

DRAFT Proposal to Introduce a Micro-Fund

1. The Cabinet Member for Safer, Stronger Communities will be asked to take a decision in May 2019 to set up a new micro-fund. This will change the processes for the allocation of Community Initiative Fund (CIF) money to both a crowdfunding model and a smaller 'micro-fund' as outlined in this paper.
2. The review of the crowdfunding approach after a year of operation has highlighted some areas for improvement. Specifically, feedback from applicants and members suggests that a simpler, streamlined approach should be available for smaller, lower value projects (including through a slightly less extensive verification process). It is therefore proposed that small-scale applications should be able to apply direct to the County Council for funding, without using the crowdfunding platform.
3. The introduction of a 'micro-fund' would effectively seek to reintroduce the previously established Small Grants Fund, which was administered by the County Council Communities Team. This fund was set at £80,000 per year and the average application was between £600 and £1,000. The proposed limits to be applied to CIF are in-line with this previous arrangement. Allocating 30% of CIF to the micro-fund reflects the previous total (£84,000) and having a maximum funding limit of £750 also reflects the average total cost of applications under the former Small Grants Fund.
4. It is proposed to change the arrangements for the allocation of CIF so that projects with a total cost of £750 or less will need to complete a shorter, paper-based application form. Paper based application forms will be considered in the same way as those submitted through the West Sussex Crowd at CLC meetings. Projects with a total project cost of more than £750 will need to complete their application through the West Sussex Crowd in the normal way.
5. Each County Local Committee will be able to allocate up to a maximum of 30% of its total annual CIF budget to projects through the proposed new process. The total amount of CIF for the year 2019/20 is £280,000 so up to £84,000 would be available through the new Micro-Fund using a paper based application.
6. CIF reports submitted to each CLC will feature a running total of how much has been spent on projects submitted through the West Sussex Crowd and also those that have been submitted for projects under £750.
7. It is proposed that members would continue to play a key role in the following ways by:
 - Setting the principles and objectives that will help determine how funds are allocated
 - Agreeing funding pledges to be made to projects in their CLC areas
 - Exploring and understanding the needs and community expectations in their areas
 - Championing, encouraging and supporting local groups to develop ideas to meet local needs and use the platform to raise funds

- Monitoring the use of public funds and the effectiveness of the collaborative approach
8. The total CIF budget is currently £280,000 per annum (pending the outcomes of the Governance Committee Review of CLCs, which will be considering a potential 50% reduction in this budget). If the new micro-fund approach is taken forward, the level of funding available to each CLC through this route, as well as through the Crowd, is set out in the table below.

Committee	Member Allocation for 2019-20	West Sussex Crowd	Micro-Fund
Adur	£20,000	£14,000	£6,000
Joint Western	£28,000	£19,600	£8,400
Joint Eastern	£24,000	£16,800	£7,200
Chanctonbury	£16,000	£11,200	£4,800
North Horsham	£32,000	£22,400	£9,600
North Mid Sussex	£16,800	£11,760	£5,040
Central & South Mid Sussex	£31,200	£21,840	£9,360
Crawley	£36,000	£25,200	£10,800
North Chichester	£13,400	£9,380	£4,020
South Chichester	£26,600	£18,620	£7,980
Worthing	£36,000	£25,200	£10,800
Total	£280,000	£196,000	£84,000

9. The implementation of the new micro-fund needs to be cost-neutral as there are no additional resources available to support this. Staff savings were achieved through the move to the crowdfunding approach, specifically through staff posts that previously supported grants including the Small Grants Fund. It will therefore be important to monitor the resource implications of instating a two-track application process for CIF. The officer time required to process applications through the micro-fund will be monitored regularly to ensure the process isn't too time consuming or counterproductive.
10. The proposal is to maintain the crowdfunding model alongside a paper based system. It will be important not to lose the potential to leverage additional funding from other sources alongside CIF. Other public bodies utilising the crowdfunding approach experience, on average, 3.5 times leverage on grants they deploy. This provides the prospect of the County Council being able to facilitate an arrangement which will help a greater number of community groups to benefit to a greater extent than is currently achievable. This will assist all members in contributing to the core ambitions of the Council's West Sussex Plan and the targets which the Council has approved for those ambitions.
11. The proposed change seeks to mitigate the lower level of applications submitted through the crowdfunding platform by allowing project managers seeking smaller funds a more streamlined application process. The Council will continue to provide support to help community groups understand and engage with the model.

12. When the initial decision to utilise a crowdfunding model was taken, research from [West Sussex Life](#) suggested that 88% of adults have used the internet in the last 6 months. The introduction of the paper based application would seek to allow the 12% that did not use the internet an alternative means of accessing funding.
13. It is important that a uniform and consistent approach is taken across all County Local Committees. This ensures that all residents have fair access to a portion of the micro-fund.