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# Is the Community Business Fund right for you?

## Round Six

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# What will you get from today's webinar?

- **What is community business?**
- What is the Power to Change Community Business Fund?
- **Can you apply?**
- What makes a strong application?
- **What else is useful to know about this round of the Community Business Fund?**
- What other funding and support is available from Power to Change?

# What is a community business?

**No one better understands the problems of a community than those who live there.**





# Community business: A business run by local people for local people.





## **Independent trust providing community businesses in England access to:**

- **Research**
- **Peer networks**
- **Business development**
- **Capacity building**
- **Training**
- **Events**
- **Social investment advice**
- **Funding**





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# Our aim? To create better places through community business







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# What is the Community Business Fund?



# What is the Community Business Fund?

- Open grants programme
- Offers grants between **£50,000 and £300,000**
- Targeted at **existing community businesses**, based in **England**
- Funding to help your community business **grow and become more financially sustainable**
- Must meet our **12 eligibility criteria** for the fund, which includes being able to evidence how your organisation meets our **4 key features** of a community business
- Application window open from **Tues 11 Sept 2018 until 12 noon on Tues 9 Oct 2018**



## BE Group

- An independent employee-owned business services group
- Power to Change's partner for the Community Business Fund
- First point of contact for questions and support for applicants:
  - Helpline **0300 1240444**
  - Email [cbf@be-group.co.uk](mailto:cbf@be-group.co.uk)
  - Webchat on <https://www.powertochange.org.uk/get-support/programmes/community-business-fund/>

# Time for a poll:

## Have you already applied to Power to Change for funding?



# **Time for a poll:**

## **How many applications did we receive for our last completed round of the Community Business Fund ?**



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# Time for a poll:

# And how many were awarded funding?



# Can you apply?



# Community Business Fund criteria

## You must be based in England and your organisation must:

1. Fit our definition of a community business
2. Be incorporated
3. Be more financially viable by the end of the project, your business should
4. Have at least one year of accounts (management or annual)
5. Be ready to start project within 6 months of grant award

## And your project must:

6. Have a charitable purpose and meet a charitable need in your community
7. Be for public benefit
8. Share our impact goals
9. Have other sources of funding
10. Be requesting max. 75% building-related capital costs, 100% other capital costs, and/or 75% revenue costs
11. Be requesting a grant size between £50,000 and £300,000
12. Abide by State Aid legislation

**The strongest applications which meet all these criteria will be progressed to the assessment stage**

# What is an incorporated organisation?

Organisation recognised as a legal entity in its own right, rather than as a collection of individuals. For example:

- **Charitable Incorporated Organisation**
- **Community Benefit Society**
- **Community Interest Company Limited by Guarantee**
- **Community Interest Company Limited by Shares**
- **Company Limited by Guarantee**
- **Company Limited by Shares**
- **Co-operative Society.**

Examples of unincorporated organisations, which we won't fund, include: charitable trusts and unincorporated associations.



# Charitable Purpose and Public Benefit

Your project must demonstrate it has a **charitable purpose** at its heart and is for the **public benefit**, meeting a **charitable need** in your community.





# What costs can I apply for?

**Capital costs** include costs such as the purchase of land or buildings, construction costs, or the purchase of equipment of significant value.

We will fund:

- **Up to 75% of building-related capital costs** e.g. purchasing or refurbishing a building. We expect there to be disability access if we are funding building-related capital costs.
- **100% of other capital costs** e.g. purchasing vehicles or buying professional catering equipment

**Revenue costs** are costs associated with paying people for their services. For example, architect fees or employee salaries. Make sure you have considered who will be managing the project build and how you will cover any associated cost. **We will fund up to 75% of revenue costs.**

## VAT

Whether you should include VAT your project costs depends on if you are VAT registered. We have further information on VAT in our application guidance. VAT rules are complex, so we recommend you take independent advice on this matter.



# Key features of a community business

## Locally rooted

They are rooted in a particular geographical place and respond to the areas aspirations and needs, for example high levels of urban deprivation or rural isolation.

