

<b>Grants Determination Sub-Committee</b>	 <b>TOWER HAMLETS</b>
6 November 2019	
<b>Report of:</b> Will Tuckley, Chief Executive	<b>Classification:</b> Unrestricted
<b>Innovation Fund update</b>	

<b>Lead Member</b>	<b>Councillor Candida Ronald, Cabinet Member for Resources and Voluntary &amp; Community Sector</b>
<b>Originating Officer(s)</b>	Robert Mee, Interim Voluntary & Community Sector Team Manager Awo Ahmed, Programme Assessment & Monitoring Officer, VCS Team
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Forward Plan Notice Published</b>	8 October 2019
<b>Reason for Key Decision</b>	n/a
<b>Strategic Plan Priority / Outcome</b>	<b>All</b>

### **Executive Summary**

The purpose of this report is to update the Grants Determination Sub-Committee on the LBTH Innovation Fund (match funding for organisations crowdfunding through Spacehive) including grants awarded, the work to increase usage by local vcs organisations and improvements to the process of assessing and awarding grants.

To date 12 projects have been funded totalling £52,451.25 with a further 10 projects launched on the Spacehive crowdfunding platform following the launch of the new funding round in May.

### **Recommendations:**

The Grants Determination Sub Committee are recommended to:

1. Note the organisations and projects funded through the LBTH Innovation Fund (Appendix 1) and the update on progress (3.6 – 3.11) and improvements to the scheme (3.12 – 3.13).

## **1. REASONS FOR THE DECISIONS**

- 1.1 As part of the LBTH Innovation Fund Programme being delegated to officers, there is a requirement to update the Grants Determination Sub-Committee of grants that have been awarded to local Voluntary and Community organisations.

## **2. ALTERNATIVE OPTIONS**

- 2.1 As this is a noting report, the Grants Determination Sub-Committee may request additional information on projects and organisations awarded funding or more details of the activities undertaken as part of the administration of the scheme.

## **3. DETAILS OF THE REPORT**

### **Background**

- 3.1 An action within the Council's VCS Strategy was to identify potential external funding sources to expand and diversify the resource base of local VCS organisations. Crowdfunding was identified as a method of doing this. In response, the Council launched a pilot programme for 12 months through a contract with Spacehive who are working with the Greater London Authority and a number of other local Councils.
- 3.2 As part of the crowdfunding initiative it was proposed that match-funding would be made available the Innovation Fund has been identified as a source for match-funding eligible projects. This is a one-off fund with a budget of £120k. As a result organisations that are crowdfunding through the 'Our Tower Hamlets' crowdfunding page of the Spacehive portal have an opportunity to pitch for up to £10,000 (or a maximum of 50% of an organisations crowdfunding target). In order to demonstrate that projects have the support of the local community, organisations are expected to crowdfund the first 15% of their total before LBTH can assess applications for the Innovation Fund.
- 3.3 The crowdfunding initiative was launched in July 2017 with the Innovation Fund being made available in August 2017. In the initial pilot 14 organisations pitched for the Innovation Fund with pledges being made to 9 of these. Total project costs for these 9 organisations equates to £285,919 with the Innovation Fund contributing £49,421 and the remaining £236,498 being crowdfunded through other sources.
- 3.4 Following the pilot a tender process led to Spacehive being contracted for a further three years to continue the programme.
- 3.5 An internal review of the pilot recommended some key areas to take forward to improve the effectiveness of the programme including:
- A dedicated officer resource being allocated to drive the initiative forward

- Equalities data is gathered in year 1 of the programme, this should be reviewed and findings taken into account when planning year 2
- A robust monitoring framework should be in place which takes into account the requirements Spacehive are meant to meet, as detailed in the specification and the bid they submitted
- Continued funding of the grants element of the scheme through the Corporate Match Funding budget through the lifetime of the Spacehive contract

### Current Progress

- 3.6 An officer in the Voluntary & Community Sector (VCS) Team has been designated to lead on the Innovation Fund / Crowdfunding work including managing the contract with Spacehive, liaising with internal comms and the voluntary & community sector.
- 3.7 A clear set of requirements are set out in the contract with Spacehive and regular reporting is required.
- 3.8 A 50+ trainee has joined the team through the Councils Workpath programme and they are assisting the Officer to increase the resource working on the Innovation Fund / Crowdfunding programme.
- 3.9 The table below sets out the programme plan:

Stage	Activity	Timescale
Pre-launch	<ul style="list-style-type: none"> <li>• Strategy Meeting</li> <li>• Update software - content, &amp; associated doc</li> <li>• Software walkthorough</li> <li>• Creation of programme timeline</li> <li>• Co-design of engagement strategy</li> <li>• Guidance and review of fund processes</li> <li>• Internal team training</li> <li>• Partner Organisation capacity workshop</li> <li>• Identify first eco-system partners</li> <li>• Book venue Workshop 1</li> <li>• Finalise software content</li> <li>• Creation of event marketing toolkits</li> <li>• Co-promote workshop 1 and deadline</li> </ul>	April – May 19
Rounds and eco-system building	<ul style="list-style-type: none"> <li>• Ongoing promotion of programme, support and celebration of projects</li> <li>• Hold workshop 1</li> </ul>	May – Oct 19

Stage	Activity	Timescale
	<ul style="list-style-type: none"> <li>• Event Follow up</li> <li>• Project clinic - 2 half days</li> <li>• Deadline for first round</li> <li>• Campaigns start</li> <li>• Tower Hamlets make pledge decisions</li> <li>• Campaigns hit their target</li> </ul>	
	<ul style="list-style-type: none"> <li>• Book venue Workshop 2</li> <li>• Co-promote workshop 2 and deadline</li> <li>• Hold workshop 2</li> <li>• Event Follow up</li> <li>• Project clinic - 2 half days</li> <li>• Deadline for second round</li> <li>• Campaigns start</li> <li>• Tower Hamlets make pledge decisions</li> <li>• Campaigns hit their target</li> </ul>	Nov 19 – Apr 20
	<ul style="list-style-type: none"> <li>• Eco system mapping list</li> <li>• Co-design of funder engagement strategy</li> <li>• Briefing for potential funders</li> <li>• Briefing follow up and onboarding</li> </ul>	Oct 19 – Apr 20
Review and planning for 2 <sup>nd</sup> year	<ul style="list-style-type: none"> <li>• Review and planning for second year</li> </ul>	Jan – Mar 20

3.10 To date 12 projects have been funded totalling to £52,451.25 of Innovation Fund Pledges. The first funding round was launched in May 2019 with a Crowdfunding workshop. 22 participants attended this event which resulted in 10 new projects being created and launched on 'Our Tower Hamlets'. There were two pledges made from the Innovation Fund this round totalling £2,541.00. This was followed by two project clinics facilitated by Spacehive to enable organisations to build on their community civic workshop.

3.11 Following the outcome of the Local Community Fund there were a number of organisations that were in a good position to launch a crowdfunding project. To support these VCS organisations officers from the Voluntary and Community Sector team encouraged organisations to think about different sources of funding and crowdfunding for some groups was a viable option. As such, a bespoke crowdfunding workshop was organised for previously funded Main stream Grants organisations on the 25th September, 2019. There were a total of nine organisations that attended with a further 2 projects being launched since the workshop.

## Improvements to the process

3.12 One area of improvement that has been identified is around the assessment process. Below is the current process and how it can be revised to be more efficient.

### Assessment Process

The assessment process has two key parts which are detailed in the table below, together with the weighting:

<b>Assessment of:</b>	<b>Weight</b>
<b>Part 1 Assessment:</b>	
<ul style="list-style-type: none"> <li>Public support for the campaign</li> <li>Effort of the project creator / campaigning activity</li> </ul>	25%
<b>Part 2 Assessment:</b>	
<ul style="list-style-type: none"> <li>Demonstrate how the project addresses a challenge that the community faces in a creative and new way</li> <li>Detail how the project promotes one or more of the following key themes within the Council's Community Plan</li> </ul>	25%
<b>TOTAL</b>	<b>100%</b>

The assessment process for funding includes the completion of an online application form which details how the project is innovative and consistent with the Council's priorities. An Assessment Form is completed for each eligible project. This looks at whether the project is eligible and also includes part 1 and 2 of the assessment as set out below.

#### Part 1 Assessment:

This will assess how much support the campaign has received and the effort of the organisation that is campaigning. It is important to note that the size of the project here, a small scale project which aims to crowdfund a small amount of funds would not be expected to get as many likes and pledges as a larger project.

