

CABINET – 15TH JANUARY 2020

SUBJECT: VALLEYS TASK FORCE CROWDFUNDING PARTNERSHIP PROPOSAL

REPORT BY: BUSINESS ENTERPRISE AND RENEWAL MANAGER

1. PURPOSE OF REPORT

- 1.1 To agree a partnership funding arrangement with Welsh Government and a number of neighbouring local authorities including Merthyr Tydfil, Neath Port Talbot, Torfaen, Bridgend and Blaenau Gwent to support the development of a crowdfunding platform aimed at delivering community and civic led projects.

2. SUMMARY

- 2.1 A proposal has recently been initiated by the Heads of the Valleys group of Local Authority Regeneration Managers to initiate a single civic crowdfunding programme for the Valleys region to deliver improved civic and community spaces. The aim of the programme is to create a funding platform that will generate project ‘creators’ and project ‘backers’ and to match the two together.
- 2.2 Local communities will be encouraged to come forward with their ideas on how they can improve their local areas. These project ‘creators’ could be individuals within the community, local businesses or community groups.
- 2.3 Supported by a core funding allocation from the Welsh Government’s Valleys Task Force and enhanced by equal financial contributions from local authorities across the Valleys area the target of the initiative is to lever in additional funds through a ‘coalition of willing funders’. These project backers could be local business, national institutions, philanthropic grant makers and others.



3. RECOMMENDATIONS

3.1 That the project is funded from Corporate / Directorate reserve balances.

4. REASONS FOR THE RECOMMENDATIONS

4.1 The funding commitment for each local authority is of low value and will be used to target and lever additional funding to support projects that can energise local communities, improve quality of life, engender civic pride, transform local spaces and support social cohesion. Increasing the number of locally driven projects can help to build the capacity of the community to push forward with new projects by transferring and empowering the experiential learning that they will have gained through this programme to further projects.

4.2 The experience of this platform so far has shown that over 50% of project 'creators' have not previously been involved in delivering civic projects and 75% of projects have been delivered in deprived wards.

4.3 The proposal has been developed by a company with a track record of delivering funding programmes that have supported 750 projects to raise £14m working with 35 local authority partners that averages at £18,667 delivered per project.

5. THE REPORT

5.1 A partnership proposal has been received by the Heads of the Valleys group of Local Authority Regeneration Managers from a company that have been established since 2012 with the aim of supporting community orientated project proposals to transform local places with a focus on community generated ideas.

5.2 The company have supported in excess of 750 projects since their inception generating over £14m of funding towards these projects using a technology based platform to attract crowdfunding financial support. The projects are supported by seed funding generated by local authority partner's that is used as a catalyst to attract further funding from individuals, local and national businesses, local people and donation/grant funding organisations amongst others.

