

About Crowdfunding and Crowdfund East Devon

Introduction to crowdfunding as a process

Crowdfunding is now a well-established and well used tool that allows communities and organisations to promote and publish local ideas, solutions, infrastructure and events that need money (and sometimes wider support).

A crowdfunding website allows people and potential funders to access and review project proposals and then should they choose to, provide funding.

Generally, the process is as follows:

-) People have an idea for a project. This could be constituted voluntary and community groups, town and parish councils, registered charities, registered community interest companies, constituted not for profit organisations.
-) They fill in a form on a crowdfunding website giving details about their project. Their idea is published on the online crowdfunding website.
-) They publicise this project and its presence on the crowdfunding website as widely as possible; they tell their 'crowd'.
-) The crowd pledges cash to the project, and shares this project with their friends and family. The crowd can include local and national organisations that decide to pledge cash to projects that meet their criteria.
-) If the project reaches its target it receives all the funding that has been pledged to it.

Those who actually fund the process can be from the following:

-) Individuals, residents and visitors with a small amount to donate
-) Local businesses
-) Smaller organisations and funding bodies like local authorities
-) Large funding bodies and multinational organisations

Crowdfunding can enable a community led, transparent and democratic opportunity to not only generate and promote local ideas; but for communities to determine which of these ideas are best prioritised and funded.

Benefits of crowdfunding to the council and the community:

-) **Stretches funds further.** A variety of grants streams on the crowdfunding website may decide to contribute to projects and match funding will also come from the community. Crowdfunder UK worked with Plymouth City Council (PCC), for every £1 spent by the Council via its crowdfunding platform, this spend has been amplified by the crowd and other funds to £3.54, an amplification of the initial PCC investment by 354%.
-) **Targets funds.** Funds can be promoted to a wider audience and projects will align with the criteria we set.
-) **Measurable social impact.** Beyond pure cash support, crowdfunding projects can deliver many Social Impact benefits, such as job creation,

increasing wellbeing, connectivity and inclusion, and building skills capacity in the community. It helps to build capacity within organisations to raise the funding they need. Even once our funding is gone if they have other project they will have the knowledge and skills to be able to put them onto any crowdfunding platform.

Crowdfunding has social and economic impact:

-) People are empowered to achieve things that matter to them.
-) Funders are responsive: recognising public feelings and priorities.
-) Common ownership, responsibility and civic pride developed.
-) What matters to people is achieved and celebrated.
-) People, communities, Councillors and other funders better connected.
-) More resilient communities: stronger, flourishing, safer, kinder, capable.

Successful Crowdfunder UK project based in East Devon

Some East Devon based projects raised money on Crowdfunder UK before our funding was even available.

The Project

Part of Action East Devon, The Project currently deliver peer support groups in Axminster and Chard, helping young people across East Devon, South Somerset and West Dorset. However, the impact of their services has a greater reach because of the positive effect on young people's families, schools and friends.

Their peer support groups help young people aged 13-24 with mental health issues. These include anxiety, bullying, eating disorders, depression, bereavement and exam stress – young people don't need to have a medical diagnosis to be referred to our groups. The Project also runs monthly support groups for parents and carers of young people with mental health issues, works closely with schools to educate young people about mental health and delivers mental health training courses and workshops.

They raised £15,270 of their £15,000 target, from 67 people / funders in 35 days:

-) £7,500 from Santander pledged £7,500
-) £1,000 from Axminster Freemasons pledged £1,000
-) £1,000 from Axpediton pledged £1,000
-) £1,000 from Honiton Lion's Club
-) £350 from Hawkchurch Village Fete
-) £1,500 from Chardstock Street Fayre
-) £2,920 from individual people, pledging an average of £48 each.

Background to Crowdfund East Devon

In 2018 Cabinet agreed £50,000 from the council's Transformation Fund be distributed through crowdfunding. This was part of a Crowdfund Devon partnership

project with Devon County Council, Devon and Cornwall Police, West Devon Borough Council, Teignbridge District Council, Exeter City Council and Torridge District Council.

Online crowdfunding is carried out using a crowdfunding platform. Crowdfunder UK were the company selected by the partnership to provide the online platform for Crowdfund Devon. Use of the platform and their support was paid for in full by Devon and Cornwall Police until May 2019 as a pilot project. This included one training event for East Devon voluntary and community groups.

We set up Crowdfund East Devon to help fund projects that worked towards our aims as set out in the council plan and the Transformation Strategy. Crowdfund East Devon launched in February 2019.

Decisions on applications to Crowdfund East Devon are made by the Community Grants Panel by email.

Crowdfund Devon: <https://www.crowdfunder.co.uk/crowdfund-devon>

Crowdfund East Devon: <https://www.crowdfunder.co.uk/funds/east-devon>

Communities Together Fund – additional crowdfund monies

In 2018 / 2019 for the first and only time we ran the Communities Together Fund grants scheme in partnership with Devon County Council. For every £1 Devon County Council put into this pot we added 10p. There was about £195,000 in this grants pot which community and voluntary groups and town and parish councils could bid for.

Due in the main part to this being a brand new grants stream there was an underspend of around £113,000. Initially once DCC decided they weren't going to run the Communities Together Fund again, they asked for their proportion of any underspend back to put into their main budgets (around £102,000). However, they then stated that we could keep the underspend to distribute to East Devon projects if we distributed it using crowdfunding. This is allowing us to keep the Crowdfund Devon partnership going into the future to benefit East Devon's communities.

Panel guidance notes for reference

-) If the project meets the eligibility criteria it should be approved and then funded. There may be rare cases when the panel decide that something that seems to meet the eligibility criteria shouldn't be funded, clear reasons for this would need to be recorded.
-) Due to the timescales needed for crowdfunding to work, decisions need to be made within a week to ten days. We have authority from the Council to make decisions by email in this case. Please respond to emails asking for your decision as soon as you can but within a week to ten days.

-) The funding is allocated on a first come first served basis, once, and if, its run out Crowdfund East Devon would close.
-) To make this a success we need applications. Please publicise this funding as far and wide as you can within your Wards, to your town and parish councils and fellow Councillors.