

### Local Giving Model Update

#### 1. B& D Lottery.

Lotteries have long been a way of smaller organisations raising income, regulated by the Gambling Act 2005. Society lotteries are promoted for the benefit of a non-commercial society. A society is non-commercial if it is established and conducted:

- For charitable purposes;
- For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity;
- For any other non-commercial purpose other than that of private gain.

Local lotteries also provide residents with the ability to choose the good causes they want to support. Supporters can sign up to support the overall Lottery or an individual good cause.

In response to some of the opportunities and challenges faced by VCSE organisations in Barking and Dagenham and as a means of engaging residents with local charities the B&D Lottery was launched on the 21<sup>st</sup> October 2017. Residents can either support the overall B&D Lottery or an individual registered good cause.

The amount the lottery is raising for good causes fluctuates from week to week, as new players sign up, and existing direct debits end. At the time of writing this report, the BD Lottery was selling 759 tickets per week (09 January 2019) and has raised £26,562 for Good Causes since October 2017, and 35 good causes are signed up.

The income that Good Causes raise from ticket sales is paid directly to them monthly. Since the first draw in October 2017, good causes have already received £7,687 directly in payments, the £14,617.40 which is generated from generic LBBD tickets and 10p from every good cause ticket sold has created a Community fund, which was split equally between all good causes selling 20+ tickets per week by 20 October 2018, this resulted in 11 of the good causes each receiving £900.

#### **BD Lottery Community Fund**

Barking and Dagenham Council is effectively registered as a good cause group. The pot of money generated for the Council is referred to as the Barking and Dagenham Community Fund Pot. This pot of money is formed by:

- Ticket sales that are not dedicated to a specific good cause – in this instance the BD Community Fund receives 60p of every £1 generated.
- 10p of every £1 ticket bought for other specific good cause groups.

An average of 705 tickets per week between October '17 and October '18. The Barking and Dagenham Community Fund Pot has generated an income of £14,600 in its first year to the end October 2018 which includes covering all set up and marketing costs.

The amount in the Community pot increases and decreases based on ticket sales per week.

## Superdraws

In order to increase ticket sales Superdraws are organised.

Two Christmas Superdraws and one Summer Superdraw have been held. Prizes have been donated to the Superdraws in two ways: either as prizes or money from contractors to buy prizes. Over £3,500 has been donated in cash and prizes over the three Superdraws.

The Summer Superdraw had more of an impact on sustained ticket sales than the Christmas draws, so moving forward it is proposed to remove the Christmas draw which has proven to be less effective in increasing sales and replace it with one earlier in the year to see if this increases and sustains ticket sales over the longer term.

<b>Superdraw Date</b>	<b>Donation Amounts/ Prizes</b>	<b>Ticket sales before promotion</b>	<b>Promotion type/ costs</b>	<b>Ticket sales after promotion</b>
Christmas Superdraw 2017 (16/12/17)	<ul style="list-style-type: none"> <li>• 1 family ticket for Cinderella at The Broadway Barking</li> <li>• 2 VIP tickets to watch a Dagenham and Redbridge football match plus dinner and bar waitress service</li> <li>• A meal for 2 at Pipe Major</li> </ul>	597 tickets sold	No cost social media promotion, internal staff briefing, One Borough News letter	606 tickets sold
Summer Superdraw 2018	<ul style="list-style-type: none"> <li>• £1,500 donated by United Living and £200 donated by a smaller contractor this covered all prize costs which were</li> <li>• 2 x £600 haven Holiday vouchers</li> <li>• 5 x £100 Asda vouchers</li> </ul>	704 tickets sold	£250 Facebook post boosts  as well as no cost social media promotion  internal staff briefing, One Borough News letter	931 tickets sold
Christmas Superdraw 2018 (15/12/18)	<ul style="list-style-type: none"> <li>• £1000 donated by RNB Builders which covered cost of (PlayStation 4 bundle, 2 x £300 All4one vouchers, £100 Asda voucher)</li> <li>• £250 Amazon Voucher donated by GreenTherm</li> </ul>	819 tickets sold	£250 Facebook post boosts, as well as no cost social media promotion	859 tickets sold

	<ul style="list-style-type: none"> <li>• 1 year membership to Everyone Active gyms</li> <li>• Spa voucher for 1-hour treatment at Everyone Active gym</li> <li>• 1 family ticket to watch Beauty and the Beast at Broadway theatre Barking</li> </ul>		<p>internal staff briefing, One Borough News letter</p>	
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The Community Fund pot was shared between all B&D lottery good cause that were selling 20+ tickets per week by 20 October 2018, were paid in mid-November. 11 groups received £900 each, and we gathered 5 of these groups together for a photo call with the Cabinet Member for Community Leadership & Engagement. The press release was then sent out on the 27<sup>th</sup> November to coincide with National Giving Tuesday to boost the profile of the lottery, the local good causes and help to raise ticket sales.

