

# Community Shares Booster Programme Guidance for applicants



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### About this guidance

This guidance will help you decide whether the Community Shares Booster programme is right for you. It includes information about who can apply, the types of investment propositions that the fund 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 complete the application form.

**Part one:** Explores the fund criteria and will help you assess whether the Community Shares Booster Programme is right for you.

**Part two:** Provides information about what you can apply for and supporting tools and resources.

**Part three:** Provides information on how to apply and offers detailed notes that will help you complete your application.

**Part four:** Aims to answer any other questions that you have about the programme.

## Get in touch

You can get in touch with our delivery partner, Community Shares Unit, at any point during your application process for free advice and guidance.



**Call our helpline on**  
**0161 214 1762**



**Email us:**  
[communityshares@uk.coop](mailto:communityshares@uk.coop)

We aim to respond to email enquiries within three working days.

If you require this guidance to be sent to you in large print, braille or an audio transcript, please get in touch by email  
[communityshares@uk.coop](mailto:communityshares@uk.coop)

## Part One | Can you apply?

### About the programme

**Are you an existing community business in England? Looking for help with your community share offer? Our Community Booster Programme provides support to get your share offer ready, and can match fund it too.**

Community shares are a great way for communities to pull together and take ownership of local assets or develop new projects or services for community benefit. Since 2009, over 150,000 people have invested over £150 million through community shares to support over 500 community businesses throughout the UK.

Power to Change has invested £3 million into the current round of Community Shares Booster Programme which runs until 2022. It is a rolling programme of support, with applications accepted until December 2020. We encourage and support more applications from areas in greater need (for example areas in the top 30% of IMD).

The Booster Programme is open to new and existing community businesses that are soon planning to make, or have recently launched, community share offers. By matching your share offer raise up to £100,000, we can offer direct investment to give your community business a 'boost' to successfully trade for community impact. We are pleased to be working with the Community Shares Unit (CSU) at Co-operatives UK to deliver the programme, given their experience and

focus on quality through the Community Shares Standard Mark. The CSU, as an active investor, will provide ongoing support and advice.

The programme can provide:

- ▶ Development grants of up to £10,000 to help societies get investment ready and meet standards of good practice
- ▶ Match funding up to £100,000 in equity investment made on equal terms with other community shareholders, into societies that demonstrate higher than average levels of community engagement, innovation and impact
- ▶ Ongoing support and advice as an active investor in community businesses

By the end of 2018, the programme had already committed over £1 million into community businesses, where almost 4,000 people have invested over £2 million in community shares.

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



### What do we fund?

The match funding attracted people to invest and also helped give confidence to other institutions to invest too.

**Sutton Community Farm,**  
supported by the Booster programme

### Did you know?

You can find more examples of organisations we have funded on:

<https://communitysharesbooster.org.uk/stories>



## Part One | Can you apply?

### What are community shares?

#### **Community shares are non-transferrable, withdrawable share capital that provide community businesses much needed money to start, to grow, and to be sustainable.**

Community shares can save local shops and pubs, finance renewable energy schemes, transform community facilities, support local food growing, fund new football clubs, restore heritage buildings, and above all, build stronger, more vibrant, and independent communities.

This type of share capital can only be issued by co-operative societies, community benefit societies and charitable community benefit societies.

Community shares are not like ordinary shares. They cannot be sold or transferred to someone else. Instead, the society allows shareholders to withdraw their money (share capital), subject to terms and conditions that protect the society's financial security.

Shareholders have only one vote, regardless of the size of their shareholding, so the society is democratic.

The Booster programme is run in partnership with the Community Shares Unit (CSU), a joint initiative between Co-operatives UK and Locality. Established in 2012, CSU's objective is to support community businesses, promote good practice and raise awareness of community shares as a sustainable funding mechanism for community businesses. Community shares give local people a real stake in ownership of the local community business, as well as providing the community business with critical unrestricted funding.

Find out more about community shares and CSU in the video below and on [www.communityshares.org.uk](http://www.communityshares.org.uk)

#### **What is a society?**

A business can register as either a co-operative or a community benefit society under society law. Both are referred to as a 'society'. Societies are administered by the Mutual Societies Registration Section of the Financial Conduct Authority (FCA).

The governing document of a society is known simply as the 'rules'. The society form is particularly appropriate for organisations wishing to raise capital from the public in the form of community shares e.g. when a community comes together to take on the running of a local pub or shop.

For more information about societies and how to register visit:

[www.uk.coop/the-hive](http://www.uk.coop/the-hive)

# Part One | Can you apply?

## Application criteria

To be considered for funding through the Community Shares Booster Programme your business must be based in England, and will need to clearly evidence how you meet each of our 12 criteria below:

### 1. Power to Change only funds community businesses

Community businesses are run by local people for local people. They can revive local assets, protect the services people rely on, and address local needs. There are many types of community business. What they all have in common is that they are inclusive and give decision making power to local people and that the profits they generate flow back into the community to deliver positive local impact.

Most of the applications that we reject fail to evidence in their application form how they meet the four key features of a community business set out on this page. Before applying, please think carefully about whether you can demonstrate strong evidence for these four community business features.

## 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.



[Watch video](#)

**Ronnie talks about how Granby Four Streets is responding to local needs.**

### 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.



[Watch video](#)

**Dave and Sangita from Sheffield Live! talk about how local people make decisions about the business.**

### 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.



[Watch video](#)

**Clare talks about how the Burton Street Foundation generates income which is reinvested for social benefit.**

### Broad community impact

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



[Watch video](#)

**John from Homebaked talks about the difference the bakery is making in their local community.**

### Watch an example of what we've funded

In the videos above we ask some of our grantees to explain in their own words how their business meets the four traits of a community business.

# Part One | Can you apply?

## Application criteria (cont.)

### 2. Be registered as a society

Power to Change will only fund incorporated organisations. This means that your organisation is recognised as a legal entity in its own right, rather than as a collection of individuals.

To issue a community share offer, you will need to be incorporated as one of the following:

- ▶ Community benefit society
- ▶ Co-operative society
- ▶ Charitable community benefit society

In exceptional circumstances, conversion to a society can form part of the development process funded by the Booster Programme.

### 3. Charitable purpose

You must have a charitable purpose at the heart of the project you're asking us to fund, which meets charitable needs in your community. This does not mean that you have to be a charity, but we cannot fund projects which don't further a charitable purpose.

You can find more information about charitable purpose on the Charity Commission website [www.gov.uk/government/publications/charitable-purposes/charitable-purposes](http://www.gov.uk/government/publications/charitable-purposes/charitable-purposes)

You must be able to address one 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 the public benefit. 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. The Charity Commission provide [more guidance on public benefit](#).

### 5. Share our impact goals

Your project must be able to demonstrate at least 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(s) 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

If your application is successful, at the end of your project you will be asked to report against the impact area(s) you selected and share your learning to help evaluate the programme overall.