## Accountable to local community

They are accountable to local people. This can be demonstrated in many ways (e.g. membership structure, ownership, broad range of local trustees) but you must have evidence of regular and ongoing community influence on your business.

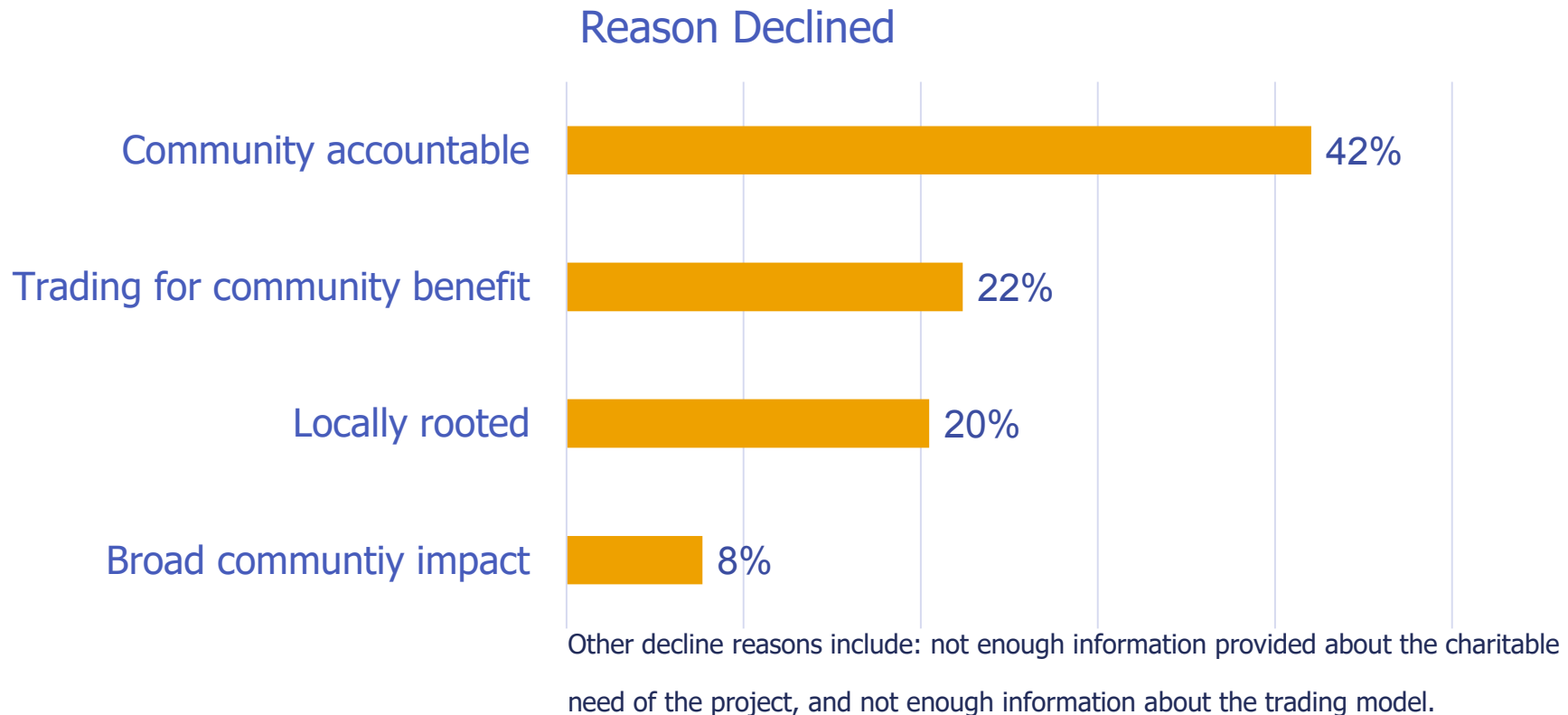
## Trading for benefit of local Community

They are businesses with a clear trading model which sell services and products in and around their local area. The way the business is run and the profits it makes are used to deliver local benefit.

