

Subject: Community Engagement and Crowdfunding Platform Development
Report of: Head of Inclusive Growth
Portfolio: Education, Inclusion and Skills

Report Summary

The purpose of this report is to approve a Project Change Request for NTCA's Community Engagement and Crowd-Funding Platform Development proposal. The original Business Case, which was approved for funding by Cabinet on 28 July 2020, provided support for three proto-type on-line community engagement platforms (Spacehive, Next Door and Commonplace). Due to the success of Spacehive in the first 12 months of operation an additional £68,200 is requested for project continuity.

Recommendation

The Head of Paid Service is recommended to approve an additional £68,200 of investment for the Community Engagement and Crowdfunding project and extend the project end date from 30 September 2021 to 31 December 2021.

1. Background Information, Proposals and Timetable for Implementation

1.1 At its meeting on 28 July 2020 Cabinet agreed to:

- Approve funding of £125,000 to fund NTCA's online community engagement and crowdfunding platforms, subject to the funding conditions set out in section 1.5 of the Cabinet report; and,
- Authorise the Interim Head of Paid Service to finalise the conditions to be attached to the funding award and authorise the Interim Monitoring Officer to complete the necessary documentation.

1.2 At its meeting of 2 June 2020 NTCA Cabinet also agreed to authorise the Head of Paid Service, in consultation with the Investment Panel, to approve project change requests to projects' previously approved by Cabinet where such requests did not result in an increase in expenditure of more than £200,000 or an extension of delivery by more than 2 quarters.

1.3 In July 2020 Investment Panel recommended the allocation of £125,000 from the Inclusive Economy Innovation Fund to support prototype models of community engagement. The funding supported the mobilisation of three complementary on-line engagement platforms: Next Door, Commonplace and Spacehive. Spacehive is an on-line crowdfunding platform through which the first CrowdFund North of Tyne small grants programme for community-led economic resilience interventions has been piloted. On 28 July 2020 Cabinet made the decision to give effect to the Investment Panel's recommendation.

1.4 The performance of CrowdFund North of Tyne in its first 12 months of operation has exceeded expectations. To date the project has delivered two rounds of crowdfunding, providing 15 projects with £53,562 of Investment Fund grant support, alongside £76,323 of funding raised by local communities. This match funding is a requirement of NTCA investment. Based on performance to date it is expected that individual projects will continue to secure around 60% match funding in any future rounds.

1.5 We have seen throughout the COVID-19 pandemic an increased demand for community-led crowdfunded activities; this interest is expected to continue to grow as we enter recovery.

- 1.6 In addition, the project has secured £12,500 match from Newcastle City Council and £50,000 of match funding to support a Mayor's Fund as part of the project, with a further £150,000 allocated in-principle to future phases of delivery. The Mayor's Fund is designed with a specific Zero Carbon, Zero Poverty remit, in-line with the Portfolio priority of Social Economy and Communities. It is intended to run alongside the existing CrowdFund North of Tyne programme, agreed by Cabinet, which covers a broader spectrum of eligible project criteria aligned to NTCA's Education, Inclusion and Skills portfolio. Based on demand in the proto-type phase it is anticipated that there will still be a need to provide a small amount of additional funding capacity for worthwhile projects that fall outside the Zero Carbon, Zero Poverty theme and within the scope of eligible activity agreed by Cabinet.
- 1.7 NTCA will also continue to seek additional match funding at a programme level. The intention had been to bid to the National Lottery Community Fund for additional match funding, but an expected opportunity did not emerge following a change in the Fund's priorities/capacity given the onset of the pandemic. Engagement with National Lottery Community Fund is ongoing: NTCA will continue to seek other match funding opportunities too.
- 1.8 To meet demand, maximise match funding opportunities and maintain continuity of project delivery, an increase in funding of £68,200 from the Inclusive Economy Innovation Fund is requested for the Spacehive element of the project. This funding will enable the full delivery of the current pipeline, after which there will be a review and evaluation to inform possible future delivery. It is also proposed to extend the project end date from 30 September 2021 to 31 December 2021 to allow for continuity of activity before a further Business Case is submitted to NTCA's Investment Fund to scale the project. A Project Change Request was presented to Investment Panel on 13 July 2021 and agreed by the Panel by written procedure on 26 July 2021.

2. Key Risks

- 2.1 The following key risks have been identified in relation to the proposals:

Area	Risk	Mitigation
Scope of work	Proposed activities fall outside of NTCA's powers & accountabilities.	NTCA officers have provided advice to the Portfolio holder and NTCA's Directors to ensure the proposed activities are appropriate and proportionate.
Lack of viable projects	There is insufficient interest in CrowdFund North of Tyne from community-led projects.	Two successful rounds of pilot crowdfunding have demonstrated the success of the model, generated a pipeline for future rounds and indicated a positive level of match based on past performance.

3. Financial and Other Resources Implications

- 3.1 This change request proposes two main changes to allow continuity of delivery:

1. An extension of project end date from 1st September 2021 to 31st December 2021.
2. Increase in investment funding (from the Inclusive Economy Innovation Fund budget) of £68,200.

- 3.2 The additional £68,200 will cover £45,000 for a second-year subscription fee to the Spacehive platform and £23,200 of additional funding to support more community-based projects, focussed on proposals that fall outside the scope of Zero Carbon, Zero Poverty theme, as set out in detail in the Investment Fund report.

- 3.3 The expenditure profile of the project will be updated to reflect the above changes.
- 3.4 All changes to the project are intended to meet the increased demand for support and ensure project continuity in advance of a full business case submission for ongoing delivery.

4. Legal Implications

- 4.1 The Interim Monitoring Officer's comments have been included in this report.

5. Equalities Implications

- 5.1 It is anticipated that NTCA's Community Engagement proposals will continue to have a beneficial impact on groups with protected characteristics, under the terms of the Equality Act 2010. As a project which is directly responsive to the needs of particular places and communities in the North of Tyne it will specifically deliver the aims of the 2010 Equality Act: to advance equality of opportunity for all.

6. Inclusive Economy Implications

- 6.1 The Community Engagement project is part of NTCA's Education, Inclusion and Skills policy priority, developing activities and interventions which achieve local economic resilience via strengthened communities, and more and good jobs. The project will specifically support the development of an inclusive economy in-line with the following characteristics:

- Participation – Delivering a people-centred approach to local economic development by providing the tools to co-design and co-produce projects and programmes with our local residents.
- Equity – By maximising the value of NTCA funding and building a coalition of co-investors via local project pledges.

7. Climate Change Implications

- 7.1 There are limited climate change implications to this report however future rounds of CrowdFund North of Tyne will support Zero Poverty, Zero Carbon projects which we anticipate will have positive climate change impacts.

8. Consultation and Engagement

- 8.1 Following Cabinet approval of the project NTCA officers, under the direction of the Portfolio Holder, has worked closely with our constituent local authority partners to develop all elements of the project. Specifically, the three constituent authorities as well as VCSE representatives have made up the North of Tyne Crowdfunder grants panel.

- 8.2 The Mayor has also been consulted throughout including in the development of his specific Fund.

9. Appendices

None

10. Background Papers

[NTCA Cabinet Minutes](#) 2 June 2020

[NTCA Cabinet Decision 28 July 2020](#)

Investment Programme Update: Investment Panel (for consideration by written procedure) 22 July 2021

11. Contact Officers

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12. Glossary

NTCA	North of Tyne Combined Authority
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13. Sign-off

1) Portfolio holder Yes	2) Director/SMT Yes	3) Chief Finance Officer: Yes	4) Monitoring Officer: Yes
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