### 6. Investment propositions

The Community Shares Booster Programme also has a research focus. We are committed to 'learning while doing' so any community business receiving support is expected to also commit to sharing their experience and provide feedback. We have identified the following priority areas for our investment. You will need to explore and develop at least one of these 'investment propositions' to be considered for investment from the Booster.

# Part One | Can you apply?

## Investment propositions

### 1. Incentivising local investment

We're interested in applicants who want to use match funding to incentivise local membership and investment. We want to understand the best scale for different business models and/or sectors. For example, Booster funding could match investments made by members living within a defined geographic area.

### 2. Supporting competitive acquisitions

In exceptional circumstances, Booster could support applicants to buy a business or property where the society is involved in a competitive bidding process. The development grant could be used to cover some of the at-risk development costs of making the bid in advance of a community share offer. Booster could match fund institutional investors up to a maximum of £100,000, which must be subsequently matched by a community share offer.

### 3. Member subscriptions

We are interested in applicants who would like to experiment with member subscription offers, where members commit to invest small amounts on a regular basis over an extended period of time of up to five years, to build up a stake in a community business. Booster will match the full amount pledged by members at the beginning of the investment period, withdrawing this match as it is replaced by subscription income.

### 4. Transitions to open offers

We would like to provide match funds to established

societies who are ready to make the transition to an open offer. This will enable the society to allow the withdrawal of share capital, replacing some of this with new share capital invested by existing and new members. Applicants must be prepared to make an open offer, with Booster matching the inflow of new capital, some of which will be used to support the phased introduction of share capital liquidity and withdrawals.

### 5. Capital restructuring

We are interested in supporting established societies that want to make a time-bound offer to raise share capital to replace more expensive and shorter-term debt, as part of a capital restructuring exercise. We are also interested in supporting new community businesses that have been established with institutional debt support and now wish to replace this debt with community share capital.

### 6. Opening-up new sectors, regions or communities

Community share offers are under-represented in some trade sectors (such as sports, transport, education, care, libraries) and in some regions (East Midlands, West Midlands, North East, East of England). There is also under-representation among sections of the population, including ethnic minority backgrounds and young people. We are keen to receive applications from all of these.

### 7. Partnerships with local authorities or other public institutions

We would like to work with local authorities, public

sector services, housing associations, large national charities and membership organisations interested in developing community businesses at a local grassroots level. This may include the spin-off of public services, or existing trading activities, where local ownership and engagement would improve the competitive advantage of the community business.

### 8. Conversion of established community businesses

We would like to work with established community businesses that have been trading for three or more years that are interested in converting their corporate form to a society as part of a business growth, or capital restructuring, succession planning and community ownership strategy.

### 9. Pioneer share offers

We will consider applications from newly established societies that plan to launch a share offer to raise money to cover pre-trading development costs leading up to a subsequent time-bound community share offer. Applicant societies will be required to apply for the Community Shares Standard Mark for pioneer offers.

### Other investment propositions

Exceptionally we will consider innovative investment propositions that are not listed here as long as they meet the Power to Change eligibility for funding. Contact the Community Shares Unit [communityshares@uk.coop](mailto:communityshares@uk.coop) to discuss before applying.

## Part Two | What can you apply for?

### Understanding the three pathways and support available

There are three pathways for applicants to choose from, to receive the right type of support and funding depending on your stage of development.

- 1. Pathway One:** For an initial development grant of up to £10,000 to help you prepare your community share offer, followed by the chance to secure matched investment of up to £100,000 for your share offer.
- 2. Pathway Two:** For a matched investment of up to £100,000 for community share offers, at least three months ahead of the offer launch date.
- 3. Pathway Three:** For a matched investment of up to £100,000 for community share offers that are less than three months ahead of launching or are open for investment.

Find out more about the three pathways on the following pages and which one you are most suited to apply for.



Local people like the idea of their investment triggering further investment through the match funding. For every pound we raised through the share offer, Power to Change matched it.

**Leeds Community Homes,**  
supported by the Community Shares Booster programme

#### Place-based funding

The Community Shares Booster Programme welcomes strong applications from across England. However, we are particularly interested in applications from the following areas, especially if they involve community businesses working together:

- ▶ **Bradford**
- ▶ **Grimsby**
- ▶ **Hartlepool**
- ▶ **Leicester**
- ▶ **Luton**
- ▶ **Plymouth**
- ▶ **Wigan**
- ▶ **Liverpool City Region**
- ▶ **Suffolk**
- ▶ **West of England Combined Authority**

In 2019 we expect to award at least 10% of the budget to community businesses in these areas. This equates to approximately £82,000 in grants and/or equity match.



# Part Two | What can you apply for?

## Pathway One - Preparing your community share offer

### 1. Need help preparing a community share offer?

Getting the right advice is essential for community businesses to prepare a strong community share offer that the community will buy into. Before launching a share offer, you need to develop a robust business plans with reasonable projections, as these affect who invests and how much they invest.

Applicants who choose Pathway One are applying for a grant up to £10,000 for development support to help launch their community shares offer.

The development grant can be used to fund:

- 1. Development activities that will enable you to be investment ready.** This may include further work on the business plan, community engagement work, governance structure and legal registration, the share offer document and the promotional campaign. In some cases, we may commission additional development work to support particularly novel or innovative investment propositions.
- 2. Costs associated with obtaining the Standard Mark and the share offer campaign.**

### Getting the Community Shares Standard Mark

Applications for development grants are open to societies requiring support to prepare and launch their community share offers and obtain the Community Shares Standard Mark. We expect you to apply for the Standard Mark, as the final step towards launching your offer. The award of equity match is not conditional upon, or guaranteed by, the award of the Standard Mark. See more information on page 13 about the Standard Mark.

### Grant instalments

Development grants are paid in two instalments. The second instalment is dependent upon the satisfactory completion of the development activities paid for by the first instalment. You will need to complete a grant report after each stage.

Once you have completed the post-grant reports, you can then complete and submit an equity-match application via Pathway Two.



### Pathway One example:

#### George Street Community Bookshop

In 2018, the owners retired from the much-loved second-hand George Street Bookshop in Glossop, Derbyshire. Luckily, a group of residents decided to take the bookshop into community ownership and continue to provide much-valued access to books and literature for local people. They did a quick Crowdfunder campaign, raising £2,000 to cover start-up costs and begin business planning. They also ran public meetings to gauge the level of interest from the community and found overwhelming support for an extensive and literary resource.

George Street Community Bookshop was formed and secured £7,500 Development Grant from the Booster Programme to help them to:

- ▶ convert the company to a community benefit society
- ▶ write the share offer document and finalise the business plan
- ▶ hold outreach events in the local community
- ▶ develop the website
- ▶ cover marketing costs of a film and printed information to promote the offer

The society went on to apply to Pathway 2 and secured £24,850 match funding from the Booster programme. This helped them achieve their target of £50,000 secured through community shares. [Read the full case study.](#)

## Part Two | What can you apply for?

### Pathway Two - Launching your community share offer

#### 2. Ready to launch your share offer?

If you are investment ready, with your share offer documents ready to share publicly, and your community shares offer is launching in more than 3 months, you should apply to Pathway Two. You should be ready to submit your community share offer documents for the Standard Mark assessment or have already been awarded the Standard Mark.