### **Moving forward**

One of the key learnings from the first 15 months is the timing of Superdraws to increase ticket sales. This learning is mirrored in other local lotteries across the country, where experience demonstrates a slump in ticket sales after the Christmas period, and so a boost in promotional activity has been planned for the new year to try and mitigate this.

In other areas the local lottery is being run by the local infrastructure organisation, and this could be considered as part of the local giving model moving forward.

Additional activity will take place in the spring of 2019 to continue to increase the number of Good Causes groups registered with the lottery and to support them to maximise their ticket sales.

## **2. Crowdfunding what has been achieved since April 2017**

LBBDD launched its crowdfunding platform and small grants match funding pot on 5 April 2017 which was well received by the 40 local VCS groups who were in attendance.

Since then, the Participation and Engagement team, Crowdfunder UK and BDCVS have been working to support local groups to develop crowdfunding campaigns, working closely with the council's Communication's team. As this has been a step change for the sector there has been a relatively slow take up and considerable support has been required. To help, simplified check-lists and paperwork have been developed for groups to aid them in the matchfunding process.

Projects eligible for, and who choose to apply for matchfunding from the Council are considered once their project has reached 25% of their proposed target. Not all campaigns

on the main site are applicable or of interest to LBBB, and therefore may not be hosted on the local site. Organisations that are eligible to apply for LBBB matchfund must:

- be community and voluntary organisation, not for profit company, registered charity, or constituted organisation operating in Barking and Dagenham
- have a project that is borough based and benefit people who work or live in the Borough, be inclusive and accessible to everyone in regard to equality and diversity and have a strong local support shown through a vibrant crowdfunding campaign.

The table below outlines the successful projects to date:

	<b>Project description</b>	<b>Project Target</b>	<b>Matchfunding</b>	<b>Other Funding</b>	<b>Funding total</b>
<b>Company Drinks</b>	Install a community training and production kitchen  Renovate the pavilion and its large social space Upgrade the green outdoor space.	£12,500	£2,347	N/A	£15,000
<b>Arc Theatre</b>	Arc's interactive drama workshops taught online safety to 1,800 primary schoolchildren, providing them with skills for a safer future	£6,480	£3,240	£3,240 Santander	£9,444
<b>Hopewell School</b>	Raising money to take a small group of disadvantaged children with additional needs on a residential two day adventure/orienteering	£1,000	£500	N/A	£2,023
<b>Barking Enterprise Centre</b>	Barking Enterprise Centre CIC developed a network which supports people aged 16-28 to be part of a Young Entrepreneurs Network.	£4,320	£2,160	£2,160 Santander	£7,265
<b>Outside Project</b>	LGBTQI forum to run alongside the LGBTQI homeless shelter from Oct 17 – Apr 18	£21,000	£10,000	N/A	£21,000
<b>Wellgate Community Farm</b>	Will transform an abandoned site in Marks Gate back into thriving community allotments.	£3,000	£1,500	N/A	£3,055

<b>Lifeline Community Projects</b>	A group of excited students headed on an adventure of a lifetime, as they switch Dagenham for Freetown in a life-changing culture swap.	£12,000	£6,000	N/A	£12,079
<b>Studio 3 Arts/Carter Productions</b>	Sharlene created 55-minute hip hop dance theatre piece, <i>My Journey</i> , that addresses the stigmatisation of disability in society, she touched on her experiences dealing with local councils, the NHS & social care workers and how the relationship between a mother and daughter changes when the parent becomes disabled	£6,000	£3,000	n/a	£6,740
<b>Wellgate Community Parents Forum</b>	Coach trip to Walton on the Naze for families in the Marks Gate and Chadwell Heath communities (London Borough of Barking and Dagenham) who find it difficult to pay for a day out.  £250 was needed for the 2 <sup>nd</sup> coach to take the families there and back. We have already secured funding for the first coach but there are many more families pleading for an opportunity to experience the seaside.	£250	£125	N/A	£315
<b>Love where you live Valence Park</b>	A park the people of Valence can love – a place to play for all the family.	£6,000	£3,000	N/A	£6,021
<b>I am Focused</b>	Educating and empowering challenging and vulnerable young people about the benefits and importance of good physical and mental health	£12,000	£6,000	N/A	£12,000

There have been, and currently are projects on the site which have received little or no support from the Crowd. Two factors clearly contribute to this:

- The promotional material developed for the site by the organisation
- The effort that the organisation puts into promoting the project

## Additional Funding

In addition to the funding that is being drawn in to the borough through the platform, is the Santander Change Maker Fund.