#### Part 2 Assessment:

This will assess the responses to the two key questions that all organisations that are pitching to the Innovation Fund will be asked. These are detailed below with what an expected response should include:

<p><b>Q1: Please explain how your project addresses a challenge that the community faces in a creative and new way (25%)</b></p>	<p>(5% available for each point)</p> <ul style="list-style-type: none"> <li>clearly defines the challenge that the community faces and includes background research and/or statistics to support view</li> <li>clearly articulates how the challenge will be tackled</li> <li>details creative and innovative methods of tackling the challenge</li> <li>information given of other stakeholders that will support deliver of the project</li> <li>details of previous experience in tackling the challenge</li> </ul>
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<p><b>Q2: Please detail how your project promotes one or more the following key themes within the Council's Community Plan: - A Great Place to Live - A Fair and Prosperous Community - A Safe and Cohesive Community - A Healthy and Support Community (25%)</b></p>	<p>(5% available for each point)</p> <ul style="list-style-type: none"> <li>• clearly states which Community Plan theme the project relates to</li> <li>• details how the project will support that community Plan theme</li> <li>• more than one theme is acknowledged and detailed in response</li> <li>• evidence that the organisation has experience of working within the field</li> <li>• specific reference aspects of the Council's strategic plan</li> </ul>
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### Revised Assessment

To encourage BAME/Hard to Reach Organisations and previously funded MSG groups, to apply for crowdfunding it is proposed that we assess part 2 first which carries 50% of the overall mark before the projects have to meet the campaigning requirements.

The two quality questions will give us an early indication if a project is likely to be funded through the Innovation Fund. This will also allow projects to gain momentum in mobilising community support knowing their project idea is suitable for 'Our Tower Hamlets'.

3.13 Another area of improvement is around the decision making process:

### Current Decision Making Processes

A key criterion for organisations crowdfunding through portals such as Spacehive is that they must raise their funding target before the agreed deadline, failure to do so results in the organisation not receiving any of the funds raised with all payments being returned to their source. With this, it is paramount that any decision on match funding through the Innovation Fund takes place at the earliest opportunity possible in order to ensure that organisations are not at risk of losing out on the amounts they have raised.

With the need to make decisions in a timely and responsive manner, it was agreed at the 9<sup>th</sup> May 2017 Grants Determination (Cabinet) Sub-Committee that decision making would be delegated to the Corporate Director for Resources as Chair of a panel which and, to ensure transparency in the process will have, an external grant funder (East End Community Foundation). Performance reports will be presented to the Grants Determination (Cabinet) Sub-Committee on a regular basis detailing organisations that submitted applications, those that have been funded, whether they have met their target and updates on the implementation of their projects.

### Revised Decision Making Processes

It is essential that projects are assessed, moderated and pledged to in a timely manner and the revised deadlines are set out below.

- Assessment & Moderation – VCS team 3-5 working days.
- Panel & Decision – 3-7 days.
- Pledges – Projects should be pledged to within 14 days of assessment.
- Panel – To have deputised panel members who can step up if main panel member is not available

3.14 There is an opportunity to help the local voluntary & community sector diversify their income streams and the Innovation Fund / Crowdfunding scheme can be an important part of that. Regular updates will go to the Grants Determination Sub-Committee to help review the progress and impact of this programme.

#### **4. EQUALITIES IMPLICATIONS**

4.1 The original proposal for the Innovation Fund went to the Commissioners Decision Making Meeting of 12 April 2016. The proposals followed consultation with the sector in late 2015. The purpose of the consultation was to capture views on the scope, purpose and award criteria related to the proposed Tower Hamlets Community Fund (THCF). The results of that consultation and the work developing the VCS Strategy led to the development of the Innovation Fund as a component in funding and support to the sector.

4.2 Following the review of the pilot it has been recognised that annual reviews and equalities monitoring should be carried out each year of the subsequent contract to ensure that all parts of the sector are benefiting from this programme.

#### **5. OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 There are no other specific statutory implications relevant to consideration of this report.

#### **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

6.1 The match funding costs of the Innovation Fund will be met within existing Council revenue budgets.

**7. COMMENTS OF LEGAL SERVICES**

7.1 This report is a noting report and is in line with the previous approving report. There are no further legal issues.

7.2 Any equalities issues are dealt with in line with the overall equalities assessments undertaken as part of the scheme and as the scheme progresses.

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**Linked Reports, Appendices and Background Documents**

**Linked Report**

- NONE

**Appendices**

- Appendix 1 – LBTH Innovation Fund pledges

**Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE

**Officer contact details for documents:**

N/A