Applicants who choose Pathway Two are applying for up to £100,000 of equity match for your community share offer. This means Co-operatives UK, funded by Power to Change, could match every £1 invested in by your community in your community share offer up to £100,000. Here are two examples:

- ▶ If local people invest £50,000, we will match it with £50,000 if your share offer maximum is at least £100,000 and it reaches its minimum share offer raise.
- ▶ If local people invest £120,000, we will match it with £100,000, if your share offer maximum is at least £220,000 and it reaches its minimum share offer raise.



A unicorn derby day at Jubilee Pool



The Booster match funding incentivised local people to buy a share in the pool. The money raised will help develop it into an accessible geothermal pool, usable for 365 days a year

#### Pathway Two example: Jubilee Pool Penzance

Jubilee Pool Penzance (JPP) is a Community Benefit Society that operates Jubilee Pool, which is widely considered to be the best example of a pre-war lido in the world. It's a remarkable facility providing safe seawater bathing for all ages; a unique modernist building of international architectural importance; a tourist attraction in its own right; and now, it's set to provide a catalyst for the future economic regeneration of Penzance. The project is to drill a geothermal well to allow the pool to be enjoyed by everyone, all year-round, making it a sustainable community business. The share offer provided the final piece in the funding jigsaw.

JPP applied for £100,000 Booster investment through Pathway Two. The Booster Panel were inspired by the application but before awarding investment the project received additional Booster support to visit the site and work with the JPP team on the business's forecasts and expenditure plans.

The share offer went on to be a huge success, raising £538,680 from over 1,380 community investors and £100,000 from the Booster. Local people were attracted to invest as JPP set the minimum amount to invest at £20.

**Co-operatives UK will make an offer of equity investment based on the terms and conditions on the next page. Additional terms and conditions may be attached on a case by case basis. By doing this, Co-operatives UK will become an investor in, and member of your community business and hold the same rights as other members.**

## Part Two | What can you apply for?

### Pathway Two - Launching your community share offer

#### Terms and conditions of equity match

Equity match will be offered on the following terms:

- ▶ It will be made as an investment in withdrawable, non-transferable share capital into the community business, held by Co-operatives UK, on the same terms and conditions as outlined in the society's share offer document, and on equal terms with other community investors
- ▶ The equity investment will not exceed 50% of the society's overall withdrawable share capital, up to a maximum of £100,000
- ▶ The share offer must meet its minimum investment target (which can include the agreed equity match)
- ▶ If your share offer is successful in meeting its targets, priority will be given to applications from individual members, with the equity match reduced pro rata, until it reaches zero when the maximum target is achieved by applications from individual members
- ▶ Booster equity match cannot be used to match other institutional investment (i.e. where an investment is above the maximum individual shareholding limit stated in the offer document and/or is subject to its own terms and conditions)

- ▶ Any requests by Co-operatives UK for share withdrawals will be limited to no more than the maximum any other member may request. So, if the society has adopted a voluntary limit on the maximum shareholding a member can have below the statutory limit of £100,000, this voluntary limit will apply to any share withdrawal request by Co-operatives UK.



“Headingley Development Trust raised funds through a community shares offer to create the Headingley Investment Fund. This will give local people a powerful stake in place-making and extend their influence over how the community landscape in Headingley is shaped.”

**Headingley Development Trust,**  
supported by the Community Shares Booster programme

#### Pathway Three example: Headingley Development Trust

Headingley Development Trust (HDT) is a member-led organisation established in 2005 as an Industrial and Provident Society. It is now a Registered Society under the Co-operative and Community Benefit Societies Act 2014. HDT secured £481,843 in 2018, from 258 investors, including £100,000 invested from the Community Shares Booster Programme. The funding will help HDT to create the Headingley Investment Fund which aims to:

- ▶ Double the number of families they have helped with affordable housing
- ▶ Increase HDT membership by up to 20%.
- ▶ Invest in two “at-risk” community assets
- ▶ Create or sustain a new post in HEART
- ▶ Extend their profile among communities of interest and place that are not yet regular users of HEART, by developing our understanding of needs and opportunities
- ▶ Improve the fabric of the HEART building and, especially, its energy efficiency and potential for community energy generation
- ▶ Increase their volunteer base by 10%
- ▶ Grow the number of small businesses and social enterprises helped by HDT by at least 10%

## Part Two | What can you apply for?

### Pathway Three - Supporting your live community share offer

#### 3. Already launched your share offer?

In exceptional circumstances we will accept applications for equity match of up to £100,000 from community businesses that have less than three months until the offer launch date, or have already launched their share offer.

This may include societies making an open offer, and societies re-opening a time-bound offer.

We would expect these applicants to have already been awarded the Standard Mark for their offer or be willing to submit their offer documents for a Standard Mark assessment. The award of equity match is not conditional upon, or guaranteed by, the award of the Standard Mark. Find out more about the Standard Mark on page 13.

#### The role of Co-operatives UK as an active investor and member in your community business

Co-operatives UK is itself a society, so there is no legal limit on the amount of share capital it can hold in another society. The long-term aim of this equity investment is to enable community businesses to generate sufficient capital from individual members, without reliance on institutional support. This means that in the long-term, Co-operatives UK will aim to reduce its shareholding in the community business to zero, but only when this will enhance the sustainability of the business as an independent society.

Co-operatives UK aims to be an active and supportive investor in societies. The active investor role will comprise of the following:

- ▶ Becoming an active member of each society and so, according to Society's rules, fully asserting membership rights regarding access to information as would any other community investor
- ▶ Scrutinising and supporting good governance, and also offering advice and guidance, encouraging societies to become members of key bodies associated with the Booster Programme and beyond
- ▶ Requesting quarterly reports in the first year and reserving the right to extend this beyond the first year
- ▶ As a member of the society, Co-operatives UK will attend general meetings, including AGMs

Beneficiary societies can also receive support through the wider Co-operatives UK advice team on the basis dedicated advice packages for each of the societies, funded via the Booster Programme.

If you are in receipt of equity match, we will stay in touch with you as an active investor and member of your society, and we will use this relationship to support our research into institutional investment.



## Part Two | What can you apply for?

### The Standard Mark

#### The Community Shares Standard Mark is awarded to offers that meet national standards of good practice. It is overseen by the Community Shares Unit.

