

Make/Shift Phase 1 Evaluation Report

Case study 4: Opening up collectively

How Make/Shift used an online financial platform to address barriers to devolving decision-making and funding into hyperlocal communities

The community pot is there to mobilise, [...] to bring collaborations and action to the fold.

Jodie, Platform Thirty¹

About

Like many Creative People and Places (CPP) programmes, Make/Shift found that their aims of sharing decision making and delivery into every corner of the Amber Valley was challenged through accounting barriers. There are two main types of barriers faced:

1. **Legal and accounting constraints:** Like most larger organisations, Make/Shift's parent body, the University of Derby, was not able to directly fund individuals and non-constituted groups, and in addition the procurement and finance system required a huge amount of paperwork even for the smallest transactions.
2. **Personal finance issues:** Many of the people who might want to step up as community leaders face barriers in 'holding' funding for their project or group. This can include issues with benefits which are affected even if no payment is made for people's time. It also can cause issues with trust and transparency in a group.

For this reason, projects often find themselves working with and through larger groups, which although beneficial in some cases, can mean juggling priorities over funds to apply for and challenge trust and devolution of decision making.

Make/Shift recognised that if the aims were to be met, they needed individuals and smaller grassroots groups to be able to access funding necessary for them to deliver projects within their local communities. They saw a need to be able to make formal payments as awards and fees, as well as more informal payments, such as recognising the cost of attending events or meetings, time, travel, and caring responsibilities which can otherwise exclude people.

Make/Shift sought a platform that lets community groups collect, hold, and spend money in a transparent way. Open Collective¹ was selected as a way to manage this process via its online platform, as it allows Make/Shift to work with a fiscal host who provide legal and accounting infrastructure for the groups and communities it supports.

¹ <https://opencollective.com/>

Open Collective addresses the problem of access – people may not want to hold funds in their bank accounts for tax or benefit purposes, or a personal bank account may not be an option.

Make/Shift use Open Collective to let community members submit invoices and expenses directly. These are then reimbursed from project budgets held outside the University's procurement system.

As Make/Shift's Director has identified, Open Collective allows Make/Shift to hold a portion of their budget in a 'transparent, agile pot' so community members could be paid quickly and easily.

Since starting to use the platform in 2023 Make/Shift has:

- Openly and accessibly allocated £133,258 total funds
- Done this via 47 different community-managed pots
- Supported 33 awards to be allocated through the Movers & Shakers panel

It has also modelled and shared this practice and potential by:

- Supporting Derby County Council to pay freelancers to attend creative consultations when their systems wouldn't allow it
- Advising four other universities on the potential use of the platform to widen access themselves
- Supporting one new group to form and use the platform in Amber Valley (so far)

Approaches

The use of Open Collective as a solution to one of the key barriers faced in supporting community-led work encapsulates how Make/Shift's approaches play out:

Start with strengths

Make/Shift's use of Open Collective **builds on existing community assets** by enabling transparent funding for local people, like paying freelancers or collaborators directly from collective pots. This **focuses on strengths (such as residents' creativity) rather than potential skills gaps (such as with budgeting or finance)**.

It also uses the **existing and inherent strengths of Open Collective as an ethically aligned system** to benefit the communities Make/Shift supports.

It supports Make/Shift to follow their principle of compensating community members (such as through informal payments for attending meetings, or more formal payments for community panels). This approach supports recognition of cultural and civic labour that is (quite often) unpaid, **valuing participation and lived experience as work that deserves fair compensation**.

Ecosystems not empires

Make/Shift recognised that 'empires' can arise as much (if not more) from the structures and administrative systems of organisations, funding streams and reporting as from designed intentions. In fact, large organisations often want to work with communities, but are blocked by slow, inflexible and risk-averse procurement systems. This is often an infrastructure issue, rather than a principle related or even legal related problem. Without the right tools and policies, even

well-intentioned staff, partners and collaborators can end up 'behaving like the system'.