## Broad community impact

They engage with a variety of different groups in their community and are able to demonstrate how they benefit the local community as a whole.

**42%** of applicants to previous completed rounds of the Community Business Fund **did not provide enough information about how they are accountable to their local community** in their application form.



**We will spend time today talking through the different key features of a community business and the type of evidence we are looking for in application forms.**



# What does locally rooted mean?

You are rooted in a particular geographical place and respond to the area's aspirations and needs, for example urban deprivation or rural isolation.



**Granby Four Streets** was started by local residents after failed regeneration projects.

# How can you evidence community accountability?

You must show us how your organisation **actively engages local people in decision making about your project and your organisation.**

This can be demonstrated in many ways including:

- Community ownership
- Community membership
- Regular and ongoing community consultation

## **Community Ownership – Community Shares** ***Bristol Community Ferry Boats, Bristol***

- In 2013, the community took ownership of a ferry boat fleet and set up Bristol Community Ferry Boats as a community benefit society.
- Has over 900 shareholders, the majority of whom are Bristol residents.
- Shareholders can elect board members and scrutinise accounts at the Annual General Meeting. 120 members turned out for last year's Annual General Meeting.





## How can you evidence community accountability? (cont.)

### **Community Membership** – *All Saints Action Network (ASAN), Wolverhampton*

- Membership of ASAN is open to anyone who lives or works in All Saints and is free of charge.
- ASAN is run by its members. As a member you are entitled to have a say in how the organisation is run, can vote at the Annual General Meeting and can elect people to the Board.



### **Ongoing and regular consultation** – *The Florence Institute Ltd (The Florrie), Liverpool*

- The Florrie conducts regular communications and consultation with members, building users, tenants and the wider community.
- They consult with their community and act on the feedback, e.g. via questionnaires, feedback forms, open days, social media and interactive displays.
- In addition, The Florrie is a CIO with large membership (over 400) which vote for trustees from membership. Each year, a third of trustees stand for election.



# What does trading for the benefit of the local community mean?

You are a business – start with the business model. Your income comes from activities like renting out space in your buildings, trading as cafés or selling the produce you grow.



**Burton Street Foundation** trades by letting out space to local community groups, and reinvests profit into community activities.



# What does having a broad community impact mean?

You must benefit the community as a whole and can clearly evidence the positive social impact on the broader community. If you are, in part, focused on supporting a particular group you need to also show the wider community benefit.



Community bakery **Homebaked** engages with local unemployed, socially isolated people including NEETs and the elderly. It also provides wider community activity and pride in the neighbourhood.

# Time for a poll:

## Do you understand what we mean by community business?



# What makes a strong application?



# Tips for specific sectors

Take a look at the community business case studies on our website:

**Get inspired > Stories**



In our application guidance (pages 10 to 12), you will find tips for specific sectors on how to make your application strong. **We recommend you read through the advice for your sector.**

- Arts centre or facility
- Community hub, facility or space
- Community pub, shop or café
- Community media
- Employment, training, business support or education
- Energy
- Food catering/production (inc farming)
- Health, care and wellbeing
- Housing
- Income or financial inclusion
- Libraries
- Sport and leisure
- Transport



# Tips for specific places

The Community Business Fund welcomes strong applications from across England, and particularly from Power to Change's priority places:

- **Bradford**
- **Grimsby**
- **Hartlepool**
- **Leicester**
- **Luton**
- **Plymouth**
- **Wigan**
- **Liverpool City Region**
- **Suffolk**
- **West of England Combined Authority**  
(including Bath & North East Somerset, Bristol  
and South Gloucestershire local authorities)



# Tips around grant amounts

## Large grant requests from small organisations

Evidence your **organisation's financial management skills** for managing a large grant.



## Grant requests and sustainability

If at the end of the grant period your income will have increased only by a small amount, you need to evidence **how you will become significantly more financially sustainable** through this small increase.

