



power to
change

business in
community
hands



Community Business Crowdmatch Applicant Guidance

How to make your application stronger



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About this guidance

This guidance will help you to decide whether the Power to Change Community Business Crowdmatch programme is right for you. It includes information about the types of projects that is designed to support, as well as the criteria that will be used to assess applications. The guidance also provides information that will help you to complete the application form.

Part one: Explores the criteria and will help you to decide whether Crowdmatch is right for you.

Part two: Provides information about the support and grant opportunity available

Part three: Provides information about how to apply and the application and assessment process.

Part four: Provides information about the support offered from Power to Change and other Power to Change programmes.

If you require this guidance to be sent to you in large print, braille or an audio transcript, please get in touch by email
support@crowdfunder.co.uk.

Get in touch

If you have questions at any point during your application process, you can get in touch with Crowdfunder for free advice and guidance.



Email us

You can email us at:
support@crowdfunder.co.uk

Visit the Crowdfunder Help Centre: www.crowdfunder.co.uk/contact-us

Introduction

What is Community Business Crowdmatch?

Power to Change has teamed up with Crowdfunder UK to deliver this exciting programme to local communities to raise much needed money to bring new community businesses to life. The fund will also support existing community business to grow, by launching new business ideas that create positive changes for local communities in England.

Crowdfunder has helped community, charity and business projects across the UK raise over £65million so far, and through its partnerships with funders has over £4million in match funding available to help projects reach their targets. Crowdfunder is one of the largest providers of [Community Share](#) services, having worked with over 50 charitable and social enterprise organisations to run a successful share issue.

Community Business Crowdmatch helps communities to develop, test or grow your community business. The fund is designed to help you:

- 1. Raise funding to cover key costs** e.g. getting the right legal structure for your community business, putting together your business plan, doing market research, covering costs of a feasibility study for a building or land, or running local activities to test your business idea. The fund will also help you prepare a community share offer.
- 2. Help you build your network of supporters:** crowdfunding is a great way not only to raise money, but attract new members and volunteers.

This will also help you demonstrate to other funders that local people are engaged in your project and want it to succeed.

- 3. Provide match funding.** Power to Change will match fund up to 50% of your target, to a maximum of £6,000, as long as you can raise the rest through crowdfunding.

Whether you're looking to open a new community building (shop, pub or hub), green space, an energy project or sports or arts facility or service - if it will be owned and run by the community then this fund is for you.

There's plenty of expert support and advice available on the [Crowdfunder website](#) to get you started on your crowdfunding plans from Crowdfunder and sector experts.

Please read through this guidance and if after doing so, you believe your organisation fits our criteria, then we would welcome an application.

What is Crowdfunding?

Crowdfunding is a way people, businesses and charities to raise money. It works by attracting individuals or organisations to contribute money – either as a donation or investing e.g. buying community shares to a project, typically via the Internet. For a brief overview of how crowdfunding works and how it could help you, see our [short video](#).

We seek to be a genuinely inclusive organisation by advancing equality and diversity through our policies and practices. We encourage and welcome applications from people from all backgrounds who are looking to make a real difference to the lives of their local communities.

Part One | Can you apply?

Are you a community business?

To be considered for support and funding through Community Business Crowdmatch, you must be based in England and you must demonstrate how you meet each of the following key criteria:

1. Are you a community business or want to set one up?

Community businesses are run by local people for local people. There are many types of community business. What they all have in common is they have a clear social purpose, they operate more like a business than a charity, but their profits are recycled back in the area to enrich local lives. Community business are inclusive so they actively work to engage local people in the running of the business as well delivering positive local benefits.

There are four key features of a community business. We do not expect new organisations to meet all of the criteria – as defined in the table opposite. However, we expect you to be able to demonstrate your commitment to becoming a community business and be able to explain how support from the Community Business Crowdmatch fund will help you move along this journey

The four key features of a community business

Locally rooted

They are rooted in a particular geographical place. They build on the strengths and assets of that place to address community needs.



[Read the case study](#)

A group of Haringey residents have set up St Ann's Redevelopment Trust to lead a truly affordable new housing scheme.