Furthermore, recognising that this inherent 'hierarchy' can inadvertently be replicated through each stage, it was clear that if Make/Shift was to move to an ecosystem model, new systems had to be found.

Demonstrate possibilities

Thus, Open Collective was as much a demonstration of what was possible as it was a tool in its own right. Make/Shift showcased not only alternatives to traditional funding, but also demonstrated firstly that it is possible to get a university finance system to accept its use, and secondly how using it in the community could counter implicit biases.

Outcomes

Running as much as possible of their spend through Open Collective enables continuous, adaptive financing for Make/Shift's creative experiment (see Movers & Shakers and Creative Agents case studies).

We want the money that is there to support action that is decided by the community. So rather than us deciding, “We want to fund projects that do X, Y, Z”, we want the model to help people do what matters to them, rather than responding to something that we've decided is important.

Rachel, Make/Shift

Given this, it is possible to connect the use of Open Collective to achieving all the outcomes of Make/Shift. Here we focus on the aims of Make/Shift, which the use of Open Collective particularly supports.

Make

People across the Amber Valley are 'prepared to have a go'

Through being able to offer transparent and easy to access funding, Make/Shift is able to support anyone across Amber Valley who has an idea, or who wants to be on a decision-making panel to be able to seek an award, or who wants to be funded for their contribution.

Helping the money to do more and get to more – and the 'right' – people, to strengthen our people and place.

Jodie, Platform Thirty1

Furthermore, this is done in a clear, straightforward and easy way which is less likely to put people off for the next time.

For example, one of the Round 1 Movers & Shakers awards went to someone on carers benefit. Someone in this position would **usually not take up opportunities to receive funding**. Whilst they might have capacity and time, it is not beneficial for them to receive money into their personal bank accounts for benefit or tax reasons.

Using Open Collective circumvents the university payment system that Make/Shift sits within – a system which has **extensive administrative and paperwork requirements even when claiming a small expense**. For example, in our experience of contracting systems, this example was the most demanding so far and even

systems which are less testing can be very hard for a small organisation to navigate.

There is a real risk that community members, **even if they were eligible legally to claim fees or expenses, would have ended up effectively working for free** as they wouldn't feel able to navigate the system.

Others are more likely to get involved with the Open Collective system as **it doesn't feel complicated**. The intention is that the communities shouldn't be aware of how or why Open Collective is being used, but would still feel its benefits. Thus it creates an alternative way of working that removes the barriers Make/Shift have identified in the traditional infrastructure.

[Community groups] might not really even notice that it's a thing, 'It's just like this', but they *would* have noticed if they'd had to interface with the University...

Rachel, Make/Shift

By removing barriers – so people can have a go – Make/Shift, through using Open Collective, insulates the community groups from the interests of funders and institutions. By removing a bureaucratic burden, they ensure communities have the maximum amount of time for 'making' activities.

This helps community members to recognise the changes they are able to make – independent of goals and objectives – avoiding getting sidetracked by concern about meeting (sometimes arbitrary, certainly confusing) funding targets.

[S]ome of it is about power. If there's too much power surging into a local community, it will erase what's

really valuable, so it's like you're having to disrupt and break that power dynamic – like a pressure valve, constantly trying to get things flowing in a way that supports both sides.

Rachel, Make/Shift

Shift

Local community have confidence to take a lead, and increased knowledge and skills to resource and run projects

Because Make/Shift have been able to pay successfully for involvement through the use of Open Collective for payments, individuals have felt validated and able to work more freely:

Pretty much everything I was doing was free because I was finding it so hard to ask for money. Because I know people are so broke, struggling, to be offered an amount that feels fair was a breath of fresh air.

Mover & Shaker

The fact that everything is completely transparent and easy to check on means that people can learn from each other. Seeing how other collectives (and the host) handle similar transactions enables informal learning, good practice, and peer-to-peer support.

Also, seeing that others do this – and getting a sense of how much people typically spend on different types of expenditure – can help understanding of the realities of running projects.