These standards ensure that:

- ▶ The offer document and application form are easy to understand
- ▶ Potential investors are provided with all the facts they need to make an informed decision
- ▶ The facts are supported by the annual accounts and/or business plan for the society
- ▶ Nothing in the documents is purposefully incorrect, confusing or misleading

Societies promoting the public sale of community shares (withdrawable, non-transferable share capital) are exempt from financial promotions regulations, but are still subject to general law. In the absence of statutory regulation it is difficult for societies to know precisely what is expected of them, or to demonstrate that they are engaged in good practice. The Standard Mark fills this gap by setting standards of good practice.

It is a voluntary form of self-regulation, based on an independent assessment by a licensed practitioner. This assessment acts as a final check on the quality of a community share offer before its public launch.

The Standard Mark is designed to promote public confidence in community shares. It also provides confidence to societies and their management committees, to commercial lenders, social investment financial intermediaries and public funding agencies.

Since it launched in Summer 2015, over 100 Standard Marks have been awarded to community share offers.

**All groups receiving support from the Booster Programme are expected to engage with the Standard Mark assessment process or to have been awarded the Community Shares Standard Mark for their community share offer.**

Participants are expected to engage with community shares licenced practitioners to undertake the Standard Mark assessment. The Community Shares Unit maintains a [Practitioner Directory](#) of registered practitioners capable of providing business support to community groups and societies planning to make a community share offer. Read more about the Standard Mark here: [communityshares.org.uk](http://communityshares.org.uk)



The Standard Mark helped us to refine our business model quite considerably - and to think through the financial model in greater detail - in particular in relation to when we would be able to pay interest on shares, and return some share capital. The Standard Mark assessment undoubtedly made the share offer stronger.

**Leeds Community Homes, supported by the Community Shares Booster programme**



## Part Three | How to apply The Step-by-Step tool

**You should at least [complete Step 1 of our Step-by-Step tool](#) before applying to the Community Shares Booster Programme. It is designed to help anyone considering raising community shares at any stage of development, from those investigating the idea for the very first time, to those who are on the verge of issuing an offer.**

The Step-by-Step tool asks you a series of questions about your plans, specifically focusing on your business idea, your governance arrangements and your work engaging your community. This tool is designed in three steps:

### **Step 1: Are community shares the right option?**

An initial exercise to determine whether community shares are the right option for your group based on your circumstances and plans regarding your business idea, your organisation and your community.

### **Step 2: Getting Ready**

If the initial exercise identifies that community shares are right for you, then this phase guides you through the key tasks associated with the business plan, governance and community engagement, to get ready for launching a share offer.

### **Step 3: Preparing the Offer**

Once you have completed all these key tasks, this final phase is an opportunity for you to make sure you have considered everything ahead of launching your share offer. At this point you should apply for the Community Shares Standard Mark to demonstrate that your offer meets good practice. Find out more about the Standard Mark on page 13.

Once you've completed all the questions for the relevant phases to your organisation, the tool will produce a report for you with key recommendations on how to proceed towards the next stage.

This should help you determine which Booster pathway is right for you. **At this point you can apply to the Booster Programme.**

### **Running a Community Share Offer**

Check out the helpful guides produced by the Community Shares Unit when preparing to launch your community share offer: '[Investing in Community Shares](#)'.

**Crowdfunding Platforms** – sometimes community businesses decide to use a platform to run their campaign. Please note any fees charged with using a platform. Power to Change funding will also be subject to these charges as well. [Find out more.](#)

## Diversity and Inclusion

**Power to Change and Co-operatives UK are committed to the advancement of equality, diversity and inclusion. We seek to be genuinely inclusive organisations by advancing equality and diversity through our 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.**

**Shortly after the submission of your application, we will send you our equality and diversity survey. This is not obligatory to fill out, but if you do, it helps us make sure our funding supports a wide group of people.**

**We expect applicants to the Community Shares Booster Programme to have an equality and diversity policy in place and to have considered disability inclusion. You can find out more about it in our [disability inclusion guide](#).**

**Please let us know by email [communityshares@uk.coop](mailto:communityshares@uk.coop) if you need this guidance in large print, braille or audio recording.**

## Part Three | How to apply

### The process

#### Step-by-Step Tool

- ▶ Complete the Step-by-Step tool to understand:
  - ▶ Step 1: Are community shares the right option?
  - ▶ Step 2: How to get ready for a community share offer
  - ▶ Step 3: Preparing the offer documents

Once you've completed all the questions for each phase, the Step-by-Step tool will produce a report for you, with key recommendations on how to proceed towards the next stage and how to launch your community share offer. At this point you can apply to one of the three pathways on the Booster Programme.

#### Expression of interest and phone call

- ▶ Using your Step-by-Step tool report and this guidance, pick the Pathway you want to apply for and complete the expression of interest (EOI) online form. You can see a preview of the EOI form on page 19.
- ▶ You will then receive a phone call from Co-operatives UK to help us to determine if you are ready to make a full application to the Booster, and whether you have picked the most suitable pathway.
- ▶ We will assess EOI form and then we will notify you by email, within two weeks of the phonecall, if you are eligible or not to complete a full application form.

#### Application

- ▶ **If you are successful at EOI stage**, you will receive an email with a link to the full application to complete online. You can see a preview of the application form and documents we will need you to submit for each pathway in section Four.

Applications are reviewed at the next monthly Investment Panel meeting so we will get back to you within a 6 to 8 weeks of submitting your application.

#### Award

- ▶ **If your application is successful**, you will receive an offer letter detailing the terms and conditions of our offer, as well as information about the next steps.
- ▶ **If you are unsuccessful**, you will receive an email with a small amount of feedback on your application. We may signpost you to other relevant support and funding opportunities. There is no right of appeal against our decisions. However, unsuccessful applicants are invited to submit new applications.

Please note: You can apply to Pathway One and be awarded a grant, but will need to apply to Pathway Two/Three to secure the offer of equity investment.

## Part Three | How to apply

### How we make decisions

All final decisions relating to applications to the **Booster Programme** for grants and equity investments are made by an **Investment Panel**.

The Investment Panel is made up of representatives of Co-operatives UK, Power to Change, Locality and an independent market expert, with a representative from the Community Shares Unit providing strategic advice. Decisions comply with Co-operatives UK's governance requirements and Power to Change's conditions of grant.

The decisions made by the Investment Panel will be guided by the following:

- ▶ Eligibility considerations – identified during the EOI stage
- ▶ Fit with the aims of the programme
- ▶ Community benefit
- ▶ Relative deprivation of target community
- ▶ Applicant willingness to engage with the programme and comply with best practice standards
- ▶ Geography
- ▶ Business sector / model innovative features of business model, offer structure, offer promotion etc. (see Investment Propositions, page 7)
- ▶ Return on equity offered against risk
- ▶ Withdrawability / liquidity
- ▶ Leverage / match funding
- ▶ Availability of alternative sources of development finance, equity or loan

#### Pathway Two example: Projekts MCR



[Projekts MCR](#) Limited was established in 2004. They are a Community Benefit Society with the aim of developing people and places through skateboarding and other skatepark activities.