5.3 The proposal for the Valleys region includes the provision of:

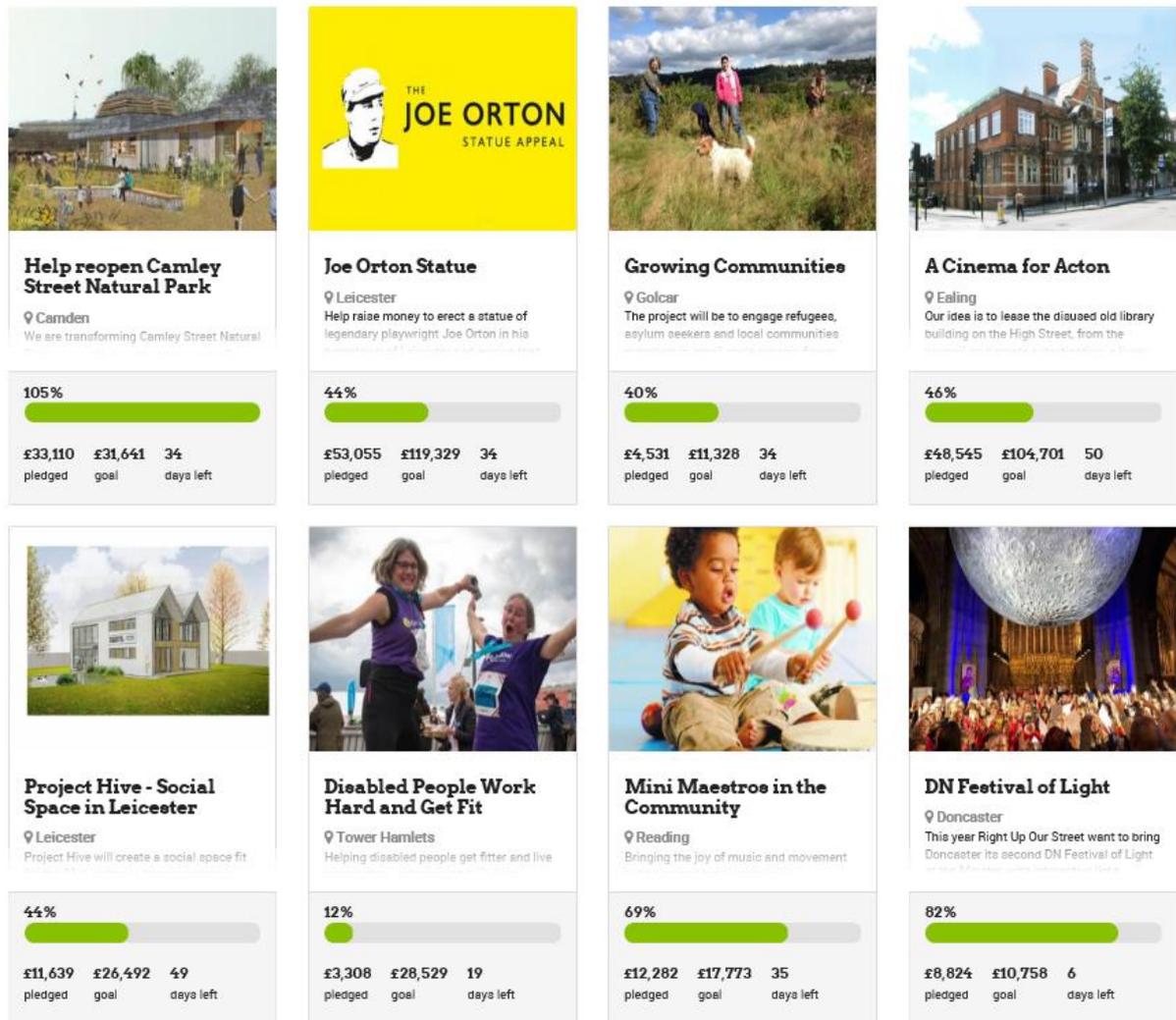
- a branded online hub for 'The Valleys' crowd;
- dedicated technological platform;
- marketing support;
- community engagement activity;
- project support;
- capacity building events.

5.4 The project would be supported by an 'umbrella' funding stream provided by Welsh Government and support funding from a number of local authority funding partners. So far local authorities including Merthyr Tydfil, Neath Port Talbot, Torfaen, Bridgend and Blaenau Gwent have pledged their initial, in principle support for the project.

5.5 The target is to establish a funding provision of between £500,000 and £600,000 per year depending on the number of participating local authority partners, with majority funding provided by Welsh Government. The aim of the project would be to attract an additional 250% of leveraged funds (circa £1.5m) from community 'backers' through an online crowdfunding platform that will be established for the Valleys region. This is lower than the UK average of 300% experienced so far through the 750 projects developed to date and is recognition of the Valleys area as a challenging landscape with the prevailing levels of deprivation in our communities. As the funding ecosystem is established it is anticipated that the initial target of

providing 75% of each project value for early funding rounds is stepped down to 50% and then 30%.

- 5.6 Projected funding support for 70 projects worth £1.2m over the first two years of the programme at an average of £17,143 per project is anticipated.
- 5.7 Aside from the provision of partnership funding, the local authority would be expected to support and champion the programme, liaise at an operational level to establish the funding rounds, make stakeholder introductions and establish a single point of contact. An example of crowd-funding projects that the company currently has listed is illustrated below.

