

Agenda item 4

For discussion and decision: The opportunities presented by Crowdfunding

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Summary

Crowdfunding appears to be an opportunity to increase the number of projects FTC supports by matching some of our FTC funds with money pledged by the public. This report summarises discussions that a small group has had with a UK based organisation called Crowdfunder.co.uk. It recommends that these discussions continue and that they explore whether Frome is a suitable town to launch a crowd funding initiative.

Links to view referred to in the text:

crowdfunder.co.uk;

[Plymouth City Council's crowdfunder webpage](#)

[Plymouth City Council's criteria](#)

Discussion

Crowdfunding is increasing in popularity as a way of raising money from the community. Most of the large scale development of the concept have been in the US. However, there is a UK based organisation called crowdfunder.co.uk that has had success all over the country and has experience of working in partnership local authorities.

We met with the founder of crowdfunder.co.uk, Dawn Bebe, recently to explore how it works. She told us that she had been putting together generic crowdfunding sites for Bristol and Plymouth City Councils but has not worked with a town council before. Here is the Plymouth site <http://www.crowdfunder.co.uk/campaign/crowdfund-plymouth/>

Crowdfunder are five times bigger than all of the other similar sites in the UK put together and have a successful track record. And they are also much more than a website as they offer support on promoting the projects and advice on types of projects that are more likely to succeed. Crowdfunder.co.uk has raised £20m over 3 years, 6000 projects have been launched, 42% of all projects reach fruition, 80% of backers want no personal gain, 64% backed a scheme because of council involvement and most backers are women.

How it works

The idea is that FTC would put up a sum as being available. Local groups or the council put up projects that need funding and people pledge moneys. Depending on the project, sometimes those pledging do so for altruistic reasons, at other times for a share in, say, a business. The council can set the criteria for eligibility for schemes - click on Plymouth City Council's criteria [here](#). The council can stipulate a percentage that must be reached before council funds are released and can decide not to fund a scheme (i.e. it's not binding).

There is a track record of success in Frome for crowd funding. The Bicycle Academy got off the ground, the fields at Whatcombe were purchased and solar panels have been installed, all

following a crowdfunder approach. Plymouth City Council turned their £60k into over £400k worth of projects and many of those schemes were in the most deprived areas of the city. Conversely, people pledging were often from most affluent and living elsewhere in the city and even in Birmingham.

Dawn Bebe felt that because Frome was much smaller than a city we might not be so successful but also that Frome was a savvy, interesting town so the least we could expect would be to double our money. Of course, this is not a certainty.

FTC budgets that we thought might be used include the grants budget, events budgets and capital budgets such as paths on our open spaces. Projects that might benefit include improvements to the river corridor, Fair Frome, the Frome Festival and Active and InTouch. There is no reason why larger capital projects couldn't be included too: completion of the Missing Link, a new Pavilion at Victoria Park and the Cheese and Grain tower are all real possibilities. Some projects are unknown but that's fine, that's what happens during the grant process.

As a non-decision making group we thought this had considerable possibilities and so we have moved to the next stage which is to put some themes to Dawn Bebe that were based on the terms and conditions of our grants scheme. She agreed to build a mock up and put together a proposal.

Dawn Bebe hopes to be able to present her proposals to us at the Council meeting but hasn't yet been to confirm this.

Recommendation

At this stage, the only recommendation is that we explore further this concept and, if it still looks a good option, we will come back to Council with a proposal.