

Report to: Community Grant Panel



Date of Meeting 2 February 2022

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## Grant Options

### Report summary:

The Community Fund Panel on 25 November 2021 asked for a report on various other funding options that could potentially be employed by East Devon District Council. In particular, Councillors each having a pot of funding.

Please bear in mind that this report is being written with the backdrop of an increasing and significant shortfall in our budgets.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

- 1. Discuss and recommend to Cabinet what to do with the Crowdfund East Devon underspend, if Devon County Council remove themselves from the Crowdfund Devon partnership as expected. Bearing in mind it would also have to be approved by Devon County Council.**
- 2. Discuss and make any recommendations to Cabinet on other funding and grants alternatives.**

### Reason for recommendation:

Devon County Council is probably going to pull out of our Crowdfund Devon partnership. We have at least £50,000 left in the Crowdfund East Devon pot, which must be spent on community grants. Councillors need to decide what to do with the money left.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Tourism, Sports, Leisure and Culture

**Equalities impact** Low Impact

**Climate change** Low Impact

**Risk:** Low Risk;

**Links to background information** [Community Grant Panel on Thursday, 25th November, 2021](#)

**Link to [Council Plan](#)**

Priorities (check which apply)

Better homes and communities for all

A greener East Devon

A resilient economy

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## Report in full

The Community Fund Panel on 25 November 2021 asked for a report on various other funding options that could potentially be employed by East Devon District Council. In particular, Councillors each having a pot of funding.

Please bear in mind that this report is being written with the backdrop of an increasing and significant shortfall in our budgets.

**1. If Devon County Council do decide to remove themselves from the Crowdfund Devon partnership as expected, this leaves us with an underspend. What would the panel like recommend to Cabinet as a use for this underspend? Bearing in mind it would also have to be approved by Devon County Council.**

After some investigation it appears that Devon County Council are unlikely to be running Crowdfund Devon after the end of the financial year 2021 / 2022. If they don't, this could give us a pot of about £50,000 to distribute on a one off basis, so once it's gone it's gone. It could be more or less, it depends what happens the rest of this financial year. As most of this is technically Devon County Council money that they've allowed us to keep to give out as community grants to not for profit groups, this can't be added back into main council budgets or used for anything else.

Depending on agreement from Devon County Council, the underspend from Crowdfund East Devon that remains on 31 March 2022 might be able to be used to:

- Continue Crowdfund East Devon with the Crowdfund Devon partnership through Crowdfunder but without Devon County Council, and possibly some other partners, until the money runs out. This scheme is already running, and has funded some fantastic projects. However, without DCC being the lead authority our costs of running the platform would increase.
- Distribute grants through crowdfunding using a different crowdfunding platform. Time has moved on since Crowdfunder was commissioned by Devon County Council, there will now probably be better value platforms, which may also be easier for not for profit groups to use as well. A couple of the other district councils that are currently part of Crowdfund Devon are looking at this option.

- Create a ringfenced pot to continue the Small Community Grants fund that this panel decided to set up at our last meeting. There is currently £20,000 allocated to these grants, this may be enough for 2022 / 2023 but probably not subsequent years.
- Give each Councillor just over £800 to give out as described in this report as a trial scheme. Bear in mind that this would take significant resources to set up and administer, and if it is successful, Councillors would have to commit to find money from reducing budgets to continue it. I wouldn't recommend running this as a one off scheme due to potential reputational issues, but as a trial scheme to continue if successful. This would also be very similar to the Small Community Grants that the panel have recommended to Cabinet is set up, with both grants schemes potentially unnecessarily funding the same types of projects and organisations.
- Run several Dragon's Den / Participatory Budgeting events throughout East Devon as one off events, as discussed within this report. These are better held in person, to facilitate the networking benefit to these events. There is the issue that we are unsure what will happen with meeting in person in 2022.

## **2. Discussion around various funding and grants alternatives. Are there any recommendations that the panel would like to make to Cabinet.**

### **Councillors each having a pot of funding**

This way of funding involves each Councillor being given a limited pot of funding to give out within their own Ward. This usually works as follows:

1. Organisations approach Councillors with a proposal for a project.
2. If the Councillors would support their project in principle and strongly believe that the organisation and project are eligible for the funding, the organisation is invited by Councillors to fill in an application form. Members must state that the agreement is a in principle and not a guarantee of a grant.
3. The application form is checked for the eligibility of the organisation applying and the project they're applying for, and the organisation may be asked to clarify the information within the form.
4. The grant is ratified or refused.
5. If successful, the grant is processed and paid to the organisation.
6. Feedback is collected once the projects have been completed.