Accountable to local community

This can be demonstrated in many ways (e.g. membership structure, ownership, broad range of local trustees) but you must have evidence of regular community input into decision making.



[Read the case study](#)

Litherland REMYCA Football Club allows anyone from the community to buy £1 shares and have a say in how its run.

Trading for the benefit of the local community

They have a clear trading model and 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.



[Read the case study](#)

Permafuturo Agroecology have set up a veg box scheme, with profits reinvested in tackling food poverty.

Broad community impact

They engage with a variety of different groups in their community and deliver impact against a range of different community needs.



[Read the case study](#)

Kitty's Launderette not only provides access to laundry services but also increases social cohesion through community events.

[Read an example of what we've funded](#)

[Find out](#) how Crowdmatch grantees meet the four traits of a community business.

Part One | Can you apply?

Are you a community business?

2. Are you an incorporated or unincorporated organisation, but not an individual?

The Community Business Crowdfund is not for individuals wanting to set up their own business. We expect you have at least 3 unrelated local individuals involved. We cannot make grant awards to unincorporated organisations for this programme e.g. unincorporated associations or charitable trusts. Incorporation means that your organisation is recognised as a legal entity in its own right, rather than as a collection of individuals.

Examples of incorporated organisations include:

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

If you are unincorporated at the time of application, your application must include a request for support and advice to incorporate. Please ask if you need support with this.

3. Charitable purpose

We cannot fund projects which don't further a charitable purpose. This does not mean that you have to be a charity, but your project must be able to address one or more of these identified charitable purposes:

- ▶ The prevention or relief of poverty
- ▶ The advancement of education
- ▶ The advancement of citizenship or community development
- ▶ The advancement of the arts, culture, heritage or science
- ▶ The advancement of amateur sport
- ▶ The promotion of religious or racial harmony or equality and diversity
- ▶ The advancement of environmental protection or improvement
- ▶ The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

We cannot accept proposals that promote the advancement of religion or that are party political in nature. This does not prevent faith groups from applying for a project which has a charitable purpose other than the advancement of religion.

4. Public benefit

For a project to be charitable, it needs to have both a charitable purpose and to be for public benefit. This means that your community business will create benefits ideally for the whole community, including people who are experiencing disadvantage. If your project is only going to benefit a few people in your community or will only provide benefits to people who aren't experiencing disadvantage, we may not be able to fund your project. Any private or personal benefit must be incidental and no more than a by-product of meeting your public benefit. Returns from community shares are allowable.

5. Share our impact goals

Your community business idea must be intended to deliver benefit in one of the seven core impact areas below. If your application is successful, at the end of your project you will be asked to report against the impact area you selected

1. Reduce social isolation
2. Improve health and wellbeing
3. Increase employability
4. Create better access to basic services
5. Improve local environment
6. Enable greater community cohesion
7. Foster greater community pride and empowerment

Part One | Can you apply?

Other important information

What do we mean by charitable purpose?

You can find more information about charitable purpose on the Charity Commission website: <https://www.gov.uk/setting-up-charity/charitable-purposes>.

What do we mean by private benefit?

Any personal benefits people receive through the community business must be no more than a necessary result or by-product of delivering public benefit.

Personal benefits could include financial payments to the owners of a property that an organisation uses or membership benefits. These private benefits need to be incidental in both nature and amount. Returns from community shares are allowable. Find out more: <https://www.gov.uk/government/publications/examples-of-personal-benefit>.

What about data protection?

Crowdfunder and Power to Change are committed to protecting your personal information and acting in line with your rights under data protections laws and will treat all data in accordance with [Crowdfunder's Privacy Policy](#) and [Power to Change's data protection policy](#).

Disability and Inclusion

Power to Change is committed to the advancement of equality, diversity and inclusion. It seeks to be a genuinely inclusive organisation by advancing equality and diversity through its policies and practices.

We encourage and welcome applications from community businesses from all backgrounds, who meet our grant requirements, and who are looking to make a real difference to the lives of their local communities.

To learn more about making your community business more accessible and inclusive for people with disabilities, please read our [guidance](#).

Please let us know by email support@crowdfunder.co.uk if you need this guidance in large print, braille or audio transcript.

Part Two | What can you apply for?