Over the last 14 years Projekts MCR has used skateboarding to enrich the lives of over 20,000 people, mainly children and young people, living in and around Manchester. The skatepark sees over 18,000 visits a year and Projekts delivers over 20 coaching sessions a week to schools and youth related groups in Greater Manchester.

Following a successful community share offer, Projekts MCR have secured £134,388 with 70 investors in 64 days to expand the skate park, add energy-saving LED floodlights and be better able to support the local community.

You can find out more about how we make decisions in our blog post ['A peek into the Booster Programme Panel'](#).



Writing a share offer document is different to writing a funding bid as you have to get everyone on board to help spread the word and you have no idea if you will be successful or not. It's amazing to see who gives, even after the smallest, informal connection. Even though it was really hard, I would recommend it as we raised over £130,000. It's also helped us attract new supporters.

**John Haines, CEO and Director of Projekts MCR, supported by the Booster Programme**



## Part Three | How to apply Grantee support

### Support and resources

We want to make it easier for community businesses not just to survive, but to thrive. To help, successful applicants will get access to:

▶ **Business development support**

Support is available through Pathway One via the development grants, but also additional support can be provided by the Community Shares Unit and associated consultants.

▶ **A free subscription to [Twine](#)**, our digital business insight tool. Using smart but very simple technology, it helps you gather and make sense of the data that most matters to you:

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

Successful applicants will receive a free subscription, 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](http://www.twine-together.com)

▶ **Power Up! grantee events**

All the community businesses Power to Change supports 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 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.



### Be part of the community business movement

There are nearly **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. Get involved and get free bunting!**

## Part Three | How to apply

### Other Power to Change support

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

##### Helping start community businesses

**If your Booster application is linked to a community pub, please first check whether you are eligible for the More than a Pub programme as this may be more suitable for your needs:**

##### 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. ‘More than a Pub’ offers a package of business development support, advice and loan and grant funding to groups in England to help them establish community-owned pubs.

##### 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.

##### Homes in Community Hands

Our [Homes in Community Hands](#) programme supports communities to develop their own

housing solutions to deliver affordable homes for local people. Revenue grants averaging £50,000 are available for community groups in the early stages of their community-led housing development to support feasibility and pre-development work. Funds will be mostly focused in Leeds City Region, Liverpool City Region, Tees Valley City Region, West of England and West Midlands. Funds will also be available to genuinely innovative community led housing projects anywhere in England.

##### Growing existing community businesses to become sustainable

##### Community Business Fund

Our [Community Business Fund](#) awards grants between £50,000 and £300,000 to existing community businesses to help them progress towards self-sufficiency. This could be through increasing trading income, securing an asset or significantly reducing revenue costs.

**[Sign up to our newsletter](#) to find out when our programmes reopen.**

### Did you know?

**5% of Power to Change's endowment funds the work of our Research Institute to help us make the case for community business, by commissioning high quality research, promoting rigorous analysis and stimulating critical scrutiny and debate. In doing so we aim to shape both policy and practice.**

Every year we research:

- ▶ **Annual state of the community business market** to understand which sectors are growing, and how they compare to traditional SMEs and charities
- ▶ **Annual grantee survey** to understand what we are doing well, what we could do better and the impact our programmes are having

**We've also published research on asset transfers, the future of localism, libraries, the social value act, accountability and success guides to room hire, community cafes and lettings.**

Check out the [Research Institute](#).

## Part Four | Preview of the forms

In this section you will find all the questions from the Expression of Interest form, and the application form, with information about why we ask specific questions, and tips to help you answer them.

We've tried to keep the forms simple, while collecting all of the information we need to make decisions about which applications to take further. We ask direct questions wherever possible to gather factual information (on your organisation, or on finances), while leaving free text for you to describe your project and the difference it will make in your own words.

### Did you know?

You can get in touch with the Community Shares Unit at any point during your application for free advice and guidance.



Call our helpline on  
**0161 214 1762**



Email us:  
[communityshares@uk.coop](mailto:communityshares@uk.coop)

We aim to respond to email enquiries within three working days.



Community shares are a new thing in the Grimsby area. We met our funding target of £78,000 on time, and increased our membership to 50 people. A good number are local and have started attending our meetings and getting involved.



### Did you know?

Your project may also qualify for Social Investment Tax Relief (SITR), the government's tax relief for social investment which encourages individuals to support charities and social enterprises. Individuals receive a 30% tax break when investing in an eligible organisation.

To find out more, go to: [www.bigsocietycapital.com/what-we-do/current-projects/social-investment-tax-relief/get-sitr](http://www.bigsocietycapital.com/what-we-do/current-projects/social-investment-tax-relief/get-sitr)

Grimsby Community Energy, supported by Booster Programme with £23,525 matchfunding

## Part Four | Preview of the forms

### The Expression of Interest form

The information you provide will be used to check that you are eligible for the **Booster Programme**.

QUESTION	QUESTION GUIDANCE
<p><b>1. Main contact details</b></p> <ul style="list-style-type: none"> <li>▶ Name of your community business</li> <li>▶ Primary contact first name, last name, email address, phone number</li> </ul>	<p>By 'primary contact', we mean the main person whom we can contact about your community business and this application.</p>
<p><b>2. Your organisation's details</b></p> <ul style="list-style-type: none"> <li>▶ Your community business address</li> <li>▶ Your primary and secondary trade sectors</li> <li>▶ Your current legal form</li> <li>▶ Your registration number</li> <li>▶ The date you registered your community business</li> <li>▶ Proposed legal form</li> <li>▶ Is the community business active? Yes/No</li> </ul>	<p>Please tell us when your community business was formed, the date you registered it with Companies House and its registration number. If you haven't yet got a legal form, please let us know which one you propose to incorporate as.</p> <p>If you are an established organisation that has been active for two or more years, please submit a copy of your most recent annual accounts and report. By 'active' we mean trading.</p>
<p><b>3. Your project</b></p> <ul style="list-style-type: none"> <li>▶ Please provide a brief description of your organisation and its overarching aims.</li> <li>▶ Please describe the project or business that your community share offer intends to support?</li> <li>▶ Please pick your preferred Pathway</li> </ul>	<p>Please give a short summary of the main aims of your organisation and main charitable purpose (select from the dropdown menu). Describe the project or business your community share offer intends to support.</p>



## Part Four | Preview of the forms

### The Expression of Interest form (continued)

#### 4. Your eligibility

- ▶ Please briefly describe how the group is locally rooted
- ▶ Please briefly describe how the organisation intends to trade for the benefit of the local community
- ▶ Please briefly describe how the group is accountable to the local community
- ▶ Please briefly describe how the group will work to benefit the community as a whole
- ▶ Please select both your primary and secondary Power to Change impact goals that you will contribute towards.
- ▶ Please indicate the primary charitable purpose that your community business addresses

Please tell us how your group is locally rooted, accountable to the local community, trades for the benefit of the local community and how it works to benefit the community as a whole. This helps us assess if your organisation is a community business. Power to Change can only support community businesses in England.