It's each Councillors' responsibility to ensure that any groups they fund are eligible and their project is eligible and meets the criteria. Ultimately Councillors are responsible for the funding they allocate. However, because this is public money there have to be checks and balances from the officer managing the scheme.

The function of the officer managing the scheme would be to check the eligibility of the organisation and the project, process applications and payments, check projects are eligible, get feedback, liaise with Councillors and check that the grants would not cause reputational damage to EDDC the organisation (rather than individual Members). As there could potentially be around 180 organisations and projects to deal with this would take up a significant amount of officer time.

This is a grants process that has been around for many years and is used by multiple local authorities, so is not seen as innovative.

The funding would have to be joined up with all the information and applications going through one place, for example through Power BI software. This could allow residents and Councillors to pinpoint where and how the grants are spent in real time.

This would be very similar to the Small Community Grants that the panel have recommended to Cabinet is set up, with both grants schemes potentially unnecessarily funding the same types of projects and organisations.

**A. Devon County Council:** <https://www.devon.gov.uk/democracy/councillors-nav/locality-budgets/>

Currently, Devon County Council gives each of their Councillors £10,000 a year to distribute as above.

- Not for profit organisations can apply.
- Locality budget funding is available to projects that are beneficial to local communities and should be in line with the Council's objectives and priorities.
- All projects should include some other financial contribution(s) and/or local support.
- If Councillors don't spend their budget it rolls over to the following year, until an election year, when all budgets must be spent.
- Councillors sometimes work together on projects, splitting a grant between two or more Councillors.

Projects given out by Devon County Councillors so far this year:

<https://democracy.devon.gov.uk/documents/s35095/East%20Devon.pdf>

207 projects have received a grant through Locality Budgets:

- A total of £134,636.57 has been given out, this gives an average grant of £650.
- 56 of these grants were to town and parish councils.
- 21 grants were to Devon County Council Highways.

There are grants for a variety of projects, mostly small projects. This included picnic benches, Coronavirus related support, laptops, noticeboards, repairs to and improvement of buildings, highways repairs and improvements, tree planting, support for community groups that work with vulnerable people, defibrillators, drainage improvements, waste bins, cycle racks etc.

**B. Teignbridge District Council**

Their Councillors' Community Fund can only support one-off projects and cannot be used to replace any withdrawn public funding or provide/imply any ongoing support. Applications can only be received from not-for-profit groups and organisations.

Local Councillors have £1,000 each municipal year to spend on projects within their Wards. There is no lower limit but projects costing more than £1,000 could be supported by other Councillors combining monies if they wanted to.

In 2019/2020 the funding was spent on the following:

<b>Councillors Community Fund 2019-2020</b>	<b>Number of Grants</b>
Community Events	21
Community Building projects	20
Green/ Environmental projects	15
Sports Projects	13
Arts Projects	7
Community Health / Wellbeing	6
Schools projects	5
Youth Projects	5
Food bank / No Holiday hunger	4
Playground and play group projects	3
Parish Council Projects	3
Community Swimming Pools	2
Community Transport	2
Community shop	1
Talking Newspaper	1

### **Further information**

I spoke to officers that run these types of grants schemes and tried to learn from their experiences over the years, a few suggestions to make best use of limited resources and keep administration at a more manageable level:

- Projects that would be within schools should be ineligible, as Devon County Council has a statutory duty to fund schools.
- State that all the Councillors pots of money must be allocated within that financial year, no rollovers.
- Have a minimum application amount per Councillor of around £300 (not per project). This would need to be something that the amount that Councillors are given is divisible by.
- State that the same voluntary, community and social enterprise sector groups are only eligible to apply once within a two year period.

### **Dragon's Den / Participatory Budgeting**

The council would have a pot of money that gets taken along to a face to face event. This event would have been organised for the purpose of the community voting for which projects they wish to receive the money. Rather than being district wide this would work better as 'town and hinterland' events.

Voluntary, community and social enterprise sector groups would be invited to apply for a limited pot of funding, applications get assessed for eligibility before the event. All eligible applications give a time limited presentation at a specially organised community event. All attendees, who up until now have been mainly representatives of voluntary and community groups themselves, vote for a number of projects that they feel should receive the money they have asked for. The projects with the most votes receive the funding.