In one case, the confidence, learning and skills (as well as a suitable finance platform) arising from Make/Shift's work showed how these can come together. The Ripple Effect, a project that developed out of relationships first formed as part of Make/Shift activity, has now received grant funding from Derbyshire Makes with money that originated from Derbyshire Council. The project team directly states how important the transparency of Open Collective is for them:

Netty, who received the funding as a leader for the group, felt uncomfortable with the money being in her bank account and managing it herself. That's when we decided to set up an Open Collective as we knew about it through Make/Shift.

Jemma, Creative Agent
and The Ripple Effect co-founder

This demonstrates that even small amounts of money, when given with trust, can mobilise change-makers who simply needed a modest amount of support to believe in their own ideas.

The Ripple Effect do, however, note some drawbacks. For example, setting up the account became a long process due to the initial application getting lost in a technical error.

We've then needed to wait for onboarding and policy writing before it could be opened. So, for a 9 month project it's taken half the time to get the account open. [...] As a small community group writing a lot of policies this felt a big task for us, for something that felt quite informal.

Jemma, Creative Agent and The Ripple Effect co-founder

The issue was resolved, with support via Make/Shift's links to The Social Change Nest, and the Open Collective pot is now due to be opened for use.

Local communities and groups are part of a network that has resources to thrive, which is used to shift power to a grass roots level

Fundamentally, Open Collective is an example of one of these 'resources to thrive', which Make/Shift trialled to reduce access barriers for the groups and individuals who engage.

Running funding through Open Collective makes great steps towards this in a number of ways:

Building and maintaining trust

Working from the 'inside out' is part of Make/Shift's commitment to putting relationships first. This approach builds trust and does so at the speed that is required for each project, person or circumstance. In the case of Open Collective:

[I]t's that thing of trust, of going, "We know that we're trying to aim here, and this is the budget, and you hold it" – which is very different to a lot of bigger organisations.

Beth, Maison Foo

Open Collective's ledger and all financial transactions are visible in real time. This means all of the supported communities and Make/Shift (as the host) know how promptly each are acting and whether this meets agreed processes.

The ledger itself is fixed – transactions cannot be edited, only added. This discourages any late changes that a finance department might feel the need to make for year-end accounting reasons, or any other things which might confuse communities. This builds reliability and trust over time.

The open system leads to everyone having equal access to information. Hosts don't 'own' the financial information and communities can independently inspect it. This supports mutual accountability; by using a system that is transparent, Make/Shift demonstrates its trust in the community groups and each can see how the other is acting.

It does enable us to spend and record financial transactions transparently and keep all the information in one place, especially [helpful] for our funders to see and [in] reporting to them. It enables [both] me and Netty to both control the finances so it's not just one person.

Jemma, Creative Agent
and The Ripple Effect co-founder

Shifting where decision-making happens – from the 'centre' across the whole ecosystem.

The use of Open Collective does allow Make/Shift to 'shift' where decision making sits – from inside a seemingly impenetrable organisation (which inadvertently turns into another 'empire') to groups like the Movers & Shakers panel who can then decide how to distribute and allocate funds into the local ecosystem of hyperlocal communities.

By placing all the funding ringfenced for this into Open Collective and then moving it so each Mover & Shaker individual or group can draw it down totally transparently, the community is holding more power in funding allocation but is also able to be more aware of how the money is spent. This helps maintain trust on an interpersonal level within the community/communities involved, but more importantly, **it challenges the 'business as usual' practice of finance allocation happening behind closed doors.** Community members can see the sort of transactions and decisions which are usually all held within funder or programme director spreadsheets and finance systems.

Allowing flexibility in iterating approaches to shifting power

The fact that Open Collective 'pots' are also accessed in real-time rather than being tied to a single project bid or reporting window enables communities to experiment, iterate and adapt activities without re-entering the full application process each time they want to shift emphasis. A proven track record of adaptable working practices may garner more trust from funders, volunteers and collaborators who can contribute future resource.

