

ABERDEEN CITY COUNCIL

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| COMMITTEE | Communities, Housing & Infrastructure |
| DATE | 25 August 2016 |
| DIRECTOR | Pete Leonard |
| TITLE OF REPORT | Crowdfund Aberdeen |
| REPORT NUMBER | CHI/16/166 |
| CHECKLIST COMPLETED | Yes |

1. PURPOSE OF REPORT

To inform and seek approval of Committee to commission Crowdfunder to launch a Crowdfund Aberdeen online platform.

2. RECOMMENDATION(S)

It is recommended that committee approve the commissioning and launch of Crowdfund Aberdeen and associated expenditure.

3. FINANCIAL IMPLICATIONS

Costs will be met from existing Economic Development Service, Project Development budget. Year one is £10,000 plus VAT to include all set up and training costs. Thereafter costs are anticipated to be in the region of £2,000 per annum and will continue to be met from existing Economic Development Service Project Development budget line which has existing budget to cover the identified costs of this proposal.

4. OTHER IMPLICATIONS

Legal – A contract between ACC and Crowdfunder will require signed upon acceptance of their proposal. There are no other providers of this service currently providing it to Local Authorities in the UK. The activities being proposed are in line and support implementation of the Community Empowerment (Scotland) Act 2015, creating new opportunities for ACC and community groups to work together.

Resource – See financial implications section.

Personnel – Modest amounts of officer time will be required to ensure the successful operation of the platform. This time will be beneficial to the role of those officers who already are engaged in supporting project development and delivery.

Equipment – No implications.

Sustainability – The platform will increase financial leverage across the region, therefore ensuring value for money to the Council and the wider region.

Health and safety – No implications.

5. BACKGROUND/MAIN ISSUES

Following the success of Crowdfund Angus, we were approached by Crowdfunder to determine if there was an interest in developing a crowdfund Aberdeen platform. Discussions with officers at Angus Council have indicated a positive impact from their launch and that there has been a good level of interest in using their platform to encourage investment in local projects.

The objectives of such a platform would be to:

- Increase the ability to lever in funding for project delivery
- Improve coordination of activities between ACC and external organisations (e.g Community groups)
- Data capture of funds raised and total project spend enabled
- Offering of coaching and support to external project developers

Crowdfund Aberdeen would allow local organisations to promote their projects and seek to secure the funding they require to deliver them.

Under the proposed model, officers from the Council's Economic Development Service would operate the online platform and be responsible for authorising any content published, in a gatekeeper type of control system.

Projects are given a limited time to raise a target amount and indicate the extent to which they can proceed if they do not meet their target. If they do not, existing commitments to date are not transferred to the project.

Where organisations already have a grant programme in place, the use of Crowdfunder could enable them to maximise their use of those funds through moving away from 100% funding of projects to a lower percentages, supplemented by leverage of crowdfunding to enable projects, giving them a much stronger link to the community who will have a more vested interest. This helps to secure best value for public funds.

When pledges are made, these are only collected once the project target value has been reached. Should it fail to reach target within the specified time no pledges will be taken. Pledges are made via secure transfers to Crowdfunder who will then transfer them to the project owner. This ensures that the Council is independent of the transactions and does not require undertaking the associated administration of payments.

Other services across the Council have been consulted and have indicated their support for the launch of such a platform to support development of community-based projects and a positive step towards participatory budgeting.

The target benefits from the platform for year 1 are:

- Outputs:
 - 10 organisations proposals activate on platform
 - £15,000 levered in through platform pledges
 - 18 organisations provided with coaching/support
 - 8 Projects reaching their funding target to deliver
- Outcomes:
 - £1:£2.00 leverage
 - 2 New business starts
 - Better engagement with projects and coordination internally and externally
 - Ongoing evidence of nature of projects being developed and funding requirements – by type, location and investment
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It is intended that as greater awareness is made of the platform that it will grow in success and the numbers (outputs and outcomes) will grow.

The Council would not only be supporting the development and funding of projects themselves, but would ensure access to both specialist external funding support from officers in the Economic Development Service, and ensure links are made to other projects and programmes where appropriate – these could include Business Gateway, developments within the City Centre Masterplan (eg events, culture) or other externally funded projects.

The platform will be limited to Aberdeen City only. Initial discussions with Aberdeenshire Council took place to discuss the potential for a joint platform but at this time it was deemed not feasible.

6. IMPACT

Improving Customer Experience –

External organisations would have a single point of contact with the portal. Behind the scenes Econ Dev could then coordinate the support which can be offered to the bodies if their proposal fits with strategic

aims and objectives of ACC. This would be an improvement on the current status where bodies can be passed around departments before finding the right person.

Improving Staff Experience –

Within a large organisation it is difficult to maintain knowledge and awareness of all the activity taking place. Crowdfund Aberdeen would enable coordination of this, led by Econ Dev, putting us at the heart of the supporting projects in the region. Other services have been consulted upon the proposal and have indicated their support to participate and use such a platform to increase their level of activity and access to funding for project delivery in the region.

Improving our use of Resources –

Staff resources would be better utilised, with projects actively approaching us for support through the platform, knowing that even if we don't have financial resource to offer, we can help them to promote their idea and help them find funding through our platform. A coordinated approach would also help to improve our working methods with other services across the council and external organisations.

Corporate -

ACC would be the sole lead on this. Officers would have the ability to enable other organisations to manage their funding programmes through the platform, but initiatives would only go live upon Council approval ensuring that nothing political or contrary to Council policy would go live to secure funding.

As part of the requirements to promote any project through the portal there would be an opportunity for ACC to ensure that any external projects are delivering projects in line with council policy and strategy. To do this a panel will be convened and the necessary guidance materials published to ensure transparency and fairness to all users.

From a business side, the platform would enable the Council to increase the opportunities to draw in new funding for project delivery in the area which would maximise the limited resources of the Council.

7. MANAGEMENT OF RISK

If Committee approval is secured, a cross service project team will be convened to develop processes and guidance to ensure fairness and transparency for all users of the platform prior to launch. The proposal from Crowdfunder includes a substantial provision of training which officers would look to utilise alongside a launch event to inform stakeholders and engage with them to make best use of the platform.

9. REPORT AUTHOR DETAILS

Stuart Bews
External Funding & Policy Executive
stbews@aberdeencity.gov.uk
01224 523773