We have been part of organising Dragon's Den style events for pots of community funding so far in Honiton and more recently in Exmouth. The main advantage of this method of giving out grants is that the community activists themselves decide who to fund, and also there is time allowed for networking within the event and valuable links are formed between groups. However, this would be very labour intensive and would need a lot of resources to do it in a meaningful way.

## **Projects fill in application forms, which are assessed and decisions are made by the Community Grants Panel of Councillors**

We already run the Community Buildings Fund: <https://eastdevon.gov.uk/grants-and-funding/grants-available-from-us/community-buildings-fund/> and will shortly be running the Small Community Grants scheme in this way if this is ratified by Cabinet. These are traditional grants schemes where an application form is filled in by a deadline, the applications are assessed and decisions made upon them. There is very little benefit outside of the project itself, including very little relationship building between any parties or between communities using this method. However, it is not a very resource intensive process for applicants.

## **Crowdfunding**

We are currently running Crowdfund East Devon using a Devon County Council underspend from a previous grants scheme that only ran for one year. To use the Crowdfunder platform costs us £1,000 a year which is also paid for using the underspend. <https://eastdevon.gov.uk/grants-and-funding/grants-available-from-us/crowdfunding/>

This is currently a partnership scheme run with Devon County Council and Devon and Cornwall Police, along with other district councils.

How voluntary and community sector groups crowdfund:

1. Have an idea for a project.
2. Plan a crowdfunding campaign.
3. Fill in a form on a crowdfunding website giving details about the project, tell their story.
4. The idea is published on the crowdfunding website.
5. Publicise the project and its presence as widely as possible, tell the 'crowd'.
6. The crowd pledges cash to the project, and shares the project too.
7. If the project reaches its target it receives all the cash that has been pledged to it.

A few of the key benefits:

- Crowdfunding is generally seen as a new way of funding projects at a time when the amount of funding available is reducing, it helps projects tap into donations from residents, users and their local community. Devon County Council have worked out that for every £1 they invest in a crowdfunding project, £8.89 has been contributed to the project from elsewhere, which means that much more can be done with more limited local authority funding.
- Local authorities being involved in crowdfunding is innovative.
- Grants are given quickly, enabling projects to happen more quickly.
- Leads to the council having stronger, ongoing relationships with the voluntary, community and social enterprise sector.
- Leads to stronger, ongoing relationships between the VCSE sector and their local communities.
- VCSE sector groups are trained in how to crowdfund, building skills and knowledge of how to get funding for their future needs whatever they may be.

A few of the key disadvantages:

- As crowdfunding is fairly new to voluntary and community groups, it does take significant staff resources to run Crowdfund East Devon, mainly in terms of training not for profit groups in how to crowdfund.

- Crowdfunding can be seen by voluntary and community groups as taking up more of their time and resources than traditional grants streams where they just fill in an application form.

Crowdfund East Devon has enabled some fantastic projects to happen that have led to a large amount of community benefit, including:

- £9,000 to a project to provide beach wheelchairs for the disabled in Exmouth. This will provide custom made wheelchairs to allow people with mobility issues to access Exmouth's wonderful beach and sea. The Exmouth Town Council project raised more than £20,000 to buy a storage shed, hoist and some wheelchairs. The delivery of the project has been postponed due to Coronavirus.
- £4,000 to Axminster Gymnastics Club's campaign. The club helps children from 6 months to 16 years of age in Axminster and its surrounding areas. The club needed to upgrade their gymnastics equipment and with the money raised will be buying things including a sprung floor, a beam and professional matting, a stable landing mat for their bars and a movable foam pit area.
- £4,867 to the Budleigh Salterton Community Workshop project. This project aims to create a workshop and other recreational facilities in Budleigh Salterton for the community to enhance skills, confidence and social inclusion. Volunteer led activities would be made available to individuals who have need for them because of their age, infirmity or disability, financial hardship or social circumstances, to try and improve their lives. Activities on offer will initially focus on carpentry, wood turning and other DIY, textile crafts and repair skills under the supervision of experienced practitioners and support volunteers.
- £5,885 to the Waffle on the Move project. The very successful not-for-profit community Waffle house in Axminster needed to move premises to somewhere larger and incorporate; A bigger space for people to come, waffle and relax in the heart of "Waffle House"; "Waffle Work" space, a space specifically aimed at those who would like a comfy, warm and inviting space away from the office and home to catch up with their business needs and to function as a place to have board meetings and games nights; "Waffle Play" space, a designated area with some intuitive and sensory soft play for little ones to enjoy. They have various support and outreach schemes that help the local community. Any profits they make are ploughed back into the local community.
- £3,500 to Pippins Community Centre in Axminster. The very popular Pippins Community Centre in Axminster houses more than 40 community groups and initiatives under normal circumstances, each doing amazing work in the community. Their building needed to be made watertight, windproof, safe and warm for the future, whilst making sure their room hire prices stayed affordable, so they decided to run a crowdfunding campaign.
- £6,500 to Beer Men's Shed's second workshop project. Beer Men's Shed has been successful in getting men from Beer and the surrounding towns and villages into its workshop to join in team activities, deliver projects that help the local community and develop and improve their skills in its current workshop. However, this is fairly small and can't accommodate everyone that wants to take part, and isn't accessible for people with significant mobility issues.
- £7,500 to Electric Dreams, a project from Honiton TRIP Community Transport Association to help them buy a wheelchair accessible electric vehicle to replace a 17 year old vehicle that was at the end of its life.
- £2,000 to No Toy Left Behind, an Axminster based Community Interest Company that aims to challenge the cultural norms of consumerism by offering clean, good quality secondhand toys of giftable quality. An environmentally friendly alternative to buying new stuff.
- £6,000 towards a £12,000 project help a group of parents from Luppitt put a centrally located playground into the village, near Luppitt Village Hall. Rural life is amazing in so many ways but it can bring isolation and lack of social opportunities for children and

teenagers, and their parents/carers. Their hope is that this playground will help the community come together more.

- £3,000 towards a scheme that ended up raising £13,060 from Transition Exmouth called Execargo, to buy electric cargo bikes. Local businesses, community groups and residents will be able to use ExeCargo for deliveries, transporting sports equipment, doing the shopping etc.

## Lottery

Basically the council would commission a company to run a lottery on their behalf. However, the council would hold the gambling licence and take strategic responsibility, and administer the central pot made available for community grants. There would be initial set up costs. VCSE groups would publicise the lottery to their members and people they know, who would then buy tickets at £1 each. This is all done electronically, people can sign up to direct debits and make a monthly payment or pay by debit card online.

When people buy their tickets they select a VCSE group that they want a proportion of their £1 to go to, another portion is top sliced to create a wider community grants fund for worthy projects that don't maybe naturally have lots of supporters. Once a week the contracted company does a draw and gives out prize money to those with the winning tickets. They also take a percentage of the £1 to cover their fees.

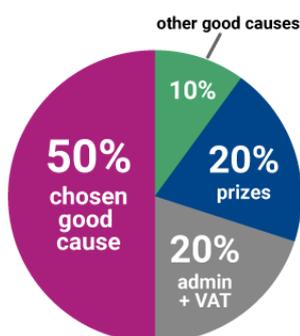
Although the National Lottery has been running for about 25 years, lotteries run by local authorities have in most cases been brought in within the last few years.

There is some talk about this being a diminishing market that will only ever now reduce. However, it's unknown if this would be the case within East Devon.

- **Torbay Council also run one and have been since 2017:**

<https://www.torbaylottery.co.uk/>

Tickets are £1 a week, with a maximum prize of £25,000. 60p of every £1 ticket goes to good causes within the local community. People decide where 50p of this goes to, which is why voluntary and community sector groups lead the publicity, so their supporters buy tickets and they get the 50p. The other 10p goes into a separate pot that accumulates and the council uses it to create a community grants fund that any not for profit group can apply to.



- **South Hams / West Devon Borough Council's already run a lottery scheme which they started recently:** <https://www.southhams.gov.uk/lotto>

Theirs runs in the same way as the Torbay example.

- **Teignbridge District Council are introducing a lottery soon.**

This will run in the same way as the Torbay example. The maximum prize would be much less though. Teignbridge is bringing it in to try to replace Service Level Agreements at a time when the council is facing significant shortfalls.

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**Financial implications:**

Financial details and the associated risks with the option presented are detailed in the report including that further funding above that already identified is going to be difficult for the Council to fund amongst many other competing demands.

**Legal implications:**

As indicated in the report, if the lottery option is pursued, EDDC's Licensing team should be consulted in connection with the requirement for a gambling licence. Otherwise, there are no other comments of a legal nature arising from this report.