Anarcho-libertarian economics in practice

Transparency, overall, appears to aid the self-regulation of the ecosystem, helping community groups to situate themselves within the larger Amber Valley network of which they are an integral part.

By being transparent, Open Collective assists Make/Shift in showing no favour to any particular groups. Clear, replicable processes demonstrate no reliance on insider relationships. Therefore, local groups that have not already engaged may develop confidence and trust in working with Make/Shift.

Another benefit is that, despite the risk of total transparency, it can be liberating for local artists to know what their current market rate is.

The freedom to self-regulate opens up more equitable access to people who may historically be paid less than others.

Seeing many collectives under the same host also gives community groups a clearer picture of how funds flow across a local ecosystem: who is repeatedly funded, who is emerging, and where gaps appear (see Flows case study). This knowledge can help them develop and resource their own projects.

Make/Shift's use of Open Collective allows people to adapt number of hours available and responsibility levels to what helps them thrive, rather than linking pay strictly to age, traditional workplace seniority, or factors like race, sexuality and gender.

Tested and can articulate what approaches work in achieving Make/Shift's aims

Open Collective has been a solution to a number of barriers and challenges that Make/Shift has faced. It also illustrates one of the real strengths of Make/Shift, which is not accepting that things cannot ever be done differently but actively seeking out alternative solutions and working through barriers to implementing them.

Make/Shift have articulated how a 'new' devolved and distributed system might best tilt additional support towards those traditionally seen as disadvantaged by 'old' systems.

It shows that large organisations like universities ARE able to do things differently

One of the key ways that Open Collective evidences Make/Shift's success in this is simply that it was accepted by the University of Derby as a way of distributing funding that they were accountable for. How hard this was to make happen cannot be underestimated – tenacity was shown across the Make/Shift team, while the University was brave and supportive in taking this step.

Having done this, the University of Derby can show the due diligence they undertook and offer a headstart for other large organisations seeking ways to more equitably move funds into communities.

So far, this modelling and advice has been taken up with four other universities which have received advice on use of Open Collective directly from the University and/or the Make/Shift team.

For an institution like University of Derby there are at least two benefits in this.

- One is the benefit to the University in meeting its civic responsibility role² and being able to work more directly with communities.
- The other is actually a time and cost saving – not having to set up each individual organisation and person as a new supplier on the system, sometimes just for one transaction. This was a welcome solution for the University and could be for many others whose core business model isn't set up to work in this way.

² The University of Derby is a Civic University and invests heavily in this role, part of which is the support given to Make/Shift CPP, see <https://www.derby.ac.uk/civic/>

By accepting Open Collective as a legitimate way to distribute its funding, the University of Derby demonstrated that large institutions can act differently – and more fairly. Make/Shift’s model shows how transparent, devolved systems can better support local people, when tenacity meets institutional courage.

It required sustained tenacity from the Make/Shift team alongside the partnership and support from the University.

Together, this partnership shows that large institutions not only can do things differently – but that when they do, meaningful civic impact becomes possible.

Professor Keith McLay,
Deputy Vice-Chancellor, University of Derby,
Chair of Make/Shift Consortium Member

Open Collective shows that you can be financially clear without a huge amount of complex admin

The fact that most community members using Open Collective don't even comment on it shows how easy it is to use. Seeking quotes for this case study, only those who had previously had funding through other routes commented on this. Creating a 'seamless' experience for inexperienced community members is clearly possible – as well as desirable.

Open Collective – and other platforms and solutions – can never be 'one size fits all'

Make/Shift and partners are able to articulate how this platform may not suit all networks. In some cases, smaller-scale groups *already in action* may have developed their own proven processes and may not wish to give those up:

[W]e tried to get another group to think about using it [...] – that was a group of organisations working together...They pushed back quite hard because they felt [...] that they had enough agency, ability and capacity themselves to not need it.