Support for new community businesses

Community Business Crowdfunder funding is to be used to help communities to develop, test or grow your community business. We don't have a long list of what the fund can and cannot be spent on, as we know that will be different depending on what you need. Here are some examples of the types of activity we can fund:

Support for new community businesses on their start-up journey

Testing demand for a new community business

Norwich Mustard (a Power to Change grantee) raised £13,823 with 184 supporters in 28 days to help them produce a business plan and start growing and producing a test batch of their product. [Find out more.](#)



Preparing for a community share issue

Equal Care Coop raised £22,050 with 198 supporters in 201 days to start a new co-operative to use new platform technology to enable care workers and people getting care to choose one another, and be in control of their lives and livelihoods. The funds were used to pay for developer expertise to adapt their platform, and cover support and training costs to kick start their business in Hebden Bridge. [Read more here.](#)



George Street Community Bookshop raised £2,185 with 87 supporters in 21 days to incorporate the organisation, cover legal fees associated with the purchase of the shop and set up a community share scheme to cover all the costs associated with buying the business and start up costs. They later then went on to apply to the Power to Change Community Shares Booster programme for match funding for their community share offer, raising £50,000 to transform the bookshop into a thriving community business. [Find out more.](#)

Part Two | What can you apply for? (continued)

Support for existing community businesses

Supporting existing community businesses

The Community Business Crowdfunder Fund can also support existing community businesses to establish new trading activity or raise new capital to enhance the sustainability of your business. We can match fund costs associated with feasibility studies, community engagement, market testing, legal fees (e.g. incorporating as a new community business, or converting to something more appropriate for your development needs or setting up a trading arm), or developing a community share issue. We will only match costs associated with either start-up costs or work to explore or prepare for development. We cannot fund actual building work under this programme.

Raising capital to diversify income

Having previously raised £40,000 through a community share issue in 2016, **Sacred Earth** (a Community Benefit Society) successfully raised £12,620 with 82 supporters in 35 days on Crowdfunder in 2019. This funding allowed the organisation to significantly increase the range of projects it could deliver, along with improving the facilities on site, to ensure the organisation could continue to grow and engage more people.



[Lauriston Farm Limited](#) is a Charitable Community Benefit Society (CCBS). They run an established biodynamic farm on the Blackwater Estuary in Essex which specialises in rare breed conservation farming for salt marsh birds, insects and plants. They raised £21,450 with 20 investors in 42 days through a community share issue, including a £10,000 match funding pledge from Santander. They used this funding to set up a new [Social Farming Initiative](#) which will integrate adults from the local community who have learning difficulties into the day to day activities of the farm. [Find out more.](#)



Part Three | How to apply

Application process

1. Start your crowdfunder application

Go to: www.crowdfunder.co.uk and hit the 'Start crowdfunding' button to get started.

Fill out the key information about your project idea. You don't have to do this all in one go, so take your time to get it right. Don't forget to include photos and if you can do a short video clip as projects with videos are more than twice as likely to succeed on Crowdfunder. There's helpful guides and short films to take you through each stage.

Don't forget to tick the box on the 'Extra Funding' page to allow Crowdfunder to share your details with Power to Change.

2. Apply

Once you've started adding your project on Crowdfunder a notification will pop up to tell you that Extra Funding is available, you can click this to access more information on the fund and to apply. You can also find this information in the Extra Funding section of the project dashboard. You need to complete the short online application form, then click 'submit'.

Your application will then be assessed by the investment panel, to check that you meet the fund criteria (pages 4-5).

- ▶ If your grant application is successful, we will let you know by email.
- ▶ If your grant application is unsuccessful, we will let you know by email, with reasons why. Where appropriate we will let you know about other sources of funding and support.

3. Launch your project

Once you've completed the form and submitted your application, it's time to start crowdfunding!

You'll need the support of the community around you to secure extra funding for what you're doing so make sure you promote your crowdfunder campaign in your community and through social media.

You'll need to hit at least 20% from at least 10 backers before the Crowdfunder funds will be unlocked. Crowdfunder will help you all the way.

4. Promote your project

When you've raised enough to unlock the match funding, use this as great way to shout out about your project again as every £1 invested will help unlock another £1 from Power to Change, until you reach your target, or £6,000.

