

THREE RIVERS LOCAL STRATEGIC PARTNERSHIP

18 OCTOBER 2023

FUNDING STRATEGY FOR THE COMMUNITY STRATEGY

1 Summary

- 1.1 The Board is asked to consider the establishment of a funding stream for the Local Strategic Partnership Board (LSP) to support the delivery of the Community Strategy 2023-28.

2 Details

- 2.1 In 2019 the LSP approved the development of a Community Interest Company to fundraise for the achievement of the 2018-23 Community Strategy.
- 2.2 Due to the impact of the pandemic and changing structure within Three Rivers District Council to manage the demands of the pandemic, the capacity to develop the Community Interest Company and bid for resource is no longer available.
- 2.3 All partners within the LSP and its sub-partnership groups have experienced a tightening or reduction in resource as a result of the pandemic and rising costs, which has in turn affected the funding available to offer towards local projects.
- 2.4 In order to achieve the vision of the Community Strategy additional resources are required.
- 2.5 A recent expression of interest was submitted to big lottery but this was not successful. Submission will be reviewed and potential for resubmission following internal changes within the lottery.
- 2.6 There are now several options available to the LSP:

3 Donations

- 3.1 A community donation platform would create a central point for local businesses to contribute towards the delivery of the Community Strategy. A platform is already available through Watford and Three Rivers Trust to collate the funds.
- 3.2 This approach would require engagement and promotion from all partners and significant support from the Chamber of Commerce to promote to businesses operating in the area and local residents.
- 3.3 A barrier to this approach is the impact of cost of living. Residents and businesses may not be incentivised to donate without a tangible or immediate outcome.

4 Community Lottery

- 4.1 The concept of a community lottery is used as a business model in a number of authorities as a means of raising funds for local good causes. It typically works by enabling good causes to help themselves with the council facilitating this by holding the operating licence in an umbrella manner. The good causes benefit from raising funds via ticket sales (on-line).

4.2 The investment required is relatively low to include appointment of an External Lottery Management company at a cost of £5k with annual costs estimated around £1,045 a year.

4.3 It is recommend that Gatherwell Ltd are appointed as the External Lottery Management Company as they developed the proposed lottery model initially with Aylesbury Vale District Council and they currently run or developing lotteries for 140 Councils or CVS's.

4.4 A community Lottery is focused on incentivised giving;

Delivering the proceeds locally – A community lottery delivers benefits only to local causes, unlike any other provider.

Delivering winners locally – whilst anyone can play, it is likely that players will be locally based and hence it will be easier to maximise PR value from winners' stories and encourage more participation.

Facilitating a wider benefit – whilst the lottery will generate income to the council which will be used to augment the funding available for grants, it will also enable local good causes to fundraise in partnership with the council. This can be seen as the council enabling causes to help themselves.



60%
Good causes

60% of all tickets sales goes to good causes!
50% to the individual cause selling the ticket + 10% to the central fund



20%
Prizes

20% of tickets sales goes back to supporters as prizes



20%
Running costs & VAT

The running costs incurred by Gatherwell. These include the costs of all banking and transaction fees, running the site, player support, marketing etc.

HMRC define that ELM costs are VATable

NB These are recoverable

4.5 This approach is considered low risk by Gambling Commission as there are procedures in place to mitigate the risks of problem gambling:

4.5.1 Maximum of 20 tickets at any time per supporter

4.5.2 No instant reward or gratification when purchasing.

4.5.3 Tickets cannot be purchased on the same day as a draw.

- 4.5.4 Single tickets cannot be purchased.
- 4.5.5 Be gamble aware signposting on the platform.
- 4.6 However, we are aware some charitable organisations may not want to benefit from or promote the funding raised through this means due to the gambling nature for example some addiction support or faith groups.
- 4.7 Initial costs included below, but turnaround time is dependent on who the lead organisation is. Three Rivers District Council would need to apply to the Gambling Commission for a license. Other organisations would need to apply to local authority.
 - 4.7.1 Gatherwell Ltd set up fee's: £5,000 (plus VAT)
 - 4.7.2 License fee's: £1,173 (TRDC, 16 weeks) / £470 (other organisations).
- 4.8 Funds raised could go towards a central community grant scheme to deliver community strategy. From other established lotteries running, the pot of money for good causes is likely to be in the region of £21,949 – £43,898 + per annum.
- 4.9 2 options of development:
 - 4.9.1 Local organisations have their individual pages on the platform and people support those organisations directly (this option has been successful in other areas)
 - 4.9.2 Individual pages on objectives of the community strategy so the funding will go towards delivery of a specific piece of work. Organisations can bid into a pot to deliver this work.
- 4.10 For Donations & Community Lottery options, funds can be raised over the duration of 2023-24 and beyond to create a funding pot for 2024-25. Members of the LSP and sub-partnerships, as well as local organisations operating in the district would be able to submit funding applications to meet the aims of the Community Strategy.
- 4.11 2023-25 will form a pilot, after which the LSP will decide whether to continue this approach & determine future targets.
- 4.12 These bids will be reviewed by a new recommendation panel consisting of 5 LSP members, to ensure due diligence is carried out of those receiving funding and to ensure all themes within the Community Strategy is progressed. Non-member partners of the LSP could be invited to attend these meetings but would not have a vote.

5 HS2

- 5.1 This option will consist of a one-off bid to HS2 to secure funding and will require a lead organisation to develop the bid as well as project and performance manage.

5.2 The Community & Environment Fund (CEF)

- 5.2.1 CEF Local will focus on quality of life and environment in individual communities
- 5.2.2 CEF Strategic will focus on large projects across several communities and address broader concerns.

5.3 Business and Local Economy Fund (BLEF)

- 5.3.1 Through this funding, HS2 are looking to fund interventions that will have a positive impact on local economies (this may include a number of small schemes that are brought together in a package of interventions).
- 5.4 The intention has and will always be to seek to support a wider variety of lower value awards (up to £75,000) for greater environmental, social and economic impact from the budget available, rather than focussing on a high number of large awards (£75,001 – £250,000). The average award size has remained within the range of £50,000 – £60,000 since launching in 2017.

6 Recommendations

- 3.1 To agree the approach for the LSP to generate funding streams to deliver the Community Strategy 2023-28.
- 3.2 If required (Donations or Community Lottery) vote 5 LSP members to form part of the recommendation panel.
- 3.3 If required (Community Lottery) volunteers for lead organisation.
- 3.4 If required (HS2) agree a task group to develop the proposal and share with LSP Board for agreement.

7 Appendix

- 7.1 Presentation from Gatherwell



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