limited nature of the commitment, the platform cost and matched funding is currently funded from the Council Priorities Fund.



**6.3** With the proposal to renew for a 3-year period, it is recommended that more sustainable and longer-term funding is put in place from the 2025/26 financial year.

**6.4** The annual revenue cost of supporting Crowdfund Cotswolds is £90,000 per annum, plus officer time from existing staff capacity. The Spacehive platform is the only civic crowdfunding provider operating in the UK and thus can be contracted via the 'G-Cloud' procurement portal.

## **7. LEGAL IMPLICATIONS**

**7.1** As community grants, and the Council's current crowdfunding approach, is discretionary activity, there are no legal implications, beyond observing appropriate procurement rules.

## **8. RISK ASSESSMENT**

**8.1** There is limited direct risk associated with continuing to invest in community grants. The biggest risk is financial, in terms of these approaches being less effective than desired, and thus not delivering the social return on the Council's investment that is sought. Using Spacehive is now a tested model of delivery, which has provided a proven multiplier effect of the Council's grant-giving.

## **9. EQUALITIES IMPACT**

**9.1** Crowdfund Cotswold is an accessible approach to community grants – the portfolio of projects supported in recent years is more varied the range of projects supported under previous grant regimes, due to the reduced focus on physical assets and the openness to very diverse project ideas. Projects support residents, often with a focus on protected characteristics, including younger people, older people, and those with poor mental health. Continuing with this scheme secures support for these activities.

## **10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**10.1** Crowdfund Cotswold has contributed towards the Council's climate change objectives on two levels: all projects are asked to consider these factors, and what activity they might undertake to address these areas of work, and support to projects with a clear climate emergency ambition, such as installation of solar panels on community buildings. Continuing the approach will enable continuing investment in such projects – moreover, by using existing projects as exemplars the Council can look to promote more activity in addressing these concerns. Spacehive was recently awarded the 'Funding Team of the Year' award at the Unlocking Net Zero Awards, in recognition of the role this approach can play in tackling climate change.



**COTSWOLD**  
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## **II. BACKGROUND PAPERS**

**II.1 None**

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