

Cheshire West and Chester Crowdfunding

Vision

Cheshire West and Chester Council is committed to building greener, fairer and stronger communities.

Working with common purpose alongside our residents, public services, and businesses, we will harness the strengths, hopes and dreams of our communities so that fewer people will be held back or left behind.

We will also have a relentless focus on value for money, stretching our collective resources and innovating to make a positive difference.

We believe that lasting change is needed to: tackle hardship and poverty; tackle the climate emergency; to see more children and young people have a better start in life; to develop resilient people living their best lives; to create opportunities in a fair local economy to develop neighbourhood pride and greener communities. We believe crowdfunding will enable us to work together with our communities to achieve our vision.

Policy statement

The purpose of this policy is to provide guidance on how the Council will operate its crowdfunding model and the procedures and safeguards that will be applied. This applies to any crowdfunding undertaken, endorsed, or facilitated by Cheshire West and Chester Council.

This policy will:

Clarify the aims of crowdfunding in Cheshire West and Chester.

Provide clear guidance regarding the parameters of our operating model.

Confirm governance and process to ensure due diligence.

Aims

Cheshire West and Chester Council **will** support the use of crowdfunding:

1. To encourage participation in community projects.
2. To provide Council support and potential funding for selected community initiatives and projects.
3. To facilitate community funding for community initiatives and investment in non-profit making community enterprises.
4. To provide a platform for the community to create ideas, and gain support (financial and practical) from the Council, community, and other backers to make them happen.

5. To provide a platform for elected Members to voluntarily contribute towards projects using their Member budget.
6. To actively develop an Eco system of funders.

Cheshire West and Chester Council **will not** directly or indirectly support the use of crowdfunding:

1. To fund or part fund statutory services apart from in exceptional circumstances.
2. To support raising of investment for private, profit-making businesses unless the businesses are properly structured Community interest partnerships or cooperatives (unless in exceptional circumstances to be considered on a case-by-case basis).
3. To projects that do not meet the missions outlined in our Borough plan.

Guidance

Cheshire West and Chester Council commits itself to observing the following rules in respect of crowdfunding:

1. All directly and indirectly supported projects are required to pass verification (all checks completed by Spacehive) before going live with a crowdfunding campaign. This will include, but is not exclusive to (dependent on the nature of the project), confirming the project is financially deliverable, appropriate permissions are in place (for example landowner permission, planning permission etc), the appropriate governance is in place (bank account, constitution etc), and the project has appropriate policies in place i.e. safeguarding and health and safety.
2. All supported projects must be assessed in respect of value for money and social value. All projects must contribute towards one or more of the following objectives in the Borough plan, currently:
 - Starting well
 - Tackling hardship and poverty
 - Resilient people living their best lives
 - Opportunity in a fair local economy
 - Neighbourhood pride
 - Greener communities
3. Dividend returning community funded schemes will be considered where there is demonstrable public benefit coupled with proven market failure and not-for-profit structure, i.e. Community Interest Company or Co-operative.
4. The Council will use the most economically advantageous platform to ensure value for public money.
5. The Council will promote live campaigns in appropriate communications and media channels wherever possible.

6. The Council will publish an annual report detailing the projects crowdfunded through the platform, their costs and performance – including projects that did not directly receive Council funding.

7. Ahead of each new crowdfunding round the council will confirm details of how the round will operate (known as the operating model). This will be agreed by the relevant Director, currently the Director of Environment and Communities. In consultation with the relevant Cabinet Member, currently the Cabinet Member for Workforce, Democracy and Communities.

8. Parameters of the operating model.

Item	Parameters	
Panel	Cabinet Member for Workforce, Democracy and Communities (or nominated Cabinet Member).	Essential
	Labour Member	To be agreed with the Whip of the respective parties ahead of each assessment process. At least two elected representatives will be on the panel and a maximum of 5.
	Conservative Member	
	Liberal Democrat Member	
	Independent Member	
	Green Party Member	
	Communities Team	Minimum of one representative from the Communities team to provide administrative support / expert knowledge and advice and connect with relevant services such as equality, diversity, and inclusion team as appropriate.
	Cheshire West Voluntary Action	To be agreed ahead of each round. The panel will have a minimum of two representatives from the Community/Voluntary/Faith sector.
	Cheshire Community Action	
	Cheshire Association of Local Councils	
	Westminster Foundation	
	Other Community/Voluntary/Faith sector representative	
At least 6 representatives from the list above.		
Clarify the total budget available.	Minimum of £30,000 per round.	

Clarify the number of funding pots.	Minimum of one funding pot. Maximum of four funding pots.
Confirm the criteria for the fund.	This will align with Borough plan and will be agreed based on the current priorities for the Council. All projects will also be assessed on value for money and social value. The criteria will be communicated to project creators.
Confirm the minimum number of backers to receive a Council award.	Minimum 20. It will be communicated to project creators that projects with a higher number of backers will receive a higher score during the assessment process.
Percentage of the total project value a project can receive from Council sources.	Maximum 75% of a total project value. Note – this includes all Council sources (meaning a minimum of 25% of a total project value should be received from sources external to the Council).
Contribution per project	Maximum award is £25k for an individual project. A project may receive an award from more than one funding pot and may also receive awards from other council sources (the maximum should not exceed 75% of the total project value from Council sources).

9. A maximum cap of 75% of any single campaign target will be pledged from the Council. Projects can receive pledges from more than one Council source. Therefore, a minimum of 25% must be raised from a source external to the Council.

9. A project creator that reaches a funding target can receive funding from the Council in the same year for a different project to that which received council funding. A project creator can receive funding for a previously successful project in a different financial year. The 75% Council pledge cap will remain for any single campaign.

10. Projects supported through crowdfunding will be monitored through the production of an impact report to ensure they deliver their aims and objectives and that all funds are properly applied towards achieving the stated goals of any project.

11. The Council will only support projects in the geographical boundary of Cheshire West and Chester.

12. Prior to participating in the assessment process for the Cheshire West Crowd all Elected Members who are on the panel and external representatives on it will be required to disclose any declarations of interest they have. Elected Members will need to act in accordance with the provisions of the Member Code of Conduct, in particular those relating to Interests as referred to in Section 9 and Appendix B of the Code. A record will be kept of any declaration of interest, and this will be available to view by all panel members.

More detailed guidance for Members on the declaration process will be provided through a Member Briefing.

Due diligence

Cheshire West and Chester Council will confirm projects have passed verification before they launch their crowdfunding campaign. See guidance point 1 for further details.

Verification does not in any way absolve any outside organisation from their own liabilities in respect of promises or assurances made to members of the public.

Projects that do not help the Council achieve the aims in the Borough plan can still be placed on the platform (providing they pass due diligence as previously described) but will not receive Council support.

Cheshire West and Chester Council will reserve the right to withdraw financial support and endorsement if factors that should have been disclosed at the outset are brought to light at a later stage.

The relevant Director, currently the Director of Environment and Communities, will agree the operating model for each round in consultation with the relevant Cabinet Member. The Director will also provide oversight to the process.

MONITORING AND REVIEW

The Council will monitor this policy to ensure that it is operating fairly, consistently and effectively. The policy will also be reviewed in the light of operating experience and/or changes in legislation.