And show how the grant will enable your organisation to have **an increased positive impact for your wider community.**



## Grants covering salary costs

You will need to evidence **how you will continue to fund these salary costs at the end of the grant period** to demonstrate your organisation's financial sustainability.



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# What else is useful to know?

# Where is the application form?

The application form will is available on our website, on the Community Business Fund page. There is a link to this page from our homepage.

**[www.powertochange.org.uk](http://www.powertochange.org.uk)**

Once you click on the “Apply” button, there are 2 forms to complete:

1. A registration form, which checks your eligibility and confirms your email address
2. The application form itself

Before you start completing your application form, **we strongly recommend you read the [How to use the application form guidance](#)**, which you can access directly from the online form.

This gives you top tips on, for example, **the time out feature** and how to save your form.



# When can I apply to Round 6 of the Community Business Fund?

**Current window:** open from Tuesday 11 Sept (10 am) until Tuesday 9 Oct (12 noon)

We will have future application windows for the Community Business Fund, with the next round scheduled for Spring 2019. We expect future rounds of the Community Business Fund to award a similar overall amount of £2.5m.

# How likely am I to get funding?

We anticipate awarding **£2.5 million** during Round 6 of the Community Business Fund. All grant awards will be made during the first few months of 2019.

During each application window, we receive approximately 250 applications. Of these, only the strongest will progress to the assessment stage, around 1 in every 8 applications.

For Round 6, we are expecting to progress to assessment stage around 25 applications. Of those progressed, we anticipate that about 15 community businesses will receive funding.

# What if my application is unsuccessful?

If your application is unsuccessful we will send you a bespoke email which briefly sets out which eligibility criteria your application would need to evidence more strongly to be considered for funding from the Community Business Fund.

## Sample feedback:

Compared with other applications the evidence you provided did not demonstrate strongly enough that:

- The local community is involved in ongoing and regular decision-making for your project and has a say in how your business is run. (**Accountable to the local community**)
- Power to Change funding could help to develop your trading activities and enable your organisation to become more financially viable by the end of the project (**Trading for the benefit of the local community**)

However, you did provide strong evidence that:

- The project has a clearly defined local geographical area of benefit (e.g. a neighbourhood, a ward, a village or a subsection of a city) (**Locally rooted**)
- Your project will have a positive impact on your community which aligns with Power to Change's seven impact goals. (**Broad community impact**)

# Can I apply if my organisation has previously received a grant from the Community Business Fund or Initial Grants Programme?

Unfortunately, we are **unable to accept applications** from organisations who have previously received a Community Business Fund or Initial Grants Programme grant, **unless they are located in one of the places Power to Change is particularly interested in.**

This does not affect your eligibility to apply for other Power to Change programmes.





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# What other funds and programmes are available?

# Power to Change's programmes

**Starting out?** Community groups with a community business idea

- **Bright Ideas Fund** – business planning + grant funding to get your idea off the ground (not currently accepting applications)
- **Community Shares Start-Up Fund** – provides up to £6k of extra funding for community groups based in England planning to set up a community business

**Growing?** Community businesses with a project to become more sustainable

- **Community Shares Booster programme** – advice and support to prepare your community share offer and match funding

**Building the capacity of your team and based in the Liverpool City**

**Region?** Community businesses who need better skilled individuals, not money

- **M&S Community Business Challenge** – This exciting new partnership programme is being piloted in Liverpool City Region in 2018. We are inviting local community businesses to apply for a package of support in the form of skills and mentoring from M&S staff, and funding from Power to Change.



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# Your questions

# Time for a poll:

## Do you feel more confident about applying?



# Thanks for attending!

We have recorded this webinar and will send it to you for future reference.

For any other questions please contact BE Group:

- Helpline **0300 1240444**
- Email [cbf@be-group.co.uk](mailto:cbf@be-group.co.uk)
- Webchat on [www.powertochange.org.uk/funding/grants/community-business-fund/](http://www.powertochange.org.uk/funding/grants/community-business-fund/)