Claire T, Grow Outside, Learning Gatherer

In other cases, the more supported approach offered by a larger local charity holding a less experienced non-constituted group's funds, and supporting their bids and delivery decisions, works better – the smaller group may feel they need the support and further distance from accounting, and so are happy to pay for this support.

In addition, Open Collective charge a 5% fee for hosting finances. This is how they resource the work they do, in common with other organisations who hold money for small groups. Make/Shift can afford to cover this fee for all their work – including the spend of those who have received awards from Make/Shift – as the University of Derby doesn't charge any administrative costs for running the CPP. This is rare or even unique among CPPs as most are paying up to 10% of their grant to host organisations, largely to support finance, HR etc.

If this model were to be rolled out and used further there would need to be negotiation over how the 5% fee would be covered as the host

organisation's fees are intended partly to cover the many transactions and set ups which a CPP needs, so saving time on these might enable a reallocation of part of these 'overheads' towards paying for the platform costs – and so this might be worthwhile financially.

This is also potentially an issue for small community groups who need to balance the value of someone else hosting (saving them time and offering transparency across the group) with the money this will cost:

[W]hen a group of CICs and non-constituted community groups think about giving up 5% of whatever money they've managed to scrape together, it feels a very different proposition.

Claire T, Grow Outside, Learning Gatherer

While the intention is not to burden smaller groups with extra costs without adding value elsewhere, this risks appearing as a potential negative to some of those groups who want, or need, to manage their own 'pages' (Open Collective sites).

Platforms and other systems can't completely overcome all inbuilt inequality

Make/Shift recognises that power imbalances can still appear in how 'contribution' and 'value' are interpreted and that Open Collective, as a platform, doesn't hold the answer. Make/Shift (as host) holds legal responsibility, while panels, Creative Agents and awardees decide how funds are used, allowing them to make their own judgements about what things are worth.

Furthermore, so far only 21% of Make/Shift's total funding flows through Open Collective meaning there are 'non-open' (non-transparent) elements of funding. In relation to this, the team have

considered a hypothetical scenario where all the Phase funding was run through Open Collective. This would mean that the community (and anyone with the URL) could see all of the finances involved, and also be involved in decisions around the right way of spending the money. The situation would raise many challenges if it were to go beyond an idea, but it does illustrate the limits to how much transparency and power Make/Shift have been able to really shift given they must work within the current system too.

Finally, despite the informality of the system, it still relies on technology for its smooth operation. As the experience of The Ripple Effect illustrated, when smaller organisations are subject to delays and difficulties the impact can be more keenly felt.

Testing the use of Open Collective principally appears to have supported micro-experiments and operational tweaks that are usually too 'small' or administratively heavy for standard award giving processes. Seeing the full effects of this type of distributed model relies on being able to see all of the correlations and small-scale shifts as part of a larger body of work.

We follow this lead in our other related case study exploring 'Flows', where we attempt to trace the more tangible effects of Make/Shift's approaches towards ensuring resources flow to local communities, and encourage further exploration of this type.

[A] lot of values generated in communities is about a gift economy, and a different *kind* of economy.

Rachel, Make/Shift

Learnings

- Money can be a catalyst for agency. **Small amounts of funding, when given with trust, can mobilise 'change-makers'** and encourage them to apply for more significant roles or funding in the future.
- To best support communities, it is important to work on their terms and **take responsibility for the time and effort required to support** them – outsourcing responsibility to people and communities is not equitable.
- Rather than funding projects based on institutional goals, **programmes should empower the community to decide what matters to them.** This ensures that **funding supports meaningful local change rather than top-down objectives.**
- **Fiscal hosting offers transparent support for grassroots projects** or programmes which need a financial system to be operational, **particularly if platform fees are covered by hosts** rather than passed on to projects. Hosting on their behalf also gives community members the time and space to **separate their creative 'doing' from administrative burdens.**
- Open Collective **could be explored as a potential tool for the wider sector** as it may save time, resource and money for different organisations, and at various levels of the funding ecology.