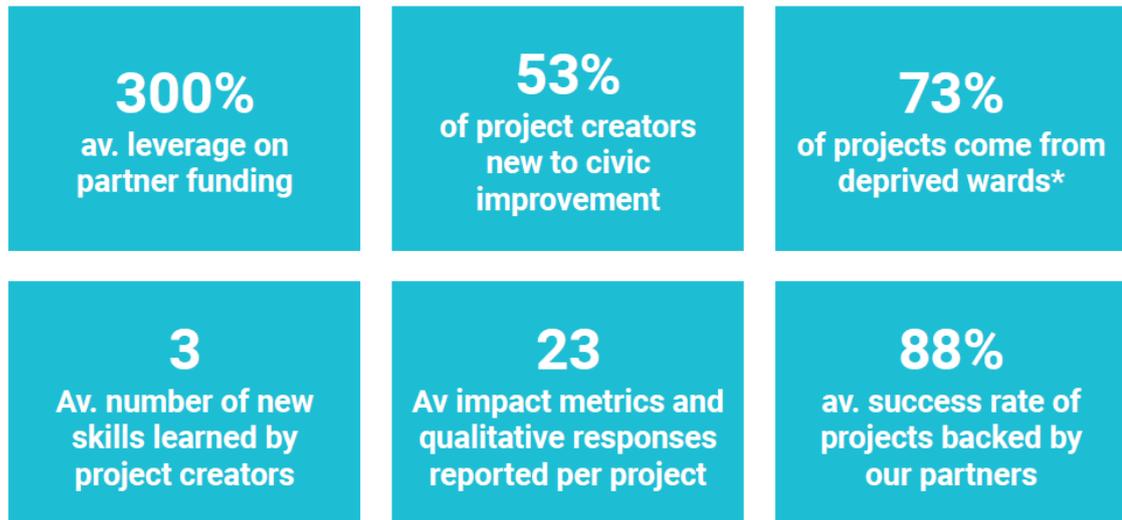


- 5.8 It is anticipated that Welsh Government and / or Blaenau Gwent will be leading on the procurement element of the proposal. Further discussion will be required with the Council’s procurement service if this changes.
- 5.9 The “ethos” of community involvement which is at the heart of this proposal is in keeping with the development of the “Caerphilly Conversation” within the overall #Team Caerphilly approach.

Conclusion

- 5.10 There are a variety of grant giving organisations that community groups can normally apply to secure funding. Often these can take significant time, resource and expertise to deliver and may only be one significant source of funding.

- 5.11 The project proposal could help reduce the time taken by project makers to source, apply and ultimately deliver a project by leveraging in additional funding from non-traditional areas and also gain from the support offered by the funding ecosystem that the project is intended to create.
- 5.12 The funding model offers the flexibility to allow participating partners to develop criteria that can apply at a local level to align with community priorities, for example, Caerphilly could pilot the first year of the project by targeting the Heads of the Valley Regeneration Area (HOVRA) to maximise the opportunities presented by the dualling of the A465 in the heads of the valleys.



- 5.13 There are a number of areas that will need to be considered prior to delivery of the project initiative, including the criteria for how projects are prioritised and supported, ongoing project maintenance required from Council departments, land ownership, insurances, project sustainability and support for the community to develop the necessary skills, capacity and the mechanism for allocation of funding across the partner areas. All of this material to appropriately support initiatives will be key to its success along with engaging and consulting with the community at the earliest possible opportunity to encourage community 'buy in' to maximise the opportunity presented. Engagement and support is resource intensive and will need to be considered as part of the proposal.

6. ASSUMPTIONS

- 6.1 The financial pressures on local authority budgets will continue in the medium term as outlined in the Council's Medium Term Financial plan.
- 6.2 The partnership arrangements and funding commitment would be reviewed after an initial three year operating period.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The report links to the following Council policies:

- Corporate Plan 2018-2023.
- A Foundation for Success 2018 – 2023, Regeneration Strategy for Caerphilly County Borough.

- 7.2 **Corporate Plan 2018-2023**

The options outlined in the report affect:

Objective 2 - Enabling employment.

Objective 5 - Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.

Objective 6 - Support citizens to remain independent and improve their well-being.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 This project can contribute to the Well-being goals by supporting a range of diverse projects that are community focussed.

8.2 The Well-being of Future Generations (Wales) Act 2015, sets out seven Well-being Goals which aim to make a positive impact upon the social, economic, environmental and cultural well-being of the area or community concerned. The project aligns with the following Well-being Goals:

- **A prosperous Wales**
Project proposals seen in other areas have included bringing disused buildings back into economic use generating economic benefits and direct employment.
- **A healthier Wales**
Projects could include supporting the development of physical community assets across urban and rural areas helping to remove the barriers to currently inaccessible places for active participation, recreation and creative pursuits helping to improve self-esteem, mood, social contact and the development of transferable skills nurturing creativity and supporting a healthier Wales.
- **A more equal Wales**
The provision of a range of project opportunities to participate in community based activity across the county borough can help remove cultural, geographic, economic and social barriers to life enhancing participation and engagement benefits, contributing to a more equal Wales.
- **A more resilient Wales**
Access and proximity to the provision of outdoor places are recognised tools in supporting mental well-being and contribute to developing a resilient community through enabling people to lead an active lifestyle.
- **A Wales of Cohesive Communities**
The provision of spaces and places led by community 'projects makers' can deliver educational and recreational activities in a safe environment and can increase individual and community confidence and sense of self-worth, building social cohesion by creating friendship and a sense of 'belonging'. It can make people feel safer and more positive about where they live, taking a pride in their own local environment.
- **A Globally Responsible Wales**
Developing projects that are rooted in the community helps to contribute to being responsible for our own health and well-being and through exploration and discovery can bring new insights to familiar challenges helping us to become more engaged, active and fulfilled citizens.

