#CrowdfundCrawley

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What is crowdfunding?

Crowdfunding is a community led donation-based fundraising approach. It enables individuals, organisations and businesses to donate money towards projects in the community that they would like to support without expecting reimbursement – it's comparable to donating to charity and is typically administered via the internet, which will be the case with Crowdfund Crawley.

Spacehive, who are they and how does it work?

Spacehive is a web based crowdfunding platform designed for projects that enhance our shared civic life and bring benefits to the community, be that sprucing up a local park, holding a community event, or repurposing a disused building.

The aim is to help revolutionise the way communities grow, making it easier for local residents to define and choose community based projects, and back their ideas up by collecting funds not only from neighbours but also from local business, councils, and grant bodies.

Project proposals are posted on the Spacehive web site and automatically matched where possible with additional funding your project may be eligible for. Spacehive also verify your project, advising you on viability and if good to proceed, making it more appealing to bigger backers.

It is an all–or–nothing model, which means that as a project fundraiser, if you don't hit your funding target, none of the pledges are collected. The benefits of this are that, it helps you raise more money than possible with a "keep-it-all model" due to the sense of urgency it creates and it's also less risk

for everyone. If you need £5,000, it's not much good having £1,000 and a crowd of people expecting you to complete a £5,000 project.

Spacehive is open to anyone looking to create something amazing within their community but they do have a few guidelines all project makers must follow.

- Everything on Spacehive must be a project - a project will eventually be completed, and something tangible will be produced as a result.
- Projects must be civic - projects must have a civic value, meaning the benefit should be felt in the places we share, rather than our private homes and offices.
- It doesn't matter who you are - creating projects is open to any organisation or person over the age of 18 and based in the UK. Everybody is welcome to get involved but it should be noted that each funding organisation will have their own eligibility criteria which you will need to meet to be considered to receive a pledge from them. You will be advised as to the criteria when creating your project.

Below is a list of specific uses of the Spacehive crowdfunding platform that are not permitted.

- Spacehive cannot be used to raise money for general non-project specific causes, whether it's a charity run for Oxfam or a fundraiser for the work of a local conservation group. Other sites will be better suited to fundraising for these causes.
- Projects cannot offer equity or financial incentives (share of profits, ownership, and the repayment of loans or cash-value equivalents).
- No offensive projects (e.g. murals with racist content) or projects that promote political or religious ideologies.
- Projects cannot offer rewards that offer entry to raffles, lotteries, or participation in gambling. That includes Vegas style blackjack to the Village tombola.
- Funding will not be granted to organisations to pay for general revenue costs or for organisational running costs - the funds must be spent on specific projects, which benefit the community and only on associated infrastructure.

How to pitch for Neighbourhood Improvement funding from Crawley Borough Council

All community organisations or social enterprises based in the town can promote their project proposals via Crawley's Spacehive crowdfunding web page to attract pledges. Project organisers will be advised of any other potential funding streams they can pitch for when completing their project information. The council will consider making a funding contribution to such projects through its Neighbourhood Improvement Fund (CIL). For a Step by Step Guide, click **HERE**

For more information take a look at the **Funding Guide** or if you want to discuss your community project or would like information on how to set up a community group speak to your local Community Development Officer Community Development Team Contacts.

A set of terms and conditions outlining Crawley Council's position need to be accepted before pledges can be considered. By agreeing, projects are stating they would like to be considered but understand Crawley Council is under no obligation to make a pledge, in this respect – CBC are a "member of the crowd". The size of the pledge will depend on the size of the project, how it delivers against the fund criteria, the impact it will have, and the buy in from the community. The maximum pledge size will be 50% of the project costs, capped at £5,000.

What is the Eligibility Criteria?
- Evidence of a full legal status
- A governing document (constitution, set of rules or equivalent) that show how your group or organisation is run managed.
- A bank or building society account in the name of the group, with a minimum of two cheque signatures.
- An equal opportunities and diversity policy covering the organisation and activity (which says that you will not discriminate on specific grounds).
- An annual income or expenditure of less than £10 Million.

For more information take a look at the **Funding Guide**

Who decides which projects receive funding?

Residents, stakeholders and organisations play their part in deciding whether a project goes forward by making donations, giving a clear indication of their priorities through their pledges. This means local people will have a much greater role in deciding which projects are most needed.

In order to assess the level of community support the council will assess:
- The number of people who made a pledge
- How many "likes" the project received

Consideration will also be given to:
- The amount of development that has occurred in the area
- The number of projects already supported in the area

Crawley Borough Council officers will monitor the projects coming forward to determine any areas of Crawley that are underrepresented. If this is found to be the case then a targeted promotion would be carried out in underrepresented areas to make sure people across the applicable neighbourhoods are aware of the Crowdfunding site's capabilities.

Where is the money coming from?

By way of the above process, Crawley Borough Council will be using some of the money collected from developers – the Community Infrastructure Levy - to create a fund which community organisations or social enterprises within Crawley can pitch to access through the Crowdfund Crawley platform. The Community Infrastructure Levy (CIL) is a planning charge which took effect on 17 August 2017 and is applicable to new residential developments – 15 per cent of total CIL contributions collected have to be allocated for spending in local neighbourhoods. This is called the Neighbourhood Improvement Strand.

How do I receive the money I raise? What online payment systems does Spacehive use?

Before a project can start fundraising, the organisation delivering the project must link at least one, but ideally two, online payment accounts to their project page. Spacehive use PayPal and GoCardless. You can add them in the Project Delivery Manager tab when you set up your project.