Select which of the impact goals your community business makes/will achieve from the drop down menu. You can only select two options:

- ▶ Reduce social isolation
- ▶ Improve health and wellbeing
- ▶ Increase employability
- ▶ Create better access to basic services
- ▶ Improve local environment
- ▶ Enable greater community cohesion
- ▶ Foster greater community pride and empowerment

Please indicate the primary charitable purpose that your community business addresses: (select from the dropdown menu). See page 6 for information on Power to Change's charitable purposes

## Part Four | Preview of the forms

### The Expression of Interest form (continued)

#### 5. Your area

- ▶ Please provide up to three full postcode(s) that are representative of the areas that your community business is or will be engaging with or working in
- ▶ Please tell us about the area your community business is or will be working in
- ▶ Please select from the drop down menu the IMD decile of your area

We would like to understand the characteristics of your location in more detail. Please provide up to three postcodes which are representative of your area of benefit and the communities your organisation serves. We will use the postcode to access relevant statistics and data about your local area to help us to understand the needs of the communities your business serves. We will use data from this [open data source](#) as well as Grant Thornton's place data platform.

Please be as detailed as you can with regard to postcode, providing at least two digits if possible i.e. M1. Here is a [helpful guide for how postcode geographies work](#).

We also need to know the level of deprivation of your area, as defined by the index of multiple deprivation (IMD). To check this, enter your main postcode in this helpful guide: [dclgapps.communities.gov.uk/imd/idmap.html](http://dclgapps.communities.gov.uk/imd/idmap.html)

#### 6. Your beneficiaries

- ▶ Who are the people you are trying to help? Are they from a specific age group, gender, community? What are their needs?
- ▶ Why are these needs not being met elsewhere? Why is your organisation well placed to meet these needs?
- ▶ How your project will work to include groups which may, in the absence of such effort, be excluded from participation in your project. For example, people with disabilities.
- ▶ If your community business is working with a specific group, e.g. people who are long-term unemployed, how does your work affect others in your local area? Do other people in the local area benefit from your work?

We would like to know more about your beneficiaries i.e. who your community business is trying to help.

If your organisation is raising investment to purchase and/or refurbish a building, Power to Change expects the refurbished building to be accessible to people with disabilities and compliant with all relevant legislation. [Read our disability inclusion guidance](#) on ensuring your community business is accessible and inclusive for people with disabilities, including being legally compliant.

## Part Four | Preview of the forms

### The Expression of Interest form (continued)

#### 7. Your share offer plans

- ▶ What principal business assets will you need to secure i.e. land or buildings, and what is their approximate cost?
- ▶ How much capital do you need to raise and how much of this can be raised through community shares from your community investors?
- ▶ If you are intending to apply to Pathway One, can you give an indication of the amount of development grant you will be requesting from the Booster? (Please leave blank if you are intending to apply to Pathway Two or Three)
- ▶ Can you provide a rough estimate of the amount of equity you will be requesting from the Booster?

We want to know what support you are looking for and your overall timetable. This is just to give us a rough sense of your funding requirements and timings so we can ensure your potential involvement in the programme is complementary to your wider plans.

If you are applying for Pathway One, you can apply for up to £10,000 to help you finalise your community share offer. This may include further work on your business plan, community engagement work, governance structure and legal registration, the share offer document and the promotional campaign. We also expect you to apply for the Community Shares Standard Mark, as the final step towards launching your offer. You will be asked to provide detailed costs should you be invited to full application - this is just to give us a rough sense of your funding requirements.

The amount of equity you can request can be up to a maximum of £100,000 or 50% of the maximum community share capital you hope to raise, whichever is the lesser. You will be able to request a different amount should you be invited to full application - this is just to give us a rough sense of your funding requirements.

## Part Four | Preview of the forms

### The Expression of Interest form (continued)

<p><b>8. Other sources of support</b></p> <ul style="list-style-type: none"> <li>▶ Are you receiving support (e.g. funding, advice) from other programmes to help develop your community share offer? (e.g. development funding, capital grant)</li> <li>▶ Please state which programmes you are receiving (or have received) development support from? (pick from dropdown list)</li> <li>▶ Please give details of the support you have received for each of the programmes you have selected</li> <li>▶ Are you intending to apply or waiting for a decision on any of the following support programmes?</li> <li>▶ Please give details of the support you intend to receive for each of the programmes you have selected:</li> </ul>	<p>We would like to know if you are receiving or are in the process of applying for other forms of support or funding. Accessing other forms of support or funding will not disadvantage your application but rather help us understand where you're accessing your development funding from.</p> <p>We would like to know:</p> <ul style="list-style-type: none"> <li>▶ Whether you are currently receiving or have received support from other programmes to help you develop your community share offer</li> <li>▶ Whether you are intending to apply or waiting for a decision from other support programmes</li> <li>▶ Where you are currently receiving or have received support, you will be asked to give details of the support you have received which should include: <ul style="list-style-type: none"> <li>•The nature of support i.e. development grant, consultancy</li> <li>•The activities it support i.e. business planning work</li> <li>•The value of support</li> <li>•Dates when it took place</li> <li>•The providers (if any) you worked with</li> </ul> </li> </ul>
<p><b>9. Your investment propositions</b></p> <ul style="list-style-type: none"> <li>▶ Which of the following investment proposition would you be interested in addressing as part of your Booster application? (pick from the dropdown list)</li> <li>▶ Please provide a short summary explaining how you intend to explore and develop these investment propositions.</li> </ul>	<p>One of the main aims of the Booster Programme is to develop new forms of investment proposition, that will help community businesses attract institutional investment and lead to more sustainable businesses. We want to know how you can contribute to one or more of the investment propositions (see page 7 for details). We are also interested in learning about other innovative investment proposition you plan to develop.</p> <p>We recommend you focus on no more than three or four of these propositions, rather than attempting to address them all. You will be asked to write a short summary explaining how you intend to explore and develop the investment propositions you select.</p>



## Part Four | Preview of the forms

### The Expression of Interest form (continued)

#### 10. Your Timetable

Please outline any key development milestones linked to your community share offer plans e.g. planning permission approval, purchase completions:

Do you have an intended community share launch offer date?  
Is there any flexibility with this date?

Please provide details of the key activities and when they will happen, linked to the preparation of your community share offer.

Please let us know when you intend to launch your share offer and if there is any flexibility with this date.

