



## Report to the Finance Strategic Policy Committee

### Civic Crowdfunding (CF)

#### Background

Crowdfunding is a well-established method of securing funds. Most would be familiar with issues or circumstances seeking funds through platforms such as 'gofundme'. Civic CF has been operating for some time, which is the use of CF as a funding mechanism for local community projects through a CF platform. It is estimated that circa 50 local authorities in the UK use Civic CF successfully. The use of technology is central to CF as part of a fundraising tool but also as a mechanism to encourage citizen participation and strengthen democracy. Report No 6/2020 to the Finance Strategic Policy Committee outlined the merits of and objectives in pursuing the introduction of crowdfunding in Dublin City Council. Report No 14/2020 to the Finance Strategic Policy Committee and discussions held at the meeting on 3<sup>rd</sup> November outlined the market sounding process, key insights gained, mentorship of project creators/developers, community capacity, financial governance, connections to elected members and staff and costs involved.

#### Purpose

The purpose of this report is to inform the SPC members of the progress made in advancing the introduction of Civic Crowdfunding in Dublin City Council. The report will give an overview of market soundings, key DCC requirements for a civic crowdfunding platform and the forthcoming tender process.

#### Market Soundings process and Key Insights Gained

Four submissions were made to the issue of a civic crowdfunding market soundings call. Each submission was considered by the evaluation team and subsequently further discussed at separate meetings with each organisation / company. The meetings held typically lasted between 45 mins to 1 hr. All meetings were attended i.e. none were cancelled. The DCC team consider that the meetings were highly beneficial, allowing DCC to gain an understanding of the various civic crowdfunding approaches. The willingness of each of the participants to share their experiences and knowledge with DCC was very welcome and appreciated. DCC gained key insights from the market soundings held.

#### Key DCC Civic Crowdfunding requirements

Civic Crowdfunding will provide an opportunity to increase available resources through linking DCC funding with small contributions from a large volume of funders. Bringing together like-minded individuals around a commonly supported community initiative is

likely to have a positive impact on community development. The strengthening of communities is a priority for DCC, even more so now in a post pandemic and cost of living strained context. It is anticipated that Civic Crowdfunding would be largely community led with part funding being provided by DCC. In this way, DCC funding will support projects which have gained support via the crowd funding platform. It is considered that the implementation of such a solution will provide significant opportunities to enhance the relationship between the Council and the local Communities. DCC considers a priority supports to communities, staff and elected members that assist in securing the most benefits. Benefits are strengthened communities through new networks, increased community confidence and skills based, increased community assets / services through successful completed projects. It follows then that communications across all involved are key so that it is transparent as to how projects will be assessed and learnings are achieved to enable projects to develop. It is a key tenet of the operation of a Civic Crowdfunding platform that donations / pledges will be held securely and appropriately. Equally data held as part of a donation, pledge or project, must be managed in compliance with all obligations so as to respect the identities and personal data of all those involved.

### **Tender Process**

Tender documents are currently being finalised and will go out to tender by the end of this month (September 2022). The outcome of the tender process and progress of the introduction of Civic Crowdfunding to Dublin City Council will be noted at future meetings of the Finance SPC.

### **Conclusion**

In summary, Dublin City Council intends to introduce Civic Crowdfunding as a vehicle initially for low to mid-level value community projects (typically in the range of €1,000 to €10,000). DCC considers the following elements important for a Dublin City Council crowdfunding platform to be successful:

- the engagement model, spanning mentoring, workshops etc.,
- governance, across finance, data held etc.,
- project related communications, including validation, funding, obligations etc.,
- costs, involving the costs of specific services provided and the cost model of the platform.

**Kathy Quinn**  
**Head of Finance**  
**With responsibility for ICT**

**15<sup>th</sup> May 2022**