Click on the relevant online account to find out the information you'll need to supply to create an account for your organisation.
PayPal setup video (you will need to set this up before you start uploading your project idea)
GoCardless setup via Spacehive (you can create an account through the Project Delivery Manager tab and an email will be sent asking you to verify your account).

Pledges made by Crawley Borough Council will be paid by BACS into the organisations bank or building society.

Is there a charge for using the site?

Spacehive do make a charge on all successful projects which have used the site, equivalent to 5% of the total amount raised. This is a contribution towards the costs of administering the Spacehive platform, including the use of an external company, Locality, to help check that projects have included the necessary information and that they are credible proposals. This additional independent assessment of projects helps to give people peace of mind when making a pledge. Organisers are reminded to raise extra to cover the 5% charge. Projects which fail to reach their overall fundraising targets.

Transaction fees

There are also transaction fees; PayPal at 3.4% + 20p per pledge and GoCardless at 0.5%. Spacehive will estimate these charges at the beginning of your campaign and they are automatically added onto your total project costs. Because these are estimations you might notice your campaign target fluctuating depending on the payment methods used by backers and the pledge sizes. Generally the transaction fees are overestimated so you'll probably see your target decreasing, especially if you get a big pledge or if you mostly receive GoCardless pledges.

What happens if the project fails to reach its funding target?

Payments are only charged if projects hit their funding targets, backers only pay if the project goes ahead. Projects which fail to reach their funding targets, will not be able to gain access to any of the funding and the projects will not go forward since they would not have sufficient funding.

Are there other types of donations?

In-Kind Donations:

When you create your project on Spacehive you can also list some of the items that have already been donated and their equivalent value, such as tools, equipment, or skills that you would otherwise have had to pay for. They are called 'in-kind donations', because they are provided ahead of the campaign instead of pledges.

Make sure to factor in all those highly committed people who have offered their time to the project and any goods you may need when you're creating your project. You'll be asked by our verifiers to send confirmation of the goods/services that have been offered and they can then be included on your project page.

However, please note that to ensure transparency for all backers, once you've begun fundraising you cannot swap out cost items for additional in-kind donations. You must raise the full target amount that you agreed upon and Locality verified at the start of the campaign.

Wish Lists:

Spacehive also offer the chance to complete a Wish List when you're creating your project and this list can be used as a point of reference for locals to see what your project may need. On your Wish List can be the things that aren't absolutely essential to get your project going but would be hugely helpful if they were offered along the way. As an example you could ask people to help you clear or paint your space in order to get your project off the ground once you've reached your target.

Offline donations:

Alternatively people can make a donation direct to the project organiser or by contacting Spacehive by telephone, however it should be noted that if the project is unsuccessful then in that scenario the donation cannot be returned – the project organiser will inform the donor what they intend to spend the funds collected on.

Is it inclusive?

The Crowdfunding approach is inclusive and empowering since the success of crowdfunding is not solely dependent upon a contribution from the Council. Even projects that are considered ineligible by the Council for a contribution from the CIL Neighbourhood Infrastructure Strand, can post on the site and attract funding from other sources - all they need is a great idea.

The proposed Crowdfunding platform will enable wider outreach to sections of the community who may never have thought of approaching the council for support previously. It also acts as a visible showcase on line for projects and activities – allowing everyone to see what people are doing to benefit their local communities and encouraging more and more to get involved. The highly visible success of Crowdfunding projects on platforms from across the UK, breeds enthusiasm and momentum for others to participate, thus generating more community led ideas to improve community well-being.

What about individuals who have a great idea but are not part of an organisation?

Individuals will be encouraged to 'Buddy Up' with existing organisations, i.e. contact groups within their area who may be interested in the idea and could assist with the crowdfunding campaign. If you'd like further information, please speak to your Community Development Officer, for list click here.

How are projects verified?

In order to carry out effective verification of projects, Spacehive have partnered with a well-regarded national social organisation called Locality which has a strong track record, to check that the project has considered the following key criteria;

- The correct consents (planning or licensing permissions)
- Council permission
- Landowner consent
- Consultations with freeholders (and other key stakeholders)
- Costs look accurate, include VAT where chargeable, are based on firm quotations (when not common sense), and have included a contingency cost when necessary
- Any costs marked as already acquired in-kind, and any funds groups imply to as having already raised, actually exist (obtaining proof)
- The project page description is an accurate and fair reflection of their project
- The Project Delivery Manager does not appear to have a questionable track record.

Verification is all about finding and rectifying weaknesses and problems before any fundraising is done, and finding the points of failure before a project starts rather than afterwards which reduces risk for investors and significantly improves project deliverability.

Will proscribed organisations be stopped from posting project ideas?

The verification process which takes place before a project is given the green light to post onto the platform, should ensure that proscribed organisations do not have the opportunity to go live with their fundraising. In addition the Council will be alerted to projects before they go live so will be able to raise an alarm on anything suspicious at a very early stage and the much higher visibility on the website once a project does go live means that the "eyes of the crowd" offer an additional level of scrutiny for unsuitable groups/activities.

What is the impact of crowdfunding on other forms of charitable giving?

Evidence suggests that people using Spacehive pledge because they will benefit from the project's completion. This accounts for around 80% of people that pledge to Spacehive projects. Charitable giving is different as the drivers for giving are more philanthropic. This accounts for the other 20%. Essentially Spacehive reaches and taps into a much wider audience, not the typical philanthropic givers, so there is therefore no known detrimental impact on levels of broader charitable giving.

May 18.