This fund is aimed at helping social enterprises, small charities and community groups to deliver projects in the UK to create innovative solutions to improve communities. The Changemaker Fund has been created to support projects that help disadvantaged people to have greater confidence in their futures by building skills and knowledge or ideas that help communities prosper.

Santander has made available £200,000 to support changemakers who turn to the crowd to make great ideas happen and so far, this year Santander have funded 2 LBBB projects a total of £5,390 via the Crowdfunder platform which would not have been available otherwise.

## Changes to the Crowdfunding process

Since launching the platform, the following changes have been made:

Flexible fund- When the platform was initially established, projects could only apply for matchfunding from the Council if they had set an 'all or nothing' goal. This meant that the project had to achieve 100% of its funding target to receive matchfunding that has been pledged from the Council. Subsequently, in light of some of the challenges that groups are facing it was agreed with BDCVS that the Council would consider matchfunding on the 'flexible fund' basis as well as an 'all or nothing' basis, meaning that the organisation will get to keep what was raised from the crowd however the "all or nothing rule still applies to the matchfunding money if they do not hit the full project total then they will not receive any of the LBBB matchfund money.

- The way the matchfunding panel works - Initially intended to meet face to face with regular dates, however due to the sporadic nature of when applications need consideration and the tight window for decisions. Emails are sent as and when projects that have applied for LBBB Matchfunding reach 25% of their targets and the panel are given 3 days for any questions and 1 week to make a final decision.

Crowdfunding as a means of fundraising presents some challenges for groups. This is not unique to Barking and Dagenham. The table below compares three areas that are using the Crowdfunder UK platform

## Comparison table

Borough	Number of projects year 1	Number of supporters	Total matchfund pledged	Total raised
LBBB	5	391	£18,247	£39,732
Wigan	7	284	£5,000	£37,786

Derby	5	108	£2,425	£11,138
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## Challenges

The challenges in adapting to using Crowdfunding as a mechanism for fund raising for VCS organisations are:

1. Not having the capacity or social media skills to run a successful crowdfunding campaign. Projects go live that are then not promoted enough which means they do not get the support of the crowd. Crowdfunder UK says that every 20 shares on social media will turn into 1 pledge. The LBBD Communications team will promote projects once they have hit 25% of their project total.

When groups first approach, they are provided with guidelines and talked through step by step details on how to crowdfund. It is highlighted that they should start marketing even before the project goes live and have a pool of backers ready for launch day. They are also advised to talk to other groups that have previously crowdfunded for a first-hand account of what works what doesn't and how much work is involved. Some of the organisations that have ran successful campaigns have said that the marketing of the projects is time consuming and a lot of hard work, some also said that they felt like they were always hassling friends and family for money and that they would not chose this method of funding in the future.

2. There is a fear from some organisations about going live with projects as it is so public, and they feel that if it fails everyone sees this.

## Other Platforms

There are currently several other platforms. One of the more successful is Spacehive, Spacehive is a funding platform which specializes in projects that make local places better: from sprucing up a local park, or holding a community festival, to reviving a dis-used building.

Spacehive only works with the all-or-nothing funding model, which means that if you don't hit your target none of the pledges are collected. They have partnered with the Mayor of London where projects can pitch their project ideas and can gain funding up to £50k. The Mayor of London fund has currently backed 85 successful projects and has pledged £3,297,541.

## **Reflections**

Crowdfunding in general seems to be a platform that takes time to build and for organisation to gain confidence in. The more local groups see other organisations in the borough raising money and generating interest in their projects the trust they will have in Crowdfunding as an opportunity for them.

Crowdfunding seems to work best for youth organisations or organisations with the skills and volunteers to help with the campaigning on social media. Videos seem to help generate interest in the project, however they can also put people off if they are too long or not captivating and relevant.

To help support organisations with the set-up of their project page the Council currently offers face to face advice, Crowdfunder UK also offer online or telephone support to help with project pages, social media and advice on videos. To try to support the growth of the platform and to support groups new to crowdfunding The Participation and Engagement team are holding a workshop in January 2019 run by Crowdfunder UK at The Sue Bramley Centre where organisations will get face to face advice and tips. Additionally, there is the offer for organisations to receive general social media training.

The Crowdfunder UK guides are great but are not always utilised by groups. Organisations are also encouraged to speak to the Crowdfunder UK coaches for advice and for them to look over the project before it goes live.