

Crowdfund East Devon

For discussion and decision: Should we change the 'all or nothing' rule?

Projects can decide to put themselves onto Crowdfunder UK as either:

1. All or nothing projects. For example, if you put up a £10,000 project and don't raise the full £10,000 you get nothing and all of the money raised is refunded to the people who pledged it.
2. Keep what you raise. For example if you put up a £10,000 project and only raise £8,000 you get to keep that £8,000 even though it won't pay for you to deliver your project.

At the moment Crowdfund East Devon will only consider projects that are already registered on Crowdfunder as all or nothing projects. This is for obvious reasons, as we don't want to be using public money to fund projects that don't raise enough to make the projects happen.

After feedback from local projects and a recent change to the way their software works Crowdfunder UK has asked this panel to consider a change to this rule.

The proposal is: in the future you could agree to consider projects registered as 'keep what you raise' for a grant, on the understanding that if you decide to give that project a grant they need to raise the full amount they're asking for within the deadline before they can access any money from Crowdfund East Devon.

The reasons for this proposal: Crowdfunder UK are telling me that we're losing out on projects to support because community groups don't want to put their projects onto Crowdfunder as 'all or nothing' projects. This is because the community groups put a lot of work into raising the money both inside and outside of the funding platform and then if they don't raise the full amount they have no option but to start from scratch. If they can keep what they raise they can then look to other sources of funding to make up the difference if we decide not to fund them, or if we decide to fund them and then they don't raise the total project costs.

The risks?: We would be pledging to projects, then potentially removing that pledge if they don't raise the full amount they need. This could have a small reputational risk, so the terms of our conditional pledge would need to be communicated clearly by us and by Crowdfunder.

Within the Crowdfund Devon partnership, <https://www.crowdfunder.co.uk/crowdfund-devon> Torbay have already made this change, and Devon County Council and others are considering it.