Part Four | Help and support

Grantee support from Power to Change

We want to make it easier for community businesses not just to survive, but to thrive.

To help, successful applicants will get access to:

Twine

Our digital business insight tool uses smart but very simple technology to help you gather and make sense of the data that most matters to you to support:

- ▶ Financial sustainability
- ▶ Opinions and trends in your community
- ▶ Volunteer contributions

Successful applicants who subscribe to Twine will receive dedicated training and support, as well as tips and best practice from the data gathered through Twine by successful applicants and their peers.

Find out more on www.twine-together.com.

Power Up! grantee events

All the community businesses Power to Change invests in are invited to our Power Up! events. There you'll find out how to maximise your relationship with Power to Change, and build connections with other community businesses across England.

Resources and advice

Our website www.powertochange.org.uk has a host of free resources for growing your community business. And our sector experts regularly give valuable insight and advice via our [blog](#) based on research and experience.

Policy and research

Our in-house [Research Institute](#) is always commissioning research about how community businesses work and often look to our grantees for best practice. Our research can also help you make the case to other funders and investors.

Our policy team work to influence the political agenda in favour of community businesses. We often ask our grantees for evidence to submit to government committees.

Events, media and podcast

Power to Change tells the story of community business at a regional and national level, in the press, online and at key events throughout the year. As a grantee, we will offer you opportunities to be interviewed or speak at events about your experience to inspire and influence others.

We also have a monthly podcast, [The Community Business Fix](#), and regularly feature our grantees.



Be part of the community business movement

There are over 8,000 community businesses in England and lots of ways to connect and learn from other community business leaders like you:

- ▶ Find community businesses near yours by checking [our interactive map](#)
- ▶ Join the [Community Business Network](#) on Facebook to tap into shared knowledge
- ▶ Follow [@peoplesbiz](#) on Twitter for news and updates about the community business world
- ▶ [Sign up to the Power to Change newsletter](#) to receive details about events, training and funding opportunities straight to your inbox.
- ▶ [Join a peer network](#) to meet organisations like yours.
- ▶ Take part in [Community Business Weekend](#), a national open-doors celebration. It will take place 14-17 May 2020.

Part Three | Application process

Other Power to Change programmes

Power to Change has other funding and support programmes to help develop community business.

Helping community businesses start

Community Business Bright Ideas Fund

The [Community Business Bright Ideas Fund](#) is a support programme for community groups or organisations at an early stage of development, who want to become community businesses and want to have a local, social impact. Successful applicants initially receive one-to-one business support from an advisor appointed by Locality, and then may have the opportunity to apply for a small grant.

Community Business Trade Up

The [Community Business Trade Up](#) programme aims to help young community businesses develop their trading model. It offers 12 days of leadership development as well as a £10,000 Match-Trading™ grant.

More than a Pub

The [More than a Pub](#) programme aims to bring pubs into community ownership and develop their role as centres of community which provide services for local people. The programme offers specialist business advice, feasibility funding and a large grant/loan package for groups wishing to buy their pub. Nearly 30 pubs had opened with

support from the programme in December 2018. It reopened for applications in Summer 2019.



Homes in community hands

The [Homes in Community Hands](#) programme which opened in early-March supports communities to develop their own housing solutions to deliver affordable homes for local people. A £4.2 million, 3-year programme is currently open after launching in early 2019. This follows a £1 million investment in community businesses in two initial areas, Bristol and Leeds City Regions. In addition to this we invest in local infrastructure to support and advise groups throughout the community-led housing process.

Growing existing community businesses to become sustainable

Community Shares Booster Programme

The [Community Shares Booster Programme](#) matches the investment raised by community businesses through community share issues. Building on an initial £1 million pilot, this programme will provide £3 million over five years. It offers up to £100,000 in matched funding and a possible £10,000 business development support grant to get share offers ready. This is a rolling programme, delivered by the Community Shares Unit.

Next Generation programme

The [Next Generation Fund](#) supports the development of new and innovative community energy projects and business models, with a package of targeted grant funding and support.

Community Business Fund

Aimed at helping existing community businesses become more sustainable, the [Community Business Fund](#) offers grants between £50,000 and £300,000.