## Part Four | Preview of the forms

### The application form for Pathway One

Question	Question guidance
<p><b>1. Share offer details</b></p> <p>Please outline the type of share offer you intend to launch from the dropdown menu:</p> <ul style="list-style-type: none"> <li>▶ Pioneer offer</li> <li>▶ Time bound</li> <li>▶ Open offer</li> </ul> <p>▶ When do you intend to launch your share offer?</p> <p>▶ How much capital do you need to raise, and how much of this can be raised through community shares (if this has changed since completing your EOI)</p> <p>▶ Please confirm the final investment propositions that you will develop if you are successful with your application?</p>	<p>Please provide an update on the preparation of your share offer and timetable. We also want to know what type of share offer you will be launching, select from the menu. For details of the types of share offer, please see <a href="https://communityshares.org.uk/resources/handbook/purpose-0">https://communityshares.org.uk/resources/handbook/purpose-0</a></p> <p>We also need to you to confirm which investment propositions you are focussing on. We recommend you focus on no more than three or four of these propositions, rather than attempting to address them all.</p> <p>Please provide a short summary explaining how you intend to explore and develop these investment propositions if this has changed from your expression of interest.</p>

## Part Four | Preview of the forms

### The application form for Pathway One (continued)

#### 2. Your grant application

The following questions identify what you need to do get ready to launch your community share offer, and how you plan to meet these needs.

What grant funding are you applying for:

Part 1: Getting Investment Ready?

Part 2: Launching the offer?

Tick all that apply and explain:

- What is the activity you need funding for?
- Who will undertake the activity?
- When do you expect the activity to take place?
- How much will it cost?
- How have you calculated the cost?

Have you appointed a licensed practitioner to undertake a Community Shares Standard Mark Assessment as part of your grant application?

Have you identified any other practitioners or providers you wish to work with as part of your grant application? Yes / No

Practitioner Details

Name of practitioner

Practitioner's organisation

Email of practitioner

Association with practitioner or provider

Do you have an existing relationship with this individual or organisation?

Please provide a summary of any prior association with the provider, or leave it blank if you have no prior involvement with them

Drawing on the Step-by-Step diagnosis, we would like you to identify what you need to do get ready to launch your share offer. The grant application is split into two parts:

Part 1: Getting investment ready - further work on your business plan, community engagement work, governance structure, legal registration, and the share offer document

Part 2: Launching the offer - applying for the Community Shares Standard Mark and costs associated with promoting the live offer

It is up to you to decide how much you allocate to each part, but please bear in mind, we expect you to apply for the Community Shares Standard Mark, so you should provide for the cost of this in your plan. Your overall development grant request cannot exceed £10,000. If you want to apply for just Part One or Part 2, simply leave the relevant section blank.

We also expect you to apply for the Community Shares Standard Mark, as the final step towards launching your offer. Please provide details of the practitioner you wish to work with (you can add up to 3 practitioners if you intend to work with more than one).

## Part Four | Preview of the forms

### The application form for Pathway One (continued)

#### 3. Share Offer Plans and Documentation

Please outline any key development milestones linked to your community share offer plans e.g. planning permission approval, purchase completions.

Please tell us when you intend to submit your share offer documentation to the Booster Panel for a decision on the equity investment.

If available, please provide the following supporting documentation which provides further information about your organisation and your plans:

- Business plan and any connected documents (e.g. marketing materials)
- Any available past annual accounts, ideally going back three years
- Budget and cashflow for the current financial year
- Latest available management accounts (up to the last full quarter)
- Any available impact/project plans or evaluations from your work
- Any available future financial forecasts - ideally a two-year forward looking cashflow

Please update us on your timetable of key activities and deadlines.

Your share offer documentation needs to be submitted to the Booster Panel to enable you to receive a decision on the equity investment element. You should therefore leave adequate time for the Standard Mark assessment to take place before your proposed launch date; we recommend at least eight weeks.



## Part Four | Preview of the forms

### The application form for Pathway Two

Please note that no development grants are available for Pathway Two applicants as you should be investment ready, have engaged with the Standard Mark assessment process, and be ready to launch your share offer.

Please see the guidance below for completing the application form.

QUESTION	QUESTION GUIDANCE
<p><b>1. Share offer details</b></p> <p>Please select which type of share offer you are planning and enter the proposed launch and closing date.</p> <p>Please also select where you are up to with your Standard Mark by selecting one of the following options:</p> <ul style="list-style-type: none"> <li>• Awarded</li> <li>• Not awarded</li> <li>• Currently being assessed</li> <li>• Intending to apply</li> </ul>	<p>We need to know the following details of your proposed community share offer:</p> <ul style="list-style-type: none"> <li>• What type of share offer are you planning? (the Booster Programme can support three types of share offer; pioneer offers, time-bound offers, and open offers)</li> <li>• The timetable for your offer (opening and closing dates, if appropriate)</li> <li>• Community Shares Standard Mark status</li> </ul>

## Part Four | Preview of the forms

### The application form for Pathway Two (continued)

#### 2. Equity match request form

Please complete this section providing:

- The minimum, optimum and maximum targets of your community share offer
- An estimate of how many share applications you hope to receive

#### Your Investment Propositions

We want to know how you can contribute to one or more of the following investment propositions. We are also interested in learning about other innovative investment proposition you plan to develop.

Please confirm the final investment that you will embed your share offer

Please select from the following:

- Capital restructuring
- Conversion of established community businesses
- Incentivising local investment
- Member subscriptions
- Opening-up new sectors, regions or communities
- Other investment propositions
- Partnerships with public institutions
- Transitions to open offers

Please fill out the equity match request form. The link is on the application form.

We need to know the minimum amount you need to raise through your community share offer in order for your project to go ahead. Please complete the boxes on the equity match request form with the financial information. And also let us know how many people you expect to buy community shares.

One of the main aims of the Booster Programme is to develop new forms of investment proposition, that will help community businesses attract institutional investment and lead to more sustainable businesses. We want to know how you can contribute to one or more of our investment propositions (see page 7 or details). We recommend you focus on no more than three or four of these propositions, rather than attempting to address them all. You can also just select one investment proposition. Please provide a short summary explaining how you intend to embed the investment propositions selected.

Use the excel spreadsheet to tell us the total amount of funding required, and whether this is the same or different for each of your community share targets. We also want to know how you intend to fill the gap between the total amount you require and the amount you raise in community shares, including our equity match.

You need to list the sources of other capital and show how much capital will be drawn from these sources, depending on whether your share offer meetings it minimum, optimum or maximum target.

Once you have populated the table, please save a copy of this form onto your own computer, return back to the application form and upload the spreadsheet.

## Part Four | Preview of the forms

### The application form for Pathway Two (continued)

#### 3.Supporting evidence

Please upload the following documents, as part of your application to the Booster Programme. These documents are the same ones you will need to submit for your Standard Mark assessment:

- Share offer document
- Application form
- Governing document of the society (rules)
- Business plan (if appropriate)
- Finance summary (open offers only)
- Annual accounts and reports for up to the last three years (established organisations only)

Please submit documents as part of your application to the Booster Programme. These can be uploaded. We ask to see these as evidence of your share offer progress.

If you are not in a position to submit any of the required documents, you will have the opportunity to explain why at the end of the application form.

#### 4. Trading for the benefit of the community

Is your organisation currently trading? Yes/ No

If yes: What year did your organisation start trading?