8.3 The report is consistent with the five ways of working as defined within the sustainable development principle in the Act:

Long term

The project through increasing the delivery capacity embedded within our local communities can support their long term sustainability, viability and role contributing to the economic and social prosperity of the region.

Prevention

The project can address the long term financial pressures on public sector bodies and prevent problems arising in the longer term by diversifying the current range of income generation needed to support community development and allow the local authority to support our communities to provide a range of project choices and fulfilment.

Integration

The Council's well-being objectives for the period 2018-2023, as identified in Section 7, supports a range of organisations to match and integrate their aims through this project with project funding criteria that can be set to reflect our objectives to support healthy lifestyles, economic prosperity and employment, mental well-being, independence, quality of life and cohesive communities to build personal and community resilience.

Collaboration

The project is a partnership of a number of local authorities committed to supporting the proposals backed by the Welsh Government through the Valleys Task Force that encourages a collaborative approach to deliver a financially sustainable model to support community development and enhancement using technology and the efficient use of organisational resources.

Involvement

The project will provide opportunities for our residents to participate and represent their community's interest in achieving their well-being goals through the development of projects by and for the community.

9. EQUALITIES IMPLICATIONS

- 9.1 No specific equality related implications are identified at this stage.

10. FINANCIAL IMPLICATIONS

- 10.1 The proposal is to fund the project for three years with Welsh Government committed to covering the £70,000 of the first year activation costs with participating local authorities sharing the cost of the second and third year activation costs which are set at £80,000 per year, equating to £11,429 per year for years two and three, supported by an additional £2,000 per year for a local event to target local project creators. This equates to a commitment of £13,429 per year for two years.
- 10.2 The recommendation is that the central funding allocation to encourage project bids should be set at between £500,000 and £600,000 per year (dependent on the number of local authority partners) which would mean the contributing local authorities potentially having to find a further £100,000 above the £500,000 allocated by Welsh Government. This would equate to a further £14,286 per year for the three years of the project with 7 partners.
- 10.3 There is an ongoing financial risk to local authority budget settlements that could impact on the availability of future funding availability. The table below outlines the higher of the two funding scenarios where the local authority partners add to the Welsh Government allocation to set an annual central funding sum of £600,000 and Table 1 shows the Council's three year financial commitment at this level.

Table 1

CROWDFUNDING PROPOSAL - COMMUNITY SPACES				
	Year 1	Year 2	Year 3	Totals
Core funding allocation	£600,000	£600,000	£600,000	£1,800,000
Activation costs	£80,000	£80,000	£80,000	£240,000
FUNDING REQUIRED	£680,000	£680,000	£680,000	£2,040,000
Valleys Task Force contribution	-£570,000	-£500,000	-£500,000	-£1,570,000
Local Authority contribution to 'activation costs' (7)	£1,429	£11,429	£11,429	£24,286
Local Authority contribution to 'core funding' (7)	£14,286	£14,286	£14,286	£42,857
Additional CCB event	£2,000	£2,000	£2,000	£6,000
Caerphilly CBC contribution	£17,714	£27,714	£27,714	£73,143

10.4 At this level of funding the project would require £17,714 in year 1 and £27,714 per year over the following two years totalling £73,143 across the pilot period of three years.

11. PERSONNEL IMPLICATIONS

11.1 A nominated senior officer would be required to liaise and support the project collaboratively with the other participating local authorities.

12. CONSULTATION

12.1 Feedback from the consultees to the report have been included.

13. STATUTORY POWER

10.1 The Local Government Acts 1998 and 2003.

Author: Paul Hudson, Business Enterprise and Renewal Manager

Consultees: Cllr. S Morgan, Cabinet Member for Economy, Infrastructure, Sustainability and Well-being of Future Generations Champion
Mark S Williams, Interim Corporate Director - Communities
Rob J Tranter, Head of Legal Services / Monitoring Officer
Rhian Kyte, Head of Regeneration & Planning
Stephen Harris, Interim Head of Business Improvement Services and Section 151 Officer
Dave Roberts, Principal Group Manager
Michael Eedy, Finance Manager
Allan Dallimore, Regeneration Services Manager
Tina McMahon, Community Regeneration Manager
Jeffrey Peters, Principal Business Development Officer
Shaun Watkins, Principal Personnel Officer
Anwen Cullinane, Senior Policy Officer
Cllr. J Ridgewell, Chair of Housing and Regeneration Scrutiny Committee
Cllr. C Forehead, Vice Chair of Housing and Regeneration Scrutiny Committee
Liz Lucas, Head of Customer and Digital Services
Ian Evans, Procurement and Information Manager