If yes: What is your organisation's total annual income? What is your organisation's annual income from trading (please take the figures from your last annual accounts)?

Power to Change programmes also aim to improve the financial sustainability of community businesses through support to increase trading income. If your organisation is currently trading, please tell us when you started earning income through trading.

Power to Change is interested in understanding if your organisation is currently earning income through trading such as:

- trade with the public via direct sales
  - trade with other businesses or with the public sector e.g. through contracts
- Please do not include grant income as trading income.

We monitor trading ratios as part of measuring the impact of the programme.

To help with this, please tell us:

- your total annual income from your latest annual accounts.
- your total annual income from trading (also from your accounts).

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## Part Four | Preview of the forms

### The application form for Pathway Three

Please note that no development grants are available for Pathway Three applicants as you should be investment ready, have engaged with the Standard Mark assessment process, and be ready to launch your share offer.

Pathway Three applications are only open to societies that have already launched, or are launching their share offer within three months. We expect these societies to already have been awarded the Standard Mark for their offer. We will, in exceptional circumstances, accept applications from societies that have already launched their offer, but have not been awarded the Standard Mark for this offer. Please see the guidance below for completing the application form.

FOR PATHWAY THREE ONLY

#### **Your offer and the Booster**

Please explain how you plan to promote Booster equity match, should your application be successful and how the proposed equity match is within the scope of your share offer, and will not adversely affect the terms and conditions of your members.



## Part Four | Preview of the forms

### FAQs and glossary of terms

#### Frequently asked questions

We know you will probably have more questions about your application. You can find frequently asked questions (FAQs) about the Community Shares Booster programme on our website here: <https://communitysharesbooster.org.uk/guidance>

#### Glossary of terms

Financial jargon can be a bit complicated so we've included this glossary of terms to explain some of the words used in this guidance.

**Asset lock:** A rule that prevents members from making a capital gain by selling or closing the business for a profit. If the society is sold and closed and there is any money left over after everyone has been paid what they are owed, then this money must be transferred to another asset-locked body. All charities and community interest companies are required by law to have an asset lock. Community Benefit Societies can opt for either a statutory or voluntary asset lock. There is no legal provision for asset locks in co-operatives, but they can and do adopt a voluntary asset lock when issuing community shares.

**Capital restructuring:** The act of changing the mix of finance in an organisation to help it become more sustainable. This could include raising community share capital in order to reduce the dependence on commercial loans, which tend to be a more expensive form of capital.

**Community benefit society:** A legal entity registered under society law that aims to serve the interests of the broader community, beyond its own membership. They can pay interest on share capital but they cannot use any profit to pay a dividend to members. They can opt to have either a legal or voluntary asset lock.

**Charitable community benefit society:** A community benefit society with exclusively charitable objects and a charitable asset lock. The Charity Commission for England and Wales does not register charitable community benefit societies; instead such societies in England and Wales must seek recognition as exempt charities from HMRC.

**Community shares:** Defined by the Community Shares Unit as “withdrawable, non-transferable share capital in an asset-locked society”.

**Community share capital:** Money raised by a community business, which is legally registered under society law rather than company law, by selling community shares. This is an equity investment, not a donation, and provides the shareholder with voting rights. Societies work to the principle of one member, one vote, so enabling a democratic structure. Community shares can only be sold back to the community business that issued them.

This type of equity finance is permanently invested in the organisation, which has no legal obligation to repay the amount invested or to pay interest. Investors hope to receive dividends paid out of the organisation's earnings available for distribution and/or capital gain on the sale of the organisation or on selling their shares to other investors.

**Community share offer:** A way to raise money to start, and grow a sustainable community business. People are invited to invest in a community business by buying community shares. The share offer document should explain what the investment will be used for and the key terms and conditions of their investment.

**Debt finance:** Finance with the expectation of repayment (usually with interest). Debt finance usually takes the form of loans, both secured and unsecured, as well as overdrafts and standby facilities or standby facilities (e.g. bonds or loan notes). Generally, debt financing requires a borrower to repay the amount borrowed along with some form of interest, and sometimes an arrangement or other fee. Institutional debt support is repayable money provided by lender.

**Development grant:** A conditional or unconditional gift of money with no expectation of repayment. In the Booster Programme this is to help an organisation start or grow a community business.

## Part Four | Preview of the forms

### FAQs and glossary of terms

**Dividend:** A share of the profit paid to society members based on their transactions (purchases, sales, wages etc.) with the society. Not to be confused with dividends in companies, which are paid to shareholders based on the number of shares held. Only co-operative societies can pay dividends to members; community benefit societies are not allowed to distribute profit in this way.

**Interest:** Interest is the term normally used to describe the money paid to members based on the amount of share capital they have invested. The interest rate payable by societies is subject to limitations; the Financial Conduct Authority says that interest rates should be no more than what is “sufficient to attract and retain the investment”. Interest payments are not to be confused with dividends, which have a different and specific meaning within co-operative societies.

**Institutional investors (also known as institutions):** Organisations making investments, e.g. local authorities, pension funds or insurance companies. The Booster Programme is a type of institutional investor.

**Investment period:** For a time-bound share offer, this is the date the share offer launches until the date the share offer closes. For an open share offer, there is no fixed close date.

**Investment propositions:** The Booster Programme is as much a learning programme as a funding

programme, so we welcome applications that show high levels of innovation. We have proposed some ways of demonstrating this in the ‘investment propositions’ guidance, but applicants may have additional ideas, which we would like to hear about.

**Investment ready:** An organisation having the governance structure, processes (e.g. planning approval) and business model to be able to attract funding and/or shareholders.

**Licensed Community Shares Practitioner:** The term used to describe a person who has been licensed to award the Community Shares Standard Mark on behalf of the Community Shares Unit. Licensed practitioners are trained, assessed and monitored by the Community Shares Unit. A directory of licensed practitioners can be found on the Community Shares Unit website.

**Match funding:** The Booster Programme can match investment from people in the community. This may be subject to conditions, such as the share offer reaching its minimum target. In the Booster Programme, the match is normally £1 per every £1 raised from community investors, and may be up to £100,000.

**Shareholders/members:** Members or shareholders are part owners of the business and may have rights over all its assets, subject to an asset lock in the case of societies issuing community shares.

Members may also have voting rights.

**Standard Mark:** A voluntary scheme run by the Community Shares Unit and developed with the Financial Conduct Authority, to recognise community share offers that meet good practice standards as set out in the Community Shares Handbook.

**Social impact:** There is no one definition of the term or concept, but the social impact can be defined as the effect on people that happens as a result of an action or inaction, activity, project, programme or policy. The 'impact' can be positive or negative and can be intended or unintended, or a combination of all of these.

**Societies:** A business can register as either a co-operative or a community benefit society under society law. Both are referred to as a ‘society’.

**For an extended glossary, please see the Guide to Investing in Community Shares: <http://communityshares.org.uk/guide-investing-community-shares>**